



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2018
First Quarter Ended 30 June 2017



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2016 RM'000	3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2016 RM'000
Revenue	17,415	62,523	17,415	62,523
Cost of sales	(11,057)	(33,445)	(11,057)	(33,445)
Gross profit	6,358	29,078	6,358	29,078
Other income	1,559	2,175	1,559	2,175
Administrative expenses	(6,735)	(21,672)	(6,735)	(21,672)
Other expenses	(933)	(198)	(933)	(198)
Results from operating activities	249	9,383	249	9,383
Finance costs	(973)	(1,517)	(973)	(1,517)
(Loss)/Profit before share of associates result	(724)	7,866	(724)	7,866
Share of associates result	1,991	85,341	1,991	85,341
Profit before tax and zakat	1,267	93,207	1,267	93,207
Income tax expense	(88)	(2,077)	(88)	(2,077)
Net Profit for the financial period	1,179	91,130	1,179	91,130
Other comprehensive income	(114)	-	(114)	-
Total comprehensive income for the financial period	1,065	91,130	1,065	91,130
Net profit attributable to:				
Equity holders of the Company	1,290	35,693	1,290	35,693
Non-controlling interests	(111)	55,437	(111)	55,437
	1,179	91,130	1,179	91,130
Total comprehensive income attributable to:				
Equity holders of the Company	1,243	35,693	1,243	35,693
Non-controlling interests	(178)	55,437	(178)	55,437
	1,065	91,130	1,065	91,130
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	0.26	7.33	0.26	7.33
Diluted (sen)	0.20	5.68	0.20	5.68

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	UNAUDITED	AUDITED
	As At 30/06/2017 RM'000	As At 31/03/2017 RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,138	2,415
Intangible assets	24,548	25,245
Goodwill	29,045	29,019
Investments	100	100
Investment in Associate	95,171	96,877
	<u>151,002</u>	<u>153,656</u>
Current assets		
Inventories	58	53
Amount owing by contract customers	18,183	18,717
Trade receivables	33,931	42,864
Other receivables, deposits and prepayments	23,638	9,976
Tax refundable	583	871
Fixed deposits placed with licensed banks	6,777	6,725
Cash and bank balances	5,007	5,410
	<u>88,177</u>	<u>84,616</u>
TOTAL ASSETS	<u>239,179</u>	<u>238,272</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	50,170	50,170
Share premium	50,379	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	55,289	53,999
Foreign exchange translation reserves	1,917	2,031
	<u>145,455</u>	<u>144,279</u>
Non-controlling interests	<u>10,438</u>	<u>10,965</u>
Total equity	<u>155,893</u>	<u>155,244</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017 (Continued)**

	UNAUDITED	AUDITED
	As At	As At
	30/06/2017	31/03/2017
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	22,117	28,488
Deferred taxation	2,197	2,322
	<u>24,314</u>	<u>30,810</u>
Current liabilities		
Trade payables	5,217	6,039
Other payables and accruals	11,762	7,274
Amount owing to a related party	1,108	1,257
Short term borrowings	24,788	23,519
Deferred income	3,748	4,272
Bank overdrafts	8,109	7,200
Provision for taxation	4,240	2,657
	<u>58,972</u>	<u>52,218</u>
Total liabilities	<u>83,286</u>	<u>83,028</u>
TOTAL EQUITY AND LIABILITIES	<u>239,179</u>	<u>238,272</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	28.99	29.61

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSO HOLDINGS BERHAD
(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	Attributable to Equity Holders of the Company						Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	Non-Distributable			Distributable					
	Share Capital	Share Premium	Merger Deficit	Translation Reserve	Retained Profits				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(UNAUDITED)									
At 1 April 2017	50,170	50,379	(12,300)	2,031	53,999	144,279	10,965	155,244	
Profit after taxation	-	-	-	-	1,290	1,290	(111)	1,179	
Other comprehensive income for the financial year:									
- Foreign currency translation differences	-	-	-	(114)	-	(114)	-	(114)	
Total comprehensive income for the financial year	-	-	-	(114)	1,290	1,176	(111)	1,065	
Contributions by and distributions to owners of the Company:									
Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	(416)	(416)	
At 30 June 2017	50,170	50,379	(12,300)	1,917	55,289	145,455	10,438	155,893	

* - Pursuant to subsection 618(3) of the Companies Act 2016 ("New Act"), the Company may transfer the share premium account of RM50.38 million to the share capital account and exercise its right to use the amount within 24 months after the commencement of the New Act on 31 January 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 (Continued)**

	←————— Attributable to Equity Holders of the Company —————→						Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	←————— Non-Distributable —————→			—————→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	RM'000			
(AUDITED)									
At 1 April 2016, restated	50,170	50,379	(12,300)	103	41,939	130,291	73,409	203,700	
Total comprehensive income	-	-	-	1,928	12,046	13,974	61,272	75,246	
Contributions by and distributions to owners of the Company:									
Shares issued by a subsidiary to NCI	-	-	-	-	-	-	132,833	132,833	
Change in a ownership interests in a subsidiary	-	-	-	-	14	14	(16)	(2)	
Disposal of subsidiary	-	-	-	-	-	-	(249,626)	(249,626)	
Dividends:									
- By subsidiaries to NCI	-	-	-	-	-	-	(6,907)	(6,907)	
Total Transaction with Owners	-	-	-	-	14	14	(123,716)	(123,702)	
At 31 March 2017	50,170	50,379	(12,300)	2,031	53,999	144,279	10,965	155,244	

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	UNAUDITED 3 Months Ended 30/06/2017 RM'000	UNAUDITED 12 Months Ended 30/06/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,267	93,207
Adjustments for:		
Amortisation of intangible assets	1,913	7,797
Depreciation of plant and equipment	149	1,768
Gain on disposal of investment in associate	(1,403)	-
Interest expense	973	1,517
Interest income	(34)	(745)
Share of results from an associate	(1,991)	-
Operating profit before working capital changes	874	103,544
Changes in working capital:		
Amount owing by contract customers	534	(1,622)
Inventories	(5)	-
Trade and other receivables	(4,581)	(2,021)
Trade and other payables	3,666	19,582
Deferred income	(524)	(2,684)
Amount owing to related party	(149)	(801)
Income tax refund/(paid)	-	(445)
Interest received	34	745
Finance cost	(973)	(1,517)
Net Operating Cash Flows	(1,124)	114,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associate by a former subsidiary	-	(127,043)
Acquisition of a subsidiary	(20)	(6,626)
Purchase of property, plant and equipment	-	(933)
Proceeds from disposal of investment in associates	5,100	-
Net Investing Cash Flows	5,080	(134,602)



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 (Continued)**

	UNAUDITED	UNAUDITED
	3 Months	12 Months
	Ended	Ended
	30/06/2017	30/06/2016
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	-	22,344
Placement of pledged deposits and restricted cash	-	(1,387)
Repayment of hire purchase obligations	(32)	(188)
Repayment of term loan	(5,070)	(840)
Net Financing Cash Flows	<u>(5,102)</u>	<u>19,929</u>
Net change in cash and cash equivalents	(1,146)	108
Effect of foreign exchange translation	(114)	(12)
Cash and cash equivalents at the beginning of the financial year	(119)	10,464
Cash and cash equivalents at the end of the financial year	<u>(1,379)</u>	<u>10,560</u>
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	6,777	6,923
Cash and bank balances	5,007	18,431
Bank overdrafts	(8,109)	(4,142)
	<u>3,675</u>	<u>21,212</u>
Less: Fixed deposits pledged as security	(5,054)	(10,652)
Total	<u>(1,379)</u>	<u>10,560</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 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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 MFRS 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 2017. 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 2017.

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 2017. 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 and IC Interpretations

MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
MFRS 17	Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 23	Uncertainty over Income Tax Treatments

Amendments to MFRSs

MFRS 1	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 9	Financial Instruments
MFRS 14	Revenue from Contracts with Customers
MFRS 15	Effective Date of MFRS 15
MFRS 15	Clarifications to MFRS 15 "Revenue from Contracts with Customers"
MFRS 10 & MFRS 128	Sale or Contribution of Assets between an Investor and its Associates of Joint Venture
MFRS 128	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 140	Transfers of Investment Property

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 issued an unqualified report on the Group's annual financial statements for the financial year ended 31 March 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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 30 June 2017.

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 payment of dividend in the current quarter.

A9. SEGMENTAL REPORTING

3 months ended 30 June 2017 (Current Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	7,063	-	7,063	(1,811)
PAS	142	-	142	(34)
WMS	529	-	529	(601)
TS	5,470	-	5,470	1,144
NSW	-	-	-	-
FMS - C	4,115	-	4,115	(142)
OTHERS	610	(514)	96	720
ASSOCIATE	-	-	-	1,991
TOTAL	17,929	(514)	17,415	1,267

FMS – G : Financial Management Solution – Government
 PAS : Payment Aggregation Solutions
 WMS : Wealth Management Solutions
 TS : Training Solutions
 NSW : National Single Window
 FMS – C : Financial Management Solution – Commercial
 ASSOCIATE : Investment in Associates – DNeX



CENSOF HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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

A9. SEGMENTAL REPORTING (Continued)

3 months ended 30 June 2016 (Previous Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	7,730	-	7,730	765
PAS	961	(1,136)	(175)	411
WMS	1,034	-	1,034	150
TS	2,009	(597)	1,412	468
NSW	47,421	-	47,421	91,531
FMS - C	5,101	-	5,101	1,586
OTHERS	-	-	-	(1,704)
TOTAL	64,256	(1,733)	62,523	93,207

A10. SIGNIFICANT SUBSEQUENT EVENT

On 2 August 2017, the Company's wholly-owned subsidiary, Century Software (Malaysia) Sdn Bhd accepted a Letter of Award from Lembaga Hasil Dalam Negeri Malaysia (“LHDNM”) for a contract named "Kontrak LHDNM BIL. 78/2017: Perolehan Perkakasan Dan Perisian, Pembangunan Aplikasi, Penyelenggaraan dan Sokongan Untuk Sistem Hasil International Data Exchange Facility (HiDEF) Pertukaran Maklumat Secara Automatik (AEOI) Untuk Common Reporting Standard (CRS), Country-by-Country Report (CBCR) & Exchange of Tax Rulings (ETR) Di LHDNM for a total contract sum of RM5,980,000 with the tenure contract period from 1 August 2017 to 31 July 2020.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 30 June 2017 other than the following developments:-

- i) On 13 April 2017, the Company disposed of 11,861,000 ordinary shares of Dagang Nexchange (DNeX) at price of RM 0.43 per DNeX share via a Direct Business Transaction (“DBT”). The sales proceed was mainly used for paying principal and interest for a loan facility. Consequently, the Company's equity interest in DNeX was further reduced from 17.94% to 17.25% in DNeX.
- ii) On 17 May 2017, the Company acquired a 100% equity interest in Compuidtech Sdn Bhd (“CSB”) for a total purchase considerations of RM20,000. The paid-up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each. The Company subscribed for the entire issued and paid-up share capital of CSB in cash.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 30 June 2017, 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 RM30.5 million were issued to licensed banks for credit facilities granted to a subsidiary company.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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 RM27.03 million, secured by way of 292,251,731 DNex shares.

(ii) RHB Bank Berhad loan outstanding is RM11.7 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 30 June 2017.

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

(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 Group carried out the following significant transaction with its related parties during the financial period under review:-

	3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2017 RM'000
Related Parties		
Office rental *	171	171
Key Management Personnel		
Fees	148	148
Non-fee emoluments	2,657	2,657

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.*



CENSOFF HOLDINGS BERHAD
(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

**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

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2016 RM'000	Changes		3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2016 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	17,415	62,523	(45,108)	-72.1%	17,415	62,523	(45,108)	-72.1%
Operating Profit	249	9,383	(9,134)	-97.3%	249	9,383	(9,134)	-97.3%
Profit Before Interest and Tax	249	9,383	(9,134)	-97.3%	249	9,383	(9,134)	-97.3%
Profit Before Tax	1,267	93,207	(91,940)	-98.6%	1,267	93,207	(91,940)	-98.6%
Profit After Tax	1,179	91,130	(89,951)	-98.7%	1,179	91,130	(89,951)	-98.7%
Net Profit Attributable to Ordinary Equity Holders of the Company	1,290	35,693	(34,403)	-96.4%	1,290	35,693	(34,403)	-96.4%

The Group registered revenue of RM17.42 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM62.52 million. The lower revenue for the current quarter as compared to the previous year's corresponding quarter was due to the cessation of revenue recognition upon the derecognition of NSW segment as subsidiary in 2Q17.

The Group recorded a profit before taxation of RM1.26 million for the current quarter compared to the previous year's corresponding quarter profit before taxation of RM93.21 million. The significant profit before taxation recorded in previous year's corresponding quarter was mainly due to contribution arising from the share of associate result in DNeX Group.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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)

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	3 Months Ended 30/06/2017	3 Months Ended 30/06/2016	Changes		3 Months Ended 30/06/2017	3 Months Ended 30/06/2016	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
FMS - G	7,063	7,730	(667)	-8.6%	7,063	7,730	(667)	-8.6%
PAS	142	(175)	317	181.1%	142	(175)	317	181.1%
WMS	529	1,034	(505)	-48.8%	529	1,034	(505)	-48.8%
TS	5,470	1,412	4,058	287.4%	5,470	1,412	4,058	287.4%
NSW	-	47,421	(47,421)	-100.0%	-	47,421	(47,421)	-100.0%
FMS - C	4,115	5,101	(986)	-19.3%	4,115	5,101	(986)	-19.3%
OTHERS	96	-	96	N/A	96	-	96	N/A
	<u>17,415</u>	<u>62,523</u>	<u>(45,108)</u>	<u>-72.1%</u>	<u>17,415</u>	<u>62,523</u>	<u>(45,108)</u>	<u>-72.1%</u>
PROFIT/(LOSS) BEFORE TAX								
FMS - G	(1,811)	765	(2,576)	-336.7%	(1,811)	765	(2,576)	-336.7%
PAS	(34)	411	(445)	-108.3%	(34)	411	(445)	-108.3%
WMS	(601)	150	(751)	-500.7%	(601)	150	(751)	-500.7%
TS	1,144	468	676	144.4%	1,144	468	676	144.4%
NSW	-	91,531	(91,531)	-100.0%	-	91,531	(91,531)	-100.0%
FMS - C	(142)	1,586	(1,728)	-109.0%	(142)	1,586	(1,728)	-109.0%
OTHERS	720	(1,704)	2,424	142.3%	720	(1,704)	2,424	142.3%
ASSOCIATE	1,991	-	1,991	N/A	1,991	-	1,991	N/A
	<u>1,267</u>	<u>93,207</u>	<u>(91,940)</u>	<u>-98.6%</u>	<u>1,267</u>	<u>93,207</u>	<u>(91,940)</u>	<u>-98.6%</u>



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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)

For the current year to date, revenue decreased by 72.1% to RM17.41 million. The lower revenue was mainly due to lower contribution from the FMS-C Segment and non-recognition of revenue under NSW segment in first quarter.

For the current year to date, profit before taxation decreased to RM1.26 million, again this was due to the significant contribution from NSW segment and the share of associate result in DNeX Group in previous year's corresponding period. The slow progress of project implementation under FMS-G and economy slowdown in Singapore under FMS-C segment also slashed the profit of the Group but managed to maintain the profitability with the gain on partial disposal of DNeX Shares and strong revenue recognition on the new training programme, Industry 4.0 under TS segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 30/06/2017	3 Months Ended 31/03/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	17,415	18,988	(1,573)	-8.3%
Operating Profit/(Loss)	249	(15,758)	16,007	101.6%
Profit/(Loss) Before Interest and Tax	249	(15,758)	16,007	101.6%
Profit/(Loss) Before Tax	1,267	(11,942)	13,209	110.6%
Profit/(Loss) After Tax	1,179	(12,437)	13,616	109.5%
Net Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	1,290	(13,527)	14,817	109.5%

For the current quarter, the Group posted revenue of RM17.42 million, a decrease of 8.3% over the preceding quarter. The Group recorded profit before taxation of RM1.26 million, a significant improvement of 110.6% from the preceding quarter's loss before taxation of 11.94 million.



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

	INDIVIDUAL PERIOD				INDIVIDUAL PERIOD			
	3 Months Ended	3 Months Ended	Changes		3 Months Ended	3 Months Ended	Changes	
	30/06/2017	31/03/2017	RM'000	%	30/06/2017	31/03/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	7,063	6,074	989	16.3%	(1,811)	(15,344)	13,533	88.2%
PAS	142	75	67	89.3%	(34)	(484)	450	93.0%
WMS	529	1,747	(1,218)	-69.7%	(601)	628	(1,229)	-195.7%
TS	5,470	5,557	(87)	-1.6%	1,144	1,839	(695)	-37.8%
NSW	-	-	-	-	-	-	-	-
FMS - C	4,115	5,502	(1,387)	-25.2%	(142)	(963)	821	85.3%
OTHERS	96	33	63	190.9%	720	(1,403)	2,123	151.3%
ASSOCIATE	-	-	-	-	1,991	3,785	(1,794)	-47.4%
	<u>17,415</u>	<u>18,988</u>	<u>(1,573)</u>	<u>-8.3%</u>	<u>1,267</u>	<u>(11,942)</u>	<u>13,209</u>	<u>110.6%</u>

The Group recorded lower revenue of RM17.42 million for the current quarter as compared to RM18.99 million in the preceding quarter mainly due to economy slowdown in Singapore under FMS-C segment and slow progress of project implementation under WMS segment.

The significant loss before taxation in preceding quarter was mainly due to impairment loss on trade receivables of RM2.94 million in both FMS-G and TS Segment, coupled with the amortisation on fair value adjustment in intangible assets under FMS-C Segment of approximately RM2.95 million.



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B3. BUSINESS PROSPECTS

The Board is mindful of the growing intense ICT market competition for government tenders and remain cautious on capital expenditure spending to ensure the Group's performance is sustainable based on the following medium-term initiatives:-

- (i) **FMS – G Segment**
This business segment is continuously developing and localizing cloud ERP products based on the Acumatica technology platform. Accordingly, the strategic alliance with Acumatica, resulted in CMS been appointed as its exclusive OEM partner for South East Asia region.

Presently, this segment's order book had improved to approximately RM32.1 million after securing additional new projects from Federal and Local Government Agency.
- (ii) **PAS Segment**
This e-payment segment is continuously enhancing the product capabilities to build a more dynamic e-payment and collection solutions gateways.
- (iii) **WMS Segment**
The slow work implementation progress for on-going projects and the high fixed costs structure in WMS segment had resulted in weak results to-date. Proactive actions are initiated to enhance on the overall operating performance of this Indonesian operations.
- (iv) **TS Segment**
This training segment is expanding through collaborations with local universities and establishing Centres of Excellence in Technology ("CoET") nationwide to further enhance its earning opportunities. The training initiatives will meet the needs of an Industry 4.0 society.
- (v) **FMS – C Segment**
With the current economy slowdown in Singapore, this segment revenue was affected by a decline of approximately of 25% in revenue. However, with an overall 30% market share in Malaysia, Singapore and Hong Kong, this segment will continue to expand throughout the ASEAN region.

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.



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B6. TAXATION

Taxation comprises the following:

	3 Months Ended 30/06/2017 RM'000	3 Months Ended 30/06/2017 RM'000
Current tax	88	88

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 shareholdings in DNeX by the Company are 17.25% and there was disposal of quoted securities by the Company as disclosed in Note A11(i) during the current quarter under review.

B9. GROUP BORROWINGS

The details of the Group borrowings are as follows:

	RM Denomination		
	Long Term RM'000	Short Term RM'000	Total RM'000
Secured			
<u>As at 30 June 2017</u>			
Hire purchase	627	95	722
Project financing	-	7,453	7,453
Term loans	21,490	17,240	38,730
Bank overdrafts	-	8,109	8,109
	22,117	32,897	55,014
<u>As at 30 June 2016</u>			
Hire purchase	770	151	921
Project financing	-	10,596	10,596
Term loans	50,200	39,136	89,336
Bank overdrafts	-	4,142	4,142
	50,970	54,025	104,995

The project financing is secured by way of Debenture and Deed of Assignment of all contract proceeds. The Bank overdrafts are secured by pledging of shares by the Company's major shareholders, Saas Global Sdn Bhd and fixed deposits of the Company pledged to a licensed bank.

The Group had made the total repayment of term loans by RM5.07 million during the current quarter and the Group's gearing ratio remained 0.35 times as compared to previous year's corresponding quarter.



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B10. STATUS OF CORPORATE PROPOSALS

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 reporting date, the outstanding unexercised warrant is 29,495,325. A total of 55,000 warrants were exercised subsequent to the reporting date and this Warrant A was expired on 18 July 2017.

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 reporting date, the outstanding unexercised Warrant is 111,405,217.



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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 22 August 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 30/06/2017	3 Months Ended 30/06/2016	3 Months Ended 30/06/2017	3 Months Ended 30/06/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,290	35,693	1,290	35,693
Number of ordinary shares in issue ('000)	501,703	487,259	501,703	487,259
Basic earnings per share (sen)	<u>0.26</u>	<u>7.33</u>	<u>0.26</u>	<u>7.33</u>



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B15. (LOSS) / EARNINGS PER SHARE (Continued)

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months	3 Months	3 Months	3 Months
	Ended	Ended	Ended	Ended
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,290	35,693	1,290	35,693
<u>Weighted average ('000)</u>				
Number of ordinary shares in issue	501,703	487,259	501,703	487,259
Adjustment for dilutive effect on Conversion of Warrants A	29,495	29,495	29,495	29,495
Adjustment for dilutive effect on Conversion of Warrants B	111,405	111,405	111,405	111,405
	<u>642,603</u>	<u>628,159</u>	<u>642,603</u>	<u>628,159</u>
Basic earnings per share (sen)	<u>0.20</u>	<u>5.68</u>	<u>0.20</u>	<u>5.68</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 30 June 2017, into realised and unrealised profits, pursuant to the directive, is as follows:



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B16. DISCLOSURE OF REALISED AND UNREALISED PROFITS (Continued)

	As at 30/06/2017 RM'000	As at 30/06/2016 RM'000
Total retained profits of the Group		
- Realised	55,025	84,371
- Unrealised	264	-
Total Group's retained profits as per consolidated account	55,289	84,371

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 30/06/2017 RM'000	3 Months Ended 30/06/2017 RM'000
Depreciation and amortisation	2,062	2,062
Finance costs	973	973
Interest income	(34)	(34)
Gain on disposal of investment in associates	(1,403)	(1,403)

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 29 August 2017.