



CENSOF HOLDINGS BERHAD
Company No: 828269-A
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2017
Third Quarter Ended 31 December 2016



CENsof HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/12/2016 RM'000	3 Months Ended 31/12/2015 RM'000	9 Months Ended 31/12/2016 RM'000	9 Months Ended 31/12/2015 RM'000
Revenue	14,641	45,313	129,398	116,338
Cost of sales	(9,031)	(15,801)	(62,635)	(36,664)
Gross profit	5,610	29,512	66,763	79,674
Other income	200	1,409	2,438	2,827
Administrative expenses	(5,968)	(17,637)	(50,546)	(43,678)
Other expenses *	(214)	(3,275)	(21,485)	(10,986)
Results from operating activities	(372)	10,009	(2,830)	27,837
Finance costs	(1,146)	(1,311)	(4,433)	(4,156)
Profit before share of associates result	(1,518)	8,698	(7,263)	23,681
Share of associates result	5,563	(77)	97,775	(291)
Profit before tax and zakat	4,045	8,621	90,512	23,390
Income tax expense	(579)	(4,006)	(4,757)	(7,589)
Net profit for the financial period	3,466	4,615	85,755	15,801
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	3,466	4,615	85,755	15,801
Net profit attributable to:				
Equity holders of the Company	3,753	3,167	25,573	5,923
Non-controlling interests	(287)	1,448	60,182	9,878
	3,466	4,615	85,755	15,801
Total comprehensive income attributable to:				
Equity holders of the Company	3,753	3,167	25,573	5,923
Non-controlling interests	(287)	1,448	60,182	9,878
	3,466	4,615	85,755	15,801
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	0.75	0.65	5.10	1.22
Diluted (sen)	N/A	0.51	N/A	0.94

* Inclusive of the loss of derecognition of a subsidiary upon the disposal of DNeX Shares amounting to RM15.96 million.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016.



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	UNAUDITED	AUDITED
	As At 31/12/2016 RM'000	As At 31/03/2016 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,726	23,712
Intangible assets	26,690	33,191
Goodwill	29,019	67,167
Investments	100	4,272
Investment in Associates	94,146	-
	<u>152,681</u>	<u>128,342</u>
Current assets		
Inventories	63	61
Amount owing by contract customers	33,471	32,278
Trade receivables	47,733	101,205
Other receivables, deposits and prepayments	13,311	71,457
Deferred expenses	-	148
Tax refundable	103	1,863
Fixed deposits placed with licensed banks	6,824	10,502
Cash and bank balances	6,447	18,041
	<u>107,952</u>	<u>235,555</u>
TOTAL ASSETS	<u>260,633</u>	<u>363,897</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	50,170	50,170
Share premium	50,379	50,379
Treasury shares	(90)	-
Merger deficit	(12,300)	(12,300)
Retained profits	74,251	48,678
Foreign exchange translation reserves	60	103
	<u>162,470</u>	<u>137,030</u>
Non-controlling interests	<u>11,744</u>	<u>73,409</u>
Total equity	<u>174,214</u>	<u>210,439</u>

**CENSOFF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 (Continued)**

	UNAUDITED	AUDITED
	As At 31/12/2016 RM'000	As At 31/03/2016 RM'000
Non-current liabilities		
Long term borrowings	30,124	44,611
Deferred taxation	2,805	3,463
	<u>32,929</u>	<u>48,074</u>
Current liabilities		
Trade payables	5,861	9,133
Other payables and accruals	6,811	40,422
Short term borrowings	25,970	41,046
Deferred income	4,155	6,720
Bank overdrafts	6,304	3,582
Provision for taxation	4,389	4,481
	<u>53,490</u>	<u>105,384</u>
Total liabilities	<u>86,419</u>	<u>153,458</u>
TOTAL EQUITY AND LIABILITIES	<u>260,633</u>	<u>363,897</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	32.38	28.12

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016.



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	←————— Attributable to Equity Holders of the Company —————→								Total Equity
	←————— Non-Distributable				—————→ Distributable				
	Share Capital	Share Premium	Treasury Shares	Merger Deficit	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(UNAUDITED)									
At 1 April 2016	50,170	50,379	-	(12,300)	103	48,678	137,030	73,409	210,439
Total comprehensive income	-	-	-	-	(43)	25,573	25,530	60,182	85,712
Changes in ownership interest in subsidiary (effects of change in stake)	-	-	-	-	-	-	-	(121,847)	(121,847)
Treasury shares	-	-	(90)	-	-	-	(90)	-	(90)
At 31 December 2016	50,170	50,379	(90)	(12,300)	60	74,251	162,470	11,744	174,214



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	UNAUDITED	AUDITED
	9 Months Ended 31/12/2016 RM'000	12 Months Ended 31/03/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	90,512	17,003
Adjustments for:		
Amortisation of intangible assets	3,954	5,390
Depreciation of plant and equipment	4,535	10,305
Finance costs	4,433	6,096
Gain on disposal of plant and equipment	-	(1)
Impairment losses on trade and other receivables	-	14,411
Interest income	(145)	(1,515)
Loss on derecognition of subsidiary	15,963	-
Unrealised gain on foreign exchange	(39)	(178)
Operating profit before working capital changes	119,213	51,511
Changes in working capital:		
Amount owing by contract customers	(1,193)	(2,086)
Inventories	(2)	6
Trade and other receivables	68,912	(44,159)
Trade and other payables	(36,922)	19,019
Deferred income	(2,565)	(2,511)
Amount owing to related party	-	5,664
Income tax refund/(paid)	-	(10,662)
Interest received	145	1,157
Finance cost	(4,433)	(5,568)
Net Operating Cash Flows	143,155	12,371
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net cash & cash equivalent	-	(27,914)
Investment in associates	(143,096)	-
Investment in subsidiary	(38,318)	-
Purchase of plant and equipment	(933)	(17,371)
Purchase of treasury shares	(90)	-
Proceeds from disposal of asset	-	3
Selective Capital Repayment	-	(23,287)
Intangible assets paid	-	(5,385)
Net Investing Cash Flows	(182,437)	(73,954)



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016 (Continued)

	UNAUDITED	AUDITED
	9 Months Ended 31/12/2016 RM'000	12 Months Ended 31/03/2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	-	(3,475)
Drawdown of term loans / hire purchase		65,166
Placement of pledged deposits and restricted cash	-	(5,232)
Proceeds from disposal of subsidiary shares	44,725	-
Proceeds from issuance of:		
- private placement	-	6,250
- conversion of RCN	-	1,249
Repayment of hire purchase obligations	(178)	(147)
Repayment of term loan	(13,973)	(58,899)
Net Financing Cash Flows	<u>30,574</u>	<u>4,912</u>
Net change in cash and cash equivalents	(8,708)	(56,671)
Effect of exchange rate changes	-	206
Cash and cash equivalents at the beginning of the financial year	10,464	66,929
Cash and cash equivalents at the end of the financial period/year	<u>1,756</u>	<u>10,464</u>
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	6,824	10,428
Short term investments	-	74
Cash and bank balances	6,447	18,041
Bank overdrafts	(6,304)	(3,582)
	<u>6,967</u>	<u>24,961</u>
Less: Fixed deposits pledged as security	(5,211)	(14,497)
Total	<u>1,756</u>	<u>10,464</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2016.



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART A – EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD (“FRS”) 134 INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for financial year ended 31 March 2016. 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 Standard Board (“MASB”) but are not yet effective for the current financial period:

MFRSs

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRSs and/or IC Interpretations

MFRS 5 Annual Improvements to MFRSs 2012 – 2014 Cycle

MFRS 7 Annual Improvements to MFRSs 2012 – 2014 Cycle

MFRS 10, MFRS 12 & MFRS 128 (2011) Investment Entities – Applying the Consolidation Exception

MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

MFRS 101 Presentation of Financial Statements – Disclosure Initiative

MFRS 116 & MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

MFRS 116 & MFRS 141 Agriculture – Bearer Plants

MFRS 119 Annual Improvements to MFRSs 2012 – 2014 Cycle

MFRS 127 (2011) Equity Method in Separate Financial Statements

MFRS 134 Annual Improvements to MFRSs 2012 – 2014 Cycle

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

A3. AUDIT REPORT

The auditors' report on the Group's annual financial statements for the financial year ended 31 March 2016 was qualified on the basis of long outstanding amount of approximately RM6.7 million due from a contract customer relating to a government agency of which impairment loss adjustment should have been made.



CENSOFT HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART A – EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD ("FRS") 134 INTERIM FINANCIAL REPORTING

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review.

A5. UNUSUAL SIGNIFICANT ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect for the current quarter ended 31 December 2016.

A7. DEBT AND EQUITY SECURITIES

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A8. DIVIDEND PAID

There was no dividend paid in the current quarter under review.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART A – EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD ("FRS") 134 INTERIM FINANCIAL REPORTING

A9. SEGMENTAL REPORTING

9 months ended 31 December 2016 (Current Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	20,707	(513)	20,194	201
PAS	758	-	758	(427)
WMS	3,524	-	3,524	814
TS	6,953	-	6,953	1,622
NSW	84,257	-	84,257	105,640
FMS - C	13,712	-	13,712	4,799
OTHERS	4,398	(4,398)	-	(22,137)
TOTAL	134,309	(4,911)	129,398	90,512

FMS – G : Financial Management Solution – Government (includes the performance of JV Company Censof-ABSS Sdn Bhd and ABSS)

PAS : Payment Aggregation Solutions

WMS : Wealth Management Solutions

TS : Training Solutions

NSW : National Single Window

FMS – C : Financial Management Solution – Commercial

A10. SIGNIFICANT SUBSEQUENT EVENTS

On 9 January 2017, the Company's Redeemable Convertible Notes comprising of redeemable convertible commercial papers and/or redeemable convertible medium term notes with an aggregate principal amount of up to RM100 million had expired pursuant to the Subscription Agreement dated 14 May 2013.

There are no outstanding notes and the number of new ordinary shares issued in total amounted to 64,545,951 shares.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 December 2016.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 31 December 2016, the Group's contingent liabilities are as follows:-

(a) Bank Guarantee

The Company has pledged a fixed deposit of RM4.78 million for a bank guarantee facility extended to a subsidiary company.

(b) Corporate Guarantee

Corporate guarantees totaling RM32.5 million were issued to licensed banks for credit facilities granted to a subsidiary company.



CENSO HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART A – EXPLANATORY NOTES AS PER FINANCIAL REPORTING STANDARD (“FRS”) 134 INTERIM FINANCIAL REPORTING

A12. CHANGES IN CONTINGENT LIABILITIES (Continued)

(c) Liquidated Ascertained Damages (“LAD”)

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

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

(d) Term Loans

(i) Kenanga Investment Bank Berhad loan outstanding is RM31.8 million, secured by way of 304,112,731 DNex shares.

(ii) RHB Bank Berhad loan outstanding is RM13.6 million, secured by way of 306,000 ABSS Pte Ltd shares.

A13. CAPITAL COMMITMENTS

The Group does not have any material commitment for capital expenditure for the current quarter ended 31 December 2016.

A14. SIGNIFICANT RELATED PARTY TRANSACTION

(a) Identifies of related parties:

The Company has related party relationship with:

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

(b) The Company carried out the following significant transaction with its related parties during the financial period under review:-

	3 Months Ended 31/12/2016 RM'000	9 Months Ended 31/12/2016 RM'000
Related Parties		
Office rental *	128,850	386,550
Key Management Personnel		
Short term employee benefit	962,517	2,887,551

The transaction was contracted in the normal course of business and concluded under negotiated terms.

* *Inventrix Sdn Bhd – is a company controlled by common Directors namely, Datuk Samsul Bin Husin, Tamil Selvan A/L M. Durairaj, Ameer Bin Shaik Mydin and Ang Hsin Hsien.*



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. OPERATING SEGMENTS REVIEW

REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR CORRESPONDING PERIOD

The Group registered revenue of RM14.64 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM45.31 million. The lower revenue for the current quarter as compared to the previous year's corresponding quarter was due to no revenue recognition upon the derecognition of NSW segment as a subsidiary of the Group in 2Q17.

The Group recorded a profit before taxation of RM4.05 million for the current quarter compared to the previous year's corresponding quarter profit before taxation of RM8.62 million, again this was mainly attributed by the lower contribution from the NSW segment with the equity interest reduced to 17.94% as compared to 39.23% in the corresponding quarter of the preceding year.

For the current year to date, revenue increased by 12.0% to RM129.39 million. The higher revenue was mainly due to higher contribution from the NSW Segment and full quarterly recognition of revenue under FMS-C.

For the current year to date, the profit before taxation increased to RM90.51 million, again this was due to the significant contribution from NSW segment and the share of result of an associate company. However, the profit before taxation was partially offset by the loss of derecognition a subsidiary upon the disposal of DNeX shares amounting to RM15.96 million.

Tabulated below is the Group's segmental breakdown by operating divisions of the revenue and profit before taxation:-

UNAUDITED CUMULATIVE PERIOD		UNAUDITED CUMULATIVE PERIOD	
3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
31/12/2016	31/12/2015	31/12/2016	31/12/2015
RM'000	RM'000	RM'000	RM'000

REVENUE

FMS - G	7,970	10,964	20,194	28,698
PAS	35	219	758	1,055
WMS	1,186	1,933	3,524	4,087
TS	1,192	2,160	6,953	6,814
NSW	-	27,914	84,257	73,560
FMS - C	4,258	2,123	13,712	2,124
OTHERS	-	-	-	-
	<u>14,641</u>	<u>45,313</u>	<u>129,398</u>	<u>116,338</u>



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. OPERATING SEGMENTS REVIEW (Continued)

UNAUDITED		UNAUDITED		UNAUDITED		UNAUDITED	
CUMULATIVE PERIOD		CUMULATIVE PERIOD		CUMULATIVE PERIOD		CUMULATIVE PERIOD	
3 Months Ended 31/12/2016	3 Months Ended 31/12/2015	3 Months Ended 31/12/2016	3 Months Ended 31/12/2015	9 Months Ended 31/12/2016	9 Months Ended 31/12/2015	9 Months Ended 31/12/2016	9 Months Ended 31/12/2015
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

PROFIT/(LOSS) BEFORE TAX

FMS - G	(1,409)	1,494	201	2,703
PAS	(259)	(254)	(427)	(190)
WMS	466	809	814	1,442
TS	80	367	1,622	1,871
NSW	4,409	6,717	105,640	20,623
FMS - C	1,946	1,467	4,799	1,467
OTHERS	(1,188)	(1,979)	(22,137) *	(4,526)
	<u>4,045</u>	<u>8,621</u>	<u>90,512</u>	<u>23,390</u>

* Inclusive of the loss of derecognition of a subsidiary upon the disposal of DNeX Shares amounting to RM15.96 million.

B2. MATERIAL CHANGES IN CURRENT QUARTER'S RESULT AS COMPARED TO PRECEDING QUARTER

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	3 Months Ended 31/12/2016	3 Months Ended 30/09/2016	3 Months Ended 31/12/2016	3 Months Ended 30/09/2016
	RM'000	RM'000	RM'000	RM'000
	REVENUE		PROFIT/(LOSS) BEFORE TAX	
FMS - G	7,970	4,495	(1,409)	845
PAS	35	896	(259)	(579)
WMS	1,186	1,304	466	198
TS	1,192	4,349	80	1,074
NSW	-	36,837	4,409	9,700
FMS - C	4,258	4,353	1,946	1,267
OTHERS	-	-	(1,188)	(19,245)
	<u>14,641</u>	<u>52,234</u>	<u>4,045</u>	<u>(6,740)</u>

The Group recorded lower revenue of RM14.64 million for the current quarter as compared to RM52.23 million in the preceding quarter mainly due to no revenue recognition treatment upon the derecognition of NSW segment in 2Q17.

However, the increase of the profit before taxation was due to loss of derecognition of a subsidiary upon the disposal of DNeX shares amounting to RM15.96 million in the preceding quarter.



CENSOFT HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. BUSINESS PROSPECTS

The Board is mindful of the competitive environment that the Group is experiencing, coupled with the lower margins due to aggressive competition to win the government tenders. The Group is cautious and vigilant in managing capital expenditure and operating overheads to ensure the performance going forward is satisfactory by realigning the core activities as follows:-

- (i) **FMS – G Segment**
This segment is actively bidding for fresh contracts involving Government and Local Council projects. On-going projects are being executed on a fast track basis to gain from better design efficiency and timely implementation efforts.
- (ii) **PAS Segment**
This segment is continuously innovating new solution opportunities in order to benefit from seamless collection and payment gateways using more dynamic applications.
- (iii) **WMS Segment**
The WMS Segment's earnings are expected to further improve as work progress for existing projects will accelerate with fast tracking of the implementation activities.
- (iv) **TS Segment**
This segment is continuously establishing new collaboration with universities and center of excellence to further strengthen its earnings stream.
- (v) **FMS – C Segment**
This segment is continuously exploring new web based applications to integrate with its existing platforms to drive higher productivity. New business pillars are also pursued with emerging devices using Internet-of-Things.

B4. STATEMENT OF THE BOARD OF DIRECTORS' OPINION ON ACHIEVEABILITY OF FINANCIAL ESTIMATE, FORECAST, PROJECTION AND INTERNAL TARGETS PREVIOUSLY ANNOUNCED

This is not applicable to the Group.

B5. FINANCIAL ESTIMATE, FORECAST OR PROJECTION / PROFIT GUARANTEE

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6. TAXATION

Taxation comprises the following:

	3 Months Ended 31/12/2016 RM'000	9 Months Ended 31/12/2016 RM'000
Current tax	579	4,757

Knowledgecom Corporation Sdn Bhd who has been granted Multimedia Corridor status, which qualifies the subsidiaries for the Pioneer Status incentive under the Promotion of Investment Act, 1986. All other operating companies are subject to corporate tax.

B7. SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no disposals of unquoted investments and/or properties held by the Group as at the date of this interim report.

B8. PURCHASE AND/OR DISPOSAL OF QUOTED SECURITIES

The current shareholdings in DNex by the Company is 17.94% with no disposal during the current quarter under review.

B9. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	As at 31/12/2016 Total RM'000
Short term borrowings	
- Hire purchase	120
- Project financing	9,910
- Term loan	15,940
- Bank overdraft	6,304
	<u>32,274</u>
Long term borrowings	
- Hire purchase	664
- Term loan	29,460
	<u>30,124</u>

The project financing is secured by way of Debenture and Deed of Assignment of all contract proceeds. The term loan is secured by pledging of shares by the Company's major shareholders, Saas Global Sdn Bhd.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. STATUS OF CORPORATE PROPOSALS

(a) Warrants

Warrant A

A total of 43,025,000 free Warrant were issued on 19 July 2012 and listed on 27 July 2012 with a 5 year exercise/conversion period at a price of RM0.46. The maturity date for the free Warrant A is 18 July 2017.

As at to-date, a total of 13,529,675 Warrant A have been converted into shares.

Date	No of Warrants	No of Shares Issues	Proceeds RM	Listing Date
14 August 2013	10,000,000	10,000,000	4,600,000	15 August 2013
19 September 2013	3,527,800	3,527,800	1,622,788	20 September 2013
30 October 2013	1,875	1,875	863	31 October 2013
	<u>13,529,675</u>	<u>13,529,675</u>	<u>6,223,651</u>	

All proceeds have been deposited into Censof Warrant A account and the proceeds were used for working capital purpose.

As at to-date, the outstanding unexercised warrant is 29,495,325.

Warrant B

A total of 111,412,717 free Warrant were issued on 8 October 2014 and listed on 15 October 2014 with a 5 year exercise/conversion period at a price of RM0.46. The maturity date for the free Warrant B is 7 October 2019.

As at to-date a total of 7,500 Warrant B have been converted into shares.

Date	No of Warrants	No of Shares Issues	Proceeds RM	Listing Date
2 December 2014	<u>7,500</u>	<u>7,500</u>	<u>3,450</u>	3 December 2014

All proceeds have been deposited into Censof Warrant B account and the proceeds were used for working capital purposes.

As at to-date, the outstanding unexercised Warrant is 111,405,217.

(b) Private Placement

On 12 December 2014, Bursa Malaysia Securities Berhad have approved the listing an quotation of up to 62,843,334 new ordinary shares of RM0.10 each in Censof representing up to ten percent (10%) of the existing issued and paid-up share capital of Censof (excluding treasury shares), to be issued pursuant to the Proposed Private Placement.

To-date, a total of 45 million new ordinary shares have been issued under the Private Placement exercise with gross proceed of RM16.62 million received.



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B11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this interim report.

B12. DERIVATIVES FINANCIAL INSTRUMENTS

There were no derivatives financial instruments as at the date of this interim report.

B13. MATERIAL LITIGATION

As at 20 February 2017, being 7 days prior to the date of this report, there has been no material litigation pending of which the value exceeds 5% of the Group's net tangible assets.

B14. DIVIDEND

No interim dividend has been declared for the current quarter under review.

B15. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/12/2016	3 Months Ended 31/12/2015	9 Months Ended 31/12/2016	9 Months Ended 31/12/2015
Net profit attributable to ordinary equity holders of the Company (RM'000)	3,753	3,167	25,573	5,923
Number of ordinary shares in issue ('000)	501,703	486,168	501,703	486,168
Basic earnings per share (sen)	<u>0.75</u>	<u>0.65</u>	<u>5.10</u>	<u>1.22</u>



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B15. EARNINGS PER SHARE (Continued)

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/12/2016	3 Months Ended 31/12/2015	9 Months Ended 31/12/2016	9 Months Ended 31/12/2015
Net profit attributable to ordinary equity holders of the Company (RM'000)	3,753	3,167	25,573	5,923
<u>Weighted average ('000)</u>				
Number of ordinary shares in issue	501,703	486,168	501,703	486,168
Adjustment for dilutive effect on Conversion of Warrants A	-	29,495	-	29,495
Adjustment for dilutive effect on Conversion of Warrants B	-	111,405	-	111,405
	<u>501,703</u>	<u>627,068</u>	<u>501,703</u>	<u>627,068</u>
Basic earnings per share (sen)	<u>0.75</u>	<u>0.51</u>	<u>5.10</u>	<u>0.94</u>

B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profit or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 December 2016, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of the Group		
- Realised	74,251	48,678
- Unrealised	-	-
Total Group's retained profits as per consolidated account	<u>74,251</u>	<u>48,678</u>



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B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS (Continued)

The determination of realised and unrealised profits is compiled based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B17. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Total comprehensive income for the financial year was derived after charging/(crediting) the following items:

	3 Months Ended 31/12/2016 RM'000	9 Months Ended 31/12/2016 RM'000
Depreciation and amortisation	827	8,489
Finance costs	1,146	4,433
Interest income	(4)	(145)
Loss on derecognition of a subsidiary	-	15,963

Other than as disclosed above, the Group does not have any material items that were recognised as profit/loss in the Consolidated Statements of Comprehensive Income.

B18. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for release by the Board of Directors as per the Board Meeting held on 27 February 2017.