



STRENGTHENING THE DIGITAL ECOSYSTEM

annual report 2023

censof



STRENGTHENING THE DIGITAL ECOSYSTEM

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The softcopy of the Annual Report 2023 is available on the company's website at <https://censof.com/investor-relations/>

DIGITAL VERSION OF ANNUAL REPORT 2023



1st Step

Download the "QR Code Reader" on App Store or Google Play



2nd Step

Run the QR Code Reader app and point your camera to the QR Code



3rd Step

Get access to the soft copy of our reports and contact information

Rationale:

Having had a hand in fast-forwarding Malaysia's digital transformation for some time now, Censof continues to play a key role in strengthening the nation's digital ecosystem. As our public and private sector clients embrace digitalisation at an accelerated pace, we are helping them improve their operations as well as remain relevant to their target audiences by bringing several elements into play. To address the digital ecosystem's evolving needs and align ourselves with Malaysia's digitalisation transformation agenda, particularly the focus on cloud-based solutions, we continue to tap our diverse talent pool, enhance our proven cloud-based integrated product and service offering, as well as leverage our portfolio of diverse businesses and synergistic partnerships. As we successfully meet the needs of the ecosystem by ramping up the pace of technological innovation, we are also securing our future and ensuring the delivery of sustainable long-term value to our stakeholders. The future augurs well for Censof.

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WHAT'S INSIDE

VISION

TO BE A **TECHNOLOGY** AND **INNOVATION LEADER** SPECIALISING IN **BUSINESS** AND **FINANCIAL MANAGEMENT SOLUTIONS**.

MISSION

PR

PRoviding innovative business solutions for our customers.

I

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

D

Delivering sustainable growth and value for stakeholders.

E

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

VALUES

AT CENSOF, WE SHARE THREE FUNDAMENTAL **CORPORATE VALUES**. THEY FORM THE ROOTS OF OUR CORPORATE CULTURE: **CARING, CREDIBLE** AND **COMMITTED**.

CARING

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

CREDIBLE

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

COMMITTED

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

CORPORATE BACKGROUND

Censof Holdings Berhad ("Censof" or "the Group") is a technology investment holding company specialising in financial management software solutions.

ABOUT CENSOF

Established in 2008, we went on to be listed on the Main Market of Bursa Malaysia Securities Berhad in 2011. Over time, we took the opportunity to strengthen our portfolio by adding a Wealth Management Solutions capability to the Group's range of offerings. We also went on to acquire a major accounting solution business that caters to the SME business market and this continues to be a key revenue contributor to the Group. More recently, through strategic acquisitions and collaborations, we have added several emerging technology ventures to our stable of companies which are responsible for accelerating digital adoption via cloud-based and emerging technologies. These companies come under the ambit of our new Digital Technology division.

Today, via our diverse subsidiaries, we offer the public and private sectors in Malaysia, Singapore, Indonesia and Hong Kong, a comprehensive portfolio of technology solutions. Our clients comprise government agencies, large corporations, small and medium enterprises ("SMEs") as well as micro-SMEs. Our teams of experts and strategic partners have an unparalleled competitive ability to address industry requirements at both the global and local levels and this continues to bode well for the Group.

Our aim is to create 'customers for life' by offering them innovative and competitive solutions that meet the evolving needs of today's businesses. We want to grow with our customers – whether they are start-ups, SMEs or larger organisations – at whatever stage of the business life cycle they may be.

Helping Accelerate Digital Adoption

Since Censof's inception, we have invested in and supported thousands of clients. The wealth of experience and expertise we have accumulated to date has given us invaluable insights into how best to deliver effective results to our customers. In return, our customers have the assurance that their organisations will always be supported by reliable, proven and robust solutions from the Censof Group.

Over the last few years, we have completely modernised our solutions portfolio by connecting and integrating these diverse solutions in new and innovative ways. We have developed financial management solutions which are open and integrated software that will help businesses transform their operations, digitalise their business processes, and drive innovation through cloud technology adoption. Having built the business data infrastructure, we offer clients the broadest range of financial management solutions through developing software and ensuring it is open and flexible to match the ever-evolving needs of the markets we serve. Recognising the significant potential in offering cloud computing solutions and leveraging emerging technologies, we continue to explore strategic acquisitions and partnerships to enhance our offering to meet our clients' ever-evolving needs.

Well-Positioned for Sustainable Growth

Behind every product we deliver, we orchestrate hundreds of logical instruments and functions to compose a systematic masterpiece. Equipped with dynamic teams that are focused on rapidly adopting evolving technologies such as Internet-of-Things ("IoT"), data analytics, artificial intelligence ("AI"), machine learning ("ML"), augmented and virtual reality, as well as robotic process automation ("RPA"), among others, we are helping to fast-track our clients' digital transformation efforts. With a more in-depth and broader set of technology solutions and service capabilities, we are today well positioned to offer our clients unique solutions in a more efficient and effective ways as well as grow our business in a sustainable manner.

CORPORATE STRUCTURE

AS AT 30 JUNE 2023

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Censof Holdings Berhad
Registration No. 200801026945 (828269-A)

Financial Management Solutions - Government ("FMS-G")

100%

**CENTURY SOFTWARE (MALAYSIA)
SDN. BHD.**

Financial Management Software
Solutions

99%

**CENSOF SOFTWARE INDIA
PTE. LTD.**

Dormant

51%

GW INTECH SDN. BHD.

Information Technology Solutions

Wealth Management Solutions ("WMS")

60%

PT. PRAISINDO TEKNOLOGI

Wealth Management

Financial Management Solutions - Commercial & SME ("FMS-C")

51%

**NETSENSE BUSINESS SOLUTIONS
PTE. LTD.**

Financial Management Solutions -
Commercial

51%

**NETSENSE BUSINESS SOLUTIONS
SDN. BHD.**

Financial Management Solutions -
Commercial

98%

**ASIAN BUSINESS SOFTWARE
SOLUTIONS PTE. LTD.**

Financial Management Solutions - SME

100%

**ASIAN BUSINESS SOFTWARE
SOLUTIONS SDN. BHD.**

Financial Management Solutions -
SME

100%

FINANCIO SOFTWARE SDN. BHD.

Financial Management Solutions -
SME

Associates

49%

T-MELMAX SDN. BHD.

Payment Aggregation Solutions

Digital Technology ("DT")

80%

CS CLOUD SDN. BHD.

Cloud Services

50%

CLOOCUS SDN. BHD.

Microsoft Azure Cloud Service
Provider
(Joint Operation with Cloocus Co
Ltd (Korea))

100%

CENSOF DIGITAL SDN. BHD.

Digital Solutions for Digital
Transformation and ESG Adoption

100%

IN SUREKU SDN. BHD.

Insurance Aggregation Solutions

100%

CENSOF MAAL SDN. BHD.

Dormant

51%

COGNITIVE CONSULTING SDN. BHD.

Robotic Process Automation

100%

TENDER PINTAR SDN. BHD.

eProcurement & eTendering Solutions

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Mahathir Bin Mahzan
Independent Non-Executive Director

Ameer Bin Shaik Mydin
Group Managing Director

Ang Hsin Hsien
Executive Director

Dato' Mohd Redzuan Bin Hasan
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Mohd Redzuan Bin Hasan
Chairman

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

Mahathir Bin Mahzan
Member

NOMINATING & REMUNERATION COMMITTEE

Mahathir Bin Mahzan
Chairman

Dato' Mohd Redzuan Bin Hasan
Member

RISK MANAGEMENT COMMITTEE

Mahathir Bin Mahzan
Chairman

Dato' Mohd Redzuan Bin Hasan
Member

Ameer Bin Shaik Mydin
Member

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur, Malaysia
Tel : 03 -2181 0516
Fax : 03 -2181 0516

COMPANY SECRETARIES

Chin Wai Yi
(SSM PC NO. 202008004409)
(MAICSA NO: 7069783)

Florence Toh Sue Mei
(SSM PC NO. 202108000143)
(MAICSA NO.: 7074778)

AUDITORS

Crowe Malaysia PLT
[201906000005 (LLP0018817-LCA)
& AF1018]
Chartered Accountants
Suite 50-3, Setia Avenue
No.2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam, Selangor Darul Ehsan
Malaysia
Tel : 03-3343 0730
Fax : 03-3344 3036

SHARE REGISTRAR

GAP ADVISORY SDN. BHD.
[Registration No. 202001042098
(1398419-T)]
E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur, Malaysia.
Tel : 03 -2181 0516
Fax : 03 -2181 0516

PRINCIPAL BANKERS

Malayan Banking Berhad
Bank Islam Malaysia

CORPORATE OFFICE

A-G, Block A, Level G, Sunway PJ51A
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47300 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : 03-79627888
Fax No. : 03-79627800
Website : <http://www.censof.com>

STOCK EXCHANGE LISTING

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

QUICK FACTS AND BUSINESS DIVISIONS

COMPANY BACKGROUND

ESTABLISHED IN 2008

PUBLIC LISTED COMPANY

TECH INVESTMENT HOLDING COMPANY

EXPERTISE

FINANCIAL MANAGEMENT SOLUTIONS - GOVERNMENT

FINANCIAL MANAGEMENT SOLUTIONS - COMMERCIAL & SME

WEALTH MANAGEMENT SOLUTIONS

DIGITAL TECHNOLOGY

HIGHLIGHTS OF SEGMENTAL REVENUE

FINANCIAL MANAGEMENT SOLUTIONS - GOVERNMENT ----- **RM64.00** million

FINANCIAL MANAGEMENT SOLUTIONS - COMMERCIAL & SME ----- **RM24.01** million

WEALTH MANAGEMENT SOLUTIONS ----- **RM8.59** million

DIGITAL TECHNOLOGY ----- **RM10.81** million

QUICK FACTS AND
BUSINESS DIVISIONS

QUICK FACTS AND BUSINESS DIVISIONS

BUSINESS DIVISIONS

The Censof Group is a technology group that offers both the public and private sectors an extensive portfolio of software solutions.

Serving the needs of government agencies, large corporations, small and medium enterprises (“SMEs”) as well as micro-SMEs, we leverage the expertise of our in-house experts and strategic partners to deliver ground-breaking solutions to our large customer base. Given our proven record of accomplishment and strong industry insights, together with our dedicated teams and strategic partners, Censof has an unrivalled competitive ability to meet industry requirements and deliver high-quality products at the local and global levels.

Today, as our spread of product and service offerings grows, we have streamlined our activities and formed four core businesses to ensure a more laser-focused approach.

QUICK FACTS AND BUSINESS DIVISIONS

FINANCIAL MANAGEMENT SOLUTIONS

GOVERNMENT DIVISION

Our Financial Management Solutions - Government ("FMS-G") division houses Century Software (Malaysia) Sdn. Bhd. ("Century Software"), a company that has been focusing primarily on the provision of government-centric financial management solutions and has only recently stepped into the private sector arena. Century Software is Censof's largest subsidiary and the main contributor to the Group's revenue.

For over 25 years, Century Software has served as the leading provider of financial management solutions for government agencies that have been developed in compliance with the Standard Accounting System for Government Agencies ("SAGA") criteria. The company has installed and maintained financial management solutions for an extensive portfolio of public sector clients encompassing government agencies at the federal, state and local council levels. To date, over 100 government agencies in Malaysia are using its SAGA-certified products and solutions. With the integration of GW Intech Sdn Bhd, which specialises in the ePihak Berkuasa Tempatan ("ePBT") financial management solution for local authorities into its fold, Century Software's dominant position on the local government front has been strengthened.

The FMS-G division possesses a variety of integrated solutions to help our public sector clients achieve sustainable growth and attain operational excellence. In addition to financial management solutions, we also provide customisable business solutions pertaining to business performance, business intelligence, data analytics, application development and much more. Agencies of all sizes continue to make the most of our Government Resource Planning ("GRP") suite to transform themselves, achieve efficient service delivery, as well as bolster their participation and governance.

Clients can choose to have our solutions installed onsite to optimise their internal infrastructure or on-cloud within a secure, modern and reliable delivery framework. Our state-of-the-art financial management and business solutions have proven their worth in helping government agencies manage public funds effectively. Our team and key delivery personnel are all project management-certified professionals with qualified accountants forming the majority of our consultants.

In addition to its wealth of government-commissioned contracts, Century Software also recently bagged contracts with two private sector banks, one of which is in Brunei. These private sector wins augur well for the FMS-G division as it shows that its endeavours to extend its customer base beyond government projects are proving fruitful. The win of the contract with the bank in Brunei further underscores the fact that the division is well-primed to grow its geographical footprint.

KEY FOCUS AREA

Financial management solutions

Customised business solutions

Government Resource Planning ("GRP") and
Enterprise Resource Planning ("ERP") solutions

Systems implementation, installation and rollout

Systems maintenance and technical support

Information exchange and cloud-based solutions

QUICK FACTS AND BUSINESS DIVISIONS

COMMERCIAL & SME DIVISION

The Financial Management Solutions - Commercial & SME ("FMS-C") division, which is helmed by both Asian Business Software Solutions Pte. Ltd. ("ABSS") and the Netsense Group, focuses on the delivery of solutions to the enterprise, SME and micro-SME segments. Financio, the all-in-one cloud-based accounting solution, also falls within the FMS-C division's portfolio.

ABSS has cemented its position as a one-stop business solutions centre for SMEs offering accounting management software, e-commerce solutions, inventory management and payroll management solutions. It supplies ABSS-branded financial management and accounting software in Asia as well as serves over 400,000 SME clients across Malaysia, Singapore, Hong Kong and Indonesia. Already a market leader amongst SMEs in Singapore and Hong Kong today, ABSS continues to engage in strategic collaborations to reinforce the Group's market presence in the SME segment.

ABSS' cloud accounting software, Financio, is at the forefront of the small business accounting automation market in Malaysia, Singapore, Hong Kong and other countries. Created for today's agile businesses, the user-friendly and cost effective Financio automates and simplifies accounting tasks, enabling business owners to focus on growing their businesses. With automation, real-time reports, and mobile apps, owners can manage their

business finance and tax matters in an easier and more effective manner. Financio has to date secured over 4,000 subscribers within Southeast Asia and Hong Kong, and this number is expected to grow exponentially as more businesses adopt digitalisation.

The Netsense Group, which has almost a decade of experience to its name, is on a mission to bring leading innovation in cloud enterprise resource planning or cloud-ERP solutions and establish itself as a game changer in the mid-market tier, especially for businesses that require a one-stop solutions house for their IT solutions. Via its offices in Singapore and Kuala Lumpur, Netsense offers a wide spectrum of business solutions ranging from the Acumatica cloud-based ERP software, to a multitude of accounting, customer relationship management, human resource, payroll, project management, business intelligence, customised dashboards, mobile apps, and ecommerce solutions.

By utilising Netsense's cache of cutting-edge solutions, SMEs are able to swiftly automate and increase their productivity to meet rapidly changing customer demands. Serving over 100 commercial clients across 25 industry verticals with partners in over 20 countries, Netsense is well positioned to meet the rise in demand for Work-from-Anywhere-friendly solutions like cloud ERP and mobile applications.

KEY FOCUS AREA

Acumatica cloud ERP:

- General business edition
- Distribution edition
- Field services edition
- Manufacturing edition
- Construction edition
- E-commerce solutions
- Human resource management system

Accounting management

Customer payment gateways

E-commerce solutions

Cloud-based micro-SME accounting product (for start-ups and the entry-level SME market)

QUICK FACTS AND BUSINESS DIVISIONS

WEALTH MANAGEMENT SOLUTIONS

Censof's Wealth Management Solutions division comes under the ambit of our Indonesian subsidiary, PT. Praisindo Teknologi, which delivers customised technology solutions to its wealth management clientele. By leveraging the company's process automation technology, clients get to manage their business operations more effectively.

PT. Praisindo also has the expertise to develop and implement investment management systems for its clientele. In addition, via

its Reksa Dana Online ("RDO") Praisindo solution, the company offers an Investor Portal RDO module which can double up as the virtual branch of an asset management company, a bank, or other mutual fund distributor. PT. Praisindo's clients include top-tier financial institutions in Indonesia who tap its solutions to assist high-net-worth individuals to increase their net worth through good investment portfolio management practices. Recently, PT. Praisindo expanded its footprint beyond Indonesian shores and implemented its solutions in the Malaysian market.

KEY FOCUS AREA

Investment management system

Wealth management system

Reksa Dana Online

Network management, security and monitoring

DIGITAL TECHNOLOGY

In line with the Censof's vision 'to be a technology and innovation leader specialising in business and financial management solutions,' the Group is continually exploring emerging technologies that will allow us to deliver a more comprehensive, leading-edge range of offerings to our customers. Be it artificial intelligence ("AI"), machine learning ("ML"), augmented and virtual reality, Internet of Things ("IoT"), robotic process automation ("RPA"), or any other technology that has the potential to reshape industrial processes and the business landscape, we are always looking out for innovative technology.

In FY2022, the Digital Technology ("DT") division was set up to formally house the many emerging technology ventures we had entered into via strategic partnerships or acquisitions. The division today houses agile, forward-thinking companies which are focussed on accelerating digital adoption via cloud-based solutions and emerging technologies. To date, these include CS

Cloud Sdn. Bhd., a cloud services provider; Cloocus Sdn. Bhd., a joint partnership with Cloocus Co. Ltd. to provide services on a hyperscale cloud management platform in Malaysia based on Microsoft Azure; Censof Digital Sdn. Bhd., our subsidiary which will undertake all digital and ESG-oriented digital initiatives for Censof; Cognitive Consulting Sdn. Bhd., which is spearheading the Group's entry into the RPA segment; and Tender Pintar Sdn. Bhd., an e-procurement and e-tendering solutions provider. All these companies underscore the Group's commitment to becoming a major player in this market segment.

Through the DT division, Censof aims to work closely with our growing list of partners to transform emerging technologies in sustainable businesses for the long term. The division will also continue to focus on providing realistic and secure technology solutions for a wide range of uses for our diverse clientele.

KEY FOCUS AREA

IoT-embedded tracking devices

Financial transaction processing applications

Process automation

Bulk payment processing

Predictive and insight algorithms

Mobile payments

E-payment gateways

AI visual defect detection

CHAIRMAN'S STATEMENT



CHAIRMAN'S
STATEMENT

DEAR VALUED SHAREHOLDERS,

This is my maiden statement to you in my capacity as the new Chairman of the Board. I am pleased to report that the team at Censof continued to prove their mettle and deliver a resilient performance despite the many operational challenges that we faced in the financial year under review. I for one want to applaud them for their dedication, diligence, and the resolute spirit they continued to display amidst a difficult operating environment. On behalf of the Board of Directors, it is my pleasure and a privilege to present the Annual Report of Censof Holdings Berhad ("Censof" or "the Group") for the financial year ended 31 March 2023 ("FY2023").

Censof's robust solutions continued to demonstrate their resilience and growth potential as we adapted to fast-changing market needs and aligned ourselves with Malaysia's digitalisation transformation agenda, particularly the focus on cloud-based financial solutions.

PERFORMANCE OVERVIEW

The start of our financial year – 1 April 2022 – also saw the Malaysian economy begin the official transition to the endemic phase of the COVID-19 pandemic. As the nation's borders and the majority of economic sectors began to reopen, businesses started to recover, consumer sentiment picked up and unemployment fell. However, the pathway to economic recovery was not without its challenges as the nation still had to contend with several issues including the weakening Ringgit, rising inflation, a global shortage of workers, supply chain issues stemming from the conflict in Ukraine and the shutdown in China, as well as political uncertainty. Nevertheless, by the end of 2022, Malaysia's gross domestic product ("GDP") growth rate exceeded all expectations as GDP shot up to 8.7% against 3.1% previously on the back of private consumption and investment.

Against this backdrop, I am pleased to report that Censof successfully navigated the operational highs and lows posed by a mixed economic environment to deliver a resilient performance. We continued to tap our diverse talent pool, enhance our cloud-based integrated product and service offering, as well as leverage our portfolio of diverse businesses and synergistic partnerships to make ourselves more relevant to our markets and our stakeholders.

Our robust suite of financial management and digital technology solutions continued to demonstrate their resilience and growth potential as we adapted to fast-changing market needs and aligned ourselves with Malaysia's digitalisation transformation agenda, particularly the focus on cloud-based financial solutions. This enabled us to maintain our contracts and customers as well as expand our footprint on the public and private sector fronts.

The year also saw us leveraging the synergies between the Group's companies and our affiliates to boost innovation on the solutions and services fronts. We continued to pioneer as well as explore and adopt new technologies; ensure compliance with the latest Malaysian financial reporting standards for our large government customer base as well as the commercial and small and medium enterprises ("SME") sectors; plus strengthened existing businesses that are serving as catalysts for the Group's growth moving forward.

Over the course of FY2023, we also took the opportunity to renovate Censof's headquarters in Petaling Jaya. By giving our working spaces a more contemporary look and feel as well as making them more comfortable, we are looking to improve employee productivity and attract a younger workforce.

CHAIRMAN'S STATEMENT

By leveraging prudent strategies, our team's diligence and determination, as well as the many marketplace opportunities, Censof turned in a resilient performance in FY2023. The financial year in review saw the Group garner revenue of RM102.47 million, a 7% decline from revenue of RM110.05 previously due to lower contributions from the Financial Management Solutions – Government ("FMS-G") division. All the Group's other core segments, namely our Financial Management Solutions - Commercial & Small and Medium Enterprises ("FMS-C"), Digital Technology ("DT"), and Wealth Management Solutions ("WMS") divisions continued to contribute significantly with revenue growth ranging between 3.3% to 85.7%. These results reflect that our strategy of diversifying the Group's revenue streams is proving fruitful.

We went on to record a lower profit before taxation ("PBT") of RM11.07 million, a 54.4% decline in comparison to the previous corresponding period's PBT of RM24.27 million. The finer details of Censof's financial performance in FY2023 can be found in the Management Discussion and Analysis ("MD&A") section of this Annual Report.

COMMITTED TO DELIVERING VALUE TO SHAREHOLDERS

As at 31 March 2023, the Group's net assets per share attributable to owners of the company stood at 18.75 sen per share in comparison to net assets per share attributable to owners of the company of 18.46 sen per share as at 31 March 2022. The increase was mainly due to the investment made in our office building and an increase in our current assets (trade debtors).

The Group also recorded a marginal increase in our cash and cash equivalents from RM29.92 million as at end FY2022 to RM31.20 million as at end FY2023. The Group's strategy of investing back into its businesses in FY2023 saw the Group's borrowings increase marginally to RM1.51 million from RM0.78 million in FY2022. The Group's basic earnings per share as at end FY2023 reduced to 1.07 sen from 3.35 sen as at end FY2022 mainly as a result of the reduction in net profit in FY2023.

Today, the Censof Group continues to maintain a healthy balance sheet and a secure cash position. As a Group, we are committed to stewarding our resources and operating in a manner that ensures the long-term sustainability of our business operations. By maintaining a strong cash position, we are also safeguarding the Group's capacity to fund future capital expenditure, development expenditure and growth initiatives when opportunities arise.

Censof is also committed to upholding the interests of our shareholders by creating sustainable value for them. In respect of the financial year ended 31 March 2023, Censof's Board of Directors declared an interim single-tier dividend of 0.75 sen per ordinary share. This pay-out amounted to approximately RM4.14 million representing a pay-out ratio of 70.2% of net earnings for FY2023. The payment was made on 10 July 2023 to eligible shareholders whose names appeared in the register of depositors as of 19 June 2023. Moving forward, the Board is looking to be consistent in our dividend pay-outs as a means of rewarding our shareholders and boosting their confidence in the Group.

While we remain deeply committed to delivering sustainable value to our shareholders, the Board has decided not to declare a final dividend in respect of FY2023. This is in line with our strategy of preserving cash flow for the Group's business operations, as well as funding potential merger and acquisition activities to improve Censof's future profitability should such opportunities arise. We believe that in ensuring the Group's stability and growth amidst uncertain economic conditions, Censof will be able to deliver more value to its shareholders over the long run.

KEY HIGHLIGHTS IN FY2023

Censof has played a key role as a catalyst for Malaysia's digital transformation for some time now and we continue to reinforce our position by meeting the needs of both the public and private sectors in an efficient and effective manner. As both these sectors embraced digitalisation at an accelerated pace in FY2023, we continued to capitalise on the increasing demand for our diverse solutions and made good strides forward in several areas.

Spurring the Public Sector's Digital Transformation

The Group's subsidiary, Century Software, helms our Financial Management Solutions – Government or FMS-G division. Its Standard Accounting System for Government Agencies ("SAGA") solution continues to be the flagship solution by which we are ensuring transparency, efficiency, proactivity, and service orientation among Malaysia's government agencies. Century Software's SAGA solution has been the cornerstone of our business as well as the main contributor to our revenue and earnings for some time now.

CHAIRMAN'S STATEMENT

In FY2023, despite a 19.14% decline in revenue, the FMS-G segment accounted for 62.4% of the Group's revenue. The segment also continues to generate an annual recurring maintenance revenue of RM33.9 million. The decrease in the segment's revenue from FY2022 was due to the slower rollout and implementation of some projects due to the change in the new government administration as well as our own internal management changes.

Today, we continue to implement several ongoing digital initiatives for government agencies. The Group's RM17.86 million contract to develop a commercial vehicle licensing system for the Ministry of Transport ("MOT") continues to make steady progress and will end in March 2024. Our RM13.5 million contract from the Accountant General's Department of Malaysia ("AGD") to develop the iPayment solution that will facilitate cashless payments and collections for all government services too is making good progress and will end in December 2024. Also in the works, is the RM7.3 million contract from SME Corporation Malaysia ("SME Corp") to develop the first phase of an integrated application system for SME rating and accreditation. This project too is making steadfast progress and is expected to be delivered within a 45-month timeframe by November 2025.

We also continue to roll out our BayarNow offering to all government agencies that are SAGA-compliant. This customer portal and payment gateway application service facilitates electronic billing and payment services. To date, we have 12 sites leveraging BayarNow and this number is growing rapidly. This initiative underscores Censof's efforts to contribute to Malaysia's MyDIGITAL initiative.

Century Software's cloud-based Government Resource Planning ("GRP") solution also continues to grow in popularity as more government agencies have opted to leverage the benefits of this resource planning tool. Catering specifically to the public sector, the GRP solution's offering of instantaneous access to consolidated real-time data and reports helps to enhance the efficiency of government administration processes and services. In FY2023, Century Software secured six new projects for its GRP solution, bringing its GRP-centric client number to 48 – almost half of the company's public sector client base. We also went on to establish a GRP solutions data centre which is Chief Government Security Office or CGSO-certified – meaning it has been granted high-level security clearance. The financial year also saw more of our existing public sector clients migrating to the cloud upon realising the benefits of tapping cloud-based solutions.

Over the course of FY2023, Century Software also ventured into the financial sector and secured two new banks as clients, one of which is based in Brunei.

Censof's collaboration with Microsoft to get the GRP solution up and running on Microsoft Azure is set to be launched by 2024. This strategic partnership is part of the Group's goal to enhance the Malaysian public sector's resource planning capabilities by leveraging the latest cloud-enabled technologies on the Microsoft Azure platform which includes capabilities such as artificial intelligence ("AI") and machine learning ("ML"). This collaboration will also see the development of automated reconciliation and bill payment bots or bill-a-bots, among other things.

Back in July 2022, the Group completed the acquisition of a 51% stake in GW Intech Sdn Bhd ("GW Intech"), an established IT solution provider that specialises in analysing, designing, developing and implementing IT solutions such as the ePihak Berkuasa Tempatan ("ePBT") financial management solution for local government. Since the acquisition, Censof's dominant position on the local government front has strengthened.

I am pleased to report that Century Software went on to secure several new contracts in FY2023. In October 2022, Century Software secured a contract valued at RM4.41 million for the extension of the MyResults project from the Ministry of Finance ("MOF") for an additional year. In November 2022, Century Software secured a RM7.93 million contract for the maintenance of hardware and software for the Business Licensing Electronic Support System from the Ministry of Entrepreneur Development and Cooperatives which will run until November 2025.

At the onset of FY2024, we secured a RM5.97 million contract from Pelaburan Hartanah Berhad ("PHB"), the real estate investment holding arm of Yayasan Amanah Hartanah Bumiputera, to develop a unit trust management system within a 12-month period ending June 2024. In May 2023, Century Software secured a RM3.47 million contract from the Inland Revenue Board Malaysia or Lembaga Hasil Dalam Negeri Malaysia ("LHDN") for the maintenance of the LHDN's International Data Exchange Facility system. The three-year project will run from June 2023 to May 2026.

CHAIRMAN'S STATEMENT

In July 2023, Century Software was awarded a RM13.4 million contract for a financial management system project from the Companies Commission of Malaysia or Suruhanjaya Syarikat Malaysia ("SSM"). The six-year project involves the development, supply and implementation of the said system as well as the related warranty, support, maintenance and licenses effective July 2023 until July 2029. These projects are expected to contribute positively to Censof's earnings for the next few years.

We are also exploring the potential of leveraging the electronic Know-Your-Customer or eKYC technology which is used in a widespread manner within the private sector segment to gain new customers within the public sector. We are the first company to adopt eKYC technology for the MOT's use.

Strengthening Our Commercial and SME Offerings

Censof's Financial Management Solutions - Commercial & SME or FMS-C division, has within its stable, the Netsense Group and ABSS which provide solutions to the enterprise, SME and micro-SME segments. During the year in review, the companies within the division embarked on several initiatives to strengthen their spread of offerings and create value for their customers.

In June 2022, Censof acquired an additional 1.0% stake in ABSS to increase our equity stake in the latter to 98%. Today, ABSS is maintaining its position as a market leader providing the full spectrum of financial management solutions across all market segments. To date, we have reaped cumulative dividends amounting to RM21.6 million since we began investing in the company in 2016. In FY2023 alone, ABSS accorded us some RM8.0 million in dividends.

Meanwhile, demand for ABSS-branded financial management and accounting software including its accounting management software, E-commerce solutions, customer payment gateways, and its all-in-one cloud-based accounting solution, Financio, continues to take off. This user-friendly cloud and competitively-priced accounting software, which has been developed in the English, Malay and Chinese languages and which automates and simplifies accounting tasks, has been readily accepted by SMEs. Being cloud-based, the software is easily accessible from anywhere. The opportunities for Financio are manifold and our customer base continues to grow even as more features and capabilities, such as the recently-launched payroll module, are unleashed. Barring any unforeseen circumstances, ABSS's Management has set its sights on doubling the customer base for Financio within the next two years.

Censof also holds a 51% equity stake in the Netsense Group. Today, larger SMEs and government agencies are able to work remotely without sacrificing their efficiency and productivity by tapping Netsense's Acumatica cloud-based Enterprise Resource Planning ("ERP") software. Netsense's client base includes renowned companies like DRB Hicom, Secret Recipe and Kajima, among others. Netsense continues to leverage the synergy of the companies with the Censof Group to cater to mid-market tier companies within the Commercial & SME segment.

Over the course of FY2023, the Acumatica solution was enhanced to deliver speedier responses, increased productivity and more efficient management processes across the board. As a testament to its efforts on the Acumatica front, Netsense was awarded the "2021/2022 Acumatica Asia Partner of the Year" and "2022 Management Partner of the Year" titles. Moving forward, Netsense's focus will be on expanding its ERP offering and expanding its regional footprint.

Helping Businesses Rapidly Embrace the Cloud

As part of the Group's efforts to meet growing market demand, accelerate the pace of technological innovation, and ensure the sustainable growth of our businesses, we continue to actively pursue synergistic partnerships with industry players. These collaborations play a vital role in empowering our teams, expanding our product and service offerings, broadening our geographical reach, strengthening the Censof brand, and ensuring sustainable business growth.

In FY2023, the Group focused on further developing our new digital businesses and partnerships. This venture saw the Group make significant investments in our two new subsidiaries, namely CS Cloud Sdn. Bhd. and Cloocus Sdn. Bhd., which are helping drive businesses in the area of cloud-managed services. By investing in these businesses and technological enhancements, we aim to release more products to meet market demand, especially for cloud services. Although these investments impacted our profitability in FY2023, they are in line with our strategy of diversifying our income streams and securing the Group's sustainable growth.

CHAIRMAN'S STATEMENT

Today, CS Cloud Sdn. Bhd. together with Cloocus Sdn. Bhd., Censof Digital Sdn. Bhd., Cognitive Consulting Sdn. Bhd. and Tender Pintar Sdn. Bhd., have come under the umbrella of the Group's new Digital Technology or DT division that is tasked with accelerating digital adoption via cloud-based and emerging technologies. These companies continue to strengthen Censof's range of cloud solution offerings through strategic partnerships and acquisitions. To date, the DT division has already proven itself in terms of revenue and profit contributions and we are quite confident that it will continue to progress well.

The Group currently has a 51% equity stake in Cognitive Consulting Sdn. Bhd. ("Cognitive Consulting"). Its robotic process automation ("RPA") technology was a prime draw for us as it now makes it simple for us to build, deploy and manage virtual assistants or software robots that can simulate human action while interacting with digital systems and software. In fact, our RPA technology has already begun to prove itself. Using the company's RPA Bot, the Accountant General's Department ("AGD") was able to drastically reduce the claims turn-around-time ("TAT") for some RM9 billion in unclaimed monies. Where before the AGD had to manually deal with an average of 300 claims per day with each application taking up to 20 minutes to process and prone to errors, today the RPA Bot is capable of processing over 1,000 error-free transactions per day reflecting more than an 80% improvement in TAT with 85 man-hours saved per day.

We are now well placed to readily leverage RPA to elevate the processes of our public and private sector customers. Cognitive Consulting made good headway in FY2023, improving its revenue by 20%. With 30 government-linked companies in hand as its clients, it is currently focusing its efforts on retaining and attracting new talent even as demand for RPA takes off.

In line with Censof's commitment to building a solid pool of industry talent, Cognitive Consulting entered into a Memorandum of Understanding ("MoU") with Universiti Kebangsaan Malaysia ("UKM") to foster university-industry collaboration as part of an effort to spur knowledge transfer and internship opportunities among fresh graduates. We envisage that this collaborative effort with UKM will lead to other training and academic linkages as well as cooperation opportunities. The Group currently has existing agreements and is in the midst of exploring further collaboration with other universities.

Cloocus Sdn. Bhd. ("Cloocus"), a 50:50 joint operation between CS Cloud Sdn. Bhd. and Korea-based, Cloocus Co. Ltd., was set up to facilitate the mutual sharing of expertise in the area of cloud services. This collaboration aims to open up businesses and growth opportunities for the digital economy and at the same time serve as a mechanism to boost foreign investors' confidence in Malaysia-based businesses. Given Korea's status as one of the most established gaming countries globally and Malaysia's current focus on gaming, Cloocus is looking to leverage its Korean counterpart's experience and expertise to offer customised experiences to Malaysian gamers.

July 2023, saw Cloocus Co. Ltd. solidifying its unique position as a Microsoft Cloud partner in the Korean market by winning the prestigious Microsoft Partner of the Year Award for the third consecutive year. The company was also honoured as the Top Partner for Data and AI at the 2023 Microsoft Korea Partner Awards. We here at Censof are elated about Cloocus' well-deserved win which underscores its high calibre expertise in delivering technologies and solutions based on Microsoft technology. We are absolutely proud and excited to be collaborating with them to revolutionise the Malaysian cloud market.

Recognising the importance of embedding Environmental, Social, and Governance ("ESG") elements more distinctively within our solutions, Censof Digital Sdn. Bhd. ("Censof Digital") is taking the lead in implementing several projects that drive the ESG agenda, particularly in the area of environmental consciousness. Approaching ESG integration from a holistic perspective, Censof Digital is already making steady progress in several areas. One of the company's key offerings is an ESG awareness and assessment programme whereby it leverages in-depth ESG assessments to propose digital RPA solutions that align with an organisation's environmental objectives and deliver solid cost savings.

Cloocus is looking to leverage its Korean counterpart's experience and expertise to offer customised experiences to Malaysian gamers.

CHAIRMAN'S STATEMENT

As we venture forth, the Censof Group will continue to make the most of disruptive and emerging technologies to enhance and add value to our wide range of innovative solutions. Be it AI or RPA technologies, Internet-of-Things or IOT-embedded tracking devices, process automation, or predictive and insight algorithms, our aspiration is to leverage these tools so that we make it more attractive for our clients to transition to our cloud-based products and solutions. To this end, we will continue to tap tie-ups with our existing and new strategic partners to deliver innovative solutions that support the digitalisation of businesses.

Expanding Our Wealth Management Solutions Footprint

PT. Praisindo, which helms the Group's Wealth Management Solutions or WMS division and provides tailor-made technology solutions for the wealth management industry, continues to serve esteemed financial institutions in Indonesia today. Its range of products empowers these financial institutions to support high-net-worth individuals to maximise their wealth through effective portfolio management practices. To date, the WMS division has grown its portfolio to include 15 conventional banks and one syariah bank in Indonesia.

In November 2022, the WMS division secured the contract for one of Indonesia's biggest banks, PT. Bank Tabungan Negara (Persero) Tbk ("Bank BTN"). Bank BTN is an Indonesian state-owned enterprise in the form of a limited liability company and is engaged in banking financial services. The contract involved the implementation of the Project Wealth Management and Customer Portfolio Management System within Bank BTN's processes.

Over the course of FY2023, the WMS division in partnership with Century Software went on to secure a contract with Pelaburan Hartanah Berhad or PHB in Malaysia which entails the provision of an investment management system ("IMS") solution and the creation of a digital channel for PHB's customers. The division is looking to extend its reach in the Malaysian market via opportunities that leverage its niche solutions and which align with the Malaysian Government's mandate to update domestic systems with new, efficient technology.

UPHOLDING RESPONSIBLE CORPORATE PRACTICES

Censof's Board of Directors acknowledges that good governance translates into good business and is essential for our long-term success. Our commitment to upholding corporate governance best practices is evident in the measures implemented throughout our organisation as well as via our 'Caring, Credible and Committed' core values. Coupled with effective risk management and stringent internal control measures, we are ensuring that transparent, accountable, and responsible business practices are rigorously observed across all our businesses. By upholding all these practices, we aim to deliver continued value creation, safeguard our corporate reputation, and strengthen stakeholder relationships.

The Board has oversight for the Group's governance policies, ensuring that all governance guidelines, plans and procedures are cascaded down throughout the organisation in a clear and effective manner. The policies that guide the Group's business dealings and conduct include, but are not limited to, the Board Charter, Code of Business Ethics, Anti-Bribery and Anti-Corruption Policy, and Whistle Blowing Policy. All directors and employees are expected to abide by these guidelines. The Group's diverse policies along with the terms of reference for our various Board committees are published on our corporate website for easy reference by all.

For the year in review, the Group rolled out several measures to strengthen our governance practices. We introduced the Censof Group Human Resources ("HR")/Governance Report Card; updated the HR policies and conducted regular checks at the subsidiary level to ensure compliance with the amended Employment Act ("EA") 1955; as well as introduced an anti-sexual harassment awareness programme as per section 81 of the EA 1955. We also conducted a second round of Anti-Bribery and Corruption ("ABAC") training for our staff and business vendors, as well as ensured that all Directors at the Group and subsidiary levels underwent the necessary training in line with Bursa Malaysia's requirements.

As Censof pursues the delivery of sustainable, long-term value to our stakeholders, we are focusing on five priority areas, namely Responsible Business, Client Experience, Environment, Employees, and Community.

CHAIRMAN'S STATEMENT

As we pursue the delivery of sustainable, long-term value to our stakeholders, we continue to adopt practices that enable us to efficiently manage our resources while intensifying our efforts to support responsible management and sustainable development. Our sustainability initiatives revolve around the five priority areas, namely Responsible Business, Client Experience, Environment, Employees, and Community, which in turn support our goal of upholding our stakeholders' best interests. For detailed information on our sustainability efforts to date, please refer to the Sustainability Statement within this Annual Report, which provides an overview of our commitment to creating sustainable, ethical, and responsible value.

Here at Censof, we are deeply committed to developing and nurturing the diverse talents of our valued and dedicated workforce who are a determining factor in the Group's progress and competitive advantage. To this end, we bring effective human capital development programmes into play to equip and empower both individuals and teams. To enhance the skills of our team members and add value to the Group, we continue to make the most of training resources from both internal and external sources, including those provided by the Human Resources Development Fund. Most of our C-suite are also members of Vistage, the world's leading chief executive organisation, which is dedicated to increasing the effectiveness of chief executive officers, managing directors, and business owners as well as providing them with continuous learning and development opportunities.

Our talent development efforts include the Group's support of the Government's Professional Training and Education for Growing Entrepreneurs ("PROTÉGÉ") Programme. This entrepreneurial and marketplace training programme, which encompasses different schemes, aims to cultivate the potential of youth by enhancing their entrepreneurial and professional skills so that they add value to the national economy. Under the scheme that we support – namely providing work experience to graduates so that they are employable – we have to date been able to help 12 candidates get absorbed into the workforce. By supporting the Ministry of Entrepreneur Development and industry experts, Censof is also ensuring that the Group's talent pool continues to grow.

RECOGNISED FOR OUR COMMITMENT TO EXCELLENCE

The Censof Group has established itself as a reputable and reliable player on both the local and regional ICT fronts and we continue to grow from strength to strength. Our good standing is the direct result of the high standards of excellence which we remain committed to upholding throughout the length and breadth of our operations as well as our products and services. In FY2023, the Group's companies received the following recognition:

- The Netsense Group was awarded the accolade "Acumatica Asia Partner of the Year 2022" for the second consecutive year;
- CS Cloud Sdn Bhd was conferred "Malaysia Digital Status" by the Malaysia Digital Economy Corporation ("MDEC") enabling it to make the most of the incentives, rights and privileges accorded by the Malaysian Government. With greater flexibility and agility, Malaysia Digital Status companies can operate, grow, expand, or invest anywhere in Malaysia.
- Century Software was awarded the ASOCIO Outstanding Tech Company Award 2022 by the Asian-Oceanian Computing Industry Organization for its outstanding contribution to the development and application of technology not just in Malaysia but in the international arena.
- En Ameer Bin Shaik Mydin, Group Managing Director of Censof Holdings Berhad, was bestowed the Distinguished Entrepreneur Lifetime Achievement Award at the gala dinner and awards presentation ceremony of the World Digital Economy & Technology Summit 2022. The event recognises the achievements of influential individuals within the digital and technology sectors.

Our commitment to excellence also extends to our upholding high standards on the operational front. In FY2023, Century Software renewed its ISO 27001 certification which relates to upholding high information security standards. PT. Praisingdo too will be embarking on the same certification process to demonstrate its commitment to upholding high standards.

CHAIRMAN'S STATEMENT

LOOKING AHEAD, REMAINING RELEVANT

Looking ahead, Malaysia's economic prospect remains strong despite challenging global economic conditions and uncertain times. The Malaysian Government has forecast growth of between 4.0% and 5.0% for the year 2023, supported by Malaysia's strong economic fundamentals and the effective implementation of budgetary measures. The ongoing digitalisation and deployment of 5G, AI and IOT-embedded technologies in Malaysia are expected to create growing demand for technology solutions. As private and public sector players evolve and are compelled to shift the way they strategise and operate to remain relevant to their target audiences, their digitalisation needs too will evolve.

Moving forward in our capacity as one of the market leaders of the digital-driven industry, the Censof Group will continue to play a key part in meeting the evolving digitalisation needs of the public and private sectors by leveraging the synergies among our subsidiaries to deliver innovative and effective solutions and services. To help our clients augment their operations as well as serve their target audiences effectively, we will continue to tap innovative proven and emerging technologies, explore strategic acquisitions, as well as collaborate with homegrown and global companies. We will also explore other means, such as cloud-enabled technology and new emerging technologies, to fast-track the pace of innovation and expand our spread of offerings to an enlarged client base.

As we align with the nation's MyDIGITAL initiative (that focuses on the digitalisation of the public sector, SMEs and the micro-SMEs) and the 12th Malaysia Plan, our focus over the immediate to mid-term will revolve largely around participation in MyDIGITAL activities (the details of which can be found in the MD&A section of this Annual Report).

To ensure we maintain our competitive advantage and relevance to the markets that we serve, we will continue to roll out prudently thought-out growth strategies. As such, our key priorities moving forward will be as follows:

- To populate our ecosystem;
- To bolster the building blocks that strengthen our product positioning and cash flow;
- To maintain a sharp eye on widening margins; and
- To sustain long-term growth.

As the Censof Group embraces FY2024, we do so from a position of strength. Our project basis order book of RM35.7 million and recurring maintenance revenue of approximately RM33.9 million are expected to accord us strong revenue streams over the next few financial years. In light of this – barring unforeseen circumstances – the Board is cautiously optimistic that the Censof Group will continue to deliver a resilient performance in FY2024.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to express our sincere thanks to all those who have stood with Censof and provided us with their tireless support through both trying and profitable times.

My deep gratitude goes to all our dedicated shareholders for your unwavering backing and confidence in the Censof Group especially amidst the challenges of a difficult operating environment. I also wish to convey my heartfelt appreciation to our clients, business partners, bankers, associates, and strategic allies for their kind support and continued belief in the Group.

A special note of thanks to the many public and private sector organisations that we work with for their steadfast cooperation and support of Censof and the domestic ICT industry. With the firm backing of the Malaysian Government, Malaysia's digital economy holds great promise. The Censof Group for one is privileged to play a significant role in this by leveraging the numerous growth opportunities made available to entities like ourselves.

A big "thank you" to our loyal and hardworking employees for their pursuit of excellence and for their determination in overcoming challenging operating conditions. Last but not least, my deep appreciation goes to my colleagues on the Board and Management for their astute insights and leadership qualities which enabled us to successfully steer through a difficult year to reach safer shores.

CHAIRMAN'S STATEMENT

At this time, please join me in bidding farewell to my predecessor, our outgoing Chairman, YBhg. Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain, and our Independent Non-Executive Director, Tuan Haji Ab. Gani Bin Haron, who both retired on 7 September 2022. Both of these gentlemen have been with us since December 2010 and played key roles in the transformation of the Group and our establishment as a prime Malaysian ICT player. We are deeply indebted to them for their worthy contributions to Censof and wish them every success in their endeavours.

I also wish to extend a warm welcome to four new key Management personnel who joined the Group in FY2023. 1 April 2022 saw En. Razak Ariffin taking up the position of Chief Executive Officer of GW Intech Sdn. Bhd., while on 1 October 2022, both Mr. Paremeswaran Rajagopal and En. Syanizam Azrul Anuar came on board as the Chief Operating Officer of Censof Holdings Berhad and Chief Executive Officer of Century Software (Malaysia) Sdn. Bhd. respectively. Last but not least, on 7 October 2022, En. Md. Zaini Bin Md Zakaria, took up the post of Chief Financial Officer of Censof Holdings Berhad. We are excited about the wealth of experience and expertise that our new C-suite executives bring to the table and we look forward to their contributions.

Moving forward, the Censof Group is determined to build upon the good momentum and solid market position that we have garnered thus far to attain new levels of success and deliver sustainable value to our stakeholders. As one of the nation's prime movers in the area of financial management solutions, rest assured that we will continue to leverage our strong business fundamentals, innovative solutions and top-notch services, as well as strategic tie-ups to strengthen and fast-track the expansion of Malaysia's digital economy.

As we venture forth amidst uncertain times, I humbly call upon all our stakeholders to kindly extend us their staunch support as we focus our efforts on delivering a resilient performance in the new financial year. Thank you.

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Independent Non-Executive Chairman
28 July 2023

As one of the nation's prime movers in the area of financial management solutions, rest assured that we will continue to leverage our strong business fundamentals, innovative solutions and top-notch services, as well as strategic tie-ups to strengthen and fast-track the expansion of Malaysia's digital economy.

MANAGEMENT DISCUSSION AND ANALYSIS



DEAR VALUED SHAREHOLDERS,

I am pleased to report that the Censof Group weathered a difficult operating environment made worse by internal and external headwinds to turn in a resilient performance for the financial year ended 31 March 2023 ("FY2023"). As public and private sector players continued to rapidly embrace digital solutions to remain relevant to their target audiences, we were able to capitalise on multiple opportunities and meet their needs.

By quickly responding to the needs of the segments that we serve and by continuing to align with Malaysia's digital transformation agenda, Censof made good headway on several fronts.

Ameer Bin Shaik Mydin
Group Managing Director

FY2023 also saw us successfully delivering on our existing contracts and securing new ones. To maintain our competitive advantage and capitalise on rising market demand for all-things-digital, particularly cloud-based services, we bolstered our core businesses and portfolio of innovative technological offerings, as well as leveraged our synergistic partnerships. All these measures did much to cement our position as a key player in the markets that we serve, reinforced our reputation as a credible and reliable partner, as well as enabled us to remain profitable.

It is my pleasure to present the finer details of Censof's businesses and growth strategies, our financial and operational performance for FY2023, as well as our prospects and strategic direction moving forward.

2022 – A YEAR OF RESILIENT RECOVERY

The onset of 2022 saw much of the world beginning to recover from the damage caused by COVID-19. Many had a renewed hope that things would turn around for the better. However, this optimism quickly fizzled out in the wake of Russia's invasion of Ukraine in February 2022 which triggered a global economic slowdown and a widespread energy crisis. The multiple supply-chain disruptions that followed alongside an environment of stronger demand, tight labour markets, and elevated commodity prices, set off a steep hike in inflation rates (particularly in the advanced economies) and the cost of living. This, in turn, invoked fears of a global recession in 2023.

Fortunately, economic growth proved to be surprisingly resilient in the latter part of the year, as evidenced by strong labour markets as well as robust consumer spending and business investment. Europe's energy crisis too turned out to be less harsh than initially feared as did the fears of inflation. Curiously, inflation showed an improvement, with core inflation yet to peak in many countries. All in all, 2022 year saw global economic activity moderating to 3.45% as compared to 6.2% in the preceding year.

On the domestic front, Malaysia emerged from the hardships of the pandemic to commence the official transition to endemicity in early April 2022. However, the nation still had to contend with a flurry of headwinds that included the weakening Ringgit, rising inflation, a global shortage of workers, and political uncertainty, among other things. Nonetheless, by the end of 2022, the recovery of consumer sentiment, as well as higher private consumption and investment helped fuel surprisingly strong gross domestic product ("GDP") growth of 8.7% with many businesses reporting performance improvements.

On the public sector front – upon seeing that the transition to remote working and the convenience of cloud-managed services platforms had made the cloud computing platform a practical and popular choice – the Malaysian Government moved slowly but surely to adopt cloud technologies in a more measured manner. This led to a small rise in public sector clients for our Financial Management Solutions - Government division. However, it was not all smooth sailing as some public sector projects were delayed due to the changes in the new government administration and changes within Censof's own teams. Moreover, some projects were slower to get off the ground than others due to the fact that mindset and cultural shifts need to happen within organisations before people come to appreciate the benefits that our technological solutions can bring them.

With this as our backdrop, the teams at Censof worked diligently in FY2023 to ensure our diverse clients were able to leverage our solutions so that they remained relevant to their stakeholders and were able to operate efficiently. As we focused our efforts on meeting client demand for our solutions, we reinforced our market position.

THE GROUP'S BUSINESSES

The Censof Group is a leading technology group that offers an extensive portfolio of financial management software solutions to the public and private sectors. To meet the needs of government agencies, large corporations as well as SMEs and micro-SMEs, we leverage the expertise of in-house experts and strategic partners to deliver innovative solutions to our large client base. To date, Censof's geographical footprint extends over 11 countries while our workforce comprises more than 300 diverse, dedicated and talented individuals. With our proven record of accomplishment and astute industry insights, coupled with our dedicated teams and strategic partners, we have an unequalled competitive ability to address industry requirements and deliver high-quality products at the local and global levels.

In FY2023, the teams at Censof worked diligently to ensure our diverse clients were able to leverage our solutions so that they remained relevant to their stakeholders and were able to operate efficiently.

MANAGEMENT DISCUSSION AND ANALYSIS

Today, the Censof Group consists of four main business divisions:

- Our **Financial Management Solutions - Government division** houses our largest subsidiary, Century Software (Malaysia) Sdn. Bhd., which continues to be a major revenue contributor via its offer of government-centric financial management solutions.
- The Group's **Financial Management Solutions - Commercial & SME division**, which is helmed by both Asian Business Software Solutions Pte. Ltd. ("ABSS") and the Netsense Group, provides solutions to the enterprise, SME and micro-SME segments. Our all-in-one cloud-based accounting solution, Financio, also falls within this division's portfolio.
- Our **Wealth Management Solutions division** comes under the ambit of our Indonesian subsidiary, PT. Praisindo Teknologi ("PT. Praisindo").
- Censof's **Digital Technology division** houses the many emerging technology ventures we have entered into via strategic partnerships or acquisitions.

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

OUR STRATEGIES FOR GROWTH

Censof's commitment to delivering sustainable long-term value to our stakeholders is underscored by the Group's short-, mid-, and long-term strategies for growth. These strategies map out a pathway to success for the Group and our subsidiaries on our journey of sustainable growth. These strategies also help direct our value-creation efforts as we grow from strength to strength in our role as a technology and innovation leader specialising in business and financial management solutions.

Short- to Mid-term Strategies

With many of the markets that we operate having returned to 'normal' now that the endemic phase of the pandemic is here, we continue to adapt and align our business activities with the prevailing conditions in those markets. As government agencies, enterprises, SMEs and micro-SMEs focus on fast-tracking their digitalisation efforts to remain relevant to their audiences, we are looking to support them and the economies that we operate in by enhancing our product and service offerings as well as speeding up the delivery of innovative new ones.

To meet the ever-evolving and wide-ranging needs of our various clients, we continue to engage in strategic collaborations and acquisition opportunities that will help us to develop a broader and more holistic range of products and services attuned to market needs. By introducing new technologies into our products, we are reinforcing our marketplace reputation as a provider of cutting-edge, long-term technology solutions.

Our near-term strategies include the migration of more and more of our solutions onto the cloud and priming our products to reach specific market segments. We are also leveraging regional demand for remote workforces which is currently on the uptrend. Today, larger SMEs and government agencies are tapping the Netsense Group's Acumatica cloud-based Enterprise Resource Planning ("ERP") software to work remotely without sacrificing their efficiency and productivity. Concurrently, over 100 government agencies are tapping Century Software's Standard Accounting System for Government Agencies ("SAGA") which helps streamline operations and statutory reporting across government agencies. By utilising SAGA products and solutions, government agencies are able to effectively uphold operational excellence, good governance and timely reporting.

Censof's strategies map out a pathway to success for the Group in our journey of sustainable growth. They also help direct our value-creation efforts as we grow from strength to strength in our role as a technology and innovation leader.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's cloud-based Government Resource Planning ("GRP") solution too has become an essential resource planning tool for the public sector. This integrated financial and business management system facilitates good governance, resource management, financial compliance and internal control. It also provides users access to real-time data and reports from virtually any interface. The GRP solution's end objective is to increase the overall efficiency of public administration activities and the quality of services provided to citizens while ensuring accountability. Many of the federal statutory bodies that have integrated Censof's GRP solution into their operations have been recognised for their efficient and transparent audit reports. We intend to continue playing a central role in the transformation of Malaysia's public sector by reinvigorating government agencies and making them more transparent, proactive, efficient and service-oriented.

As Censof moves forward, we intend to make the most of disruptive and emerging technologies such as Artificial Intelligence ("AI"), Robotic Process Automation ("RPA"), Internet-of-Things or IOT-embedded tracking devices, process automation, as well as predictive and insight algorithms, to enhance and add value to our spectrum of innovative solutions. Our aim is to leverage these tools to make it more attractive for our clients to transition to our cloud-based products and solutions. To this end, we will continue to collaborate with our existing and new strategic partners to deliver innovative solutions that support the digitalisation of businesses.

The Group's recently formed Digital Technology division – which today houses CS Cloud Sdn. Bhd. ("CS Cloud"), Cloocus Sdn. Bhd. ("Cloocus"), Censof Digital Sdn. Bhd. ("Censof Digital"), Cognitive Consulting Sdn. Bhd. ("Cognitive Consulting") and Tender Pintar Sdn. Bhd. ("Tender Pintar") – is responsible for accelerating digital adoption via cloud-based and emerging technologies. The division has already proven itself in terms of revenue and profit contributions thus far and we are quietly confident that the digital businesses under its umbrella will continue to make good strides forward.

FY2023 saw us making significant investments in subsidiaries, CS Cloud and Cloocus, which are focused on helping drive businesses in the area of cloud-managed services. Through our investments in these businesses and technological enhancements, we plan to release more products to meet market demand, particularly for cloud services. While such investments will undoubtedly impact the Group's profitability in the short term, they are very much in line with our strategy of diversifying and expanding our income streams over the long term.

In line with Malaysia's ambitions to accelerate its digital capabilities, Censof's focus for the short- to mid-term is centred on our participation in the MyDIGITAL initiative. Launched back in February 2021, the MyDIGITAL initiative is a comprehensive approach designed by the Malaysian Government to anchor the nation's digital economy by 2030. It aspires to transform Malaysia into a digitally driven, high-income nation and a regional digital economy leader.

MyDIGITAL serves to empower Malaysians nationwide and improve people's lives in every aspect. It comprises ideas and plans to strengthen digital literacy, create high-income jobs, enhance banking and finances, as well as accord rural towns better digital access to education and medical services. MyDIGITAL encompasses several action plans which take a holistic national approach and which supplement existing national development policies and initiatives such as the 12th Malaysia Plan, the Shared Prosperity Vision 2030, and the 2030 Agenda for Sustainable Development.

This national digital transformation initiative lays out the consolidated initiatives and targeted outcomes concerning the *rakyat*, business and government across three phases of implementation between 2021 and 2030. All these benefits are to be relayed through 6 strategic thrusts, 22 strategies, 48 national initiatives and 28 sectoral initiatives via the Malaysia Digital Economy Blueprint. To make the most of the blueprint, Censof has divulged its own roadmap which pinpoints the relevant projects related to each thrust that we will be focusing on and the specific companies within the Group that will be involved in these projects.

MyDIGITAL encompasses several action plans which take a holistic national approach and which supplement existing national development policies and initiatives such as the 12th Malaysia Plan, the Shared Prosperity Vision 2030, and the 2030 Agenda for Sustainable Development.

MANAGEMENT DISCUSSION AND ANALYSIS

How Censof Intends to Leverage the Malaysia Digital Economy Blueprint

National Thrusts (T)	Relevant Related Projects	Participating Censof Companies
T1: Drive digital transformation in the public sector	<ul style="list-style-type: none"> Move government agencies onto cloud solutions offered by CS Cloud, Century Software Malaysia ("CSM"), etc. Encourage more government-linked companies to adopt robotic process automation ("RPA") technology. Encourage more companies to adopt Smart e-PBT payment options (partner/buy IOT companies). 	CS Cloud, CSM, Tender Pintar, Cognitive Consulting
T2: Boost economic competitiveness through digitalisation	<ul style="list-style-type: none"> Create super-app accessibility via smartphones. Provide accounting tools for co-ops (co-ops are listed as the third highest revenue generators in the country). 	Censof Digital
T3: Build enabling digital infrastructure	<ul style="list-style-type: none"> Encourage more organisations to adopt the Peppol Network. Build super portals. 	ABSS, CSM, Netsense
T4: Build agile and competent digital talent	<ul style="list-style-type: none"> Drive awareness of the need to automate and digitalise across all functions with a structured plan to upskill all team members. 	All
T5: Create an inclusive digital society	<ul style="list-style-type: none"> Undertake effective Corporate Social Responsibility ("CSR") activities. 	All
T6: Build a trusted, secure and ethical digital environment	<ul style="list-style-type: none"> Encourage more SMEs to uptake digital accounting (Financio). Digital transformation for schools (Financio for Schools). 	CS Cloud, CSM, ABSS

Today, Censof remains deeply committed to supporting the government's digital transformation agenda, particularly by way of our cloud-based financial solutions and applications. We have the right know-how, resources, and capabilities to bring to fruition what the Malaysian Government wants to accomplish. While the rollout of my DIGITAL initiatives did not happen as scheduled in 2022, we have begun to see things ramp up again more recently and expect the pace of implementation to gather momentum. We will reveal the finer details of Censof's MyDIGITAL-related plans and the milestones achieved as we go along.

MANAGEMENT DISCUSSION AND ANALYSIS

Long-term Strategies

The Group's long-term agenda is to continue growing our footprint by leveraging synergistic partnerships. This complements our objective of establishing Censof as a household name within the industry and reinforcing our overall portfolio. To this end, we are looking to develop and maintain a network of channel partners on both the local and international fronts. Channel partnerships will not only provide us with valuable sales and marketing opportunities but will also open up avenues for new revenue streams and serve as platforms for collaborative growth.

The plan moving forward is to make the most of cloud computing technologies, mobile transactions and digital payments on the commercial front in greater measure. These solutions continue to gain traction today as the concept of remote workforces and the use of digital platforms become commonplace. In tandem with this, Censof will support SMEs through the development of a cloud-based information management system that caters specifically to SMEs. Accompanied by a monthly subscription, this system will help to smoothen out the remote working experience for smaller companies even as this phenomenon is on the rise. Our Digital Technology division will have oversight for spearheading these initiatives.

We also intend to tap other collaborative opportunities to drive Malaysia's digital transformation and support the growth of the technology industry. These mutually-beneficial collaborations will not only help establish Censof as a holistic digital solutions provider but will also promote the healthy development of the industry and market ecosystem. This strategy is rooted in Censof's mission to empower our people to be caring citizens who actively contribute to the industry and communities. Through tapping these collaborations, we aim to strengthen our market presence and extend our product portfolio.

These mutually-beneficial collaborations will not only help establish Censof as a holistic digital solutions provider but will also promote the healthy development of the industry and market ecosystem.

Censof's partnership with Microsoft under the latter's 'Bersama Malaysia' initiative demonstrates our aim to drive digital transformation in key segments within the private and public sectors. This partnership will see Censof's GRP solution combined with Microsoft Azure and other data technologies to meet the needs of both the private and public sectors in a holistic and flexible manner. To support the technology community as well as to bolster our reputation as a responsible corporate citizen, we will also continue to support industry-driven initiatives through participation in industry web conferences, webinars, as well as hybrid or physical events.

Our participation in the Malaysian Digital Economy Corporation's ("MDEC") Global Acceleration and Innovation Network ("GAIN") programme has enabled us to gain traction in the international arena. An initiative by the government to launch homegrown companies onto the global stage via partnerships with foreign companies, GAIN also provides members access to MDEC's global network, funding facilitation and a mentorship programme. Today, we also continue to explore the potential of extending our footprint to countries within the region via our many subsidiaries which have existing relationships with their overseas partners.

Brand-building is an integral component of our growth strategy and we remain committed to continuously strengthening the Censof brand through diverse means. Focused stakeholder engagement enables us to maintain clear channels of communication with our diverse stakeholders which include our shareholders, workforce, regulatory officials, members of the Media and the communities that we operate in. Through consistent engagement as well as consistent and transparent reporting, we aim to strengthen our stakeholders' confidence in us while fortifying our standing as a trustworthy corporate citizen. Our engagement platforms encompass our corporate website, bi-monthly press releases, as well as online conferences.

Ultimately, our aim is to reinforce our clients' confidence and trust in the Censof brand, services and solutions. Having positioned Censof as a reinvigorated, tried and true technology group, we continue to foster goodwill and confidence among our existing customers while exploring new opportunities in the wider market. As a key industry player, we want to maintain a keen eye on fast-tracking all projects we have been entrusted with and delivering these projects ahead of time so that our clients keep coming back to us and stay on as 'customers for life'.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL PERFORMANCE

Overview

Segmental Revenue and Profit/(Loss) Before Tax

	FY2023 RM'000	FY2022 RM'000
Revenue		
Financial Management Solutions - Government	63,998	79,150
Financial Management Solutions - Commercial & SME	24,006	23,237
Wealth Management Solutions	8,590	6,598
Digital Technology	10,808	5,821
Corporate	8,062	1,047
Elimination	(12,989)	(5,806)
	102,475	110,047
Profit/(Loss) Before Tax		
Financial Management Solutions - Government	11,260	16,008
Financial Management Solutions - Commercial & SME	6,465	9,453
Wealth Management Solutions	1,511	444
Digital Technology	(1,073)	1,785
Corporate	1,958	(1,671)
Share of Results in Associate	(110)	28
Elimination	(8,938)	(1,781)
	11,073	24,266

In FY2023, the Censof Group's revenue declined by 7% to RM102.47 million from RM110.05 million in the preceding year due to lower contributions from the Financial Management Solutions - Government ("FMS-G") division. The Group's other core segments – namely the Financial Management Solutions - Commercial & Small and Medium Enterprises ("FMS - C") division, Digital Technology ("DT") division, and Wealth Management Solutions ("WMS") division – all made significant contributions with revenue growth ranging between 3.3% to 85.7%. These results underscore the fact that our strategy of diversifying the Group's revenue streams is paying off and we are not dependent on any one business.

The Group's FMS-G division, under the ambit of Century Software, posted revenue amounting to RM64.00 million, marking an 19.1% decline from FY2022's revenue of RM79.15 million. The lower revenue was attributable to the loss of two maintenance contracts from the Inland Revenue Board of Malaysia or Lembaga Hasil Dalam Negeri Malaysia ("LHDNM"), and Kuala Lumpur City Hall or Dewan Bandaraya Kuala Lumpur ("DBKL") respectively. Our FMS-C division, helmed by both ABSS and Netsense, registered total revenue of RM24.01 million marking a marginal 3.3.% increase in the division's total revenue from RM23.24 million previously. This came on the back of steady demand for the division's enterprise, SME and micro-SME segment solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue also improved by way of contributions from the WMS division which saw a 30.2% rise in its revenue to RM8.59 million from RM6.60 million previously as a result of securing new projects from Bank Tabungan Negara, CIMB Niaga and Bank Syariah Indonesia. Meanwhile, the DT division posted a 85.7% rise in revenue to RM10.81 million from RM5.82 million in the preceding year reflecting the strong demand for our digital solutions, particularly our cloud-based services. The division's revenue rose mainly on the back of the higher number of cloud hosting subscriptions from both the public and private sectors.

The financial year in review saw the Group registering a lower profit before taxation ("PBT") of RM11.07 million, a 54.4% decline against PBT of RM24.27 million previously. This was mainly attributable to lower revenue from the FMS-G segment and higher operating costs because of our investment in human assets and technologies to retain talent and improve product sustainability. Our operating costs also included a higher investment in marketing to promote Financio and cloud-based services segments under the FMS-C division.

Both our FMS-G and FMS-C divisions saw their respective PBT decline in FY2023. The FMS-G division turned in a 29.67% reduction in PBT to RM11.26 million, while the FMS-C division registered a 31.6% drop in PBT to RM6.47 million. The DT division fared worse by registering a decline in PBT by 160% to a loss before tax of RM1.07 million. Meanwhile, the WMS division saw its PBT soar by a stellar 240.3% to RM1.51 million.

As a result, the Group profit after tax and minority interest ("PATAMI") was lower at RM5.90 million in FY2023.

The Group also recorded a reduction in basic earnings per share ("EPS") to 1.07 sen as at end FY2023, in comparison to basic EPS of 3.35 sen per share as at end FY2022. This was owing mainly to the reduction in net profit for FY2023.

Group Funding Position

As at end FY2023, Censof had total borrowings amounting to RM1.51 million as compared to borrowings of RM0.78 million as at end FY2022. Correspondingly, the Group's gearing ratio was negligible (at 0.015 times in comparison to 0.008 times) as at end FY2023. The Group's cash and cash equivalents too remained robust as at end FY2023, having risen to RM31.20 million from RM29.92 million previously.

PERFORMANCE BY BUSINESS DIVISIONS

FINANCIAL MANAGEMENT SOLUTIONS - GOVERNMENT DIVISION

Overview

Our FMS-G division, led by Century Software, offers a comprehensive range of financial management solutions to government agencies at the federal, state, and local council levels. By leveraging our suite of customisable solutions, clients can enhance their operations efficiently and sustainably.

With over 25 years of dedicated service to government agencies, Censof has solidified its position as one of the leading providers of financial management solutions to the public sector. Our specialised high-quality products, developed in compliance with the Standard Accounting System for Government Agencies or SAGA, have further strengthened our reputation. SAGA standardises transactional data seamlessly, ensuring proper accounting and completeness of financial transactions across government agencies. It is a versatile and adaptable solution that caters to a wide range of public sector financial requirements. Currently, SAGA is utilised by over 100 government agencies with a dedicated team of 40 accountants and 175 employees providing us with a competitive edge.

In the realm of government resource planning, our GRP suite has played a pivotal role in assisting agencies of all sizes in their transformation journey. By integrating finance, human resources, asset management, and e-procurement functions, our comprehensive web-based GRP solution enhances efficiency and service delivery, contributing to improved governance and operational performance.

As part of our promise to continuously enhance our offerings, we have been continually upgrading our GRP solution. These upgrades have been instrumental in supporting the Malaysian Government's digital transformation initiatives. Additionally, we are expanding our GRP-related offerings by including maintenance service contracts. With the government's increasing inclination towards cloud-based solutions, we anticipate a growing customer base among government agencies. Furthermore, our collaboration with Microsoft will enable us to run our GRP solution on Microsoft Azure, further enhancing its capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Our state-of-the-art business solutions encompass not only the area of financial management but also the areas of business performance, business intelligence, data analytics, and application development. These solutions can be deployed onsite to optimise any internal infrastructure or on the cloud within a secure and reliable delivery framework. To ensure excellent service, our team consists of highly skilled consultants, many of whom are qualified accountants and certified professionals in project management.

Key Highlights

In FY2023, the FMS-G division continued to gain traction within the public sector as more government agencies prioritised the digitalisation of their processes. In addition to securing new contracts, the division also continued to make good progress by way of implementing existing projects. These included a RM17.86 million contract to develop a commercial vehicle licensing system for the Ministry of Transport ("MOT"). The 36-month contract, which will run until 31 March 2024, continues to make good headway.

Another project that is currently making good progress is Century Software's RM13.5 million contract with the Accountant General's Department of Malaysia ("AGD") to develop an iPayment solution that will enable cashless transactions for all government services. Kickstarted in December 2021, the 36-month-long AGD contract is set to be completed in December 2024. To date, the solution has been rolled out to all government agencies and is set to go live by the end of this financial year. The fact that iPayment will eventually be the sole system by which every Malaysian citizen will use to conduct government-related transactions, bodes well for us.

The FMS-G division is also nearing the completion of its development of the first phase of an integrated application system that facilitates SME rating and accreditation for SME Corporation Malaysia ("SME Corp"). Valued at RM7.3 million, the 45-month SME Corp contract comprises the creation of a comprehensive integrated system with a centralised database that incorporates the latest security features and technologies such as blockchain and AI. These technologies will help SME Corp to determine the competitiveness and capabilities of SMEs through the generation of accurate digitalised SME ratings and scores in an efficient and timely manner. The project is slated to end in November 2025 with delivery of the first phase due in December 2023.

The Group's SAGA-driven digitalisation projects continued to be the mainstay of Century Software's businesses in FY2023 as the government's rising interest in adopting cloud technologies saw the company's customer base expand. The transition to remote working has also helped our cloud platforms to grow in popularity. The year saw the Group securing six new projects for our GRP business, bringing the total number of our GRP clients to 48, with 30 of these clients riding on our cloud infrastructure.

In addition to its government-commissioned contracts, Century Software also went on to secure contracts with two private sector banks, one of which is based in Brunei. The win of these private sector contracts bodes well for Century Software as it shows that its efforts to extend its customer base beyond government projects are proving fruitful. Moreover, the win of the contract with the bank in Brunei underscores the fact that Century Software is well primed to expand its geographical footprint.

In addition to government agencies and government-linked companies ("GLCs"), Century Software continues to pursue synergistic partnerships within the field of education. In FY2023, Censof signed a memorandum of understanding ("MoU") with University Malaysia of Computer Science and Engineering ("UNIMY"). The mutually beneficial university-industry collaboration will provide UNIMY's final year students with training opportunities via internship and management trainee programmes as well as industry research and thesis collaborations. Meanwhile, Century Software's employees will be given access to higher learning or postgraduate opportunities at UNIMY.

Century Software and UNIMY share a common goal and believe in developing local talent that are highly sought-after in the vibrant digital-centric environment. Both parties intend to provide graduates with the right mindset and collaborative skills to equip them for the working world and the digitalisation movement. In doing so, we aim to shape the digital technology industry in line with the national policy related to the Fourth Industrial Revolution ("IR4.0").

RM13.5 million

CONTRACT WITH
the Accountant General's Department of
Malaysia ("AGD")

to develop an iPayment solution

MANAGEMENT DISCUSSION AND ANALYSIS

In July 2022, Century Software completed the acquisition of a 51% controlling equity stake in GW Intech Sdn. Bhd. ("GW Intech") which specialises in IT solutions – particularly the ePihak Berkuasa Tempatan ("ePBT") financial management solution – for local authorities. As a subsidiary of the Censof Group, the company will reinforce the Group's presence within local government. Today, we are leveraging the company's client base which currently comprises local authorities the majority of whom are in the states of Perak, Negeri Sembilan, Kelantan, Kedah and Pahang. The Group is also looking to assist seven local authorities develop their ePBT systems while carrying out maintenance contracts for several city councils. With GW Intech now within the Group's stable of companies, Censof's dominant position on the local government front has been reinforced.

In addition to our iPayment solution, we continue to make good progress by way of our BayarNow digital payment solution which now hosts 12 sites. BayarNow is a customer portal and payment gateway solution for all government agencies that are SAGA-compliant. Directly integrated to the Century Financial System, the system ensures all transactions are auto-generated and auto-posted on a real-time basis while providing users with a readily-accessible electronic billing and payment services gateway with multiple payment options.

We also went on to secure several new contracts in FY2023. October 2022 saw Century Software securing a RM4.41 million contract for the extension of the MyResults project from the Ministry of Finance for an additional year, effective 5 January 2023 to 4 January 2024. A month later, we went on to secure a RM7.93 million contract for the maintenance of hardware and software for the Business Licensing Electronic Support System from the Ministry of Entrepreneur Development and Cooperatives. The 36-month project is to run from 15 November 2022 to 14 November 2025.

We also got off to a good start in FY2024. In April 2023, Century Software bagged a RM5.97 million contract to develop a unit trust management system for Pelaburan Hartanah Bhd ("PHB"). PHB is the real estate investment holding arm of Yayasan Amanah Hartanah Bumiputera. The project is expected to be completed within 12 months.

In May 2023, Century Software was awarded a RM3.47 million contract to conduct system maintenance for LHDNM. The three-year contract entails the division's implementation of system maintenance for LHDNM's International Data Exchange Facility system. The LHDNM project is to run from June 2023 to May 2026.

July 2023 saw Century Software being awarded a RM13.4 million contract for a financial management system project by Suruhanjaya Syarikat Malaysia ("SSM"). The six-year project entails the development, supply and implementation of the system as well as the provision of support, maintenance, licenses and warranty effective July 2023 until July 2029. We are honoured that SSM, being the statutory body vested with the authority to regulate and oversee Malaysia's corporate and business affairs, has selected Censof to provide end-to-end processes for its financial management system. Our success in bagging the SSM contract underscores our proven track record as a provider of innovative financial management system solutions.

All these projects are expected to contribute positively to Censof's earnings and net assets per share for the next few years.

Moving Forward

Censof's dedication to the public sector remains steadfast. We are deeply committed to delivering exceptional solutions and services to this segment while expanding our offerings. To ensure the sustainable growth of our public sector business, we will diligently execute our ongoing projects and seize opportunities to secure maintenance and support contracts from our existing clients. Additionally, we will actively pursue new clients interested in adopting our proven SAGA and GRP solutions. To this end, our market expansion efforts have grown to include GLCs, whereby we have already achieved successful product implementation at two GLC sites. We recognise the unique requirements that GLCs have and are well primed to meet their specific needs.

Simultaneously, we aim to strengthen our ePBT solution for municipal or local government bodies and extend our existing customer base. Leveraging our Chief Government Security Office or CGSO certification for our data centre, which grants us high-level security clearance, we intend to capitalise on this industry advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

With a significant number of our public sector clients migrating to the cloud, we have a prime opportunity to tap into recurring income. In alignment with the Malaysia Digital Economy Blueprint, Censof is fully committed to helping government agencies fulfil their digitalisation mandates. To enhance our cloud services and add value to the public sector, we are open to exploring partnerships with new strategic allies, building upon our successful collaboration with Microsoft.

Recognising the growing momentum towards cloud-based solutions, we have invested in upskilling our team in this technical area. Our aim is to provide innovative solutions and services that not only support Malaysia's digital transformation economy but also foster the growth of cloud-based entrepreneurs and local companies.

Another key area of focus is the revamping and upscaling of our internal processes to streamline operations and enhance our services to clients. Our focus on enhancing user experiences also extends to all our products, which include the integration of AI features such as bill automation and reconciliation (with add bot) within our GRP solution.

The second half of FY2023 saw limited government spending due to changes in the government administration. Despite the initial low level of public sector activity, we are optimistic about the future as the national budget favours the MyDigital initiative. The fact that there has been a notable shift in government spending since early FY2024 and that more digital projects are in the pipeline for this financial year, bodes well for us. With our expertise and experience, we are well-positioned to embrace the federal government's initiatives. Furthermore, with our project books currently consisting over RM35.7 million in contracts, indicating a healthy project pipeline, we remain cautiously optimistic about the way forward.

Today, we are exploring the potential of utilising the electronic Know-Your-Customer or eKYC technology (which is being used in a widespread manner within the private sector segment) to garner new customers within the public sector. We are the first company to adopt eKYC technology for the MOT's use and are looking to build upon this.

In tandem with our plans to expand our regional footprint, we continue to bolster our talent pool in India and explore potential new opportunities to serve the public and private sectors in that nation.

FINANCIAL MANAGEMENT SOLUTIONS - COMMERCIAL & SME DIVISION

Overview

Censof's FMS-C division which is steered by our subsidiaries, Asian Business Software Solutions or ABSS and the Netsense Group, provides a diverse range of effective solutions that cater specifically to the Enterprise and SME segments. These solutions encompass accounting management, e-commerce, inventory management, payroll management, and Enterprise Resource Planning or ERP solutions, among others. We also offer state-of-the-art customer relationship management, human resources, project management, and business intelligence solutions, alongside customised dashboards and mobile apps.

In line with our goal to become a comprehensive business solutions hub for SMEs, ABSS has established itself as leading player within the market in Asia, serving over 400,000 SME customers across Malaysia, Singapore, Hong Kong, and Indonesia.

ABSS' cloud-based Financio accounting solution continues to gain traction among SMEs in the region. With language options such as English, Chinese, Bahasa Malaysia, and soon Bahasa Indonesia, Financio simplifies bookkeeping with its user-friendly platform that is fully compliant with local accounting standards. Its affordability through a low monthly subscription fee and a feature-rich mobile option have made it accessible to a wider user base. Financio has already secured over 4,000 subscribers within Southeast Asia and Hong Kong, and this number is expected to grow significantly as more businesses embrace digitalisation.

The FMS-C division's offerings also encompass Netsense's suite of solutions, notably the Acumatica ERP solution, catering to mid-market tier companies. Censof's acquisition of a 51% equity stake in the Netsense Group in 2020 solidified our position in the cloud ERP segment, expanded our strategic presence in the Commercial & SME segment, and strengthened our overall product portfolio. With talented teams in Singapore and Kuala Lumpur, we now serve over 60 reputable regional clients across 15 industry verticals.

MANAGEMENT DISCUSSION AND ANALYSIS

Recognised as “the mid-tier ERP experts,” the Netsense team anticipates further opportunities with the growing demand for Work-from-Anywhere or WFA-friendly solutions like cloud ERP and mobile applications. With its evolving suite of ERP solutions and services, including the top-ranked Acumatica ERP solution, Netsense is well-equipped to meet these needs. This cost-efficient and scalable cloud and mobile technology-based ERP system accords SMEs efficient and accessible tools crucial in challenging economic times. Netsense also offers the Entuition and Exactly solutions as part of its product portfolio.

Key Highlights

During the year in review, Censof’s FMS-C division focused its efforts on strengthening its various businesses following the opening up of most economic sectors as several countries began transitioning to the endemic phase.

While Singapore remains ABSS’ biggest market, the country’s delay in opening up its economy in comparison to other countries caused Singapore-based businesses to be cautious about restarting even with government grants in the picture. Consequently, ABSS’s business in Singapore experienced a dip in its FY2023 performance. Aside from Singapore – which has since moved to regain its lost momentum – the pandemic no longer has a significant impact on ABSS’s businesses.

In FY2023, the Censof Group upped its stake in ABSS from 97% to 98%. These additional investments were a strategic move on our part to improve Censof’s long-term earnings. It will also enhance the Group’s capabilities to meet current market needs with a more holistic range of financial management solutions thus ensuring our growth potential for the long term.

To date, Censof has reaped

RM21.6 million

IN CUMULATIVE DIVIDENDS

since we began investing in ABSS in 2015.

To date, Censof has reaped cumulative dividends amounting to some RM21.6 million since we began investing in ABSS in 2015. In FY2023 alone, ABSS accorded us some RM8.0 million in dividends. Today, demand for ABSS-branded financial management and accounting software including its accounting management software, E-commerce solutions, customer payment gateways, and its all-in-one cloud-based accounting solution, Financio, continues to escalate. Financio’s customer base continues to grow exponentially even as more features and capabilities, such as its new payroll module, are introduced in tandem with market demand. The revenues are expected to grow exponentially as SMEs continue to embrace digitalisation.

ABSS continues to carve a space out for itself within the SME segment through its successful partnerships with RHB Bank in Malaysia; Maybank, DBS Bank and UOB in Singapore; as well as DBS Hong Kong. These partnerships enable ABSS to include its products and services creating greater bank-client connectivity.

On the commercial front, Netsense is growing in its stead as a service provider of digital solutions to its SME clientele. With multiple big brands among its client list, Netsense will also be tapping into the Censof Group’s wide-ranging network of companies and SMEs to further expand its growing list of clientele. Over the course of FY2023, Netsense’s Acumatica solution was enhanced to deliver speedier responses, increased productivity and more efficient management processes across the board. Today, Acumatica’s capacity has been strengthened exponentially so that it is able to cater to mid-market and large enterprises as compared to its original market of small medium business (“SMB”) users. The solution is an excellent one for the construction, manufacturing and service sectors in both Malaysia and Singapore. Acumatica has a proven track record in these and other areas with over 8,000 customers worldwide. Moving forward, Netsense’s focus will be on expanding its ERP offering and expanding its regional footprint.

As testament to its efforts on the Acumatica front, Netsense was awarded the “2021/2022 Acumatica Asia Partner of the Year” and “2022 Asia’s Manufacturing Partner of the Year” titles.

MANAGEMENT DISCUSSION AND ANALYSIS

Moving Forward

Today, the surge in demand for digital solutions has solidified the Group's position as a crucial provider of practical and effective solutions. As the majority of businesses in the ASEAN region consist of SMEs, we aim to leverage the numerous opportunities in this segment to ensure the division's continued growth.

Moving forward, ABSS will strategically position itself to adapt to evolving market dynamics while cultivating growth by leveraging its range of solutions which include the ABSS-branded and Financio offerings. To this end, we will continue to enhance our offerings for SMEs and micro-SMEs, focusing on markets such as Malaysia, Singapore, Hong Kong, and Indonesia. Our partnerships with established partners like DBS, UOB, Maxis, and others will also provide a competitive advantage in current and new markets, enabling us to refine and improve our suite of solutions.

We recognise the SME segment as one of our key markets for future growth and will intensify our efforts to capture a larger share. As ABSS taps into the SME segment by leveraging its Financio solution, the growth potential for the company is enormous. Barring unforeseen circumstances, ABSS's management is targeting to double the customer base for Financio within the next two years.

Netsense, on the other hand, will play a significant role in driving the division's earnings as SMEs increasingly adopt Acumatica to fuel their digital transformation and enhance productivity and scalability. We anticipate a growing need for remote working solutions which will in turn drive demand for Netsense's cloud ERP and mobile applications. Additionally, Netsense will continue to collaborate with governments to support SME growth and build on its burgeoning reputation as a regionally-based expert in mid-tier ERP. In Singapore, for example, SMEs have received government support through initiatives like the Productivity Solutions Grant and Capability Development Grant, which have facilitated software upgrades.

WEALTH MANAGEMENT SOLUTIONS DIVISION

Overview

The Group's Wealth Management Solutions division, led by PT. Praisindo in Indonesia, specialises in the provision of tailored technology solutions for the wealth management industry. PT. Praisindo's main objective is to empower its clients by integrating people, processes, information, and technology to enhance their business operations and activities. By utilising the division's automation technology, clients are able to streamline their business operations and take advantage of process automation tools, thereby enhancing efficiency and productivity.

PT. Praisindo serves top-tier financial institutions in Indonesia, enabling them to assist high-net-worth individuals in growing their wealth through effective investment portfolio management. Currently, PT. Praisindo serves 15 conventional banks and one shariah bank in Indonesia.

Furthermore, the company possesses expertise in developing and implementing investment management systems ("IMS") for its clients. The Praisindo IMS solution encompasses all aspects of a client's investment activities, from the front office, which includes marketing activities, to the back office, which includes accounting functions. To date, PT. Praisindo's IMS client base consists of 33 fund managers/asset management companies, 15 insurance companies and pension funds, as well as two custodian banks.

Through its Reksa Dana Online or RDO Praisindo solution, the company offers an Investor Portal RDO module that doubles up as a virtual branch for asset management companies, banks, and other mutual fund distributors. Currently, PT. Praisindo provides services to three non-bank mutual fund distributors.

By utilising the Wealth Management Solutions division's automation technology, clients are able to streamline their business operations and take advantage of process automation tools, thereby enhancing efficiency and productivity.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Highlights

During the financial year in review, PT. Praisindo procured several new contracts with various financial organisations including the contract for PT. Bank Tabungan Negara (Persero) Tbk ("Bank BTN"), one of Indonesia's biggest banks. The contract entailed the implementation of the Project Wealth Management and Customer Portfolio Management System within Bank BTN's processes. PT. Praisindo's Wealth Management System is a fully-integrated software solution, which provides wealth management service providers with a fully featured platform that consolidates customer portfolio management, financial planning, trading and order management as well as asset allocation reporting and other tools.

In FY2022, PT. Praisindo began to extend its regional reach by introducing its solutions to the Malaysian market. This was achieved when the company won a tender from Amanah Saham Nasional Berhad to develop an online mutual fund trading system through the RDO platform. In FY2023, the company in partnership with Century Software won a tender from Pelaburan Hartanah Berhad or PHB to utilise its IMS solutions. In addition, PT. Praisindo also focused its efforts on creating a digital channel to accord PHB's customers seamless access to the latter's solutions and services.

PT. Praisindo also recently upgraded its RDO solution, incorporating enhancements to further bolster the solution's capabilities and deliver an improved user experience.

Moving Forward

PT. Praisindo is committed to further strengthening its presence in Indonesia's banking sector by expanding its client portfolio and enhancing its service offerings to meet the growing needs of its expanding client base. The significant progress achieved in FY2023 demonstrates the company's success in this endeavour.

As part of its strategic growth plans, the company is actively seeking a Malaysian representative to expand its base in Malaysia and augment its support for the local market. By offering cutting-edge niche solutions to replace outdated systems, the division is confident that it will make good advances among Malaysian financial institutions.

DIGITAL TECHNOLOGY DIVISION

Overview

Here at Censof, we are continuously explore emerging technologies and synergistic partnerships that allow us to offer a more comprehensive portfolio of solutions to our customers. The formal establishment of our Digital Technology division, which houses agile and forward-thinking companies such as CS Cloud, Cloocus, Censof Digital, Cognitive Consulting and Tender Pintar, is not only enabling us to accelerate digital adoption via cloud-based and emerging technologies, but underscores our commitment to becoming a major player in this market segment.

Although it was only formally formed just over two years ago, the Digital Technology division has already proven itself by way of its revenue and profit contributions to the Group. We are confident that the digital businesses under its umbrella will continue to make good strides forward.

Censof also continues to engage in strategic collaboration with its international partners in Switzerland, Dubai, and India to generate sustainable opportunities from emerging technologies such as RPA, AI and IoT. Not only do these innovations enhance our overall portfolio of technological solutions, they enable us to provide practical and secure solutions that are specifically tailored to the needs of the various industries that we cater to. By leveraging these innovative technologies, we empower our clients with cutting-edge technological solutions that drive their success in the digital age.

Key Highlights

Over the past few years, Censof's commitment to advancing technological innovation has seen the Group intensify its stable of acquisitions and strategic partnerships with other industry players. These collaborations serve as catalysts, energising our teams, enhancing our range of products and services, broadening our market reach, and elevating our brand reputation.

In FY2023, we shifted our priority from focusing on the acquisition of new businesses to strengthening and enhancing our existing holdings within the division. This shift in focus saw the Group heavily invest in subsidiaries Cognitive Consulting, CS Cloud and Cloocus to implement technological enhancements and skills development to drive the release of new solutions. While this strategy impacted our overall profits for the year, these investments are integral to our strategy of diversifying income streams and increasing future margins.

MANAGEMENT DISCUSSION AND ANALYSIS

Cloocus, a 50:50 joint operation between CS Cloud Sdn. Bhd. and Korea-based, Cloocus Co. Ltd., was set up to facilitate the mutual sharing of expertise in the area of cloud services. Cloocus' primary objective is to develop and operate a hyperscale cloud management platform in Malaysia based on Microsoft Azure. At the same time, this collaboration aims to open up businesses and growth opportunities for the digital economy as well as serve as a mechanism to boost foreign investors' confidence in Malaysia-based businesses. The rollout of the Azure project is expected to coincide with Microsoft's launch of its operations and data centre in FY2024. Today, Cloocus brings value to its clients in its multi-faceted roles as a Microsoft Gold Partner and Azure Expert Managed Service Provider, while CS Cloud facilitates integration and offers a low code platform capability to its client base.

In line with its aim of expanding into different industries, Cloocus has begun exploring opportunities in Malaysia's gaming sector. Given Korea's status as one of the most established gaming countries globally and Malaysia's current focus on gaming, Cloocus is looking to leverage its Korean counterpart's experience and expertise to offer customised experiences to Malaysian gamers. Cloocus currently has two customers in Johor Bahru and intends to intensify its efforts in this market segment.

Cloocus is also a participant of the Microsoft Cloud Solution Programme ("CSP"), a licensing agreement that allows participants to procure Microsoft cloud services and software licenses directly from Microsoft partners, who often bundle them with their services. This means that Cloocus will benefit from selling Microsoft products at beneficial prices. Being a CSP participant with Microsoft is what helped Cloocus gain its "Malaysia Digital Status" company status. In another development, Cloocus launched a new Cloud Management Portal called CLooOPS. This Microsoft Azure Cloud Management Tool aims to help users stay comfortable with cloud usage.

Today, Cognitive Consulting has 30 large organisations, including GLCs, as its key clients. The company is continuously seeking to retain and attract new talent to meet pent-up client demand.

The Group's partnership with Cognitive Consulting has opened exciting opportunities to harness the latter's RPA technology to enhance the operational efficiency of our public and private sector clients. In May 2022, we introduced our Recon as a Service ("RAAS"), also known as the Reconciliation Robot solution. RAAS utilises RPA technology to automate both front-end and back-end reconciliation processes for government agencies. With its ability to replicate human behaviour, the RAAS solution acts as a digital workforce, executing tasks with greater speed and accuracy, thus allowing an organisation's employees to focus on strategic and analytical responsibilities. The RAAS solution is in line with the Group's goal to support the government's digitalisation ambitions to deliver enhanced public services.

The year in review saw Cognitive Consulting making strong strides forward on the back of strong demand for RPA technologies and doubling its revenue. Today, the company has 30 large organisations, including GLCs, as its key clients. Cognitive Consulting is continuously seeking to retain and attract new talent to meet pent-up client demand.

Moving Forward

Looking ahead, the Censof Group will continue to harness disruptive and emerging technologies to enrich our diverse range of innovative solutions. These encompass our utilisation of cutting-edge technologies such as AI, IoT and RPA to automate and enhance our customers' processes, which in turn, make our cloud-based products and solutions more appealing. Furthermore, we eagerly anticipate the collaborative opportunities with our existing strategic partners, exploring synergies in other emerging technologies across the Group. Mergers and acquisitions as well as strategic alliances will also be considered in line with our goal of expanding our reach to complement our ongoing efforts in the public and private sectors.

Moving forward, our digital-centric businesses are set to thrive in response to market demand. Take for instance, Tender Pintar which provides e-Tendering and e-Auction platforms for buying goods and services as well as works and consulting tenders. The company's main offering, the TenderWizard system, has proven itself in enhancing the efficiency, effectiveness and transparency of tendering and procurement processes. Aimed specifically at government agencies and GLCs, this solution has reduced the overall six-month procurement timeline to a fraction of the original timeline. Furthermore, the use of digital procurement encourages and increases transparency and efficiency while enabling clearer and more reliable auditing.

MANAGEMENT DISCUSSION AND ANALYSIS

To date, TenderWizard's customer base includes organisations such as Lembaga Hasil Dalam Negeri Malaysia or LHDNM, the Federal Land Development Authority ("FELDA"), Perbadanan Kemajuan Negeri Selangor ("PKNS"), Dewan Bahasa dan Pustaka ("DBP"), Suruhanjaya Koperasi Malaysia ("SKM") and Lembaga Kemajuan Ikan Malaysia ("LKIM"), among many others. This market segment has been growing steadily and Tender Pintar plans to secure more contracts through its presentation to federal statutory bodies and state governments. Moving forward into FY2024, the focus will be on promoting its e-Procurement service to GLCs and the private sector. Digital procurement encourages and increases transparency and efficiency, thereby simplifying the auditing process and producing results that are clearer and more reliable. In encouraging more government agencies to implement this technology, we hope to fast-track their procurement processes and elevate their overall governance standards in accordance with the Malaysia Digital Economy Blueprint and the Malaysian Public Sector Digitalisation Strategic Plan 2021-2025.

Censof also recognises the importance of embedding Environmental, Social, and Governance ("ESG") elements more prominently within our solutions. While some of our offerings already prioritise energy efficiency, our Digital Technology division has taken this further and has been looking at ESG integration from a holistic perspective. The Group's efforts within the ESG sphere are currently being led by Censof Digital which has rolled out several projects that drive the ESG agenda, particularly with regard to environmental consciousness.

Back in November 2021, Censof Digital secured a RM0.9 million contract from EcoRide Sdn Bhd to develop a digital platform and mobile app for EcoRide users to book, pay and earn carbon credits when using electric vehicles. While Phase 1 of the project was delivered in 2021, subsequent progress was hampered by delays in vehicle deliveries. We are currently at Phase 2 and continue to make good progress. To date, subject matter experts who specialise in carbon credits have been engaged to provide valuable insights into the project.

One of Censof Digital's key offerings is an ESG awareness and assessment programme. By conducting thorough ESG assessments, we can propose digital RPA solutions that not only generate cost savings but also align with an organisation's environmental objectives. To this end, the company has teamed up with Super Green Planet Sdn Bhd ("SPG") to develop an efficient energy consumption management tool which monitors power consumption before and after the installation of SPG's Demand Control Drive. To date, the product has yielded promising results, particularly in reducing electricity consumption related to air conditioning. In fact, our efforts at a popular hotel in Penang have demonstrated that we can potentially reduce energy consumption by some 40% to 50%. Moving forward, we are looking to implement this proven technology elsewhere.

Censof Digital is aligning its ESG efforts with the ESG trends and regulatory developments that are taking place at the global and local levels. It plans to support SMEs in their sustainability endeavours with a keen focus on areas such as digital transformation, talent management and remote working. In FY2023, Censof Digital conducted ESG workshops and assessments to help businesses and senior leaders understand how best to embed ESG within their organisations. The plan is to continue using education as channel by which to drive the agenda of sustainability among businesses and business leaders.

Moving forward, the Censof Group as a whole will continue to prioritise the implementation of the ESG mandate within our own operations, the products and services we deliver, and our engagement with our stakeholders. We remain confident in the steadfast performance of our Digital Technology division. Its robust performance and delivery of exceptional outcomes to date, augur well for the division's long-term sustainability.

RISKS AND MITIGATION STRATEGIES

As the Group ventures forth amidst an uncertain operating climate and a highly competitive landscape, we face exposure to anticipated or known risks that may affect our business operations. The following table spells out the principal risks that may materially affect our operations, performance, financial condition and liquidity, as well as highlights the measures we have adopted to mitigate these risks.

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MANAGEMENT DISCUSSION AND ANALYSIS

KEY AREA	RISK FACTORS	MITIGATION MEASURES
External Risk	The outlook and prospects for the Information and Communications Technology ("ICT") industry and Censof remain challenging given the intense competition in the marketplace. This is especially true when it comes to tenders for government contracts.	To mitigate the impact of intensifying competition within Malaysia's public sector, we are ramping up efforts to grow our private sector revenue contributions.
Strategic Risk	As the ICT industry evolves at a dynamic pace, market players are looking to maintain their competitive edge and remain relevant to their markets by keeping abreast of the latest industry trends and developments as well as investing in continuous innovation.	To ensure that we remain relevant to our markets, we continue to leverage the synergies of existing strategic partnerships and alliances, as well as explore new opportunities to create value. We also continue to make the most of our existing business pillars and products as well as roll out product line extensions to increase the lifetime value of our customers.
Strategic Risk	Given ongoing political changes, several government-related projects have come under review, have been put on hold, or have been altogether postponed. Century Software's dependence on projects in the Financial Management Solutions – Government sector in particular, continues to be affected by the changes in the government administration.	We are working on bolstering our relationship with the current administration by showcasing our good track record, credibility and capabilities. We are also demonstrating how our solutions can make administrative efforts more efficient while possibly creating new revenue streams. At the same time, we are exploring new markets and new avenues of opportunity – including those among the GLCs and the private sector – to grow our revenue streams.
Operational Risk	The Group faces the risk of loss from operations as a result of insufficient, inefficient or ineffective internal processes, systems, policies, employee errors and events that are beyond our control. At the same time, the cost of doing business is escalating. All these may lead to an unexpected rise in costs.	To reduce the risks from such losses, we are streamlining the processes and systems across our business segments. In line with this, the first half of 2023 saw us assessing the internal controls within the Group by focusing on our project management and corporate governance aspects. This has helped us to enhance cost efficiencies and ensure operational effectiveness. The continuous training solutions provided under the Human Resource Development Fund too have equipped our teams with the necessary skills set that will help boost the Group's capabilities for the long term.
Operational Risk	Like many other businesses, we have to contend with the risk of fraudulent activities from both external and internal sources.	To mitigate such risks, we are augmenting the design and ongoing effectiveness of our corporate governance, risk management and internal control measures. We have also implemented several physical security measures throughout the Group as well as a Code of Conduct and whistleblowing arrangements to mitigate such risks. To date, we have also published several policies and terms of reference that are accessible on our corporate website. These include Censof's Anti-Bribery and Anti-Corruption Policy; the terms of reference for the Audit Committee, Risk Management Committee, as well as Nominating and Remuneration Committee; the Board Charter; and our Whistle Blowing Policy.

OUTLOOK AND PROSPECTS

The resilience that the global economy exhibited in the earlier part of 2023 is expected to fade as we move into the second half of the year. At best, the global economy remains in a risky state given the long-drawn-out effects of the overlapping negative shocks from the pandemic, Russia's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation.

MANAGEMENT DISCUSSION AND ANALYSIS

The World Bank in its *Global Economic Prospects (June 2023)* publication projects that the world economy will remain frail – and at risk of a deeper downturn – in both 2023 and 2024 with a particularly pronounced deceleration in advanced economies. The World Bank's baseline scenario envisages that global growth will slow from 3.1% in 2022 to 2.1% in 2023, before inching up to 2.4% in 2024. Past monetary tightening, more restrictive credit conditions, softer labour markets and persistent inflationary pressures are expected to weigh substantially on economic activity. The drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies.

On a more positive note, Malaysia's economic prospect remains strong despite the economic challenges and uncertainty on the global front. The Government of Malaysia is confident of achieving a growth forecast of 4.0% to 5.0% for 2023, on the back of the nation's strong economic fundamentals and implementation of Budget 2023 measures. In fact, in the first quarter of calendar year 2023, the Malaysian economy expanded by 5.6% underpinned by broad-based growth across all sectors, especially services and manufacturing. This growth performance bodes well for the nation as we move forward to achieve the projected growth forecast for all of 2023.

The ongoing digitalisation and deployment of 5G, AI and IOT in Malaysia are expected to create growing demand for technology solutions. In fact, MDEC predicts that the digital economy will contribute over 25.5% of the nation's GDP by 2025. This has been fast-tracked via the recent spikes in digital activities and major investments. At the launch of the Malaysia Digital Economy Blueprint in 2021, it was reported that approximately RM1.65 billion will be invested by telecommunications companies to strengthen connectivity to the international submarine cable network until 2023; RM15.0 billion will be invested to roll out 5G nationwide over a period of 10 years; between RM12.0 billion and RM15.0 billion will be invested by cloud service providers over the next five years; and RM21.0 billion will be invested through the National Digital Network or JENDELA over the next five years.

These projects continue to make good headway. Take the JENDELA initiative for instance, which aims to connect nine million premises using fibre, expand 4G coverage to 100% of populated areas, and increase mobile broadband speed to 100 Mbps by end 2025. Phase 1 (2020-2022), which was completed on 31 December 2022 surpassed its initial targets, achieving the following results despite having to contend with topographical and environmental challenges: 7.74 million premises connected; 96.92% 4G coverage in populated areas; and an average of 116.03 Mbps broadband speed attained. The end of 2022 also saw the plan to expand the use of 5G network services nationwide culminating in 47.1% coverage of populated areas with 3,900 sites in place, well ahead of the original schedule.

MDEC too is playing its role and aims to attract RM1.0 billion worth of digital investments and generate 49,000 employment opportunities across nine promoted sectors by 2025 under its Malaysia Digital Catalytic Programmes ("PEMANGKIN") initiative. The sectors include digital tourism, digital agriculture, digital cities, digital content, digital finance, digital trade, digital services, digital health and Islamic digital economy. The development of these sectors will not only open new avenues for economic growth and future innovation, they will also improve, enrich and empower the rakyat in many ways, on top of raising the overall ecosystem value.

The government, through MDEC, has allocated RM238.0 million worth of investments to the sectors under the Budget for Digital Economy from 2023 to 2025. Of this, some RM143.0 million will be set aside as public investments across the nine targeted sectors, while another RM45.0 million has been set aside for investments to enhance technology enablers such as blockchain, automation and AI. The remaining RM50.0 million will be distributed as grants for companies to pursue digital investments. In return, at least RM1.0 billion worth of investment opportunities are expected to be generated within the focused sectors, led by the public-private sector and industry collaboration. Public-private sector partnerships will be key to harnessing the full potential of the digital economy.

The ongoing digitalisation and deployment of 5G, AI and IOT in Malaysia are expected to create growing demand for technology solutions. MDEC predicts that the digital economy will contribute over 25.5% of the nation's GDP by 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Given the government's digital-centric focus as well as backing in ensuring all the elements of Malaysia's digital economy come into play, things look bright for players in the domestic ICT industry. The Censof Group for one is well placed to make the most of the opportunities that come our way by offering innovative solutions and leveraging the synergies among our subsidiaries and strategic partners.

While the revitalised government support for all-things-digital and accelerated digital adoption are doing much to stimulate the ICT market, there is also an underlying concern as to how the global recession, political uncertainty, rising costs and a host of other risks may affect our customers and the overall domestic economy. Given the uncertain market conditions, it is difficult to pin down how things will eventually play out as we move forward into FY2024. Nonetheless, the Censof Group will continue to push through with our best efforts to satisfy consumers' needs as well as add value and strength to Malaysia's digital economy.

Moving forward into FY2024 and beyond, the Censof Group will focus on the following core strategies for growth:

- **Grow our core businesses:** This calls for us to expand our customer base and enlarge our maintenance services contract base; extend our portfolio to cover GLCs and other sections within the SME segment; as well as improve our current products while customising solutions for specific market segments.
- **Explore viable acquisitions, tie-ups and/or mergers with new disruptive technologies:** This will see us exploring new technologies and the untapped potential of technologies such as RPA, IoT, AI and machine learning ("ML").
- **Become the first mover to utilise technology to redefine the traditionally-run insurance technology segment.**
- **Increase our presence regionally in a more tangible manner.**
- **Leverage on the government's digitalisation transformation ambitions in the following areas:** Cloud computing technologies, RPA, ML, mobile transactions and digital payments.
- **Leverage changes in the government's reporting compliance framework and MyDIGITAL initiative.**

Having streamlined the Group's businesses and having finetuned the strategies aimed at strengthening our resources and profitability, we are confident that Censof will remain relevant to its stakeholders for the long term. Moving forward, we intend to optimise operational costs and efficiencies as well as improve product augmentation. We intend to reduce our project delivery cycles and our support issues to improve profitability and product quality in our businesses. By leveraging automation in a heightened manner, we intend to reduce room for human error in production which will enable us to achieve our targets and deliver higher quality products and services.

To bolster staff proficiency and capacity, as well as ensure continuous growth within our team, we will continue to make investments in staff training and implement leadership development training for our Senior Management team. Our measures to cultivate a sustainable pool of talent will see us continuing to provide internship opportunities via university-industry collaboration and via establishing centres of excellence similar to what we have done in India.

As the Censof Group presses in and presses on to capture more market opportunities, we believe that our solid client portfolio, strong track record and proven wealth of expertise in delivering projects on time and within budget, will continue to uphold us. As we focus our efforts on elevating the customer experience and journey, as well as helping our clients attain their objectives, we are quietly confident about the Group's prospects going forward. All in all, Censof remains cautiously optimistic that we will continue to turn in a resilient performance in the new financial year.

The Censof Group for one is well placed to make the most of the opportunities that come our way by offering innovative solutions and leveraging the synergies among our subsidiaries and strategic partners.

MANAGEMENT DISCUSSION AND ANALYSIS

IN APPRECIATION

In closing, I wish to express my sincere appreciation to our investors, clients, business partners, bankers, government agencies, and regulatory bodies for their unwavering support and belief in Censof. I am also especially grateful to the many public and private sector organisations that we work with for their staunch backing of Censof and the local technology industry.

My heartfelt gratitude to every one of the Censof Group's diligent and dedicated employees for their determination in overcoming the year's challenges and the spirit of excellence they have demonstrated in our ongoing journey to success. My utmost appreciation to my colleagues on the Management team and Board for their wise counsel and astute insights which helped us navigate the year's challenging operating environment.

Last but not least, I wish to welcome on board YBhg. Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar who was redesignated the Group's Independent Non-Executive Chairman on 7 September 2022. He is no stranger to Censof and is well-versed with the workings of the Group, having served on the Board as an Independent Non-Executive Director since January 2018. We certainly look forward to his incisive insights and leadership.

As we venture forth into uncertain times, Censof will do its very best to remain flexible and relevant to our markets and target audiences. We remain cautiously optimistic that, as the markets we serve adopt digitalisation and our solutions in an accelerated manner, we will continue to post resilient growth. On our part, we commit to providing innovative solutions and quality services that will continue to deliver sustainable value to our stakeholders as well as enhance our customers' performance. I call upon all our stakeholders to lend us their unstinting support as we prepare to overcome all challenges and make the most of any opportunities that FY2024 may bring.

My sincere thanks to all for your continued support of Censof.

Ameer Bin Shaik Mydin
Group Managing Director
28 July 2023

As one of the nation's prime movers in the area of financial management solutions, rest assured that we will continue to leverage our strong business fundamentals, innovative solutions and top-notch services, as well as strategic tie-ups to strengthen and fast-track the expansion of Malaysia's digital economy.

5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 MARCH

2023 2022 2021 2020 2019

PROFIT AND LOSS (RM'MILLION)

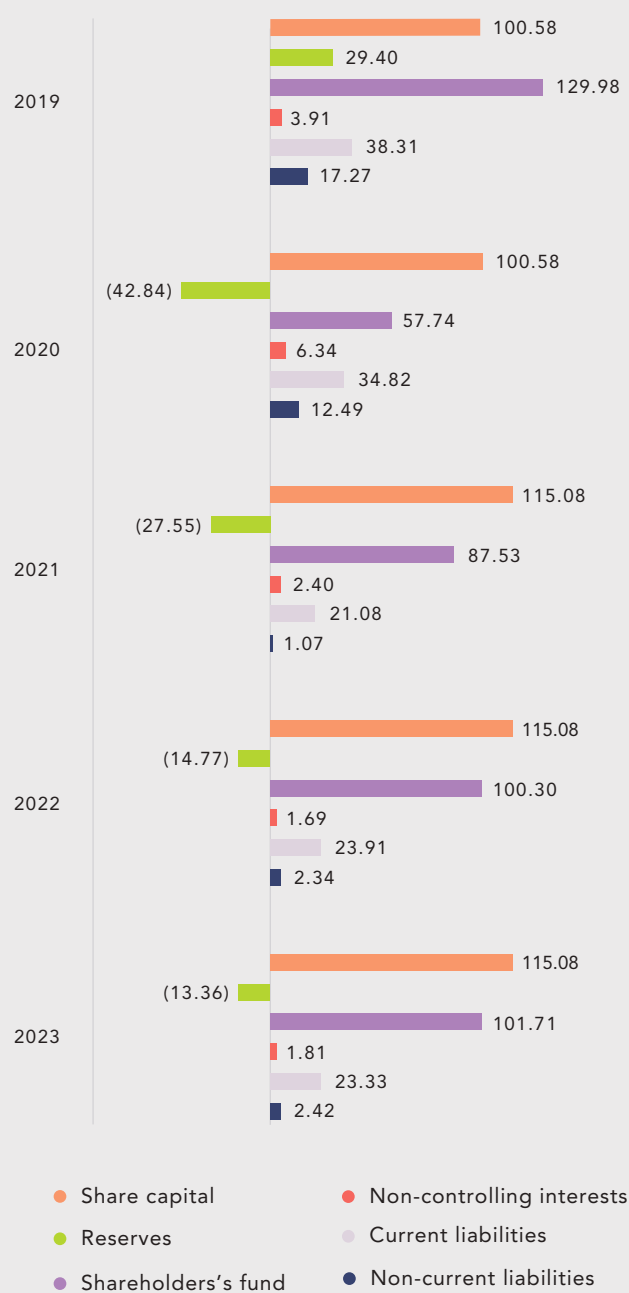
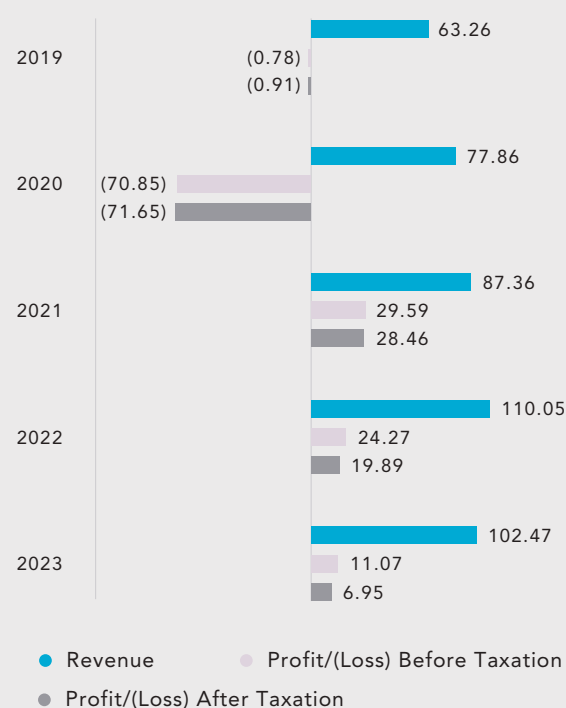
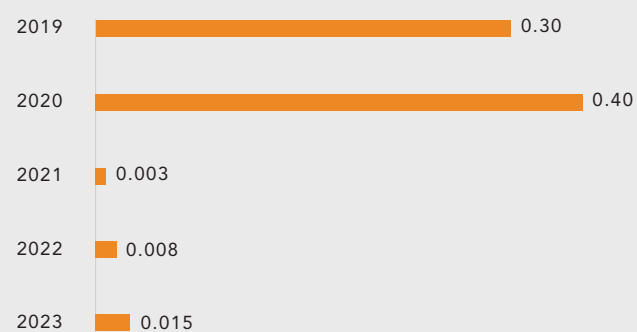
Revenue	102.47	110.05	87.36	77.86	63.26
Profit/(Loss) Before Taxation	11.07	24.27	29.59	(70.85)	(0.78)
Profit/(Loss) After Taxation	6.95	19.89	28.46	(71.65)	(0.91)

FINANCIAL POSITION (RM'MILLION)

Share Capital	115.08	115.08	115.08	100.58	100.58
Reserves	(13.36)	(14.77)	(27.55)	(42.84)	29.40
Shareholders' Fund	101.71	100.30	87.53	57.74	129.98
Non-Controlling Interests	1.81	1.69	2.40	6.34	3.91
Current Liabilities	23.33	23.91	21.08	34.82	38.31
Non-Current Liabilities	2.42	2.34	1.07	12.49	17.27
Property and Equipment	4.31	0.83	0.60	1.87	2.16
Other Investments	0.10	3.39	3.39	3.30	0.10
Current Assets	86.54	82.37	68.26	61.61	43.17

RATIO

Net Assets Per Share (Sen)	18.75	18.46	16.28	12.77	26.68
Net Earnings/(Loss) Per Share (Sen)	1.07	3.35	5.28	(14.43)	0.14
Dividend Amount Per Share (Sen)	0.75	0.75	0.75	-	-

5-YEAR FINANCIAL
HIGHLIGHTSFINANCIAL POSITION
(RM'MILLION)PROFIT AND LOSS PERFORMANCE
(RM'MILLION)GEARING RATIO
(TIMES)

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Issued Share Capital : 552,281,576
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of Shareholders : 7,343

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2023

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	46	830	0.00
100 - 1,000	620	335,380	0.06
1,001 - 10,000	3,413	21,979,355	3.98
10,001 - 100,000	2,862	98,841,493	17.90
100,001 to less than 5% of issued shares	396	163,952,414	29.69
5% and above of issued shares	4	263,560,604	47.72
Directors' Shareholdings	2	3,611,500	0.65
Total	7,343	552,281,576	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2023

No.	Names	No. of Shares	Direct		No. of Shares	Indirect	
				%			%
1	SAAS Global Sdn Bhd	175,937,954		31.86	-		-
2	Ameer Bin Shaik Mydin	1,420,500		0.26	175,937,954 ^(a)		31.86
3	Tamil Selvan A/L M. Durairaj	-		-	175,937,954 ^(a)		31.86
4	Ang Hsin Hsien	2,191,000		0.40	175,937,954 ^(a)		31.86
5	Tan Chean Suan	78,769,750		14.26	-		-
6	Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain	36,034,100		6.52	1,315,000 ^(b)		0.24

(a) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in SAAS Global Sdn. Bhd.

(b) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his interest in Semantan Capital Sdn. Bhd.

DIRECTORS' INTERESTS IN SHARES AS 30 JUNE 2023

No.	Names	No. of Shares	Direct		No. of Shares	Indirect	
				%			%
1	Ameer Bin Shaik Mydin	1,420,500		0.26	175,937,954 ^(a)		31.86
2	Tamil Selvan A/L M. Durairaj	-		-	175,937,954 ^(a)		31.86
3	Ang Hsin Hsien	2,191,000		0.40	175,937,954 ^(a)		31.86
4	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-		-	-		-
5	Dato' Mohd Redzuan Bin Hasan	-		-	-		-
6	Mahathir Bin Mahzan	-		-	-		-

(a) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in SAAS Global Sdn. Bhd.

ANALYSIS OF
SHAREHOLDINGS

AS AT 30 JUNE 2023

30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2023

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD	113,437,954	20.54
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEAN SUAN	74,922,650	13.57
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (51401202116A)	45,000,000	8.15
4	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN	30,200,000	5.47
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAAS GLOBAL SDN BHD (THIRD PARTY)	17,500,000	3.17
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG	9,314,100	1.69
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	6,400,100	1.16
8	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN (MM0804)	4,800,000	0.87
9	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA	4,350,000	0.79
10	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SU DO KEEN KANG (PB)	4,114,200	0.74
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEAN SUAN	3,285,000	0.59
12	EXPEDIENT EQUITY VENTURES SDN BHD	3,039,512	0.55
13	ANG HSIN HSIEN	2,191,000	0.40
14	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZAINI BINTI SYED ALI	2,084,000	0.38
15	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROBERT WING-YEE SNASHALL	1,954,200	0.35
16	YOUNG LEE LEE	1,930,000	0.35
17	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	1,640,000	0.30
18	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH KIM SOON	1,427,800	0.26
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AMEER BIN SHAIK MYDIN	1,420,500	0.26
20	LIM WEE HUN	1,372,200	0.25
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEMANTAN CAPITAL SDN BHD	1,315,000	0.24
22	OON SOO SEE	1,300,000	0.24
23	WONG AH YONG	1,237,800	0.22
24	PKNK ENTREPRENEUR DEVELOPMENT SDN BHD	1,213,114	0.22
25	CHONG LOONG MEN	1,154,900	0.21
26	MINHAT BIN MION	1,100,000	0.20
27	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MANIKANDAMURTHY VELAYOUDAM	1,090,000	0.20
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD IBRAHIM BIN MOHD ZAIN	1,034,100	0.19
29	KUANG KIM SOON	1,000,000	0.18
30	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PEH LEAN HOE	900,000	0.16
TOTAL		341,728,130	61.91

SUSTAINABILITY STATEMENT

EMBEDDING SUSTAINABILITY IN GREATER MEASURE

When COVID-19 struck, it propelled Malaysian public and private sector organisations to embrace digitalisation in a fast-tracked manner for their very survival or risk becoming irrelevant. Today, as the nation leaves behind the hardships caused by the pandemic to embrace endemicity and an economic resurgence, the accelerated rollout of digital infrastructure across all industries is reshaping the way we work and facilitating cross-industry and cross-border collaboration like never before. Forward-thinking businesses are leveraging digital solutions to provide their workforces with more flexible work arrangements while championing employee connectivity, safety and productivity. Digitalisation is also being tapped to mitigate negative environmental impact while tackling society's larger challenges including poverty and climate change. Digital innovation, without a doubt, is here to stay and there are ample opportunities for those who are able to readily jump on board the innovation bandwagon.

Here at Censof Holdings Berhad ("Censof" or "the Group"), we continue to tap our scale and skills, agility and cost efficiency, strong client relationships, as well as technology-driven innovation, to harness the power of digitalisation to reshape society for the better. We continue to uphold the agenda of sustainability as a core priority and practical means by which we demonstrate strong and meaningful corporate citizenship.

We believe in approaching sustainability in a holistic manner as we acknowledge that everything we do at Censof not only impacts our diverse businesses but has a resonating effect on society, as well as the communities and environment we operate in. Understanding that our present choices and actions have a huge long-term impact on future generations, we are deeply committed to upholding and embedding good sustainability practices within our businesses as well as making ethical choices that result in a safe and habitable future for all over the long term. Our approach is to ensure that we start from the basics and embed the right fundamentals among our people to create a sustainable 'Censof Community' that is concerned about the greater good.

Today, Censof is purposefully pursuing new socially-responsible business practices that will enable us to achieve even more in the areas of environmental sustainability, ethical governance, community development, as well as client and partner collaboration, while upholding an inclusive workplace culture. Recognising the importance of pursuing an agenda that upholds good Economic, Environmental, Social and Governance ("EESG") practices, Censof's Board remains committed to investing in long-term sustainability measures that promote the sustainable growth of the Group's businesses, secure our future, and create sustainable, shared value for our stakeholders.

For the financial year 2023, Censof made good headway on the EESG fronts. The year saw us aligning our procurement processes with that of our customers' to ensure we met their sustainability-centric criteria. We also mitigated our carbon footprint by utilising environmentally friendly and socially sustainable materials in our operations. To reduce our use of paper, we implemented several digitalisation initiatives including taking advantage of online payments and implementing an enterprise-level collaboration tool that allows executives to easily collaborate in real-time and make informed decisions. We continue to uphold a culture of good governance and are making good headway in the area of developing our Censof Community by strengthening employee career development and fostering a customer-centric culture to meet our business and sustainability objectives.

OUR APPROACH TO SUSTAINABILITY / SCOPE OF REPORTING FRAMEWORK

This Sustainability Statement ("Statement") is a summary of the sustainability performance of Censof and its subsidiaries for the financial year ended 31 March 2023 ("FY2023"). This Statement was prepared in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines (3rd edition). The information presented in this Statement covers the business activities of the Censof Group and its subsidiary companies within Malaysia, Singapore and Indonesia at the Group-level. As such, the finer details of our environmental efforts which come mainly under Century Software (Malaysia) Sdn. Bhd. and its companies will not be included in this report.

SUSTAINABILITY STATEMENT

The Group's sustainability initiatives and activities come under the ambit of the Censof Sustainability Control Framework ("Framework") which was developed to reduce the negative environmental impact of our business operations in the localities we operate in. Incorporating the Group's sustainability goals, the Framework provides a structure that allows all Censof companies to meet their sustainability targets while accurately recording, reporting and monitoring their efforts.

Censof's commitment to driving sustainability goes beyond the boundaries of our businesses and includes our efforts to enhance local economies and to improve the well-being of communities. In meeting the EESG needs of the communities in which we operate, we aspire to help cultivate sustainable growth which in turn creates a viable environment for the Group's continued value creation.

Censof's sustainability initiatives are organised under the Group's five areas of focus: Responsible Business, Client Experience, Environment, Employees and Community. This streamlined approach enables the Group to ensure that our sustainability activities remain consistent and aligned with our value creation targets.

Responsible Business

Censof is committed to setting high standards of integrity within the technology industry and the marketplaces that we operate in. We aim to uphold the highest standards in ethics, governance, environmental sustainability, accountable supplier relationships and productive community involvement.

Client Experience

Our goal to deliver excellence in our client experiences has seen the Group continue to develop innovative digital solutions. From creating new business models to addressing global issues related to climate change or healthcare access, our objective is to create solutions that equip enterprises across all industries to realise a better future.

Environment

The Group's observation of eco-friendly practices improves energy efficiency and reduces carbon emissions in data centres and offices, decreases electronic waste and other waste, as well as helps conserve natural resources across our global operations.

To reduce our carbon footprint, Censof engages in eco-friendly practices that improve our energy efficiency while decreasing our emissions from our data centres and offices. We also advocate the stewardship of our resources and the reduction of waste across our global operations as a means of conserving the environment.

Employees

Our people agenda focuses on the professional growth of our employees and the enhancement of their careers as per their strengths and aspirations. As such, we implement programmes that not only hone the functional and technical skills of our workforce, but also their business and leadership competencies and mental health. We believe in bench-building and developing our talents while we equip our younger leaders with the capability to lead and take charge. We also implant seeds of diversity, equity and inclusion while inculcating a culture of high performance within the workplace. In addition, we also aim to cultivate a holistic working environment that encourages work-life balance for our employees.

Community

In line with our goal to positively impact communities, Censof continues to partner with community stakeholders to develop initiatives that will drive sustainable development and socio-economic justice. Our initiatives include our efforts to promote the employability of fresh graduates through our provision of internship programmes and careers in accounting software development.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE

We realise that an efficient sustainability governance system is crucial for the effective implementation of our sustainability strategy throughout our operations. As such, Censof's sustainability agenda is reinforced by a robust governance structure which ensures that we, as a Group, continue to maintain a clear line of sight on our business strategy and direction. Our governance structure is also complemented by the implementation of our "Plan-Do-Check-Act" approach which ensures the Group's stringent compliance with all relevant laws. In having a strong governance framework, we strengthen the overall accountability of our businesses, while enhancing our relationships with external stakeholders.

The Group is also committed to maintaining high standards of ethics and integrity. During the financial year in review, we adopted several revisions to the Employment Act 1955 and implemented these changes on 1 January 2023 under the Employment (Amendment) Act 2023. To this end, we executed a clear implementation plan to ensure adherence with the revised Employment Act was effectively carried out at the Group level and within all subsidiaries. In addition to that, we also conducted several Anti Bribery and Corruption programmes for our Group employees, partners and alliances in compliance with Section 17A of the amended MACC Act 2018.

Our sustainability control framework is implemented via a top-down approach with various CEOs and their teams assigned to specific EESG objectives within our organisation. This is reflected as follows:

Board of Directors

- Oversees sustainability direction and performance.
- Ensures the business strategy considers and embodies sustainability elements.
- Approves sustainability initiatives and the related budgets.

Management Team

- Develops sustainability strategy and recommends revisions to the Board of Directors.
- Responsible for the implementation of sustainable business policies and practices.
- Evaluates overall sustainability risks and opportunities.
- Oversees departments/functions in ensuring the robustness of the system of sustainability management.
- Approves sustainability targets and disclosures.
- Monitors and acts on related risks and reports on evolving sustainability developments and progress.

Sustainability Team

- Recommends the sustainability strategy, fundamental goals and Key Result Areas ("KRAs").
- Monitors, aligns and facilitates adherence to sustainability policies and practices.
- Assists and supports the Operating Divisions in meeting their established sustainability goals.
- Conducts sustainability awareness and engagement activities.

Operations Team

- Undertakes day-to-day management of sustainability risks and challenges.
- Owns and ensures compliance with related sustainability policies and practices.
- Records all sustainability source data and related information.

Our governance structure is also complemented by the implementation of our Plan-Do-Check-Act approach which ensures the Group's stringent compliance with all relevant laws

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

This Sustainability Statement has been developed in alignment with the results of a materiality assessment exercise which we undertook with the assistance of our internal stakeholders. The formal materiality process guided us in evaluating our EESG and governance issues to help us identify the sustainability issues which are material to the Group. The assessment also enabled us to evaluate the state of our business, establish our aspirations, create goals, assign resources and set a roadmap in place to achieve these goals. The following table highlights the identification and assessment process:

01

IDENTIFICATION

Drills down topics to identify real issues impacting the Group.

03

EVALUATION

Managers assess prioritised matters and submit them to the top management.

02

PRIORITISATION

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

04

VALIDATION

Top management reviews the submission before giving the final approval for the assessed materiality issues.

Sustainability reporting enables Censof's decision making processes to be more efficient and transparent while ensuring that we are able to mitigate risks across the Group for better improved corporate confidence and reputation. It is paramount that our people, customers, and investors have regular updates on the progress of our EESG goals.

Our materiality assessment exercise has enabled us to evaluate the state of our business, establish our aspirations, create goals, assign resources and set a roadmap in place to achieve our goals.

SUSTAINABILITY STATEMENT

SUSTAINABILITY ASPIRATIONS AND FOCUS

Censof is dedicated to being a responsible corporate entity, prioritising the integration of EESG principles, a sound corporate culture, and ethical practices into our long-term success strategy. With a focus on addressing material issues that matter to both the Group and our stakeholders, we strive to drive sustainable growth through our transformation strategies. The following table outlines our materiality objectives, which we are committed to implementing and reporting as part of our aim of establishing a strong foundation for our future success:

Area	Aspirations / Focus
Products and Services	<ul style="list-style-type: none"> • Maintain a viable and supportive supply chain. • Adhere to best practices in corporate governance practices. • Adopt effective project implementation and delivery standards. • Enhance technical and power skills as part of capability development. • Comply with stringent cost management practices to protect performance margins. • Expand opportunities, innovation and value through digital transformation. • Establish synergistic business collaborations and partnerships.
Environmental	<ul style="list-style-type: none"> • Reduce energy use and greenhouse gas emissions throughout operations. • Increase digitalisation in our operations across departments. • Improve recycling and reuse initiatives. • Safeguard water consumption usage. • Undertake e-waste management. • Ensure material and resource efficiency. • Ensure travel and transportation efficiency.
Social Capital	<ul style="list-style-type: none"> • Strengthen community engagement efforts. • Grow shareholder engagement initiatives. • Enhance data security and privacy. • Position Censof as a thought leader.
Human Capital	<ul style="list-style-type: none"> • Share clear business direction with employees. • Increase upskilling of our people based on functional, business and leadership competencies. • Promote the employee experience as part of the retention strategy. • Uphold diversity, equity and inclusion in a high-performance culture. • Digitise and improve process to improve internal communication
Leadership and Governance	<ul style="list-style-type: none"> • Develop concise business plans in line with clear business direction. • Implement a responsible supply chain. • Uphold supplier diversity. • Ensure business continuity. • Strengthen management of intellectual property. • Embed strong business ethics. • Ensure robust transparency and accounting practices.

SUSTAINABILITY STATEMENT

We have made it our practice to evaluate our business conditions on an annual basis and to reassess the need for renewing or modifying the materiality assessment process. For FY2023, we made the decision to retain the existing sustainability materiality assessment from the previous financial year. After reviewing the materiality assessment process, we determined that a renewal was unnecessary, considering the absence of significant changes in our business operating environment which continued to function despite the pandemic and the ensuing economic recovery.

STAKEHOLDER ENGAGEMENT CHANNELS AND PRIORITIES

Our commitment to developing and maintaining strong relationships with our many stakeholders stems from our understanding that proactive stakeholder engagement is an integral aspect of our sustainability strategy. By responding to our stakeholders' different expectations and meeting their evolving needs, we are strengthening the Group's business continuity prospects. This is especially crucial as we continue to expand the Group's businesses in rapidly changing and highly-competitive markets.

Censof recognises that proactive stakeholder engagement is a vital component of our sustainability strategy. Hence, we remain dedicated to cultivating and strengthening our connections with our diverse stakeholders. By addressing the various expectations and evolving requirements of our stakeholders, we enhance the Group's resilience and continuity. This endeavour is especially significant as we strive to grow our businesses in dynamic and fiercely competitive markets.

OUR STAKEHOLDER ENGAGEMENT APPROACH

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

Who to Engage	Engagement Aspects	Engagement Process
Customers	<ul style="list-style-type: none"> New solution offerings Software security Hardware quality Downtime incidents 	<ul style="list-style-type: none"> Encourage discussions on our innovation edge via networking events, customer satisfaction surveys, focus group discussions Rollout of awareness training sessions Review of equipment maintenance Devise measures to reduce downtime
Employees	<ul style="list-style-type: none"> Consistent setting and achievement of Key Result Areas or KRAs Upskilling to remain relevant in the Technology/Digital sector Bench building for continuous talent growth Developing a sense of ownership in a conducive work environment 	<ul style="list-style-type: none"> Annual employee engagement survey Review relevance of Human Resource ("HR") practices and policies and update them Execute the Performance Enhancement Plan ("PEP") to ensure one-on-one feedback sessions with each employee Develop people management skills via one-to-one sessions and coaching
Government & Regulatory Bodies	<ul style="list-style-type: none"> Licensing compliance Industry standards Listing requirements 	<ul style="list-style-type: none"> Adhere to all licensing requirements Compliance with MDEC's 'Malaysia Digital Status', formerly known as 'MSC status' Adhere to Bursa Malaysia Securities Berhad's Main Market Listing Requirements
Suppliers	<ul style="list-style-type: none"> Performance standards Effective pricing High quality applications 	<ul style="list-style-type: none"> Adhere to contract implementation terms and annual review of suppliers' performance Ensure competitive and transparent pricing Implement product benchmarking process
Shareholders & Investors	<ul style="list-style-type: none"> Corporate information updates 	<ul style="list-style-type: none"> Annual General Meeting Regular updates and communication via Bursa Announcements Quarterly Results Announcements

SUSTAINABILITY STATEMENT

SUSTAINABILITY ACTION PLANS

In our bid to diversify our income streams and venture into new industry sectors, we remain aware of the importance of remaining relevant in the current markets in which we operate. As such, we continue to develop and implement various initiatives which enable us to foster the sustainable growth of our businesses as a collective entity. The following sections offer a comprehensive summary of Censof's sustainability initiatives pertaining to our Environmental, Economic, Social and Governance or EESG aspects in FY2023. They outline our goals and commitments, action plans, measurement metrics, and the progress we have made as we move forward.

SUSTAINABILITY FOCUS: ECONOMIC

ACTIVITY FOCUS

Censof is dedicated to continuously improving the quality and sustainability of the Group's business operations. We invest in developing standards and benchmarks with the aim of creating sustainable value for our customers and shareholders through:

- Maintaining a viable and supportive supply chain.
- Adhering to best corporate governance practices.
- Adopting effective project implementation and delivery standards.
- Enhancing technical skills and talent management capabilities.
- Complying with stringent cost management practices to protect performance margins.

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>A high-performance culture and shared values</u> Drive high-performance outcomes promoting ownership and a team culture.	Ensure that KRAs are regularly tracked, monitored, measured and reported.	People Management skills i.e., coaching and one-to-one sessions.	Implemented.
<u>New product offering</u> Maintain the Group's competitive edge by keeping abreast of technology trends and rolling out solutions that are suitable and relevant to evolving market needs.	Develop innovative business solutions to meet customers' requirements. Focus on cloud-based products and move into the digitalisation era using Robotic Process Automation, Internet of Things, Artificial Intelligence, and Machine Learning.	Set up an R&D department to create new products and introduce new technologies to customers.	Continuous process within the Group.

SUSTAINABILITY STATEMENT

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Client-centric services</u> Focus on achieving excellent customer service and satisfaction levels by emphasising high delivery standards.	Online client feedback and customer satisfaction surveys.	Develop an online platform to collect feedback from customers about our product performance.	Surveys/reports on customer satisfaction are carried out on a quarterly basis for Century Software during our quarterly visits, while measures to strengthen and address customer feedback thoroughly continue to be implemented. The rest of the companies have active communication with our customers.
<u>Value for shareholders</u> Aim to declare a healthy dividend payout on an annual basis.	Strengthen the capital management strategies and maintain strong cashflows for a yearly dividend payout.	Dividend payout ratio.	The Company declared an interim dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 March 2023 with total dividends of approximately RM4.14 million representing a pay-out ratio of 70.2% of FY2023's net earnings. The payment was made on 10 July 2023 to eligible shareholders.

Championing Customer Satisfaction and ISO Standards

To uphold our commitment to delivering exceptional services and products, the Group conducts an annual Customer Satisfaction Survey ("CSS"). This valuable feedback mechanism allows us to gather insight from our customers, enabling us to assess their satisfaction levels and strategically plan our future steps. Our objective is to enhance customer satisfaction, increase advocacy, and ultimately drive profitability.

In line with our pursuit of excellence, the Group stringently adheres to world-class standards to ensure the exceptional quality of our companies, services, and products. To date, Censof Holdings Berhad and Century Software holds the ISO 9001:2015 certification for our Accounting Package Software. This esteemed certification demonstrates our dedication to maintain the highest standards in our operations. Valid for three years, the certification is due for renewal in April 2024. Similarly, Century Software's ISO 27001: 2013 standard certification for its Information Security Management System was renewed in FY2023 following a scheduled surveillance in October 2022. PT Prasindo, too, will be embarking on the same certification process to demonstrate its commitment to upholding high standards.

Helping Fast-Track Malaysia's Digital Transformation

Our products and services play a significant role in driving economic growth as we provide valuable support to government agencies, corporations, and SMEs in their journey towards embracing digitalisation. Through our offerings of innovative solutions and services, we empower these entities to leverage the benefits of digital technologies, thereby contributing to the economic development of the regions where we operate.

The valuable feedback from our Customer Satisfaction Survey allows us to gather insights from our customers, enabling us to assess their satisfaction levels and strategically plan our future steps.

SUSTAINABILITY STATEMENT

Proactively Backing Malaysia's MyDIGITAL Aspirations

In line with Malaysia's aspirations to accelerate its digital capabilities, our focus in the near to medium term is centred on actively participating in the national MyDIGITAL initiative. This initiative aims to transform Malaysia into a leading digitally-driven, high-income nation and a regional digital economy powerhouse by 2030. The Malaysia Digital Economy Blueprint outlines the comprehensive initiatives and targeted outcomes of MyDIGITAL, addressing the needs of the people, businesses, and the government. To effectively leverage the blueprint, Censof has developed its own roadmap, identifying the relevant projects and the specific companies within our group that will be involved.

Our partnership with Microsoft under the 'Bersama Malaysia' initiative is also making a significant impact on the nation. This collaboration combines Censof's proven Government Resource Planning ("GRP") solution with Microsoft Azure and other data technologies to address the evolving needs of both the private and public sectors in accordance with the Malaysian Digital Economy Blueprint. This integrated solution strengthens the Malaysian Government's ability to optimise its resources and sets the stage for transformative changes across various industries in the future.

For further details regarding the MyDIGITAL initiative and our specific plans please turn to the Management Discussion and Analysis section of this Annual Report.

SUSTAINABILITY FOCUS: ENVIRONMENTAL

In line with our ultimate goal of reducing our carbon footprint, the Censof Group is wholeheartedly dedicated to responsibly managing our resources and minimising wastage throughout our operations. In FY2023, the Group launched the Energy Consumption Management Plan which encouraged consumers to use long-term low-carbon alternatives such as electric vehicles and bicycles for their daily commute or to even take up walking.

ACTIVITY FOCUS

- Expand scope of energy savings opportunities.
- Improve recycle and reuse initiatives.
- Explore carbon footprint mitigation opportunities – both internal and external.

The term '**carbon footprint**' denotes the total amount of greenhouse gases (including carbon dioxide and methane) that are generated by our actions. The average global carbon footprint for a person is closer to 4.7 tonnes. To have the best chance of avoiding a 2°C rise in global temperatures, the average global carbon footprint per year needs to drop to under 2 tonnes by 2050.

Censof's focus in the near to medium term is centred on actively participating in the national MyDIGITAL initiative which aims to transform Malaysia into a leading digitally-driven, high-income nation and a regional digital economy powerhouse by 2030.

SUSTAINABILITY STATEMENT

Censof has made a conscious decision to downsize the area of our office space by combining our holding company and the majority of our subsidiaries under one roof for ease of communication internally and with the intention of reducing the Group's overall 'carbon consumption'.

We acknowledge that paper consumption has a significant environmental impact. Wherever possible and appropriate, we seek to avoid unnecessary paper consumption and waste generation. We utilise and promote the use of electronic platforms such as our inhouse Centranet for internal communication, social media, SMS, and email as effective alternative modes of communication with our suppliers and customers, as well as for our day-to-day internal operations.

In addition to that, we are actively embracing the use of eco-friendly materials and are continuously strengthening our recycling endeavours. The following is a snapshot of the Environmental-centric measures that we undertook in FY2023 as well as the related outcomes:

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Align our procurement processes with customers' sustainability needs</u> Address environmental footprint by using materials that meet environmental and social sustainability endorsements.	Promote supplier awareness on environmental and social sustainability choices.	Develop a policy on supplier checklists which includes environmental requirements. Develop a new self-evaluation form for suppliers.	The Environmental or "E" guidelines are in the draft stage and are expected to be implemented in-house by the first quarter ("Q1") of FY2024 before it is released to suppliers (release targeted for Q3 FY2024 subject to in-house progress). The policy, checklist and self-evaluation form, which have been benchmarked against Global Reporting Initiative ("GRI") standards, are set to be implemented by Q1 FY2024.
<u>Stronger energy consumption management</u> Encouraging organisations to embrace energy-efficient technologies and practices in their buildings not only lowers operational costs but also demonstrates a commitment to environmental sustainability by reducing the carbon footprint associated with heating, ventilation, and air conditioning or HVAC.	Supergreen Project iDAYA - Efficient HVAC Energy Consumption Management to reduce electricity consumption: <ul style="list-style-type: none"> Q1 (FY2023) - Install and commission 27 iDAYA units in Eastern & Oriental Hotel Penang. 	To ensure the 27 iDAYA units at Eastern & Oriental Hotel Penang deliver impressive average savings of 35%-40% of the total electricity consumption for all assets that have adopted the iDAYA solution since commissioning.	The iDAYA project at Eastern & Oriental Hotel Penang project has been completed and it continues to deliver considerable energy savings.
<u>Higher level of online payments</u> Reduce face-to-face human interaction and increase more use of green environment (paperless) business transactions.	Reduce usage of cheque payments and recycle office stationery whenever possible.	Promote online signing of contracts. Promote cloud storing of documents.	Implemented.

SUSTAINABILITY STATEMENT

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Digital solutions for environmental management and protection</u>	Collaborate and co-create with local startups to develop digital impact solutions for the environment – focusing on energy, utility and air quality (indoor and outdoor).	Establish >3 local tech startups by Q4 FY2023. Implement >3 projects based on the collaboration by FY2024.	Collaborate with MDEC and Digital Penang to identify the local tech startups in their ecosystem. To date, we have identified these tech-startups and are working to qualify them by Q1 FY2024. The startups to date include: EveCo (Penang) - EV; OwlTech (KL) - Utility with AI; and BLUE IN (Kuala Lumpur) – CompVision with AI.
<u>Awareness programmes at local universities to meet the need for environmentally sustainable solutions to reduce carbon emissions as well as air and water pollution</u>	Conduct workshops and seminars on how digital solutions can make a positive impact on the environment – focused on carbon emissions reduction.	To conduct one university workshop on a quarterly basis per year.	Asia Pacific University of Technology & Innovation (“APU”) – partnered with Nordic ASEAN Innovation (“NAI”) in January 2023 to drive UN SDG projects. Censof is playing the role of an advisor on an ongoing basis. Signed a Memorandum of Understanding (“MOU”) with Universiti Kebangsaan Malaysia (“UKM”) in January 2023 to participate in a knowledge transfer and internship programme which has since been completed.

SUSTAINABILITY STATEMENT

SUSTAINABILITY FOCUS: SOCIAL

The Group's Social initiatives are founded on our understanding that the development of our people is vital to the long-term sustainability of the Group. Our primary goal is to cultivate a work environment where our employees are not only productive but also healthy and content, enabling them to efficiently meet our customers' needs. Furthermore, as responsible corporate citizens, we also contribute to the communities our employees are engaged with on an annual basis.

ACTIVITY FOCUS

- Uphold Diversity, Inclusion and Equal Opportunity.
- Ensure mental wellness at work through social and emotional Intelligence.
- Develop the 'Censof Community' through strengthening employee career development measures and fostering a customer-centric culture.

In FY2023, Censof embarked on a groupwide revamp of our people processes. The primary objective of this exercise was to drive our Censof Community initiative which encapsulates the Group's aim to create a secure and dynamic work culture that promotes the growth of our employees.

In this vein, we have enhanced our workforce-based initiatives and introduced a more structured HR strategy across the Group. This new strategy has been tailored to fit the specific HR and business requirements of each Censof subsidiary. Having focused on our internal processes during the year in review, we hope to benchmark the standards and progress we have established thus far against market best practices between FY2024 and FY2025.

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Diversity, Inclusion and Equal Opportunity</u> Review and update HR policies to ensure talent acquisition, development and retention initiatives promote diversity and inclusion ("D&I") as well as equal opportunity. This will enhance our employer branding to attract the top talent within the Technology industry and business sector.	Review and revise internal HR policies and practices to ensure activities involving talent acquisition, development and retention are conducted based on merit and performance. Conduct coaching sessions for People Managers on D&I and equal opportunity. Ensure diversity as it equips us to manage our growing customer base and exceed expectations. Collaborate with universities and institutions of higher learning to increase the female ratio in the Technology industry via women's career returnship programmes.	Achieve targets set for D&I by level e.g., promoting better gender and ethnicity balance within the workforce. Establish awareness programmes for line managers. Strengthen staff retention rates.	Today, there is ongoing hiring of diverse Gen Y and the alpha generations as fresh graduates and interns in most subsidiaries. Coaching is ongoing for leadership teams while we source and shortlist diverse external candidates. We are also creating awareness through public forums (e.g., employability sessions at regional and national HR Tech conferences). Cognitive Consulting has signed an MOU with UKM for an RPA knowledge transfer and internship programme.

SUSTAINABILITY STATEMENT

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<p><u>Mental wellness at work through social and emotional intelligence initiatives</u></p> <p>Develop self and social awareness on mental wellness at work through learning and coaching sessions.</p> <p>The objective is to create more balanced leadership and people management competencies.</p>	<p>Learning and coaching programmes for people managers and staff so they are able to possess self-awareness which leads to managing self and relationship management.</p> <p>Social awareness and sound relationship management will support and facilitate improved customer experiences.</p>	<p>Improved employee engagement which leads to better staff retention.</p> <p>Increase performance /productivity in teams within each department.</p> <p>Regular one-to-one sessions with staff providing continuous feedback/guidance.</p>	<p>We are engaging in more one-on-one coaching sessions for our leaders, primarily on people matters. Managing people does not only involve functional competencies and KRAs but also behavioural aspects.</p> <p>We also held a session on developing self and social awareness for mid-level managers in early March 2023.</p>
<p><u>Development of the Censof Community via strengthening employee career development activities and fostering a customer-centric culture</u></p> <p>To create a Censof Community that grows with the Group's business objectives.</p> <p>To create clear career paths by defining potential (via the Talent Review) and performance (via the achievement of SMART KRAs).</p> <p>Ensure career growth is driven by Individual Development Plans and by mastering functional/business and leadership competencies.</p>	<p>Development of a high-performance culture where KRAs are set and tracked on a monthly/quarterly basis, and performance gaps are addressed with clear plans.</p> <p>SMART PEP KRAs are set and communicated to everyone as per the budget for FY2023. Milestones are measured and continuous feedback is provided on a regular basis.</p> <p>Talent reviews to be conducted with all staff to ensure that Censof is aware of its employees/community aspirations and their development needs to stay relevant and develop their careers within Censof.</p>	<p>KRAs on bench building and capability development are driven by people managers as part of the PEP KRAs related to personal performance objectives.</p>	<p>These initiatives are ongoing.</p>

SUSTAINABILITY
STATEMENT**Return to the Workplace as of Q3 2022**

The health, safety and wellbeing of our employees, customers and surrounding communities remains a priority for the Censof Group. Although the pertinent threat of the COVID-19 pandemic declined in FY2023, the rise of other infectious diseases such as Influenza A in late 2022 saw the team closely monitor the situation and continue to encourage work-from-home arrangements. All reported cases of Influenza A were also closely observed and tracked.

While 90% of our workforce have since returned to the office and our client premises, we continue to implement the hybrid working model, especially for employees who have any special family needs, be it to look after a child or a dependent. Censof also has an open door policy across the board for all our employees to reach out and share their concerns.

Employees are encouraged to discuss their home issues and challenges with their respective superiors and HR teams so as to plan a way forward

Workplace Diversity for Malaysian Operations

Workforce Statistics	FY 2020/21	FY 2021/22	FY 2022/23
Total Number of Employees			
Male	206	227	171
Female	123	131	133
Employees by Age Group			
<30	108	173	91
30 – 40	134	109	119
41 – 50	56	58	63
>50	31	18	31
Employees by Ethnicity			
Bumiputera	230	168	203
Non-Bumiputera	69	80	94
Foreigners	30	10	7
Censof Companies Outside Malaysia			
Resident	-	97	104
Non Resident/Foreigners	-	3	1
% of Female Employees			
Total Employees	123	131	133
Board of Directors	0.76%	12.50%	16.67%
Senior Management	5.34%	7.14%	30.00%
Middle Management	9.17%	26.32%	39.13%
Executive/ Supervisory	83.21%	42.11%	75.50%
Non-Executive	1.52%	15.38%	25.00%
New Hires			
Total Number of New Hires	54	120	117
Male	32	68	66
Female	22	52	51
Staff Turnover Rate (%)			
	11.24%	27.09%	26.82%

SUSTAINABILITY STATEMENT

Labour Practices and Decent Work

Employee engagement is an integral aspect of Censof's workplace initiatives. In FY2023, our Townhall meetings were held online or via a hybrid model to accommodate our people who were working from home. Our Townhall meetings across the Group meetings are generally held on a weekly to quarterly basis depending on the subsidiary, to enable effective and transparent communication of the respective company's quarterly results and recovery updates. Management meetings are organised on a weekly basis within departments and also at the company level for Senior Management Teams. Project management meetings are also held on a regular basis to ensure all stakeholders are in the loop on the company's progress and key issues.

We conducted an employee survey at one of our subsidiaries to ensure we understand our employees' needs and to improve areas of concern to increase retention. We also reintroduced annual dinners, team building events and recognition programmes after a gap of two years due to the pandemic. Centranet, our very own intra-net platform was implemented to bring all Censof Group employees together on a single common platform. The content development is being driven by our Marketing and HR teams.

To enhance our employees' experience within the office, we renovated our offices on eight floors to create an open workplace in Q3 and Q4 of 2022. We also transformed Level 7 into a fun recreational floor that features a café with free flow coffee, pool, ping pong tables and other games for our employees to 'let their hair down' while at work.

An Ongoing Focus on Leadership and Talent Development

The Group acknowledges that leadership and business competencies are just as crucial as functional technical skills in developing leaders within the Censof Group. While we have been aggressively building capabilities in technology and product functions, we firmly believe that business acumen and leadership skills are integral for ensuring sustainable long-term growth. Therefore, our focus remains on equipping our workforce and strengthening their skill sets, especially in technical or functional, business, and leadership competencies through various learning and development programmes.

To this end, we launched the GRP Learning Academy, our online learning platform, which aims to upskill, cross-skill and re-skill our employees in core functional areas. To measure and apply our learnings in our day-to-day jobs, we will also be introducing the Censof Learning Effectiveness Framework which will provide our employees with essential technical skills for optimal performance.

Additionally, we organise one-on-one coaching sessions which are critical to developing trust and a sense of belonging among our employees. Through these diverse learning initiatives, including various methodologies from the Human Resources Development Corporation Fund ("HRDC"), we aim to empower both our teams and individuals.

The Group encourages all employees to incorporate the '5 Cs' into their work ethic, emphasising that how we achieve the desired results is equally important as what needs to be achieved. The '5 Cs' – Committed, Credible, Caring, Creative, and Collaborative – are also measured in our Performance Enhancement Programme or PEP to ensure our employees' behaviour aligns with the Group's expectations throughout the year. By fostering these qualities, we aim to nurture a workforce that consistently achieves their KRAs with the desired behaviour.

In ensuring that our employees are consistently growing in their careers, we incorporated upskilling as a mandatory requirement within the Group's KRAs in 2020. This initiative requires each employee to undergo functional/technical training programmes or leadership/business programmes as part of their PEP and Learning Needs Analysis ("LNA"). Training programmes must be relevant to their functional soft skills within Censof and approved by their Head of Departments ("HODs"). The effectiveness of the training is not solely based on the number of hours each employee undergoes but rather on the practical application of learning on the job. This module is measured using the Kirkpatrick model, which emphasises 70% on-the-job training, 20% coaching and mentoring, and 10% online or offline training programs. As a result of the HRDCorp levy, all employees can attend training based on their identified needs.

SUSTAINABILITY STATEMENT

Developing a Sustainable Industry Talent Pool

Our commitment to developing and nurturing talent within the digital technology sector goes beyond the confines of our Group; we also seek to contribute to the sustainability of the industry and the local economy. As part of this endeavour, Censof continues to collaborate with the Ministry of Entrepreneur Development in the Government's PROTÉGÉ programme, which focuses on providing professional training and education for aspiring entrepreneurs. Under this programme, we have committed to training eight management trainees with the intention of hiring them in the future. Our goal is to enhance the entrepreneurial and professional skills of these young and talented individuals, empowering them to become valuable contributors to the nation's future.

In line with our commitment to building a skilled workforce for the industry, Cognitive Consulting signed a MOU with UKM to foster university-industry collaboration via knowledge transfer and internship programmes. We are optimistic that this collaboration will lead to more training and academic linkages, creating additional cooperation opportunities. Currently, we are exploring further collaborations with other universities as well, with the aim of providing fresh graduates with comprehensive internship programmes that enhance their employability.

During the financial year in review, we rolled out several succession planning initiatives following our Group-wide performance management exercises, particularly within Century Software and ABSS. Notably, we promoted the Head of Sales, who displayed high potential, to the position of CEO at Century Software. Furthermore, internal mobility promotions have been made for key roles such as COO-Professional Services, COO-Support Services, General Manager-Product, General Manager-Digital Govt, and Senior General Manager-Gov Tech. These achievements mark significant milestones for our people agenda.

Moving into FY2024, we plan to conduct a Talent Review exercise involving all employees to assess their potential based on their performance achievements following the PEP. Identified high-potential individuals will be assigned an Individual Development Plan ("IDP") to bridge any performance or potential gaps and further enhance their capabilities.

Enriching Society/Communities

Censof's commitment to serving the community revolves primarily around our provision of aid to less-privileged communities. As part of our aim to inculcate generosity and care in our organisational culture, we highly encourage our employees to engage in their own philanthropic and community-based initiatives.

SUSTAINABILITY FOCUS: GOVERNANCE

Censof recognises that good governance coupled with effective risk management and stringent internal control measures are integral to our long-term success. Our commitment to upholding corporate governance best practices is evident in the measures implemented throughout our organisation as well as via our 'Caring, Credible and Committed' core values. In ensuring that transparent, accountable, and responsible business practices are rigorously observed across all our businesses, we aim to deliver continued value creation, preserve our corporate reputation, and bolster stakeholder relationships.

ACTIVITY FOCUS

- Uphold a culture of good governance.
- Maintain a high standard of business ethics and integrity by adhering to the revised Employment Act ("EA") 1955 with effect 1 September 2022 which was later executed on 1 January 2023. We also continued to execute the Group's Anti Bribery and Corruption ("ABAC") Programme.
- Adopt effective project implementation and delivery standards.

For the year in review, we rolled out several measures to reinforce our governance practices.

SUSTAINABILITY STATEMENT

Goals & Commitments	Action Plans	Measurement/ Indicators	Status
<u>Cultural Shift: A High Performance Culture</u> Ensure transparency in business objectives and an emphasis on accountability to promote ownership and a team culture to drive high-performance outcomes.	Review the organisational design at the Group and subsidiary levels to ensure internal mobility of High-Potentials. Continue with succession planning for business continuity. Review the Group's core values based on relevancy and business needs.	SMART KRAs to drive team, personal performance and the observation of the 5Cs (i.e., Committed, Credible, Caring, Creative, and Collaborative).	The Censof Group HR/Governance Report Card outlines the critical HR measures and deliverables to be reported at the subsidiary level on a monthly/quarterly/annual basis.
<u>Ensure high compliance with revisions to the EA (effective September 2022)</u> This aims to drive high standards of business ethics on the public sector client project management and implementation fronts.	Amend internal HR policies to include the latest changes as per the EA and ensure strict compliance with these.	Strict compliance with the revised EA and updates to all revised sections by 1 January 2023.	As per the amended EA 1955, the HR policies at the Group and subsidiary levels have been updated and regular checks are being undertaken primarily to ensure compliance with the policies. The new Censof Group Report Card was trialled at Century Software and then rolled out to the other subsidiaries in May 2023. An anti-sexual harassment awareness programme was introduced in February 2023 for the Censof Group along with the required posters as per section 81 of the EA 1955.
<u>Hold Anti Bribery and Corruption or ABAC training every 12 months to ensure compliance with the necessary assessments</u>	Conduct ABAC learning programmes for all staff with an assessment.	All assessments for ABAC to be passed by all staff.	Conducted a second round of ABAC training for staff and business vendors on 31 January 2023.

SUSTAINABILITY STATEMENT

BUILDING A BETTER, MORE SUSTAINABLE FUTURE

In the course of managing and operating the Group's business, we acknowledge the importance of sustainability as a guiding principle. It serves as the foundation for serving our customers, caring for the environment, securing profits, ensuring high levels of governance, and driving long-term prosperity. Sustainability is deeply integrated into our business as it ensures the responsible and efficient management of our obligations, while safeguarding the well-being of our employees, partners, communities, shareholders, and the environment, both today and for the future.

At Censof, we perceive sustainability as an ongoing journey of improvement and are dedicated to upholding the sustainable growth of our businesses while meeting the needs of all stakeholders. We are committed to integrating sustainability into our operations and business strategies, refining our internal processes, and enhancing our ability to generate sustainable value for our business, stakeholders, and society as a whole.

Looking ahead, the Group will continue to focus on strengthening the sustainability framework of our organisation. In implementing these internal changes, we aim to develop a group of companies that are resilient, progressive and innovative. In FY2024, our sustainability agenda will see the Group enhance our Occupational Safety and Health requirements in tandem with industry standards. We will also continue to improve our HR framework while ensuring that the Group continues to abide by the strictest Governance measures. On the Environmental and Social/Community fronts, we will continue to drive digitalisation as a means of reducing waste and to provide opportunities to young talent.

Censof endeavours to be a leader in corporate sustainability and we will remain steadfast in our commitment to the journey we have embarked on, fulfilling our multiple roles as a business partner, employer, community member, environmental steward, and value creator. By embracing sustainable practices in our strategies and actions, we aim to deliver excellent financial management products, outstanding customer service, and strong financial results while positioning Censof for a promising and sustainable future.

Sustainability is deeply integrated into our business as it ensures the responsible and efficient management of our obligations, while safeguarding the well-being of our employees, partners, communities, shareholders, and the environment, both today and for the future.

HIGHLIGHTS OF THE YEAR

01

CENSOFT DIGITAL CEO IS A SPEAKER AT THE MGBF ROUNDTABLE

KUALA LUMPUR

1 FEBRUARY 2022

Censof Digital Sdn. Bhd.

EVENT DESCRIPTION

Vicks Kanagasingam, Chief Executive Officer ("CEO") of Censof Digital Sdn. Bhd. was one of the speakers at a Malaysia Global Business Forum ("MGBF") Roundtable which focused on the topic 'Addressing Weaponised Information in the Media'. The topic addressed how businesses and government agencies could best navigate through a digital economy/operating environment that was under attack on multiple fronts. The importance of understanding these advanced business threats goes beyond the purview of communications teams and falls on the shoulders of leadership teams at the Board and C-suite level as well as the upper echelons of government.

02

CENSOFT DIGITAL CEO IS A SPEAKER AT IOT FOR YOU IN 2022 EVENT

KUALA LUMPUR

1 MARCH 2022

Censof Digital Sdn. Bhd.

EVENT DESCRIPTION

Vicks Kanagasingam, CEO of Censof Digital spoke on the topic, 'Why IoT adoption is a Journey' at the IoT for You 2022 event organised by the Malaysia IoT Association.

03

PANTI ASUHAN KUNTUM TERATAI

JAKARTA

25 APRIL 2022

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's corporate social responsibility ("CSR") programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

HIGHLIGHTS
OF THE YEAR

04

**CENTURY SOFTWARE LAUNCHES
SOFTWARE ROBOT TO AUTOMATE
BANK RECONCILIATION PROCESSES**

EVERLY HOTEL, PUTRAJAYA

24 MAY 2022

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

In conjunction with its 25th-anniversary celebration, Century Software (Malaysia) Sdn. Bhd. launched its software robot, also known as Recon as a Service ("RAAS") to automate the bank reconciliation process for government agencies. The RAAS launch was witnessed by the Accountant General of Malaysia, YBhg. Datuk Dr. Yacob bin Mustafa.

05

PANTI ASUHAN HIDAYAH

JAKARTA

27 MAY 2022

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

06

**CENSOFT STRENGTHENS ITS MARKET
POSITION IN THE COMMERCIAL AND
SME SEGMENT**

KUALA LUMPUR

15 JUNE 2022

Censof Holdings Berhad

EVENT DESCRIPTION

Censof reinforced its market position in the commercial and SME segment by acquiring 41,680 treasury shares in Asian Business Software Solutions Pte. Ltd. ("ABSS") for SG\$1.28 million (equivalent to approximately RM4.09 million). The 41,680 treasury shares represent a 7.93% equity stake in ABSS, increasing Censof's stake in ABSS to 97.00% from 89.07% previously.

HIGHLIGHTS
OF THE YEAR

07



CENSOFT GMD, AMEER SHAIK MYDIN PRESENTED WITH THE WORLD DIGITAL ECONOMY DISTINGUISHED ENTREPRENEUR LIFETIME ACHIEVEMENT AWARD

KUALA LUMPUR

28 JUNE 2022

Censof Holdings Berhad

EVENT DESCRIPTION

Censof Holdings Berhad's Group Managing Director, En. Ameer Shaik Mydin, was presented with The World Digital Economy Distinguished Entrepreneur Lifetime Achievement Award. The award ceremony, which was jointly organised by the KSI Strategic Institute for Asia Pacific, the Pacific Basin Economic Council and Economic Club of Kuala Lumpur, saw H.E. Tun Seri Setia (Dr.) Haji Mohd Ali bin Mohd Rustam, Governor of Melaka, presenting awards to fellow recipients.

08



CENTURY SOFTWARE SIGNS MOU WITH UNIVERSITY MALAYSIA OF COMPUTER SCIENCE AND ENGINEERING

CYBERJAYA

4 AUGUST 2022

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software signed a Memorandum of Understanding ("MOU") with University Malaysia of Computer Science and Engineering ("UNIMY") to facilitate university-industry collaboration. The MOU will entail both parties driving the evolution of the digital technology industry by developing and delivering substantial real-world training programmes and initiatives to UNIMY's students. The delivery would be through mutually agreed training and academic linkages and cooperation in the form of internship and management trainee programmes, industry research and thesis collaboration for final-year students. It will also provide Century Software's employees with higher learning or post-graduate opportunities at UNIMY.

HIGHLIGHTS
OF THE YEAR

09

**NETSENSE SHOWCASES ACUMATICA
ERP SOLUTIONS AT SMART NATION
EXPO 2022****KUALA LUMPUR****30 SEPTEMBER 2022**

Netsense Business Solutions Sdn. Bhd.

EVENT DESCRIPTION

Netsense showcased Acumatica's cloud-based Enterprise Resource Planning ("ERP") solutions for the manufacturing and construction industries at the Smart Nation Expo 2022 that was held at the Malaysia International Trade and Exhibition Centre.

10

**NETSENSE CUSTOMER RECOGNISED
AT ACUMATICA CUSTOMER
CONFERENCE 2022****HOLIDAY INN, KUALA LUMPUR****1 OCTOBER 2022**

Netsense Business Solutions Sdn. Bhd.

EVENT DESCRIPTION

Netsense's customer, NGC Energy, was hailed 'Asia Customer of the Year 2022' at the Acumatica Customer Conference 2022.

HIGHLIGHTS
OF THE YEAR

11

**CENTURY SOFTWARE WINS ASOCIO
OUTSTANDING TECH COMPANY
AWARD 2022****RESORTS WORLD SENTOSA CONVENTION
CENTRE, SINGAPORE****28 OCTOBER 2022**

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software was awarded the Asian-Oceanian Computing Industry Organization ("ASOCIO") Outstanding Tech Company Award 2022 for its outstanding contributions to the development and application of technology. En. Syanizam Azrul Anuar the Chief Executive Officer of Century Software was present to receive the award from the organiser.

12

**CENTURY SOFTWARE BAGS PROJECT
FROM KUSKOP****KUALA LUMPUR****10 NOVEMBER 2022**

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software received a letter of acceptance from the Ministry of Entrepreneur Development and Cooperatives or Kementerian Pembangunan Usahawan dan Koperasi ("KUSKOP") in relation to the maintenance of hardware and software for the Business Licensing Electronic Support System.

13

**CENSOFT DIGITAL TO PROVIDE GREEN
TRACK & TRACE PLATFORM FOR
ELECTRIC VEHICLES****JOHOR****21 NOVEMBER 2022**

Censof Digital Sdn. Bhd.

EVENT DESCRIPTION

Censof Digital was awarded a contract by Ecoride (owned by Perisinda Samudra) to provide a digital platform with mobile app for EcoRide and its users to book, pay and earn carbon credits by using electric vehicles to commute.

HIGHLIGHTS
OF THE YEAR

14

YAYASAN AL - AMANAH NUSANTARA

JAKARTA

22 NOVEMBER 2022

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

15

YAYASAN BIMA AZ – ZAHRA

JAKARTA

22 NOVEMBER 2022

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

16

MEMORANDUM OF UNDERSTANDING
BETWEEN COGNITIVE CONSULTING
SDN BHD AND UNIVERSITI
KEBANGSAAN MALAYSIA

KUALA LUMPUR

28 NOVEMBER 2022

Cognitive Consulting Sdn. Bhd.

EVENT DESCRIPTION

This university-industry collaboration allows Cognitive Consulting to empower Universiti Kebangsaan Malaysia ("UKM") graduates to be part of the growing skilled digital economy workforce in Malaysia by offering them opportunities to learn and be exposed to RPA solutions. We are also collaborating with the academic community of the Faculty of Economics and Management at UKM in the research and development of RPA.

HIGHLIGHTS
OF THE YEAR

17

INTEGRATION WITH UOB BANK IN
SINGAPORE AND MALAYSIA

KUALA LUMPUR

5 DECEMBER 2022

Asian Business Software Solutions Pte. Ltd.

EVENT DESCRIPTION

ABSS introduced its Financio v3.5 which is updated with Financio-UOB integration features. This solution enables users to perform a one-time setup in Financio where they will then get real-time accurate business cashflow updates, bank balances and transactions all in the one place. This solution does away with the need to log in and out of different platforms to get one's work done.

19

EMBASSY OF TURKEY

JAKARTA

15 FEBRUARY 2023

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

18

COLOURS OF ISLAMABAD: CENTURY
SOFTWARE'S APICTA 2022
ADVENTURE

ISLAMABAD

13 DECEMBER 2022

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software was nominated by PIKOM to represent Malaysia at the International APICTA 2022 Awards in Islamabad Pakistan. This honour underscores the hard work that everyone at Century Software has put into the MyResults solution that was designed for the Ministry of Finance Malaysia.

HIGHLIGHTS
OF THE YEAR

20

PEDULI ANAK FOUNDATION

JAKARTA

20 MARCH 2023

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

21

PANTI SOSIAL ASUHAN ANAK BALITA
TUNAS BANGSA

JAKARTA

20 MARCH 2023

PT. Praisindo Teknologi

EVENT DESCRIPTION

PT. Praisindo's CSR programme reflects its objective of meeting the daily needs of the less fortunate by lending a helping hand to foundations around Jakarta.

22

ACUMATICA ASIA PARTNER
CONFERENCE 2023

PARKROYAL RESORT PENANG

8 APRIL 2023

Netsense Business Solutions Sdn. Bhd.

EVENT DESCRIPTION

Netsense received the 'Acumatica Asia Manufacturing Partner of the Year 2022' award at the Acumatica Asia Partner Conference 2023

HIGHLIGHTS
OF THE YEAR

23

CENTURY SOFTWARE BAGS RM6 MILLION JOB FROM PELABURAN HARTANAH BERHAD

KUALA LUMPUR

19 APRIL 2023

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software secured a RM5.97 million project to develop a unit trust management system for Pelaburan Hartanah Bhd ("PHB").

24

CENSOFT BAGS RM3.47 MILLION SYSTEM MAINTENANCE CONTRACT FROM THE INLAND REVENUE BOARD OF MALAYSIA

KUALA LUMPUR

26 MAY 2023

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software Censoft accepted a RM3.47 million contract for system maintenance for the Inland Revenue Board of Malaysia or Lembaga Hasil Dalam Negara Malaysia's ("LHDNM") International Data Exchange Facility.

25

CENTURY SOFTWARE SECURES RM13.4 MILLION CONTRACT FROM SURUHANJAYA SYARIKAT MALAYSIA

KUALA LUMPUR

10 JULY 2023

Century Software (Malaysia) Sdn. Bhd.

EVENT DESCRIPTION

Century Software accepted a letter of acceptance from Suruhanjaya Syarikat Malaysia ("SSM") to develop and maintain its financial management system project. The RM13.4 million project involves the development, supply and implementation as well as warranty, support, maintenance and licenses for SSM's financial management system. The tenure of the project is for a period of six years, commencing 19 July 2023 and ending 18 July 2029.

PROFILE OF DIRECTORS


Nationality Malaysian

Gender Male

Age 68

Date of Appointment:

15 January 2018

Board Committee Membership:

Member of the Audit Committee

Academic / Professional Qualifications:

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

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

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Working Experience:

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

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

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

Other Directorship In Public Companies and Listed Issuers:

- Paragon Globe Berhad
- Minda Global Berhad
- Ann Joo Resources Berhad

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

PROFILE OF
DIRECTORS**Nationality** Malaysian**Gender** Male**Age** 60**Date of Appointment:**

28 December 2010

Board Committee Membership:

Member of the Risk Management Committee

Academic / Professional Qualifications:

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

AMEER BIN SHAIK MYDIN

GROUP MANAGING DIRECTOR

Working Experience:

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

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

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

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

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

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

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

PROFILE OF
DIRECTORS**Nationality** Malaysian**Gender** Male**Age** 62**Date of Appointment:**

28 December 2010

Board Committee Membership:

None

Academic / Professional Qualifications:

- Chartered Accountant of the Malaysian Institute of Accountants, Malaysia
- Member, Chartered Institute of Management Accountants, United Kingdom
- Chartered Global Management Accountant, CGMA

TAMIL SELVAN A/L M. DURAIRAJ

DEPUTY GROUP MANAGING DIRECTOR

Working Experience:

Mr. Selvan Durairaj has gained over three (3) decades of public and private sector experience in business consulting and financial applications.

During the early years of his career, Selvan was a treasury accountant at the Accountant General Office and an accountant for the Perak state secretariat. He then joined the private sector as a consulting manager at New Straits Times Technology Sdn Bhd and then in KPMG Peat Marwick Consulting Sdn Bhd, which gave him exposure into accounting systems and software implementation.

Having taken on roles in both IT and accounting sectors, Selvan gained a unique perspective and aimed to modernise accounting solutions for both the public and private sector.

In 1995, Selvan along with his partners founded Century Software (Malaysia) Sdn Bhd specialising in accounting systems and software. The solutions were made available to both the Malaysian Government and the private sector, winning awards such as Member Excellence Award (2012) & Technoprenuer Excellence Award (2011) from PIKOM ICT Leadership Awards, Best Software Product (2010) from NEF-AWANI ICT Awards, SME Star Award in both 2009 and 2010 from the National Award Of Management Accounting and many more.

In 2014, Selvan was appointed as the Group Deputy Managing Director at Censof Holdings Berhad where he still holds the position. His area of expertise includes financial management and cost accounting and he oversees both the finance and operations department of the company.

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

PROFILE OF
DIRECTORS**Nationality** Malaysian**Gender** Female**Age** 56**Date of Appointment:**

28 December 2010

Board Committee Membership:

None

Academic / Professional Qualifications:

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

ANG HSIN HSIEN

EXECUTIVE DIRECTOR

Working Experience:

Ms. Ang has more than twenty (20) years of experience in business and the IT industry. Armed with her training in marketing and finance, and her interest in IT, she has IT-enabled business transformation for clients in both the public and private sectors.

She co-founded Century Software (Malaysia) Sdn. Bhd. and started distributing accounting software from Australia to Malaysia. Ang was instrumental in pioneering the government accounting systems with the introduction of SAGA (Standard Accounting System for Government Agencies) and coordinated with Central Agencies to ensure successful implementation of SAGA at respective federal and state government agencies.

Currently, she heads the Group Business Development of Censof Holdings Berhad where she serves as the Executive Director with focus on customer support and developing new market

opportunities for the Group in expanding its specialised professional upskilling services. She is also a technology evangelist and works with partners to get the most out of new technology such as cloud, big data analytics, the Internet of Things (IoT) and sees that digitalisation Industry 4.0 as the way forward for the country.

Ms. Ang has a strong commitment towards social economy, people and believes that an emphasis on sustainable technology is essential to the growth and development of businesses today. Ms. Ang is actively involved in empowering children with artistic expression using emergent technology with Antz World, a not-for-profit organisation that seeks to build a sustainable 'arts with technology' ecosystem to benefit our underserved children within our community.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with other directors/shareholders/ listed issuer:
Nil

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

PROFILE OF
DIRECTORS**Nationality** Malaysian**Gender** Male**Age** 45**Date of Appointment:**

1 March 2022

Board Committee Membership:

Chairman of the Risk Management Committee

Chairman of the Nominating and Remuneration Committee

Member of the Audit Committee

Academic / Professional Qualifications:

- Bachelor of Engineering Degree in the field of Electronic and Electrical Engineering from University College London
- Chartered Accountant member of the Malaysian Institute of Accountants (MIA) - Chartered Accountant (M)
- Fellow Chartered Accountant (FCA) with Chartered Accountants Ireland
- Member of the ASEAN Chartered Professional Accountants (ASEAN CPA)

MAHATHIR BIN MAHZAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Working Experience:

Mahathir Bin Mahzan is a fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland) and a member of the Malaysian Institute of Accountants (MIA).

Mr Mahathir graduated with honours from University College London with a Bachelors of Engineering Degree in the field of Electronic and Electrical Engineering. He then pursued his accountancy training with a medium sized audit firm in Dublin, Ireland. After successful completion of his professional examinations and practical training, he was admitted as a member of Chartered Accountants Ireland.

Mr Mahathir returned to Malaysia after spending fifteen (15) years in the United Kingdom and Ireland and worked for Binafikir, a local strategic advisory firm and a subsidiary company of Maybank Investment Bank. Mr Mahathir is currently the Managing Partner of Mahzan Sulaiman PLT, a firm of Chartered Accountants and Advisors. Throughout his professional career, Mr Mahathir has accumulated significant experience in areas of audit, accounting, tax, corporate finance and investor relations.

Other Directorship In Public Companies and Listed Issuers:

- OCK Group Berhad
- Johan Holdings Berhad
- Crest Builder Holdings Berhad

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

PROFILE OF
DIRECTORS**Nationality** Malaysian**Gender** Male**Age** 61**Date of Appointment:**

1 June 2022

Board Committee Membership:

Chairman of the Audit Committee

Member of the Nominating and Remuneration Committee

Member of the Risk Management Committee

Academic / Professional Qualifications:

- Degree in Accounting, University Kebangsaan Malaysia
- Masters in Business Administration, University Kebangsaan Malaysia
- Member of the Malaysian Institute of Accountants (MIA)

DATO' MOHD REDZUAN BIN HASAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Working Experience:

Dato' Mohd Redzuan bin Hasan is a Chartered accountant and a member of the Malaysian Institute of Accountant. He was the former Deputy Accountant General (Operation) of Accountant Generals Department of Malaysia and is currently a board member and Chairman of the Audit Committee of Malaysia Kuwaiti Investment Corporation. He has more than thirty (30) years of experience serving in various government entities such as The Accountant General Department of Malaysia, Ministry of Finance, The Ministry of Women, Family and Community Development and Forest Research Institute Malaysia.

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

MANAGEMENT TEAM'S PROFILES



**DR. ZAINUL ARIFFIN
HARUN**
Chief Revenue Officer
Censof Holdings Berhad



MD ZAINI MD ZAKARIA
Chief Financial Officer
Censof Holdings Berhad



**TS. NAGENDRAN
PERUMAL**
Chief Technology Officer
Censof Holdings Berhad



**PAREMESWARAN
RAJAGOPAL**
Chief Operating Officer
Censof Holdings Berhad



**SYANIZAM AZRUL
ANUAR**
Chief Executive Officer
Century Software (Malaysia)
Sdn Bhd



HAZAIRIN
Chief Executive Officer
P.T Praisindo Teknologi



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



ABDUL REHMAN
Chief Executive Officer
Netsense Business
Solutions Pte Ltd



**GIRITHARAN
NAGALINGAM**
Chief Executive Officer
Tender Pintar Sdn Bhd



**KAVINTHRAJ
PANNEERCHELVAM**
Chief Executive Officer
CS Cloud Sdn Bhd



ZULKIFLI GHAIRI
Chief Executive Officer
Cognitive Consulting Sdn
Bhd



**ABDUL RAZAK
KAMARUL ARIFFIN**
Chief Executive Officer
GW Intech Sdn Bhd

MANAGEMENT
TEAM'S PROFILES**DR. ZAINUL ARIFFIN HARUN**CHIEF REVENUE OFFICER OF CENSOF HOLDINGS
BERHAD**Nationality** Malaysian**Gender** Male**Age** 52**Date of Appointment:**

16 January 2014

Academic / Professional Qualification(s):

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

Working Experience:

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

In 2000 he was appointed as the Chief Business Development Officer of Digicert Sdn. Bhd., a joint venture company of POS Malaysia and MIMOS Berhad Officer before moving to Scan Associate Berhad as Head, Business Development in 2011. In January 2014, he joined Century Software (Malaysia) Sdn. Bhd. as the Chief Executive Officer. Dr. Zainul won Masterclass Bumiputra CEO of The Year award at the Malaysia Excellence Business Awards 2018 (MEBA 2018) as well as Strategic Financial Entrepreneur of The Year award at the recent SME and Entrepreneurs Business Awards (SEBA 2019).

MD ZAINI MD ZAKARIACHIEF FINANCIAL OFFICER OF CENSOF HOLDINGS
BERHAD**Nationality** Malaysian**Gender** Male**Age** 50**Date of Appointment:**

7 October 2022

Academic / Professional Qualification(s):

- BA(Hons) Accounting & Finance, De Montfort University, United Kingdom.
- Fellow member of Association of Chartered Certified Accountants (ACCA).
- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Member of Malaysian Institute of Accountants (MIA)

Working Experience:

Md Zaini joined Censof Holdings Berhad in October 2022 as a Chief Financial Officer ("CFO"). He started his career as a Senior Audit Associate with PricewaterhouseCoopers in 1999 before working with diverse large/public listed companies namely SAJ Holdings Sdn Bhd (2002-2005), Ranhill Utilities Berhad (2005-2008), Sapura Resources Berhad (2009), Scomi Rail Berhad (2010) and Pantai Holdings Berhad (2011). Prior to Censof, he was a Group CFO for Malaysian Industry-Government Group for High Technology (MIGHT) from 2011 until 2022.

He has accumulated over 25 years of extensive experience in the area of financial strategy and planning; financial reporting and analysis; risk management and compliance; investor relations and stakeholder management; merger, acquisitions and strategic partnerships; team leadership and process improvement.

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

MANAGEMENT
TEAM'S PROFILES**TS. NAGENDRAN PERUMAL**CHIEF TECHNOLOGY OFFICER OF CENSOF HOLDINGS
BERHAD**Nationality** Malaysian**Gender** Male**Age** 58**Date of Appointment:**

1 June 2018

Academic / Professional Qualification(s):

- Bachelor of applied in Computer Science, Royal institute of Technology (RMIT)
- Certified Diploma in Accounting and Finance

Working Experience:

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

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

Nagendran's earlier employment was Senior Director at MIMOS Bhd - the National R&D for ICT in Malaysia where he was in charge of the software development lab and for technology platform development. Later he was at Tenaga Serata Sdn Bhd as managing and advising the key projects.

PAREMESWARAN RAJAGOPALCHIEF OPERATING OFFICER OF CENSOF HOLDINGS
BERHAD**Nationality** Malaysian**Gender** Male**Age** 54**Date of Appointment:**

1 June 2018

Academic / Professional Qualification(s):

- ACMA, Accountancy – Chartered Institute Of Management Accountants (CIMA)
- Chartered Accountant, Malaysia Institute of Accountant. (MIA)
- PRINCE2 Practitioner

Working Experience:

Have almost 25 years of implementation, requirement gathering, Training and Testing. He moved on to handle special projects as part Century Software's evolution into the next level of customized software development and implementation based on customers needs and wants. Also involving on business expansion and new ventures within Software Development Life cycle.

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

MANAGEMENT
TEAM'S PROFILES**SYANIZAM AZRUL ANUAR**CHIEF EXECUTIVE OFFICER OF CENTURY SOFTWARE
(MALAYSIA) SDN BHD**Nationality** Malaysian**Gender** Male**Age** 36**Date of Appointment:**

1 Oct 2022

Academic / Professional Qualification(s):

- Diploma In Information Technology, Software Engineering – Cosmopoint University College

Working Experience:

Prior to joining CSM in 2017 as an Account Manager, Syanizam has garnered vast experience in managing local and international clienteles. He has even successfully managed over 200 client portfolios across Asia Pacific and Japan.

In 2018, he was promoted to Senior Account Manager, and subsequently to Head of Sales of CSM's SAGA Sales Team in 2020. During his tenure as the Head of Sales, he successfully increased sales growth by 270% and has consistently retained this achievement. He also expanded the SAGA portfolio by bringing in 12 new clients over the period of 2.5 years. Over the course of his tenure in CSM, the sales growth has increased by 15 times.

He strictly believes that digital transformation is inevitable, and there is a need to accelerate its implementation within the country to stay relevant not just for now, but to future-proof our nation as a leading digital driven nation in the world. Taking the company's vision as his foundation; company mission his pillars of support; and the company's values as his guiding principles, he aims to spearhead CSM to become the next generation technology company in Malaysia.

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

HAZAIRINCHIEF EXECUTIVE OFFICER OF P.T. PRAISINDO
TEKNOLOGI**Nationality** Indonesian**Gender** Male**Age** 54**Date of Appointment:**

November 2011

Academic / Professional Qualification(s):

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

Working Experience:

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

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

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

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

MANAGEMENT
TEAM'S PROFILES**RHYS BROWN**CHIEF EXECUTIVE OFFICER OF ASIAN BUSINESS
SOFTWARE SOLUTIONS PTE LTD (ABSS)**Nationality** New Zealand**Gender** Male**Age** 44**Date of Appointment:**

1 June 2019

Academic / Professional Qualification(s):

- Post Graduate Diploma in Business, University of Auckland

Working Experience:

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

ABDUL REHMANCHIEF EXECUTIVE OFFICER OF NETSENSE BUSINESS
SOLUTIONS PTE LTD**Nationality** India**Gender** Male**Age** 35**Date of Appointment:**

3 January 2020

Academic / Professional Qualification(s):

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

Working Experience:

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

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

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

Other Directorship In Public Companies and Listed Issuers:

Nil

Relationship with other directors/shareholders/ listed issuer:

Nil

Conflict of Interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

MANAGEMENT
TEAM'S PROFILES**GIRITHARAN NAGALINGAM**CHIEF EXECUTIVE OFFICER OF TENDER PINTAR
SDN BHD**Nationality** Malaysian**Gender** Male**Age** 47**Date of Appointment:**

1 April 2021

Academic / Professional Qualification(s):

- Bachelor of Computing, Monash University, Australia.

Working Experience:

Giritharan leads the team in charge of Digital Transformation in government procurement, particularly around tendering. He and his team strive to transform the mundane & tedious manual tendering process into a more efficient, effective and time saving electronic tendering experience. His experience covers different stages of technology adoption from being a pre-sales consultant, business development manager and later becoming a General Manager for Presales & SaaS Business, and finally moving to General Manager - Procurement at Century Software (Malaysia) Sdn Bhd prior to heading the team at Tender Pintar.

Giritharan has over 22 years of experience in implementation of IT systems and consulting from his previous engagements in Malaysia, India & Australia. He has a Bachelor's degree in Computing from Monash University, Australia.

He is now working closely with government statutory agencies, Government Linked Companies, local councils & state agencies among others in their transformation journey towards electronic tendering.

KAVINTHRAJ PANNEERCHELVAM

CHIEF EXECUTIVE OFFICER OF CS CLOUD SDN BHD

Nationality Malaysian**Gender** Male**Age** 39**Date of Appointment:**

1 March 2021

Academic / Professional Qualification(s):

- Bachelor of Computer Science Majoring on Networking (University Technology Malaysia)

Working Experience:

Raj, who graduated with a Bachelor's degree in Computer System and Communication, currently leads CS Cloud Sdn Bhd as its Chief Executive Director. He also holds certifications in Oracle Database, Linux System Administration, HTML, Linux, and 11gR2.

He started out on his own at the age of 32, with a great passion in continuously providing improvement to ensure business sustainability, scalability and value to the customers.

Over the years, he has accumulated vast experiences and knowledge in the IT infrastructure and platform managed services environment, focusing on customers and people leadership. Raj has managed and optimised multi-level technical teams and solutions to address the business challenges and provided value-added services using the ITIL Framework, ISO 20000 and 27000 standards. He held various management roles focusing on business and operational leadership.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with other directors/shareholders/ listed issuer:
Nil

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

MANAGEMENT
TEAM'S PROFILES**ZULKIFLI GHAIRI**CHIEF EXECUTIVE OFFICER OF COGNITIVE
CONSULTING SDN BHD**Nationality** Malaysian**Gender** Male**Age** 58**Date of Appointment:**

20 January 2022

Academic / Professional Qualification(s):

- Bachelor of Arts in Computer Science, University of Minnesota, USA.

Working Experience:

Zulkifli Ghairi is the co-founder and CEO of Cognitive Consulting Sdn. Bhd., a leading Malaysian enterprise automation solution provider. Zulkifli started Cognitive Consulting in 2017 with the goal of helping enterprises to improve efficiency by embracing Robotic Process Automation (RPA) and AI technologies.

His professional career and vast experience encompass areas of Enterprise Resource Planning, IT Management, Project Management and Operational Support Systems/Business Support Systems. His expertise also covers Business Process Improvement, Sales Management, Account Management, IT Consulting including Strategic IT Planning, Project Management and Systems Development across multiple industries such as Telecommunications, Government, Financial Services, Construction, Oil & Gas and Utility.

Prior to joining Cognitive, Zulkifli was the Head of Public Sector and Key Accounts at SAP Malaysia. Zulkifli managed a team of Account Managers and Solution Specialists. He led the engagement with key partners and developed new strategic partnership with the largest telco operator. He was responsible for driving the revenue growth by leveraging on new technologies such as S/4Hana, SAP Cloud Platform, Ariba, Success Factor, Concur and Leonardo.

Zulkifli also spent more than 5 years in Oracle and held a few key roles including Head of Public Sector business in Oracle Technology, Sales Director of Primavera and Oracle Communications and was instrumental in securing large deals in the Telecommunications space. He was also the Country Manager of CA Malaysia.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with other directors/shareholders/ listed issuer:
Nil

ABDUL RAZAK KAMARUL ARIFFIN

CHIEF EXECUTIVE OFFICER OF GW INTECH SDN BHD

Nationality Malaysian**Gender** Male**Age** 50**Date of Appointment:**

1 April 2022

Academic / Professional Qualification(s):

- Bachelor of Science (Hons.) in Biology, University of Malaya

Working Experience:

He started his career as Business Development Executive with Sapura Holdings Sdn Bhd in 1997 where he was responsible for Satellite Phones. He later joined Measat Broadcast Network System (Astro) as Sales Executive for Radio Advertisement in 1998. He started his path in the Information Technology field when he joined ORI Systems Sdn Bhd in 2000, overlooking system integration, networking and server maintenance tasks. In 2001 he co-founded GW Intech Sdn Bhd, a company focusing on developing and maintaining financial system for Local Councils.

In 2007, Razak leads the team in charge of the modernization of Local Councils by developing the ePBT System version 1.0, an initiative by MAMPU and Kementerian Perumahan Dan Kerajaan Tempatan (KPKT). Version 1.0 was upgraded to ePBT System 2.0 in 2014 and was deployed to 52 Local Councils throughout Malaysia.

With more than 20 years of experience in developing, implementing and supporting financial solutions, Razak is now working closely with Century Software Malaysia to digitalize the Local Councils financial system by accelerating digital adoption across communities, business entities and government agencies.

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Censof Holdings Berhad (“the Company”) recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (“MCCG”) are observed and practised throughout the Company and its subsidiaries (collectively referred to as “the Group”) so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value.

This statement is prepared in compliance with Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 31 March 2023 (“FYE2023”), a copy of which is available on the Company’s website.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2023, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group’s values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nominating and Remuneration Committee ("**NRC**") takes into account several factors, including skills, knowledge, expertise, experience, professionalism, integrity and time availability to effectively discharge his or her role as a Director, contribution, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NRC will evaluate the candidates' ability to discharge their responsibilities or functions as expected from Independent Non-Executive Directors.

The Board currently has one (1) female Director, and with the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively. Moving forward, the Board, being in line with the national target of having 30% women on the boards of the listed issuers, will maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arises.

III. REMUNERATION

The Board has in place a Directors' and Senior Management Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the NRC is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the NRC and subsequently approved by the Board for implementation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("**AC**") plays a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The AC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The AC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to see to the health, safety and business continuity of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AC with the assistance of the Internal Auditor had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management process are in place:

- Bribery prevention
- Data Protection

Annually, the composition of the AC is reviewed by the NRC and recommended to the Board for their approval. With the view to maintain an independent and effective AC, the NRC ensures that only Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. CONDUCT OF GENERAL MEETINGS

The Group's Annual General Meeting ("**AGM**") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Group, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least twenty (28) days before the AGM date and the AGM is conducted through poll. The Group will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Group.

PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors'

Censof Holdings Berhad ("**the Company**") and its subsidiaries ("**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

- a) Lead and manage the Company in an effective and responsible manner;
- b) Establish the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the management and monitoring the performance of the management;
- c) Monitor financial outcomes and the integrity of internal and external reporting, in particular approving annual budgets and longer term strategic and business plans;
- d) Assess the effectiveness of the Board of Directors as a whole, the Committees of the Board and the contribution of each Director;
- e) To identify principal risks and to ensure the implementation of appropriate systems to protect the company's assets and to minimise the possibility of the Company operating beyond acceptable risk parameters;
- f) To keep pace with the modern risk of business and other aspects of governance that encourage enhancement of effectiveness in Board and management;
- g) To review the adequacy and integrity of the Group's internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- h) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board and the key management;
- i) Establish and review annually corporate communication policies with respect to the following:-
 - (i) How the Company interacts with analysts, investors, other key stakeholders and the public.
 - (ii) Measures for the corporation to comply with its continuous and timely disclosure obligations.

CORPORATE GOVERNANCE STATEMENT

- j) For each member of the Board of Directors, act as representatives of the Company in:-
 - (i) Enhancing the Group's public image, reputation and credibility.
 - (ii) Providing contacts or network for the Group.
 - (iii) Being loyal to the Group.
 - (iv) Supporting the decisions of the majority of the Board of Directors.
 - (v) Identifying, evaluating and carrying out profitable business opportunity for the Group, as well as proving the Group with information on the market in which it operates.
- k) Ensure all new Directors receive comprehensive orientation to fully understand the role of the Board of Directors and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and energy that the Company expects from its Directors) and the nature and operation of the Group's business; and
- l) In discharging its duties, the Board of Directors may engage the services of an external advisors at the expense of the Company. The Board also allows, any Board committee or Director to engage the services of an external advisor at the expense of the Company, to adequately carry out such committee's duties, where the circumstances so warrant, subject to the Board of Directors' approval.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Audit Committee ("**AC**")
- (ii) Nominating and Remuneration Committee ("**NRC**")
- (iii) Risk Management Committee ("**RMC**")

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract, setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

CORPORATE GOVERNANCE STATEMENT

2. Separation of position of the Chairman and Executive Directors

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and the Executive Directors of the Company are separately held, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar, an Independent Non-Executive Chairman, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The roles and responsibilities of the Chairman's key responsibility, amongst others, includes the following:

- a) Provide leadership and run the Board effectively with the assistance of the Board Committees and management;
- b) Ensure the whole Board plays a full and constructive part in developing and determining the Group's strategy;
- c) Ensure the Board annually reviews its performance and is balanced so as to achieve its effectiveness;
- d) Review the performances of individual Directors;
- e) Assist and guide the Chief Executive Officer / Managing Director. Ensure the Board members are well briefed and have access to information on all aspects of the company's operations;
- f) Setting the Board meeting agenda for consideration, giving emphasis on important issues challenged by the Group with emphasis on strategic, rather than operational issues;
- g) Chairing of general meetings and Board meetings;
- h) Act as the Group's representative in its dealing with external parties;
- i) Help guide the Group on its long term strategic opportunities and represent the Group with key industry, civic and philanthropic constituents;
- j) Promote the highest standards of integrity, probity and corporate governance of the Group; and
- k) Ensure that general meetings of the company are conducted efficiently and that shareholders have adequate opportunity to air their views and obtain answers to their queries.

The Board delegates the Group Managing Director, namely Ameer Bin Shaik Mydin, supported by the Executive Directors to oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors implement the policies, strategies, decisions adopted by the Board, monitor the operating financial results against plans and budgets and act as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

CORPORATE GOVERNANCE STATEMENT

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilization of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Company Secretary and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

The Board met seven (7) times during the financial year ended 31 March 2023 ("FYE2023"). The attendance of each Director at the Board Meetings held during FYE2023 are as follow:

Directors	Number of meetings attended	%
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar	7/7	100%
Mahathir bin Mahzan	7/7	100%
Dato' Mohd Redzuan bin Hasan ¹	4/5	80%
Ameer bin Shaik Mydin	7/7	100%
Tamil Selvan A/L M. Durairaj	7/7	100%
Ang Hsin Hsien	7/7	100%

Notes:

1. Dato' Mohd Redzuan bin Hasan was appointed on 1 June 2022

CORPORATE GOVERNANCE STATEMENT

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") allow a Director to sit on the board of a maximum of five (5) listed issuers. At present, all Directors of the Company have complied with the MMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.

5. Continuous Development of the Board

The Board, via the NRC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The list of training programmes attended by the Directors during the FYE2023 under review are as follows:

- Task Force on Climate-related Financial Disclosures (TCFD): TCFD 101
- Task Force on Climate-related Financial Disclosures (TCFD): TCFD 102
- Updates on MCCG 2021 and latest amendments to MMLR
- Good Governance & Leadership: Pathway to Sustainable of UUM
- Audit Oversight Board's Conversation with Audit Committees
- Advocacy Session for Directors and Senior Management of main Market Listed issuers
- Leadership in action
- Merger and Acquisition Activities
- Dep VC Leadership on Board Programme
- Seminar Percukaian Kebangsaan 2022 (Bajet 2023)
- Virtual Tax Conference 2023
- Conducting a Better Annual General Meeting
- PIKOM Future of Cyber Security Summit (FOCS)
- ASOCIO Digital Summit
- International Accountant Conference
- Supply Chain Challenges
- Customer Service Excellence Program
- Do You Believe In Good To Great As The Pattern To Build A Great Company?
- How To Increase The Value Of Businesses And Companies
- Balance Scorecard, KPIs, and Responsibilities
- Talent Retention for SMEs
- Goal Setting for Success in 2023
- The Growth Gears
- How To Use Scorecards In Managing Business
- Healthy Business Building
- Developing a Strategic Plan for Growth and Sustainability

CORPORATE GOVERNANCE STATEMENT

The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

Audit Committee ("AC")

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's External Auditor, Internal Auditor and management.

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the AC are as follows:

Director	Designation
Dato' Mohd Redzuan bin Hasan	Chairman
Mahathir bin Mahzan	Member
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar	Member

A copy of the AC's Terms of Reference can be found in the Company's website at www.censof.com.

Nominating and Remuneration Committee ("NRC")

The NRC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NRC comprises of the following, all of whom are Independent Non-Executive Directors. The present members of the NRC are as follows:

Director	Designation
Mahathir bin Mahzan	Chairman
Dato' Mohd Redzuan bin Hasan	Member

CORPORATE GOVERNANCE STATEMENT

During the FYE2023, the NRC held one (1) meeting. Below are the summary of the key activities undertaken by the NRC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;
- (b) Determined the Directors who stand for re-election and re-appointment by rotation;
- (c) Assessed the effectiveness and performance of the Board as a whole and the contribution of each individual Director. This was carried out through a self-assessment document that was completed by each Director. The assessment criteria include the following:
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors
- (d) Reviewed the terms of office of the AC and each member of the AC to ascertain that the AC and its member have carried out their duties in accordance with the AC's Terms of Reference;
- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors;
- (f) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management; and
- (g) Reviewed the Directors' fees and other benefits payable to Non-Executive Directors.

A copy of the NRC's Terms of Reference is available at the Company's website at www.censof.com.

Risk Management Committee ("RMC")

The RMC is responsible for overseeing the risk management process within the Group.

The RMC comprises of the following members:

Director	Designation
Mahathir bin Mahzan	Chairman
Dato' Mohd Redzuan bin Hasan	Member
Ameer bin Shaik Mydin	Member

During the FYE2023, the RMC held four (4) meetings and all member registered full attendance. Below are the summary of the key activities undertaken by the RMC in discharge of its duty:

- (a) Reviewed the risk registers; and
- (b) Reviewed the sustainability initiatives progress.

A copy of the RMC's Terms of Reference can be found in the Company's website at www.censof.com.

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7. Code of Business Ethics

The Company has established a Code of Business Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Business Ethics is based on principles in relation to trust, integrity, transparency, accountability, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

The Board is provided guidance through the Code of Business Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

Details of the Code of Business Ethics can be found in the Company's website at www.censof.com.

8. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded to the Company's whistleblowing channel.

Full details of the Whistleblowing Policy can be found on the Company's website at www.censof.com.

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9. Company Secretary

The Board is assisted by qualified and competent Company Secretaries who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretary and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

In addition, the Company Secretaries are also accountable to the Board and is responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the MMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NRC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NRC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, and three (3) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

CORPORATE GOVERNANCE STATEMENT

2. **Independency of Independent Directors**

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NRC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NRC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years.

3. **Appointment of Board and Senior Management**

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NRC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NRC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics and professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in MMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

4. **Gender Diversity**

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions. As at the date of this report, there are three female employees involved in the Board and Senior Management, collectively.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

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5. Identifying Suitable Candidates

Any proposed appointment of a new member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NRC on the necessity for reviewing the qualifications and experience of the proposed director. The NRC would be guided by the Directors' Fit and Proper Policy and an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

6. Chairman of the NRC

The NRC is led by Mahathir bin Mahzan, the Independent Non-Executive Director, who directs the NRC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NRC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NRC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NRC Chairman and supported by the Company Secretaries via questionnaires. The NRC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Roles and Responsibilities of the Board and Board Committees and elements of environmental social and governance.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NRC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors (including the Managing Director) for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

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During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NRC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the NRC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the AC or NRC receiving a higher fee in respect of his service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the NRC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The NRC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the NRC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

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The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2023 and the senior management's remuneration in bands of RM50,000 are set out in the Corporate Governance Report.

Name	Salaries and other emoluments	Fees	Allowance	Bonus	Defined contribution	SOCSCO & EIS contribution	Benefits- in-kind	Total
Group								
Executive Directors								
Ameer Bin Shaik Mydin	555,209	58,520	36,180	42,920	85,494	1,061	9,900	789,284
Tamil Selvan A/L M. Durairaj	550,169	156,053	36,180	42,500	84,675	952	9,900	880,429
Ang Hsin Hsien	414,000	9,000	36,180	34,500	69,075	1,061	6,600	570,416
Non-Executive Directors								
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain (retired on 07.09.2022)	-	47,886	8,000	-	-	-	-	55,886
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar	-	108,943	16,000	-	-	-	-	124,943
Mahathir Bin Mahzan	-	79,953	15,000	-	-	-	-	94,953
Dato' Mohd Redzuan bin Hasan	-	64,548	9,000	-	-	-	-	73,548
Tuan Haji Ab. Gani Bin Haron (retired on 07.09.2022)	-	41,082	11,000	-	-	-	-	52,082
Total	1,519,378	565,985	167,540	119,920	239,244	3,074	26,400	2,641,541

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Name	Salaries and other emoluments	Fees	Allowance	Bonus	Defined contribution	SOCSCO & EIS contribution	Benefits- in-kind	Total
Company								
Executive Directors								
Ameer Bin Shaik Mydin	515,040	-	36,180	42,920	85,494	1,061	9,900	690,595
Tamil Selvan A/L M. Durairaj	510,000	-	36,180	42,500	84,675	952	9,900	684,207
Ang Hsin Hsien	414,000	-	36,180	34,500	69,075	1,061	6,600	561,416
Non-Executive Directors								
Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain (retired on 07.09.2022)	-	47,886	8,000	-	-	-	-	55,886
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar	-	108,943	16,000	-	-	-	-	124,943
Mahathir Bin Mahzan	-	79,953	15,000	-	-	-	-	94,953
Dato' Mohd Redzuan bin Hasan	-	64,548	9,000	-	-	-	-	73,548
Tuan Haji Ab. Gani Bin Haron (retired on 07.09.2022)	-	41,082	11,000	-	-	-	-	52,082
Total	1,439,040	342,412	167,540	119,920	239,244	3,074	26,400	2,337,630

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PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee ("AC")

Presently, the AC consists of three (3) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC. For the FYE2023, no former key audit partner of the Company's Auditors is appointed as a member of AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the AC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

The External Auditors is recommended to meet the AC without the presence of the executive Board members and Management on regular basis pertaining on matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board. For the FYE2023, External Auditors met the AC twice without the presence of the executive Board members and Management.

The AC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

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For the FYE2023, fees paid to the External Auditors, Messrs Crowe Malaysia PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	233,000	120,000
Non-Audit services rendered	6,000	6,000

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks, where possible to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the AC. This covers all material controls including financial, operational, compliance and risk management systems. The AC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE2023 was Messrs Galton Advisory PLT, which reported directly to the AC as specified in the Terms of Reference of the AC. The Internal Auditor carries out its function in accordance with the approved annual Internal Audit Plan approved by the AC. Messrs Galton Advisory PLT has two (2) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	Low Chiun Yik
Qualification	MSc. Accountancy and Finance
Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

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

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate communications policy and procedure not only to comply with the discourse requirements as stipulated in the MMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the financial year under review. The Board also encourages participation from shareholders by having a "question and answers" session during the AGM held on 7 September 2022 where the Directors (inclusive of the Chairman of the AC, NRC and RMC) are available to provide meaningful response to questions raised by the shareholders.

In line with the MMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Group’s business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit Committee (“AC”) has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the AC on a periodic basis.

Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators, employees and the Group’s assets.

RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group’s management system as the Board firmly believes that risk management is critical for the Group’s sustainability and the enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic Management Meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group’s strategic and business plans, if any, to the Board at their scheduled meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal control are described as follow:

- (i) A well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.
- (ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.
- (iii) The Board and AC meet at least once on a quarterly basis to review and deliberate on the unaudited quarterly financial reports, annual financial statements, internal audit reports and etc. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.
- (iv) Internal policies and procedures had been established for key business units within the Group.

INTERNAL AUDIT FUNCTION

The Group had appointed an independent professional firm, Galton Advisory PLT ("**GAP**") to assist the Board and AC in performing regular and systematic review and provide independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system. GAP is free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function.

The total costs incurred in respect of the outsourced of internal audit functions for the financial year ended 31 March 2023 ("**FYE2023**") was RM26,000.

During the FYE2023, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the AC.

In addition, follow up review will be conducted to ensure that corrective actions have been implemented on a timely manner. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and 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 control.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently in place is adequate and effective to safeguard the Group's interests and assets.

In addition, the Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control system are adequate and operate effectively, in all material respects.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 20 July 2023.

AUDIT COMMITTEE'S REPORT

OBJECTIVE

The Audit Committee ("**AC**") was established with the primary objective of assisting the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiary companies.

COMPOSITION MEETING ATTENDANCE

The present AC members comprise of three (3) members, all of whom are Independent Non-Executive Directors.

During the financial year ended 31 March 2023 ("**FYE2023**"), the AC held five (5) meetings and the records of the attendance of AC members are as follow:

Directors	Designation	Number of meetings attended	%
Dato' Mohd Redzuan bin Hasan ¹	Chairman	2/2	100%
Tan Sri Datuk Wira Dr Hj. Mohd Shukor bin Hj. Mahfar	Member	5/5	100%
Mahathir bin Mahzan	Member	5/5	100%

Notes:

1. Dato' Mohd Redzuan bin Hasan was appointed as the AC Chairman on 7 September 2022 and had attended all the AC meetings subsequent to his appointment on the AC.

TERMS OF REFERENCE

The scope of duties and responsibilities of the AC stated in the Terms of Reference ("**TOR**") is made available on the Company's website, www.censof.com. The Board has reviewed and assessed the performance of the AC and is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its TOR.

SUMMARY ACTIVITIES

The activities of the AC during the FYE2023, include the following:

- a) Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad ("**Bursa Securities**");
- b) Reviewed with the External Auditors on their Audit Planning Memorandum for the FYE2023;
- c) Reviewed the Audited Financial Statements of the Group for the FYE2023 before recommending to the Board for approval and release of the results to Bursa Securities;
- d) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

AUDIT COMMITTEE'S REPORT

- e) Evaluated the performance of the External Auditors for the FYE2023 covering areas such as caliber, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the External Auditors;
- f) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;
- g) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- h) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- i) Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2023 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;
- j) Reviewed the effectiveness of the Group's system of internal control;
- k) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;
- l) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- m) Reviewed the Company's compliance with the Main Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- n) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
- o) Report to the Board on its activities and significant findings and results.

INTERNAL AUDIT FUNCTION

The Group has appointed an established external professional Internal Audit firm, which reports to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AC.

The AC approves the Internal Audit Planning Memorandum during the first AC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the AC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

AUDIT COMMITTEE'S REPORT

During the FYE2023, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- (i) The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- (ii) Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- (iii) Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- (iv) Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- (v) Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

The AC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company did not implement any fund raising exercise during the financial year ended 31 March 2023 ("FYE2023").

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during FYE2023 involving the interests of the Directors and major shareholders.

CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during FYE2023 involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

The details of the recurrent related party transactions are disclosed in the notes of the financial statements in this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the company's business and that of the group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- adopting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 March 2023, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023. All values shown in this report are rounded to the nearest thousand (RM'000) unless otherwise indicated.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	6,951	1,978
Attributable to:-		
Owners of the Company	5,902	1,978
Non-controlling interests	1,049	-
	6,951	1,978

DIVIDENDS

The Company paid an interim dividend of approximately 0.75 sen per ordinary share amounting to RM4,142,112 for the financial year ended 31 March 2022 on 8 July 2022.

On 30 May 2023, the Company declared an interim dividend of 0.75 sen per ordinary share in respect of the current financial year, paid on 10 July 2023, to shareholders whose names appeared in the register of depositors on 19 June 2023. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ameer Bin Shaik Mydin
Ang Hsin Hsien
Mahathir Bin Mahzan
Dato' Mohd Redzuan bin Hasan
Tamil Selvan A/L M. Durairaj
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Tan Sri Dato' Mohd Ibrahim Bin Mohd. Zain (Retired on 07.09.2022)
Tuan Haji Ab. Gani Bin Haron (Retired on 07.09.2022)

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

Abdul Rehman Khalid
Abdul Razak bin Kamarul Ariffin
Al-Zambri Bin Ahmad Kabri
Atiatul Wardah Binti Dollah @ Abdullah
Ashveen Chakravarthy A/L Sekaran
Giritharan A/L Nagalingan
Hazairin
Hisham David Kumar Bin Abdullah
Jude A/L Augustin Pathrose Lopez
Kavinthraj A/L Panneerchelvam
Md Zaini Bin Md Zakaria
Muhammad Firdaus bin Abdullah Leong
TS. Nagendran M Perumal
Parameswaran A/L Prajagopal
Ponnusamy Sivakumar
Rhys Paul Brown
Shadhana A/P Sekaran

DIRECTORS'
REPORT**DIRECTORS (CONT'D)**

Shanmugam A/L Pachapan
 Siti Safiah Binti Yahaya
 Syed Ahmad Najmi Bin Syed Md Nasir
 Syanizam Azrul Bin Anuar
 Yarlini A/P S Jahendran
 Dr. Zainul Ariffin Bin Harun
 Zulkifli Bin Mhd Ghairi @ Md Asri

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1.4.2022	Bought	Sold	At 31.3.2023
The Company				
<i>Direct Interests</i>				
Ameer Bin Shaik Mydin	1,420,500	-	-	1,420,500
Ang Hsin Hsien	2,191,000	-	-	2,191,000
<i>Indirect Interests</i>				
Ameer Bin Shaik Mydin*	175,937,954	-	-	175,937,954
Ang Hsin Hsien*	175,937,954	-	-	175,937,954
Tamil Selvan A/L M. Durairaj*	175,937,954	-	-	175,937,954

* Deemed interested by virtue of his/her direct substantial shareholding in SAAS Global Sdn. Bhd..

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

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 38(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows: -

	The Group RM'000	The Company RM'000
Fee	566	342
Salaries, bonuses and other benefits	1,810	1,730
Defined contribution benefits	239	239
	2,615	2,311

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM26,400.

INDEMNITY AND INSURANCE COST

There was no indemnity given to any director or officer of the Group or the Company during the financial year. The Group maintains a liability insurance of RM7,500,000 for its directors and officers for the insurance costs incurred during the financial year amounting to RM21,000.

SUBSIDIARIES

The details of the subsidiaries name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification other than those disclosed in Note 5 to the financial statements.

DIRECTORS' REPORT

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fee	360	120
Non-audit fee	6	6
	366	126

Signed in accordance with a resolution of the directors dated 20 July 2023

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ameer Bin Shaik Mydin and Tamil Selvan A/L M. Durairaj, being two of the directors of Censof Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 128 to 221 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 20 July 2023

Ameer Bin Shaik Mydin

Tamil Selvan A/L M. Durairaj

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Md Zaini Bin Md Zakaria, MIA Membership Number: 49705, being the officer primarily responsible for the financial management of Censof Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 128 to 221 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Md Zaini Bin Md Zakaria
at Klang in the State of Selangor Darul Ehsan
on this 20 July 2023

Before me
Datin Tee Hsiao Mei
Commissioner for Oaths

Md Zaini Bin Md Zakaria

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENSOF HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Censof Holdings Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 128 to 221.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENSOF HOLDINGS BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Revenue and profit recognition from software implementation and maintenance contracts.

Refer to Note 4.1(a), Note 4.16, Note 4.24, Note 16 and Note 30 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>We determined this to be a key audit matter because it requires management to exercise significant judgements in the determination of performance obligation satisfied and the measurement of progress which affects the amounts of revenue to be recognised.</p> <p>Changes in judgement and the related estimates throughout a contract period could result in a material variance in the revenue and profits recognised on contracts to date and in the current period.</p> <p>They key judgements over contract accounting arise from the following areas:</p> <ul style="list-style-type: none"> Estimated costs to complete the contracts; and The ability to deliver the contract within contractual timelines and whether there is any exposure to liquidated and ascertained damages. <p>The Group has accrued approximately RM19.20 million of revenue upon the satisfaction of their performance obligation.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Performed and updated our understanding on the Group's internal control over the timing and amount of revenue recognised; Performed test of control on key controls identified; Performed re-computation on the progress towards complete satisfaction of performance obligation determined by management for revenue recognition based on contract work certified to date; Inspected documentation to support the milestone achieved by the Group to date; and Reviewed contracts to ascertain the identified performance obligations are properly segregated and measured.

Impairment of goodwill

Refer to Note 4.1(b), Note 4.3 and Note 11 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has goodwill of approximately RM29.95 million relating to the acquisition of subsidiaries.</p> <p>This is considered a key audit matter due to its significant balance and the inherent subjectivity in impairment testing.</p> <p>The judgements in relation to the assessment of goodwill impairment relate primarily to the assumptions underlying the calculation of the value in use of the business, which include, amongst others, the achievability of the subsidiaries' long-term business plans.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Evaluated whether the method used by the Group in measuring the recoverable amount is appropriate in the circumstances; Made enquires of and challenged management on the key assumptions and inputs used in the measurement method; Evaluated whether the key assumptions and inputs used are reasonable and consistent by taking into consideration the past performance, future growth, market development, etc.; and Performed sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENSOF HOLDINGS BERHAD (CONT'D)

Key Audit Matters (Cont'd)

Impairment of intangible assets

Refer to Note 4.1(c), Note 4.10 and Note 10 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group has intangible assets of approximately RM7.10 million.</p> <p>This is considered a key audit matter given the materiality of the Group's intangible assets and the inherent subjectivity in impairment testing.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Reviewed management's estimate of the recoverable amounts and tested the cash flow forecasts for their accuracy; Reviewed the key business drivers underpinning the cash flow forecasts prepared to support the recoverable amount; Evaluated the appropriateness and reasonableness of the key assumptions; and Reviewed the adequacy of disclosure in the financial statements.

Impairment of trade receivables

Refer to Note 4.1(d), Note 14 and Note 41.1(b) to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 March 2023, trade receivables amounted to approximately RM29.64 million. The details of trade receivables and its credit risks are disclosed in Note 41.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:</p> <ul style="list-style-type: none"> specific known facts or circumstances on customers' ability to pay; and/or by reference to past default experiences. <p>The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of the trade receivables.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Reviewed the ageing analysis of receivables and test the reliability thereof; Reviewed subsequent cash collection for major receivables and overdue amounts; Inquired management regarding the action plans to recover overdue amounts; Compare and challenge management's view on the recoverability of overdue amounts to historical patterns of collection; and Assess the expected credit loss computation, including assumptions and reasonableness of the input data used in the computation.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENSOF HOLDINGS BERHAD (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CENSO F HOLDINGS BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Shah Alam
28 July 2023

Ong Beng Chooi
03155/05/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	82,508	78,312
Investment in an associate	6	70	180	-	-
Investment in an joint operation	7	-	12	-	-
Property and equipment	8	4,307	1,027	-	-
Right-of-use assets	9	1,205	1,917	-	-
Intangible assets	10	7,104	9,745	-	-
Goodwill	11	29,950	29,590	-	-
Other investments	12	100	3,390	-	3,290
		42,736	45,861	82,508	81,602
CURRENT ASSETS					
Inventories, at cost		21	27	-	-
Contract cost assets	13	1,465	181	-	-
Trade receivables	14	29,641	24,476	-	-
Other receivables, deposits and prepayments	15	1,247	1,328	3	2
Contract assets	16	19,202	20,695	-	-
Amount owing by subsidiaries	17	-	-	2,154	5,190
Amount owing by a joint operation	18	-	2	-	-
Current tax assets		764	502	-	-
Short-term investments	19	12,439	15,322	7,084	10,059
Fixed deposits with licensed banks	20	651	2,069	-	-
Cash and bank balances		21,110	17,769	2,858	58
		86,540	82,371	12,099	15,309
TOTAL ASSETS		129,276	128,232	94,607	96,911

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

STATEMENTS OF
FINANCIAL POSITION

AS AT 31 MARCH 2023 (CONT'D)

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	115,075	115,075	115,075	115,075
Merger deficit	22	(12,300)	(12,300)	-	-
Accumulated losses		(634)	(2,025)	(20,611)	(18,447)
Foreign exchange translation reserve	23	(427)	(449)	-	-
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		101,714	100,301	94,464	96,628
NON-CONTROLLING INTERESTS					
		1,814	1,690	-	-
TOTAL EQUITY					
		103,528	101,991	94,464	96,628
NON-CURRENT LIABILITIES					
Lease liabilities	24	835	1,234	-	-
Borrowings	25	1,265	574	-	-
Deferred tax liabilities	26	321	528	-	-
		2,421	2,336	-	-
CURRENT LIABILITIES					
Trade payables	27	5,417	1,778	-	-
Contract liabilities	16	7,145	6,649	-	-
Other payables and accruals	28	8,219	10,512	143	283
Lease liabilities	24	436	748	-	-
Borrowings	25	245	202	-	-
Current tax liabilities		1,852	4,016	-	-
Amount owing to a related party	29	11	-	-	-
Amount owing to a joint operation	18	2	-	-	-
		23,327	23,905	143	283
TOTAL LIABILITIES					
		25,748	26,241	143	283
TOTAL EQUITY AND LIABILITIES					
		129,276	128,232	94,607	96,911

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	30	102,475	110,047	8,062	1,047
COST OF SALES		(63,148)	(65,805)	-	-
GROSS PROFIT		39,327	44,242	8,062	1,047
OTHER INCOME		2,140	2,192	395	1,809
		41,467	46,434	8,457	2,856
ADMINISTRATIVE EXPENSES		(24,735)	(19,998)	(4,429)	(4,278)
FINANCE COSTS		(112)	(61)	-	-
OTHER OPERATING EXPENSES		(4,008)	(1,628)	(2,050)	(250)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	31	(1,429)	(509)	-	-
SHARE OF (LOSS)/PROFIT OF EQUITY ACCOUNTED ASSOCIATE		(110)	28	-	-
PROFIT/(LOSS) BEFORE TAXATION	32	11,073	24,266	1,978	(1,672)
INCOME TAX EXPENSE	33	(4,122)	(4,374)	-	-
PROFIT/(LOSS) AFTER TAXATION		6,951	19,892	1,978	(1,672)
OTHER COMPREHENSIVE INCOME					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		22	116	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		6,973	20,008	1,978	(1,672)

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:					
- Owners of the Company		5,902	18,488	1,978	(1,672)
- Non-controlling interests		1,049	1,404	-	-
		6,951	19,892	1,978	(1,672)
TOTAL COMPREHENSIVE INCOME/(EXPENSES)					
ATTRIBUTABLE TO:					
- Owners of the Company		5,924	18,604	1,978	(1,672)
- Non-controlling interests		1,049	1,404	-	-
		6,973	20,008	1,978	(1,672)
EARNINGS PER SHARE (SEN)					
- Basic	34	1.07	3.35		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Non-Distributable					Distributable	
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained earning/ (Accumulated losses) RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
The Group							
Balance at 1.4.2021	115,075	(12,300)	(565)	(14,680)	87,530	2,396	89,926
Profit after taxation for the financial year	-	-	-	18,488	18,488	1,404	19,892
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	116	-	116	-	116
Total comprehensive income for the financial year	-	-	116	18,488	18,604	1,404	20,008
Balance carried forward	115,075	(12,300)	(449)	3,808	106,134	3,800	109,934

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Share Capital RM'000	Merger Deficit RM'000	Non-Distributable			Distributable		Total Equity RM'000
			Foreign Exchange Translation Reserve RM'000	Retained earning/ (Accumulated losses) RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000		
The Group								
Balance brought forward	115,075	(12,300)	(449)	3,808	106,134	3,800		109,934
Contributions by and distributions to owners of the Company:								
- Acquisition of a subsidiary	-	-	-	-	-	405	405	405
- Disposal of a subsidiary	-	-	-	-	-	(163)	(163)	(163)
- Accretion loss from changes in a subsidiary's ownership interests	-	-	-	(1,691)	(1,691)	(2,284)	(3,975)	(3,975)
- Dividends:								
- by the Company	-	-	-	(4,142)	(4,142)	-	(4,142)	(4,142)
- by subsidiaries to non-controlling interests	-	-	-	-	-	(68)	(68)	(68)
Total transaction with owners	-	-	-	(5,833)	(5,833)	(2,110)	(7,943)	(7,943)
Balance at 31.3.2022	115,075	(12,300)	(449)	(2,025)	100,301	1,690		101,991

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Share Capital RM'000	Merger Deficit RM'000	Non-Distributable			Distributable		Total Equity RM'000
			Foreign Exchange Translation Reserve RM'000	Retained earning/ (Accumulated losses) RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000		
The Group								
Balance at 31.3.2022/1.4.2022	115,075	(12,300)	(449)	(2,025)	100,301	1,690		101,991
Profit after taxation for the financial year	-	-	-	5,902	5,902	1,049		6,951
Other comprehensive income for the financial year:								
- Foreign currency translation differences	-	-	22	-	22	-		22
Total comprehensive income for the financial year	-	-	22	5,902	5,924	1,049		6,973
Balance carried forward	115,075	(12,300)	(427)	3,877	106,225	2,739		108,964

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	Share Capital RM'000	Merger Deficit RM'000	Non-Distributable			Distributable	
				Foreign Exchange Translation Reserve RM'000	Retained earning/ (Accumulated losses) RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
The Group								
Balance brought forward		115,075	(12,300)	(427)	3,877	106,225	2,739	108,964
Contributions by and distributions to owners of the Company:								
- Acquisition of a subsidiary's shares	35.1	-	-	-	-	-	(345)	(345)
- Acquisition of non-controlling interests	35.2	-	-	-	(332)	(332)	(333)	(665)
- Accretion loss from changes in a subsidiary's ownership interests		-	-	-	(37)	(37)	37	-
- Dividends:								
- by the Company		-	-	-	(4,142)	(4,142)	-	(4,142)
- by subsidiaries to non-controlling interests		-	-	-	-	-	(284)	(284)
Total transaction with owners		-	-	-	(4,511)	(4,511)	(925)	(5,436)
Balance at 31.3.2023		115,075	(12,300)	(427)	(634)	101,714	1,814	103,528

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

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

The Company	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.4.2021	115,075	(12,633)	102,442
Loss after taxation/Total comprehensive expenses for the financial year	-	(1,672)	(1,672)
Dividend	-	(4,142)	(4,142)
Balance at 31.3.2022/1.4.2022	115,075	(18,447)	96,628
Profit after taxation/Total comprehensive income for the financial year	-	1,978	1,978
Dividend	-	(4,142)	(4,142)
Balance at 31.3.2023	115,075	(20,611)	94,464

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit/(Loss) before taxation	11,073	24,266	1,978	(1,672)
Adjustments for:-				
Amortisation of intangible assets	3,282	3,566	-	-
Bad debts written off	125	54	-	-
Depreciation of property and equipment	804	429	-	-
Depreciation of right-of-use assets	738	761	-	-
Fair value loss on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	2,050	250	2,050	250
Impairment loss on trade receivables	1,469	853	-	-
Interest expense on lease liabilities	55	37	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss	57	24	-	-
Inventories written off	12	3	-	-
Equipment written off	-	2	-	-
Unrealised loss on foreign exchange	147	117	-	-
Gain on disposal of a subsidiary	-	(8)	-	(13)
Gain on partial disposal of short-term investments at fair value through profit and loss	-	(1,200)	-	(1,200)
Gain on disposal of unquoted shares	(35)	-	(35)	-
Dividend income	-	(120)	(8,062)	(1,047)
Gain on disposal of equipment	(141)	-	-	-
Interest income on financial assets measured at amortised cost:				
- imputed interest on non-current amount owing by a subsidiary	-	-	(258)	(560)
Interest income	(221)	(112)	(102)	(36)
Reversal of impairment loss:				
- trade receivables	(40)	(344)	-	-
Share of net loss/(profits) of equity accounted associate	110	(28)	-	-
Waiver of payables	-	(2)	-	-
Operating profit/(loss) before working capital changes and balance carried forward	19,485	28,548	(4,429)	(4,278)

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

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

Note	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Operating profit/(loss) before working capital changes and balance brought forward	19,485	28,548	(4,429)	(4,278)
(Increase)/Decrease in inventories	(5)	2	-	-
(Increase)/Decrease in trade and other receivables	(6,485)	(16,864)	(1)	1
Increase/(decrease) in trade and other payables	128	1,059	(140)	(188)
(Increase)/Decrease in contract costs assets	(1,284)	181	-	-
Decrease/(Increase) in contract assets	1,523	(593)	-	-
Increase/(Decrease) in contract liabilities	496	(204)	-	-
CASH FROM/(FOR) OPERATIONS	13,858	12,129	(4,570)	(4,465)
Interest paid	(112)	(61)	-	-
Income tax paid	(6,746)	(2,755)	-	-
Interest received	221	112	102	36
NET CASH FROM/(FOR) OPERATING ACTIVITIES	7,221	9,425	(4,468)	(4,429)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries, net of cash and cash equivalents acquired	35.1	-	(3,309)	-
Acquisition of non-controlling interest	35.2	(665)	-	-
Additional investments in existing subsidiaries		-	(3,975)	(4,196)
Disposal of a subsidiary, net of cash and cash equivalents disposed of		-	(271)	-
Dividend received from subsidiaries		-	-	13
Dividend received from other investments		-	8,062	927
Repayment from/(Advances to) a joint operation		-	120	120
Intangible assets additions		14	(2)	-
Investment in new subsidiaries		(631)	(180)	-
Investment in a joint operation		-	-	(3,687)
Purchase of equipment	36(a)	-	(12)	-
Proceeds from disposal of equipment		(2,840)	(617)	-
Proceeds from disposal of unquoted shares		141	-	-
Proceeds from partial disposal of short-term investments		3,325	-	-
Repayment from subsidiaries		-	3,325	-
		-	5,000	5,000
		-	3,294	4,294
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(656)	(3,246)	10,485
BALANCE CARRIED FORWARD		6,565	6,179	2,233

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

STATEMENTS OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
BALANCE BROUGHT FORWARD		6,565	6,179	6,017	2,233
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from a joint operation		2	-	-	-
Advances from a related party		11	-	-	-
Dividend paid to owners of the Company		(4,142)	(4,142)	(4,142)	(4,142)
Dividend paid to non- controlling interests		(284)	(68)	-	-
Decrease in pledged fixed deposits with licensed banks		188	354	-	-
Repayment of lease liabilities	36(b)	(736)	(308)	-	-
Repayment of hire purchase obligations	36(b)	(171)	(574)	-	-
Net repayment of project financing loan	36(b)	-	(345)	-	-
Net repayment of term loans	36(b)	(60)	-	-	-
NET CASH FOR FINANCING ACTIVITIES		(5,192)	(5,083)	(4,142)	(4,142)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		1,373	1,096	1,875	(1,909)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(95)	193	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		29,922	28,633	5,067	6,976
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36(d)	31,200	29,922	6,942	5,067

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur.

Principal place of business : A-G, Block A, Level G, Sunway PJ51A,
Jalan SS9a/19, Seri Setia,
47300 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 July 2023.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Revenue Recognition from Contracts

The Group recognises revenue from software implementation services by reference to the milestone of the project based on supporting documents signed by the customer. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to-date. In making the judgement, management relies on past experience. The carrying amounts of contract assets as at the reporting date are disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 11 to the financial statements.

(c) Impairment of Intangible Assets

The Group determines whether an item of its intangible assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of intangible assets as at the reporting date is disclosed in Note 10 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract asset as at the reporting date are disclosed in Note 14 and 16 to the financial statements respectively.

(e) Impairment of Non-trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 15 and 17 to the financial statements respectively.

Critical Judgements Made in Applying Accounting Policies

In the process of applying the Group's accounting policies, the management is not aware of any judgements that have significant effects on the amounts recognised in the financial statements.

There are also no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

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

(a) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

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

(e) Loss of Control

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

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

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

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

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate and a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate and a joint arrangement that includes a foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

(c) Equity Instruments

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

Ordinary Shares

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

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

(d) Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined it to be a joint operation.

Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 INVESTMENT IN AN ASSOCIATE

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in an associate is stated at cost in the statement of financial position of the Company, and is reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that its carrying value may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 March 2023. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interest that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over the associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 PROPERTY AND EQUIPMENT

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	2%
Plant and machinery	20%
Office equipment, furniture and fittings	15% - 33%
Computer equipment	25% - 33%
Office renovation	20% - 25%
Motor vehicles	16% - 25%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and 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 property and equipment. Any changes are accounted for as a change in estimate.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 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:-

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

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

(b) Other Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group, which has finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The research and development expenditure and other intangible assets are amortised on a straight-line method when the products are ready for sale or use. The principal annual rates used for this purpose are:-

Software	3 years
Development expenditure	3 - 5 years
Customer relationship	10 years
Trademark	2 years

In the event that the expected future economic benefits are no longer probable of being recovered, the research and development expenditure and other intangible assets are written down to its recoverable amount.

The amortisation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost - trade receivables and contract assets.

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

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

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

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

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets (Cont'd)

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.

4.12 LEASES

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 BORROWING COSTS

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

4.14 INVENTORIES

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

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

4.15 CONTRACT COST ASSETS

Costs to Fulfill A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.16 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets are recognised when the Group's right to consideration is conditional on something other than the passage of time. Contract assets are subject to impairment requirements of MFRS 9.

Contract liabilities are stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.18 CASH AND CASH EQUIVALENTS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

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

4.20 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.21 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.

4.22 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 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. In estimating the fair value of an asset or a liability, the Group take into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

The fair value for measurement and disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions (MFRS 16) and measurements that have some similarities to fair value but are not fair value, such as net realisable value (MRS 102) of value-in-use (MFRS 136).

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Sale of Hardware and Software

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

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

(b) Rendering of Maintenance Services

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

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

(c) Implementation Services

Revenue from software implementation services is recognised over time in the period in which the services are rendered using the output by reference to the implementation work certified to date by customer. Transaction price is computed based on the price specified in the contract.

(d) Rendering of Processing Services

Revenue from providing processing services is recognised at a point in time in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

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

4.25 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	RM'000	RM'000
Cost:-		
At 1 April	78,332	76,403
Acquisition of a subsidiary	-	3,687
Addition in an existing subsidiary	4,100	-
Allotment of shares in a subsidiary	96	5
Disposal of a subsidiary	-	(1,763)
At 31 March	82,528	78,332
Accumulated impairment losses:-		
At 1 April	(20)	(1,783)
Disposal of a subsidiary	-	153
Reclassification	-	1,610
At 31 March	(20)	(20)
At 31 March	82,508	78,312

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Subsidiaries of the Company				
Century Software (Malaysia) Sdn. Bhd.	Malaysia	100	100	Design, development, implementation and marketing of financial and related software and services.
PT. Praisindo Teknologi^	The Republic of Indonesia	60	60	Providing services for software development, acting as a service provider for financial applications, electronic payments and wealth management applications.
Asian Business Software Solutions Pte. Ltd.^	Republic of Singapore	97.98	96.74	Selling of computerised accounting system.
Censof Maal Sdn. Bhd.^	Malaysia	100	100	Ceased business as marketing and reselling of financial and related software and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Subsidiaries of the Company (Cont'd)				
Censof Digital Sdn. Bhd.^	Malaysia	100	100	Commenced operations of providing solution and services in Information Technology.
Tender Pintar Sdn. Bhd.	Malaysia	100	100	Providing computer programming, consultancy and related activities.
Netsense Business Solutions Sdn. Bhd.	Malaysia	51	51	Engaged in the business as IT and software solution consultants.
Netsense Business Solutions Pte. Ltd.^	Republic of Singapore	51	51	Providing enterprise resource planning ("ERP") software.
Cognitive Consulting Sdn. Bhd.^	Malaysia	51	51	Providing services for providing information technology consultancy and system integration services and all other related activities.
In Sureku Sdn. Bhd.	Malaysia	100	-	Dormant.
Subsidiary of Century Software (Malaysia) Sdn. Bhd.				
CS Cloud Sdn. Bhd.	Malaysia	80	80	Providing computer consultancy, computer facilities management and other information technology services activities.
Censof Software India Private Limited^	India	99	99	Dormant.
GW Intech Sdn. Bhd.^#	Malaysia	51	-	Providing information technology services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Subsidiaries of Asian Business Software Solutions Pte. Ltd.				
Asian Business Software Solutions Sdn. Bhd.	Malaysia	100	100	Engaged in the business of trading in business software and providing support services.
Financio Software Sdn. Bhd.^	Malaysia	100	100	Dormant and yet to commence business as an accounting software distributor.
Subsidiary of Censof Digital Sdn. Bhd.				
In Sureku Sdn. Bhd.	Malaysia	-	100	Dormant.

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

The auditors' report on the financial statements of the subsidiary includes a "Material Uncertainty Related to Going Concern" regarding the ability of the subsidiary to continue as a going concern in view of its capital deficiency position as at the end of the reporting period. The financial statements were prepared on a going concern basis as the Company has undertaken to provide continued financial support to the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) (i) On 22 February 2022, a wholly-owned subsidiary, Century Software (Malaysia) Sdn. Bhd. entered into a share subscription agreement with GW Intech Sdn. Bhd. ("GW Intech") for the subscription of 100,000 ordinary shares for a total subscription price of RM500,000.

On 12 July 2022, all terms and conditions precedent pursuant to the share subscription agreement has been completed and GW Intech on that date has become a subsidiary of the Company.

- (ii) On 12 April 2022, the Company had acquired 100 ordinary shares of In Sureku Sdn. Bhd. from Censof Digital Sdn. Bhd., a subsidiary of the Company for a total consideration of RM1. The shares acquired represents 100% in In Sureku Sdn. Bhd.
- (iii) On 30 May 2022, the Company had subscribed to additional 95,000 ordinary shares issued by Tender Pintar Sdn. Bhd. for a total consideration of RM95,000. There are no changes to the effective equity interest in the subsidiary as the whole of the shares subscribed represents the total ordinary shares issued by the subsidiary.
- (iv) On 15 June 2022, the Company have further acquired 41,680 treasury shares of Asian Software Business Solutions Pte Ltd ("ABSS") for a total consideration of SGD1,279,369. The purchase of treasury shares have effectively increased the Company's equity interest in ABSS from 96.74% to 97.00%.

On 17 June 2022, ABSS have further acquired 5,260 ordinary shares from a shareholder, Rhys Brown, which have effectively increased the Company's effective equity interest from 97.00% to 97.98%. The details of the acquisition is disclosed in Note 35.2 to the financial statements.

There were no changes to the effective equity interest in the subsidiary.

- (b) The non-controlling interests at the end of the reporting period comprised the following:-

	Effective Equity Interest		The Group	
	2023 %	2022 %	2023 RM'000	2022 RM'000
Asian Business Software Solutions Pte. Ltd. ("ABSS")	2.02	3.26	(1,467)	(1,037)
PT. Praisindo Teknologi ("PTPT")	40.00	40.00	1,482	1,093
Netsense Business Solutions Sdn. Bhd. ("NBSSB")	49.00	49.00	806	1,120
Cognitive Consulting Sdn. Bhd. ("CCSB")	49.00	49.00	888	506
Other individually immaterial subsidiaries			105	8
			1,814	1,690

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	ABSS	
	2023 RM'000	2022 RM'000
<u>At 31 March</u>		
Non-current assets	1,108	1,350
Current assets	10,670	9,995
Non-current liabilities	(748)	(931)
Current liabilities	(6,804)	(6,715)
Net assets	4,226	3,699
<u>Financial Year Ended 31 March</u>		
Revenue	18,603	18,134
Profit for the financial year	5,252	6,231
Total comprehensive income	5,191	6,227
Total comprehensive income attributable to non-controlling interests	90	358
Accretion loss from changes in the subsidiary's ownership interest	(296)	(2,284)
Dividends paid to non-controlling interests	(225)	(29)
Net cash flows from operating activities	5,292	5,465
Net cash flows for investing activities	(106)	(257)
Net cash flows for financing activities	(5,109)	(5,022)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	PTPT	
	2023 RM'000	2022 RM'000
<u>At 31 March</u>		
Non-current assets	1,696	1,841
Current assets	4,700	3,235
Current liabilities	(3,046)	(2,688)
Net assets	3,350	2,388
<u>Financial Year Ended 31 March</u>		
Revenue	8,590	6,598
Profit for the financial year	1,120	248
Total comprehensive income	1,120	248
Total comprehensive income attributable to non-controlling interests	448	99
Dividend paid to non-controlling interests	(59)	-
Net cash flows from operating activities	1,719	198
Net cash flows for investing activities	(815)	(137)
Net cash flows for financing activities	(2)	(38)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	NBSSB	
	2023 RM'000	2022 RM'000
<u>At 31 March</u>		
Non-current assets	124	130
Current assets	3,323	3,534
Non-current liabilities	(35)	(66)
Current liabilities	(1,766)	(1,313)
Net assets	1,646	2,285
<u>Financial Year Ended 31 March</u>		
Revenue	3,668	3,958
(Loss)/Profit for the financial year	(640)	1,172
Total comprehensive (expenses)/income	(640)	1,172
Total comprehensive (expenses)/income attributable to non-controlling interests	(314)	574
Net cash flows (for)/from operating activities	(158)	299
Net cash flows for investing activities	(22)	(13)
Net cash flows for financing activities	(12)	(643)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	CCSB	
	2023 RM'000	2022 RM'000
<u>At 31 March</u>		
Non-current assets	736	741
Current assets	2,107	1,352
Non-current liabilities	(445)	(514)
Current liabilities	(620)	(579)
Net assets	1,778	1,000
<u>Financial Year Ended 31 March</u>		
Revenue	6,054	5,065
Profit for the financial year	777	144
Total comprehensive income	777	144
Total comprehensive income attributable to non-controlling interests	381	554
Net cash flows from operating activities	386	23
Net cash flows for investing activities	(10)	(145)
Net cash flows for financing activities	(48)	(332)

Summarised financial information of other non-controlling interests has not been presented as the other non-controlling interests of the subsidiaries are not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	180	152	1,610	1,610
Share of post-acquisition (loss)/profits	(110)	28	-	-
Accumulated impairment losses	-	-	(1,610)	(1,610)
At 31 March	70	180	-	-

(a) The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
T-Melmax Sdn. Bhd. ("TMAX")	Malaysia	49	49	Providing services for software development, acting as a service provider for financial applications, electronics payments and collection solutions and offering software as a service.

(b) TMAX has a different financial year end from the Group. In applying the equity method of accounting, the unaudited financial statements of the associate for the financial year ended 31 December 2022 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2023 to 31 March 2023.

(c) Summarised financial information has not been presented as the associate is not individually material to the Group.

7. INVESTMENT IN A JOINT OPERATION

The Group has a 50% (2022 - 50%) ownership interest in a joint operation, Cloocus Sdn. Bhd with Cloocus Co. Ltd.. The consortium is principally engaged in providing services for cloud infrastructure system, development of cloud management and related activities.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

8. PROPERTY AND EQUIPMENT

	At 1.4.2022 RM'000	Additions (Note 36 (a)) RM'000	Acquisition of a Subsidiary (Note 35.1) RM'000	Depreciation Charge (Note 32) RM'000	Currency Translation Differences RM'000	At 31.3.2023 RM'000
The Group						
2023						
Carrying Amount						
Freehold land	-	-	224	-	-	224
Building	-	-	259	(5)	-	254
Plant and machinery	5	5	-	(1)	-	9
Office equipment, furniture and fittings	409	506	23	(372)	-	566
Computer equipment	134	101	-	(63)	-	172
Office renovation	277	2,113	-	(283)	1	2,108
Motor vehicles	202	852	-	(80)	-	974
	1,027	3,577	506	(804)	1	4,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

8. PROPERTY AND EQUIPMENT (CONT'D)

	At 1.4.2021 RM'000	Additions (Note 36 (a)) RM'000	Acquisition of a Subsidiary (Note 35.1) RM'000	Written Off (Note 32) RM'000	Depreciation Charge (Note 32) RM'000	Currency Translation Differences RM'000	At 31.3.2022 RM'000
The Group (Restated)							
2022							
<i>Carrying Amount</i>							
Plant and machinery	5	5	-	-	(5)	-	5
Office equipment, furniture and fittings	362	318	18	(1)	(287)	(1)	409
Computer equipment	104	93	-	(1)	(61)	(1)	134
Office renovation	128	186	-	-	(41)	4	277
Motor vehicle	-	237	-	-	(35)	-	202
	599	839	18	(2)	(429)	2	1,027

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

8. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2023			
Freehold land	224	-	224
Building	336	(82)	254
Plant and machinery	310	(301)	9
Office equipment, furniture and fittings	4,063	(3,497)	566
Computer equipment	605	(433)	172
Office renovation	4,602	(2,494)	2,108
Motor vehicle	1,457	(483)	974
	11,597	(7,290)	4,307
2022 (Restated)			
Plant and machinery	303	(298)	5
Office equipment, furniture and fittings	3,587	(3,178)	409
Computer equipment	503	(369)	134
Office renovation	2,484	(2,207)	277
Motor vehicles	949	(747)	202
	7,826	(6,799)	1,027

The freehold land and building of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

9. RIGHT-OF-USE ASSETS

	At 1.4.2022 RM'000	Additions (Note 36 (a)) RM'000	Depreciation Charge (Note 32) RM'000	Currency Translation Differences RM'000	At 31.3.2023 RM'000
The Group					
2023					
Carrying Amount					
Office buildings	1,917	29	(738)	(3)	1,205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

10. INTANGIBLE ASSETS

The Group	Software RM'000	Development expenditure RM'000	Customer relationship RM'000	Trademark RM'000	Total RM'000
Cost:-					
At 1.4.2021	8,423	45,362	8,814	1,818	64,417
Addition	-	180	-	-	180
Acquisition of a subsidiary (Note 35)	-	728	-	-	728
Disposal of a subsidiary	-	(5,924)	-	-	(5,924)
Reclassification	632	(632)	-	-	-
Currency translation differences	36	(148)	-	-	(112)
At 31.3.2022/1.4.2022	9,091	39,566	8,814	1,818	59,289
Addition	429	202	-	-	631
Currency translation differences	18	-	-	-	18
At 31.3.2023	9,538	39,768	8,814	1,818	59,938
Accumulated amortisation:-					
At 1.4.2021	(6,588)	(37,536)	(4,405)	(1,818)	(50,347)
Charge for the financial year (Note 32)	(882)	(1,803)	(881)	-	(3,566)
Disposal of a subsidiary	-	4,374	-	-	4,374
Currency translation differences	(5)	-	-	-	(5)
At 31.3.2022/1.4.2022	(7,475)	(34,965)	(5,286)	(1,818)	(49,544)
Charge for the financial year (Note 32)	(722)	(1,679)	(881)	-	(3,282)
Currency translation differences	(8)	-	-	-	(8)
At 31.3.2023	(8,205)	(36,644)	(6,167)	(1,818)	(52,834)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

10. INTANGIBLE ASSETS (CONT'D)

The Group	Software RM'000	Development expenditure RM'000	Customer relationship RM'000	Trademark RM'000	Total RM'000
Accumulated impairment loss:-					
At 1.4.2021	-	(1,550)	-	-	(1,550)
Disposal of a subsidiary	-	1,550	-	-	1,550
At 31.3.2022/31.3.2023	-	-	-	-	-
Carrying amount					
At 31.3.2022	1,616	4,601	3,528	-	9,745
At 31.3.2023	1,333	3,124	2,647	-	7,104

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

	The Group	
	2023 RM'000	2022 RM'000
Staff costs	202	180

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

11. GOODWILL

	The Group	
	2023	2022
	RM'000	RM'000
Cost:-		
At 1 April	32,834	29,568
Acquisition of a subsidiary (Note 35)	360	3,266
At 31 March	33,194	32,834
Accumulated impairment losses:-		
At 31 March	(3,244)	(3,244)
Carrying amount	29,950	29,590

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

	The Group	
	2023	2022
	RM'000	RM'000
Wealth Management Solutions ("WMS")	3,331	3,331
Financial Management Solutions - Commercial ("FMS-C")	22,464	22,464
Digital Technology ("DT")	3,266	3,266
Others	889	529
	29,950	29,590

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

11. GOODWILL (CONT'D)

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by the management covering a period of 3 years.

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

	Average Budgeted Gross Margin 2024 - 2026	Average Growth Rate 2024 - 2026	Discount Rate (Pre-tax) 2024 - 2026	Terminal Growth Rate 2027 - infinity
WMS	46%	26%	16.51%	0%
FMS-C	69%	14%	13.82%	0%
DT	36%	30%	13.82%	0%

The values assigned to the key assumptions represent management's assessment based on the selling prices and the fixed and variable costs, adjusted for market conditions and economic conditions and internal resources efficiency.

Management has determined the average budgeted profit margin and average growth rate based on past performance and its expectation of market development. The discount rate used are computed based on the weighted average cost of capital of the industry that the Group operates in.

- (c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

12. OTHER INVESTMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at fair value	-	3,290	-	3,290
Club membership	100	100	-	-
	100	3,390	-	3,290

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

12. OTHER INVESTMENTS (CONT'D)

The fair value of each investment is summarised below:-

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unquoted shares of MoneySave Holding Sdn. Bhd.	-	3,290	-	3,290
Corporate Membership of Glenmarie Golf and Country Club	100	100	-	-
	100	3,390	-	3,290

13. CONTRACT COST ASSET

	The Group	
	2023	2022
	RM'000	RM'000 (Restated)
Incremental costs of obtaining contracts	1,465	181

The costs to fulfil a contract represent cost incurred that are used to fulfil the contract in future. The costs are to be amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

14. TRADE RECEIVABLES

	The Group	
	2023	2022
	RM'000	RM'000 (Restated)
Trade receivables	31,985	25,431
Allowance for impairment losses	(2,344)	(955)
	29,641	24,476
Allowance for impairment losses:-		
At 1 April	(955)	(452)
Addition (Note 31 and 32)	(1,469)	(853)
Reversal (Note 31 and 32)	40	344
Written off	40	6
At 31 March	(2,344)	(955)

The Group's normal trade credit terms range from 30 to 90 (2022 - 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Other receivables:				
- Third parties	272	237	3	2
- Sales and Service Tax recoverable	-	2	-	-
	272	239	3	2
Deposits	270	657	-	-
Prepayments	705	432	-	-
	1,247	1,328	3	2

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023	2022
	RM'000	RM'000
		(Restated)
Contract Assets		
At 1 April	20,695	6,362
Performance obligation performed	32,510	47,652
Transfer to trade receivables	(34,015)	(33,349)
Foreign exchange adjustments	12	30
At 31 March	19,202	20,695
Represented by:-		
Software implementation	12,238	12,409
Maintenance	6,602	7,996
Others	362	290
At 31 March	19,202	20,695

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

	The Group	
	2023	2022
	RM'000	RM'000 (Restated)
Contract Liabilities		
At 1 April	(6,649)	(6,855)
Contract liabilities at the beginning of financial year recognised as revenue	6,862	5,584
Performance obligations performed	8,372	5,449
Cash received/Amounts billed for unfulfilled performance obligations	(15,516)	(10,838)
Currency translation differences	(214)	11
At 31 March	(7,145)	(6,649)
Represented by:-		
Maintenance	(6,975)	(5,266)
Software implementation	(170)	(1,383)
At 31 March	(7,145)	(6,649)

The contract liabilities primarily relate to advances received from customer to render maintenance, software and implementation works. The amount will be recognised as revenue when the performance obligations are satisfied.

The contract liabilities are expected to be realised within the next financial year.

17. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2023	2022
	RM'000	RM'000
<u>Current</u>		
Non-trade balances	2,154	5,840
Allowance for impairment losses	-	(650)
	2,154	5,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

17. AMOUNT OWING BY SUBSIDIARIES (CONT'D)

	The Company	
	2023	2022
	RM'000	RM'000
Allowance for impairment losses:-		
At 1 April	(650)	(650)
Written off during the year	650	-
At 31 March	-	(650)

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

18. AMOUNT OWING BY/(TO) A JOINT OPERATION

The amount owing is non-trade in nature, unsecured, interest-free and repayable upon demand. The amount owing is to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Quoted ordinary shares, at fair value	3,000	5,050	3,000	5,050
Money market funds, at fair value (Note 36(d))	9,439	10,272	4,084	5,009
	12,439	15,322	7,084	10,059

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

20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rate of 4.38% (2022 - 0.05% to 0.20%) per annum respectively. The fixed deposits have a maturity period of 365 (2022 - 30 to 365) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

21. SHARE CAPITAL

	The Group/The Company		
	2023	2022	2022
	Number Of Shares ('000)		RM'000
		2023	2022
		RM'000	RM'000
Issued and Fully Paid-up			
Ordinary Shares			
At 31 March	552,282	552,282	115,075

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

22. MERGER DEFICIT

The merger deficit relates to a 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 the subsidiary and the nominal value of the shares acquired.

23. FOREIGN EXCHANGE TRANSLATION RESERVE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

24. LEASE LIABILITIES

	The Group	
	2023	2022
	RM'000	RM'000
		(Restated)
At 1 April	1,982	592
Additions (Note 36(a))	29	1,702
Acquisition of a subsidiary (Note 35.1)	-	38
Disposal of a subsidiary	-	(13)
Interest expense recognised in profit or loss (Note 32)	55	37
Derecognition due to lease modification	-	(33)
Repayment of principal	(736)	(308)
Repayment of interest expense	(55)	(37)
Currency translation differences	(4)	4
At 31 March	1,271	1,982
Analysed by:-		
Non-current liabilities	835	1,234
Current liabilities	436	748
	1,271	1,982

25. BORROWINGS

	The Group	
	2023	2022
	RM'000	RM'000
		(Restated)
Current		
Term loans	116	85
Hire purchase	129	117
	245	202
Non-current		
Term loans	552	415
Hire purchase	713	159
	1,265	574

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

25. BORROWINGS (CONT'D)

- (a) The borrowings of the Group are secured by:-
- (i) Joint and several guaranteed by certain directors of the subsidiaries;
 - (ii) Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") issued a guarantee of 80% coverage of unsecured portion of the facility;
 - (iii) First legal charge on the freehold land and building as disclosed in Note 8 to the financial statements.
- (b) The interest rate profile of the borrowings of the Group are summarised below:-

		The Group	
		2023	2022
Term loans	Fixed/Floating	3.50% to 4.88%	3.50%
Hire purchase	Fixed	2.19% to 2.58%	2.19% to 2.58%

26. DEFERRED TAX LIABILITIES

The Group	At 1.4.2022 RM'000	Recognised in Profit or Loss (Note 33) RM'000	Currency Translation Difference RM'000	At 31.3.2023 RM'000
2023				
<i>Deferred Tax Liabilities</i>				
Plant and equipment	232	14	-	246
Intangible assets acquired	597	(150)	-	447
<i>Deferred Tax Asset</i>				
Provision	(301)	(71)	*	(372)
	528	(207)	*	321

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

26. DEFERRED TAX LIABILITIES (CONT'D)

The Group	At 1.4.2021 RM'000	Recognised in Profit or Loss (Note 33) RM'000	Acquisition of a Subsidiary (Note 35.1) RM'000	Currency Translation Difference RM'000	At 31.3.2022 RM'000
2022					
<i>Deferred Tax Liabilities</i>					
Plant and equipment	182	36	14	-	232
Intangible assets acquired	746	(149)	-	-	597
<i>Deferred Tax Asset</i>					
Provision	(273)	(25)	-	(3)	(301)
	655	(138)	14	(3)	528

* Denotes less than RM1,000

27. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2022 - 30 to 90) days.

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Other payables:				
- Third parties	2,338	999	6	39
- Sales and Service Tax payable	1,986	1,843	-	-
	4,324	2,842	6	39
Accruals	3,895	7,670	137	244
	8,219	10,512	143	283

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

29. AMOUNT OWING TO A RELATED PARTY

The amount owing is non-trade in nature, unsecured, interest-free and repayable upon demand. The amount owing is to be settled in cash.

30. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of hardware and software	13,910	14,051	-	-
Processing services	3,885	3,060	-	-
	17,795	17,111	-	-
<u>Recognised over time</u>				
Implementation services	40,373	36,251	-	-
Maintenance	44,307	56,565	-	-
	84,680	92,816	-	-
	102,475	109,927	-	-
Revenue from Other Sources				
Dividend income	-	120	8,062	1,047
	102,475	110,047	8,062	1,047

The information on the disaggregation of revenue is disclosed in Note 40 to the financial statements.

31. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Impairment losses:				
- trade receivables (Note 14)	1,469	853	-	-
Reversal of impairment losses:				
- trade receivables (Note 14)	(40)	(344)	-	-
	1,429	509	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

32. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Profit/(loss) before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible assets (Note 10)	3,282	3,566	-	-
Auditors' remuneration:				
- audit fee				
- current financial year	360	319	120	120
- (over)/underprovision	(3)	7	-	7
- non-audit fees	6	6	6	6
Bad debts written off	125	54	-	-
Depreciation of:				
- property and equipment (Note 8)	804	429	-	-
- right-of-use assets (Note 9)	738	761	-	-
Directors' remuneration (Note 37)	2,615	2,570	2,311	2,301
Equipment written off (Note 8)	-	2	-	-
Staff costs (including other key management personnel as disclosed in Note 37):				
- short-term employee benefits	33,212	25,228	1,013	1,039
- defined contribution benefits	2,798	2,147	107	111
Impairment loss:				
- trade receivables (Note 14)	1,469	853	-	-
Interest expense on lease liabilities (Note 24)	55	37	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	14	11	-	-
- hire purchase	26	13	-	-
- term loans	17	-	-	-
Inventories written off	12	3	-	-
Short-term lease expenses	425	323	-	-
Loss on foreign exchange:				
- unrealised	147	117	-	-
- realised	-	19	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Profit/(loss) before taxation is arrived at after charging/(crediting):- (Cont'd)				
Gain on disposal of a subsidiary	-	(8)	-	(13)
Gain on partial disposal of short-term investments at fair value through profit and loss	-	(1,200)	-	(1,200)
Dividend income:				
- subsidiaries	-	-	(8,062)	(927)
- other investments	-	(120)	-	(120)
Fair value loss on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	2,050	250	2,050	250
Gain on disposal of unquoted shares	(35)	-	(35)	-
Gain on disposal of plant and equipment	(141)	-	-	-
Interest income on financial assets measured at amortised cost:				
- imputed interest on non-current amount owing by a subsidiary	-	-	(258)	(560)
Interest income:				
- fixed deposits with licensed banks	(106)	(109)	(102)	(36)
- others	(115)	(3)	-	-
Bad debts recovered from other receivables	-	(53)	-	-
Rental income	(41)	(16)	-	-
Reversal of impairment loss:				
- trade receivables (Note 14)	(40)	(344)	-	-
Realised gain on foreign exchange	(107)	(117)	-	-
Waiver of payable	-	(2)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

33. INCOME TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the financial year	4,772	4,370	-	-
- (over)/underprovision in the previous financial year	(488)	101	-	-
	4,284	4,471	-	-
Withholding tax	45	41	-	-
Deferred tax (Note 26):				
- origination and reversal of temporary differences	(177)	(174)	-	-
- (over)/underprovision in the previous financial year	(30)	36	-	-
	(207)	(138)	-	-
	4,122	4,374	-	-

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

Profit/(Loss) before taxation	11,073	24,266	1,978	(1,672)
Tax at the statutory tax rate of 24%	2,657	5,824	475	(401)
Tax effects of:-				
Non-deductible expenses	3,889	1,343	1,275	433
Non-taxable income	(2,027)	(712)	(2,005)	(677)
Share of results in an associate	26	(7)	-	-
Tax-exempt income	(80)	(76)	-	-
Deferred tax assets not recognised during the financial year	475	686	255	645
Utilisation of deferred tax assets previously not recognised	75	(2,331)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(488)	101	-	-
- deferred tax	(30)	36	-	-
Withholding tax	45	41	-	-
Differential in tax rates of foreign subsidiaries	(420)	(531)	-	-
	4,122	4,374	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

33. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances	-	1,031	-	-
Unabsorbed capital allowances	-	59	-	-
Provision	4,609	2,227	-	-
Unutilised tax losses	2,152	1,152	1,481	419
	6,761	4,469	1,481	419

For the Malaysia entities, the unutilised tax losses are allowed to be utilised for the next 10 (2022 - 10) consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

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

34. EARNINGS PER SHARE

	The Group	
	2023	2022
Profit after taxation attributable to owners of the Company (RM'000)	5,902	18,488
Weighted average number of ordinary shares in issue (in '000):-		
Ordinary shares at 1 April	552,282	503,669
Effect of new ordinary shares issued	-	48,613
Weighted average number of ordinary shares at 31 March	552,282	552,282
Basic earnings per share (sen)	1.07	3.35

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

35. ACQUISITION OF A SUBSIDIARY AND NON-CONTROLLING INTERESTS

35.1 ACQUISITION OF A SUBSIDIARY

On 12 July 2022, the Company subscribed to 100,000 ordinary shares and acquired 2,000 ordinary shares, representing 51% equity interest in the issued and paid-up capital of GW Intech Sdn. Bhd. ("GW Intech") for total subscription price of RM500,000.

The following summaries the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	The Group	
	2023	2022
	RM'000	RM'000
Plant and equipment (Note 8)	506	18
Right-of-use assets (Note 9)	-	36
Intangible assets (Note 10)	-	728
Trade and other receivables	25	454
Cash and cash equivalents	-	378
Current tax asset	9	4
Deferred tax liabilities (Note 26)	-	(14)
Trade and other payables	(1,017)	(240)
Borrowings (Note 25)	(228)	(500)
Lease liabilities (Note 24)	-	(38)
Net identifiable (liabilities assumed)/assets acquired	(705)	826
Less: Non-controlling interests	345	(405)
Add: Goodwill on acquisition (Note 11)	360	3,266
Total purchase consideration	-	3,687
Less: Cash and bank balances of subsidiary acquired	-	(378)
Net cash outflow from the acquisition of a subsidiary	-	3,309

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

	The Group	
	2023	2022
	RM'000	RM'000
Revenue	606	2,234
(Loss)/Profit after taxation	(194)	209

35.2 ACQUISITION OF NON-CONTROLLING INTERESTS

On 17 June 2022, a subsidiary of the Group, Asian Business Software Solutions Pte Ltd ("ABSS") acquired 5,260 ordinary shares for RM664,656 from a shareholder, increasing the Group's equity interest from 97.00% to 97.98%. The carrying amount of ABSS net assets in the Group's financial statements on that date was RM10,088,566. The Group recognised a decrease in non-controlling interests of RM332,522 and a decrease in retained profits of RM332,522.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

36. CASH FLOW INFORMATION

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

	The Group	
	2023	2022
	RM'000	RM'000
Property and equipment		
Cost of equipment purchased (Note 8)	3,577	839
Less: Acquired through hire purchase	(737)	(222)
	2,840	617
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	29	1,702
Less: Additions of new lease liabilities (Note 24)	(29)	(1,702)
	-	-

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

The Group	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Total RM'000
2023				
At 1 April	500	276	1,982	2,758
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	737	-	737
Repayment of principal	(60)	(171)	(736)	(967)
Repayment of interest	(17)	(26)	(55)	(98)
	(77)	540	(791)	(328)
<u>Other Changes</u>				
Acquisition of a subsidiary (Note 35)	228	-	-	228
Acquisition of new leases (Note 24 and 36(a))	-	-	29	29
Interest expense recognised in profit or loss (Note 32)	17	26	55	98
Foreign exchange adjustments	-	-	(4)	(4)
	245	26	80	351
At 31 March	668	842	1,271	2,781

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

36. CASH FLOW INFORMATION (CONT'D)

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

The Group	Project Financing Loan RM'000	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Total RM'000
2022					
At 1 April	345	-	628	592	1,565
<u>Changes in</u>					
<u>Financing Cash Flows</u>					
Proceeds from drawdown	-	-	222	-	222
Repayment of principal	(345)	-	(574)	(308)	(1,227)
Repayment of interest	-	-	(13)	(37)	(50)
	(345)	-	(365)	(345)	(1,055)
<u>Other Changes</u>					
Acquisition of new leases (Note 36(a))	-	-	-	1,702	1,702
Acquisition of a subsidiary (Note 35)	-	500	-	38	538
Disposal of a subsidiary	-	-	-	(13)	(13)
Derecognition due to lease modification (Note 9 and 24)	-	-	-	(33)	(33)
Interest expense recognised in profit or loss (Note 32)	-	-	13	37	50
Foreign exchange adjustments	-	-	-	4	4
	-	500	13	1,735	2,248
At 31 March	-	500	276	1,982	2,758

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

36. CASH FLOW INFORMATION (CONT'D)

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

	The Group	
	2023	2022
	RM'000	RM'000
Payment of short-term leases	425	323
Interest paid on lease liabilities	55	37
Payment of lease liabilities	736	308
	1,216	668

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks (Note 20)	651	2,069	-	-
Cash and bank balances	21,110	17,769	2,858	58
Money market funds (Note 19)	9,439	10,272	4,084	5,009
	31,200	30,110	6,942	5,067
Less: Fixed deposits pledged to licensed banks (Note 20)	-	(188)	-	-
	31,200	29,922	6,942	5,067

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

37. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Executive:				
- fee	224	204	-	-
- salaries, bonuses and other benefits	1,990	1,983	1,910	1,918
	2,214	2,187	1,910	1,918
Non-executive:				
- fee	342	339	342	339
- salaries, bonuses and other benefits	59	44	59	44
	2,615	2,570	2,311	2,301
(b) Other Key Management Personnel				
Short-term employee benefits	5,138	4,456	607	898
Defined contribution benefits	391	283	67	103
	5,529	4,739	674	1,001

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

38. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividends from subsidiaries	-	-	8,062	927
Rental expenses paid or payable to a company in which certain directors of the Company has substantial financial interest	(495)	(495)	-	-

39. CONTINGENT LIABILITY

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

	The Group	
	2023 RM'000	2022 RM'000
Performance guarantee extended by a subsidiary to its customers	4,415	4,602

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. OPERATING SEGMENTS

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

The Group is organised into 4 main reportable segments as follows:-

- (a) Financial Management Solutions segment for Government ("FMS - G") and for Commercial ("FMS - C") - design, development, implementation and marketing of financial management software and related services.
- (b) Corporate Services segment ("CS") - provide group level corporate services and treasury functions and investments.
- (c) Wealth Management Solutions segment ("WMS") - providing services for portfolio management, fund accounting, unit registry, selling agent and online transaction.
- (d) Digital Technology segment ("DT") - providing information technology consultancy and services for system integration, cloud-based solutions, e-procurement and e-tendering.

40.1 BUSINESS SEGMENTS

	FMS - G RM'000	CS RM'000	WMS RM'000	DT RM'000	FMS - C RM'000	Consolidation Adjustments RM'000	The Group RM'000
2023							
Revenue							
Segment revenue	63,998	8,062	8,590	10,808	24,006	(12,989)	102,475
Results							
Segment profit/(loss)	11,323	1,958	1,511	(1,062)	6,503	(8,938)	11,295
Finance costs	(63)	-	-	(11)	(38)	-	(112)
- Share of loss of equity-accounted associate	-	-	-	-	-	(110)	(110)
	11,260	1,958	1,511	(1,073)	6,465	(9,048)	11,073

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	FMS - G RM'000	CS RM'000	WMS RM'000	DT RM'000	FMS - C RM'000	Consolidation Adjustments RM'000	The Group RM'000
2023							
Assets							
Segment assets	60,829	94,622	6,141	5,187	16,490	(54,757)	128,512
Unallocated asset:-							
- current tax assets							764
Consolidated total assets							129,276
Liabilities							
Segment liabilities	13,364	158	2,434	2,701	9,287	(4,369)	23,575
Unallocated liabilities:-							
- deferred tax liabilities							321
- current tax liabilities							1,852
Consolidated total liabilities							25,748
<u>Additions to non-current assets other than financial instruments:</u>							
- property and equipment	3,293	-	145	10	129	-	3,577
- intangible assets	202	-	429	-	-	-	631
- right-of-use assets	-	-	-	-	29	-	29
<u>Other information</u>							
Amortisation and depreciation	2,709	-	800	31	403	881	4,824
Impairment loss:							
- trade receivables	1,270	-	-	53	146	-	1,469
Interest expense	48	-	-	9	-	-	57
Interest expense on lease liabilities	15	-	-	2	38	-	55
Interest income	(100)	(102)	(12)	(1)	(6)	-	(221)
Reversal of impairment loss:							
- trade receivables	(40)	-	-	-	-	-	(40)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	FMS - G RM'000	CS RM'000	WMS RM'000	DT RM'000	FMS - C RM'000	Consolidation Adjustments RM'000	The Group RM'000
2022							
Revenue							
Segment revenue	79,150	1,047	6,598	5,821	23,237	(5,806)	110,047
Results							
Segment profit/(loss)	16,043	(1,671)	444	1,790	9,474	(1,781)	24,299
Finance costs	(35)	-	-	(5)	(21)	-	(61)
Share of profit of equity-accounted associate	-	-	-	-	-	28	28
	16,008	(1,671)	444	1,785	9,453	(1,753)	24,266
Assets							
Segment assets	57,840	96,910	4,762	4,642	15,156	(51,580)	127,730
Unallocated asset:- - current tax assets							502
Consolidated total assets							128,232
Liabilities							
Segment liabilities	15,561	283	2,287	1,973	8,148	(6,555)	21,697
Unallocated liabilities:- - deferred tax liabilities - current tax liabilities							528 4,016
Consolidated total liabilities							26,241

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

	FMS - G RM'000	CS RM'000	WMS RM'000	DT RM'000	FMS - C RM'000	Consolidation Adjustments RM'000	The Group RM'000
2022							
<u>Additions to non-current assets other than financial instruments:</u>							
- property and equipment	531	-	24	14	270	-	839
- intangible assets	-	-	180	-	-	-	180
- right-of-use assets	472	-	-	65	1,165	-	1,702
<u>Other Information</u>							
Amortisation and depreciation	2,441	-	963	47	424	881	4,756
Impairment loss:							
- trade receivables	771	-	-	-	82	-	853
Interest expense	24	-	-	-	-	-	24
Interest expense on lease liabilities	13	-	-	3	21	-	37
Interest income	(67)	(37)	(2)	(1)	(5)	-	(112)
Reversal of impairment loss:							
- trade receivables	(284)	-	-	-	(60)	-	(344)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

40.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments (but includes investment in an associate).

	Revenue		Non-current Assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
The Group				
Indonesia	8,590	6,598	1,696	1,721
Singapore	14,400	14,780	16	1,218
Malaysia	79,485	88,669	41,024	42,922
	102,475	110,047	42,736	45,861

40.3 MAJOR CUSTOMER

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

	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer #1	10,109	17,075	FMS - G

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS

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

41.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily India Rupee ("INR"), Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), United States Dollar ("USD") and Indonesian Rupiah ("IDR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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

Foreign Currency Exposure

The Group	India Rupee RM'000	Hong Kong Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
2023							
<u>Financial Assets</u>							
Other investments	-	-	-	-	-	100	100
Trade receivables	-	387	1,297	102	374	27,481	29,641
Other receivables	-	-	-	-	-	272	272
Short-term investments	-	-	-	-	-	12,439	12,439
Fixed deposits with licensed banks	-	-	-	-	-	651	651
Cash and bank balances	27	1,930	5,468	147	1,660	11,878	21,110
	27	2,317	6,765	249	2,034	52,821	64,213

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	India Rupee RM'000	Hong Kong Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
2023							
<u>Financial Liabilities</u>							
Lease liabilities	-	-	-	-	-	1,271	1,271
Hire purchase	-	-	-	-	-	842	842
Term loans	-	-	-	-	-	668	668
Trade payables	4	-	189	360	-	4,864	5,417
Other payables and accruals	3	-	243	-	908	5,079	6,233
Amount owing to a related party	-	-	-	-	-	11	11
Amount owing to a joint operation	-	-	-	-	-	2	2
	7	-	432	360	908	12,737	14,444
Net financial assets/(liabilities)	20	2,317	6,333	(111)	1,126	40,084	49,769
Less: Net financial assets denominated in the respective entities' functional currencies	(20)	-	(6,333)	-	(1,126)	(40,084)	(47,563)
Currency Exposure	-	2,317	-	(111)	-	-	2,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Hong Kong Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
2022 (Restated)						
<u>Financial Assets</u>						
Other investments	-	-	-	-	3,390	3,390
Trade receivables	247	430	32	894	22,873	24,476
Other receivables	-	3	-	26	208	237
Amount owing by a joint operation	-	-	-	-	2	2
Short-term investments	-	-	-	-	15,322	15,322
Fixed deposits with licensed banks	-	2,069	-	-	-	2,069
Cash and bank balances	80	4,893	-	517	12,279	17,769
	327	7,395	32	1,437	54,074	63,265

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	Hong Kong Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Indonesian Rupiah RM'000	Ringgit Malaysia RM'000	Total RM'000
2022 (Restated)						
<u>Financial Liabilities</u>						
Lease liabilities	-	-	-	-	1,982	1,982
Hire purchase	-	-	-	-	276	276
Term loan	-	-	-	-	500	500
Trade payables	-	36	220	-	1,522	1,778
Other payables and accruals	-	192	5	728	7,744	8,669
	-	228	225	728	12,024	13,205
Net financial assets/ (liabilities)	327	7,167	(193)	709	42,050	50,060
Less: Net financial assets denominated in the respective entities' functional currencies	-	(7,167)	-	(709)	(42,050)	(49,926)
Currency Exposure	327	-	(193)	-	-	134

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2023	2022
	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000
Effects on Profit/(Loss) After Taxation and Other Comprehensive Income/ (Expenses)		
Strengthened by 10%		
- Hong Kong Dollar	176	25
- United States Dollar	(8)	(15)
Weakened by 10%		
- Hong Kong Dollar	(176)	(25)
- United States Dollar	8	15

(ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit/(loss) after taxation and equity of the Group and hence, no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

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

Equity Price Risk Sensitivity Analysis

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

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Effects on Profit/(Loss) After Taxation				
Increase of 10%	228	384	228	384
Decrease of 10%	(228)	(384)	(228)	(384)

(b) Credit Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 1 (2022 - 1) customer which constituted approximately 11% (2022 - 13%) of its total trade receivables at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2023	2022
	RM'000	RM'000
		(Restated)
Indonesia	374	894
Singapore	1,684	677
Malaysia	27,583	22,905
	29,641	24,476

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

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

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of the following events that have a detrimental impact on the estimated future cash flows on the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regression analysis.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
2023				
Current (not past due)	7,952	-	-	7,952
1 - 30 days past due	1,997	-	-	1,997
31 - 60 days past due	5,190	-	-	5,190
61 - 90 days past due	1,163	-	-	1,163
91 - 120 days past due	1,036	-	-	1,036
More than 120 days	12,303	-	-	12,303
Credit impaired	2,344	(2,054)	(290)	-
Trade receivables	31,985	(2,054)	(290)	29,641
Contract assets	19,202	-	-	19,202
	51,187	(2,054)	(290)	48,843
2022				
(Restated)				
Current (not past due)	12,735	-	-	12,735
1 - 30 days past due	3,680	-	-	3,680
31 - 60 days past due	1,242	-	-	1,242
61 - 90 days past due	1,659	-	-	1,659
91 - 120 days past due	1,006	-	-	1,006
More than 120 days	4,154	-	-	4,154
Credit impaired	955	(955)	-	-
Trade receivables	25,431	(955)	-	24,476
Contract assets	20,695	-	-	20,695
	46,126	(955)	-	45,171

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 14 and Note 16 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables and Amount owing by a Related Party

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to the default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
The Company			
2023			
Low credit risk	2,154	-	2,154
2022			
Low credit risk	5,190	-	5,190
Credit impaired	650	(650)	-
	5,840	(650)	5,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantee Contracts

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

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group 2023	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	4.20	1,271	1,445	510	935	-
Hire purchase	2.19 - 2.58	842	969	166	620	183
Term loans	3.50 - 4.88	668	748	135	539	74
Trade payables	-	5,417	5,417	5,417	-	-
Other payables and accruals	-	6,233	6,233	6,233	-	-
Amount owing to a related party	-	11	11	11	-	-
Amount owing to a joint operation	-	2	2	2	-	-
		14,444	14,825	12,474	2,094	257

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group 2022 (Restated)	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.20	1,982	2,103	801	1,302	-
Hire purchase	2.19 - 2.58	276	299	128	171	-
Term loan	3.50	500	573	64	382	127
Trade payables	-	1,778	1,778	1,778	-	-
Other payables and accruals	-	8,669	8,669	8,669	-	-
		13,205	13,422	11,440	1,855	127
The Company 2023	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000		
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	143	143			143
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	4,415			4,415
			143	4,558		4,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
The Company				
2022				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	283	283	283
Financial guarantee contracts in relation to corporate guarantee given to subsidiary	-	-	4,602	4,602
		283	4,885	4,885

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

41.2 CAPITAL RISK MANAGEMENT

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023	
	The Group RM'000	The Company RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investments (Note 12)	100	-
<u>Fair Value Through Profit or Loss</u>		
Short-term investments (Note 19)	12,439	7,084
<u>Amortised Cost</u>		
Trade receivables (Note 14)	29,641	-
Other receivables (Note 15)	272	3
Amount owing by subsidiaries (Note 17)	-	2,154
Fixed deposits with licensed banks (Note 20)	651	-
Cash and bank balances	21,110	2,858
	51,674	5,015
Financial Liabilities		
<u>Amortised Cost</u>		
Lease liabilities (Note 24)	1,271	-
Hire purchase (Note 25)	842	-
Term loans (Note 25)	668	-
Trade payables (Note 27)	5,417	-
Other payables and accruals (Note 28)	6,233	143
Amount owing to a related party (Note 29)	11	-
Amount owing to a joint operation (Note 18)	2	-
	14,444	143

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2022	
	The Group RM'000 (Restated)	The Company RM'000
Financial Assets		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investments (Note 12)	3,390	3,290
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 19)	15,322	10,059
<u>Amortised Cost</u>		
Trade receivables (Note 14)	24,476	-
Other receivables (Note 15)	237	2
Amount owing by subsidiaries (Note 17)	-	5,190
Amount owing by a joint operation (Note 18)	2	-
Fixed deposits with licensed banks (Note 20)	2,069	-
Cash and bank balances	17,769	58
	44,553	5,250
Financial Liability		
<u>Amortised Cost</u>		
Lease liabilities (Note 24)	1,982	-
Hire purchase (Note 25)	276	-
Term loan (Note 25)	500	-
Trade payables (Note 27)	1,778	-
Other payables and accruals (Note 28)	8,669	283
	13,205	283

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net (losses)/gains recognised in profit or loss	(2,050)	950	(2,050)	950
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(1,208)	(397)	360	596
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(112)	(61)	-	-

41.5 FAIR VALUE INFORMATION

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

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

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
The Group								
2023								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	100	-	-	-	-	100	100
Short-term investments:								
- quoted shares	12,439	-	-	-	-	-	12,439	12,439
<u>Financial Liabilities</u>								
Hire purchase	-	-	-	-	842	-	842	842
Term loans	-	-	-	-	668	-	668	668

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.5 FAIR VALUE INFORMATION (CONT'D)

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

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2022								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,390	-	-	-	-	3,390	3,390
Short-term investments:								
- quoted shares	15,322	-	-	-	-	-	15,322	15,322
<u>Financial Liabilities</u>								
Hire purchase	-	-	-	-	276	-	276	276
Term loans	-	-	-	-	500	-	500	500
<hr/>								
The Company								
2023								
<u>Financial Assets</u>								
Short-term investments:								
- quoted shares	7,084	-	-	-	-	-	7,084	7,084
<hr/>								
2022								
<u>Financial Assets</u>								
Other investment:								
- unquoted	-	3,290	-	-	-	-	3,290	3,290
Short-term investments:								
- quoted shares	10,059	-	-	-	-	-	10,059	10,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

41. FINANCIAL INSTRUMENTS (CONT'D)

41.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Carried at Fair Value

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

- (i) The fair value of the unquoted equity investments is estimated based on the price to book valuation model. Management has obtained the industry price to book ratio from observable market date, discounted the ratio for illiquidity and multiplied the discounted price to book ratio with the book value per share of the investee to derive the estimated value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of the reporting period.
- (ii) The fair value for golf club memberships is estimated based on references to current available counterparty quotations of the same investments.
- (iii) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- (iv) There were no transfers between level 1 and level 2 during the financial year.

42. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation for the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
The Group		
<u>Consolidated Statement of Financial Position (Extract):-</u>		
NON-CURRENT ASSETS		
Property and equipment	825	1,027
Right-of-use assets	2,119	1,917
CURRENT ASSETS		
Contract cost asset	-	181
Trade receivables	45,171	24,476
Contract asset	-	20,695
Other receivables, deposit and prepayment	1,509	1,328

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

42. COMPARATIVE FIGURES (CONT'D)

The following figures have been reclassified to conform with the presentation for the current financial year:- (Cont'd)

	As Previously Reported RM'000	As Restated RM'000
The Group		
NON-CURRENT LIABILITIES		
Lease liabilities	1,393	1,234
Borrowings	415	574
CURRENT LIABILITIES		
Contract liabilities	-	6,649
Other payables and accruals	10,489	10,512
Lease liabilities	865	748
Borrowings	85	202
Deferred income	6,672	-
Consolidated Statement of Cash Flows (Extract):-		
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES		
Adjustments for:-		
Depreciation of property and equipment	394	429
Depreciation of right-of-use assets	796	761
Interest expenses on lease liabilities	50	37
Interest expenses	-	13
OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL		
Increase in trade and other receivables	(17,276)	(16,864)
Decrease in contract cost assets	-	181
Increase in contract assets	-	(593)
Decrease in deferred income	(204)	-
Decrease in contract liabilities	-	(204)
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(882)	(308)
Repayment of hire purchase obligations	-	(574)

A third statement of financial position is not presented as the effect of the reclassification is not judged to be material to the Group.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting ("**15th AGM**") of Censof Holdings Berhad ("**Censof**" or "**Company**") will be held at Auditorium, Level LG1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Wednesday, 6 September 2023 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with Reports of the Directors' and the Auditors' thereon. **Please refer to Explanatory Note 1**
2. To approve the Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM500,000.00 per annum until the next Annual General Meeting of the Company. **Ordinary Resolution 1**
3. To re-elect the following Directors, who are retiring pursuant to Clause 86 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - i. Tamil Selvan A/L M. Durairaj **Ordinary Resolution 2**
 - ii. Ang Hsin Hsien **Ordinary Resolution 3**
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

5. **AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO THE COMPANIES ACT 2016** **Ordinary Resolution 5**

"THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

6. **AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY BACK")**

Ordinary Resolution 6

"THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/ or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution shall continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and / or any other relevant governmental and /or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

- 7. To transact any other business that may be transacted at the 15th AGM of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC NO. 202008004409)
FLORENCE TOH SUE MEI (MAICSA 7074778) (SSM PC NO. 202108000143)
 Company Secretaries

Kuala Lumpur
 Dated : 31 July 2023

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This item is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Items 3(i) and 3(ii) of the Agenda

The Nominating and Remuneration Committee ("**NRC**") have considered the performance and contribution of each of the retiring Directors. Based on the results of the Board Evaluation conducted for the financial period ended 31 March 2023, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NRC, the Board supports the re-election of the Directors based on the following justifications:

Tamil Selvan A/L M. Durairaj : Tamil Selvan A/L M. Durairaj's area of expertise includes financial management and cost accounting and he has overall responsibility to oversees both the finance and operations department of the Company. He is familiar with the Company's business operations and able to provide valuable input to steer the Company forward.

Tamil Selvan A/L M. Durairaj has exercised his due care and carried out his professional duties proficiently during his tenure as Deputy Group Managing Director of the Company.

Ang Hsin Hsien : Ang Hsin Hsien serves as the Executive Director with focus on customer support and developing new market opportunities for the Group. She is also a technology evangelist and works with partners to get the most out of new technology such as cloud, big data analytics the Internet of Things and sees that digitalisation is the way forward in business.

Ang Hsin Hsien has exercised her due care and carried out her professional duties proficiently during her tenure as Executive Director of the Company.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

3. Item 5 of the Agenda

The Company had, during its Fourteenth Annual General Meeting held on 7 September 2022, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares/ total number of voting shares of the Company capital for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

4. Item 6 of the Agenda

The proposed Ordinary Resolution 6 if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM of the Company.

Please refer to the statement to shareholders in relation to the proposed authority for purchase of own ordinary shares by the Company dated 31 July 2023 for further information.

Notes:

1. A member of the Company who is entitled to attend, speak and vote at this 15th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.
2. Where a member appoints more than one (1) proxy to attend and vote at the same 15th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

4. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
6. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia not less than forty eight (48) hours before the time appointed for holding the 15th AGM (no later than Monday, 4 September 2023 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
7. The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 August 2023 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 15th AGM.
9. Any alteration in the Proxy Form must be initialed.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolution set out in the Notice of 15th AGM will be put to the vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 15th AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 15th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 15th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty



CENSOFF HOLDINGS BERHAD

Registration No.: 200801026945 (828269-A)

PROXY FORM

Number of Shares Held	
CDS Account No.	

I/We, _____ NRIC/Passport No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

contact no. _____ email address _____ being a member / members of **Censof Holdings Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company ("**15th AGM**") will be conducted at Auditorium, Level LG1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Wednesday, 6 September 2023 at 10.00 a.m., or at any adjournment thereof.

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 15th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Registration No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the 15th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

* My/our *proxy/proxies shall vote as follows :-

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain for voting at his/her discretion.

NO.	RESOLUTIONS	FOR		AGAINST	
	Ordinary Business	PROXY 1	PROXY 2	PROXY 1	PROXY 2
Ordinary Resolution 1	To approve the Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM500,000.00 per annum until the next Annual General Meeting of the Company.				
Ordinary Resolution 2	To re-elect Tamil Selvan A/L M. Durairaj as Director in accordance with Clause 86 of the Constitution of the Company.				
Ordinary Resolution 3	To re-elect Ang Hsin Hsien as Director in accordance with Clause 86 of the Constitution of the Company.				
Ordinary Resolution 4	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 5	Authority to allot and issue shares by the Directors and waiver of pre-emptive rights pursuant to the Companies Act 2016.				
Ordinary Resolution 6	Authority for the Company to purchase its own ordinary shares.				

Signature / Common Seal of Shareholder

Dated this _____ day of _____ 2023

Contact No: _____

Notes:

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10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of the 15th AGM will be put to the vote by poll.

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AFFIX
STAMP

**The Share Registrar
CENSO HOLDINGS BERHAD**

[Registration No. 200801026945 (828269-A)]
E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur,
W.P. Kuala Lumpur,
Malaysia.

Then fold here

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- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

Fold this flap for sealing

**CENTURY SOFTWARE
(MALAYSIA) SDN. BHD.**

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www.centurysoftware.com.my

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SOLUTIONS SDN. BHD.**

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www.abssasia.com

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SOLUTIONS PTE. LTD.**

(201313421R)
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Vertex Tower A,
Singapore 408868
T +60 32630 8491
www.netsensebs.com

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SOLUTIONS SDN. BHD.**

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Selangor, Malaysia.
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www.netsensebs.com

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(C-12128)**

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www.praisindo.com

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www.cscloud.my

CLOOCUS SDN. BHD.

202101039653 (1439953-M)
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www.cloocus.com

**COGNITIVE CONSULTING
SDN. BHD.**

201701043099 (1257272-W)
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685 Jalan Damansara,
Taman Tun Dr Ismail,
60000 Kuala Lumpur,
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Malaysia.
T +603 7731 2981
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CENSOF DIGITAL SDN. BHD.

201501035144 (1160464-V)
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200101015254 (551011-A)
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www.gwintech.com.my



CENSOF HOLDINGS BERHAD

[Registration No. 200801026945 (828269-A)]
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