



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2018
Second Quarter Ended 30 September 2017



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

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

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER	INDIVIDUAL QUARTER	CUMULATIVE PERIOD	CUMULATIVE PERIOD
	3 Months	3 Months	6 Months	6 Months
	Ended	Ended	Ended	Ended
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	24,923	52,234	42,338	114,757
Cost of sales	(15,341)	(20,159)	(26,398)	(53,604)
Gross profit	9,582	32,075	15,940	61,153
Other income	427	63	1,986	2,238
Administrative expenses	(7,481)	(22,906)	(14,216)	(44,578)
Other expenses	(982)	(21,073)	(1,915)	(21,271)
Results from operating activities	1,546	(11,841)	1,795	(2,458)
Finance costs	(933)	(1,770)	(1,906)	(3,287)
(Loss)/Profit before share of associates result	613	(13,611)	(111)	(5,745)
Share of associates result	2,667	6,871	4,658	92,212
Profit before tax and zakat	3,280	(6,740)	4,547	86,467
Income tax expense	(421)	(2,101)	(509)	(4,178)
Net Profit for the financial period	2,859	(8,841)	4,038	82,289
Other comprehensive income	(208)	-	(322)	-
Total comprehensive income for the financial period	2,651	(8,841)	3,716	82,289
Net profit attributable to:				
Equity holders of the Company	2,205	(13,873)	3,495	21,820
Non-controlling interests	654	5,032	543	60,469
	2,859	(8,841)	4,038	82,289
Total comprehensive income attributable to:				
Equity holders of the Company	2,099	(13,873)	3,342	21,820
Non-controlling interests	552	5,032	374	60,469
	2,651	(8,841)	3,716	82,289
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic (sen)	0.44	(2.77)	0.70	4.35
Diluted (sen)	0.36	(2.26)	0.57	3.56

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.



CENSOFF HOLDINGS BERHAD

(Company No. 828269-A)

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

	UNAUDITED	AUDITED
	As At	As At
	30/09/2017	31/03/2017
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,874	2,415
Intangible assets	23,974	25,245
Goodwill	29,045	29,019
Investments	100	100
Investment in Associate	95,814	96,877
	<u>150,807</u>	<u>153,656</u>
Current assets		
Inventories	40	53
Amount owing by contract customers	13,646	18,717
Trade receivables	28,231	42,864
Other receivables, deposits and prepayments	25,178	9,976
Tax refundable	10	871
Fixed deposits placed with licensed banks	6,935	6,725
Cash and bank balances	5,926	5,410
	<u>79,966</u>	<u>84,616</u>
TOTAL ASSETS	<u>230,773</u>	<u>238,272</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	50,196	50,170
Share premium	50,379	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	57,494	53,999
Foreign exchange translation reserves	1,709	2,031
	<u>147,478</u>	<u>144,279</u>
Non-controlling interests	<u>11,026</u>	<u>10,965</u>
Total equity	<u>158,504</u>	<u>155,244</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

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

	UNAUDITED	AUDITED
	As At	As At
	30/09/2017	31/03/2017
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	33,086	28,488
Deferred taxation	2,070	2,322
	<u>35,156</u>	<u>30,810</u>
Current liabilities		
Trade payables	4,107	6,039
Other payables and accruals	8,936	7,274
Amount owing to a related party	1,108	1,257
Short term borrowings	9,635	23,519
Deferred income	3,486	4,272
Bank overdrafts	7,879	7,200
Provision for taxation	1,962	2,657
	<u>37,113</u>	<u>52,218</u>
Total liabilities	<u>72,269</u>	<u>83,028</u>
TOTAL EQUITY AND LIABILITIES	<u>230,773</u>	<u>238,272</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	29.38	28.76

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.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	3,495	3,495	543	4,038	
Other comprehensive income for the financial year:									
- Foreign currency translation differences	-	-	-	(322)	-	(322)	-	(322)	
Total comprehensive income for the financial year	-	-	-	(322)	3,495	3,173	543	3,716	
Contributions by and distributions to owners of the Company:									
Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	(482)	(482)	
Conversion of Warrant A	26	-	-	-	-	26	-	26	
At 30 September 2017	50,196	50,379	(12,300)	1,709	57,494	147,478	11,026	158,504	

* - 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 SEPTEMBER 2017 (Continued)**

	←————— Attributable to Equity Holders of the Company —————→					Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	←————— Non-Distributable —————→			—————→ Distributable				
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits 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 SEPTEMBER 2017**

	UNAUDITED 6 Months Ended 30/09/2017 RM'000	UNAUDITED 6 Months Ended 30/09/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,547	86,467
Adjustments for:		
Amortisation of intangible assets	3,734	5,894
Depreciation of plant and equipment	420	1,768
Gain on disposal of investment in associate	(1,706)	-
Interest expense	1,906	3,287
Interest income	(67)	(141)
Loss on derecognition of subsidiary	-	15,963
Share of results from an associate	(4,658)	-
Unrealised gain on foreign exchange	-	(142)
Operating profit before working capital changes	4,176	113,096
Changes in working capital:		
Amount owing by contract customers	5,071	(5,683)
Inventories	13	8
Trade and other receivables	(575)	16,077
Trade and other payables	(270)	10,640
Deferred income	(786)	(2,660)
Amount owing to related party	(149)	-
Income tax refund/(paid)	(1,076)	1,627
Interest received	67	141
Finance cost	(1,906)	(3,287)
Net Operating Cash Flows	4,565	129,959
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associate	-	(143,096)
Investment in subsidiary	-	(38,318)
Acquisition of a subsidiary	(20)	-
Purchase of property, plant and equipment	-	(933)
Intangible assets additions	(2,342)	-
Proceeds from disposal of investment in associates	5,941	-
Net Investing Cash Flows	3,579	(182,347)



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

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

	UNAUDITED	UNAUDITED
	6 Months Ended 30/09/2017 RM'000	6 Months Ended 30/09/2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends received from an associates	1,486	-
Drawdown of term loans	15,000	22,344
Placement of pledged deposits and restricted cash	-	(4,761)
Proceeds from disposal of subsidiary shares	-	44,725
Proceeds from issuance of shares:		
- warrant A	25	-
Repayment of hire purchase obligations	(63)	(78)
Repayment of project financing	(7,453)	-
Repayment of term loan	(16,770)	(17,050)
Net Financing Cash Flows	(7,775)	45,180
Net change in cash and cash equivalents	369	(7,208)
Effect of foreign exchange translation	(322)	-
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	(72)	3,256
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	6,935	6,767
Cash and bank balances	5,926	9,340
Bank overdrafts	(7,879)	(8,090)
	4,982	8,017
Less: Fixed deposits pledged as security	(5,054)	(4,761)
Total	(72)	3,256

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 SEPTEMBER 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 audit opinion on the financial statements for the financial year ended 31 March 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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

6 months ended 30 September 2017 (Current Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	19,023	-	19,023	(2,467)
PAS	222	-	222	(123)
WMS	2,099	-	2,099	(220)
TS	12,124	-	12,124	3,500
NSW	-	-	-	-
FMS - C	8,774	-	8,774	204
OTHERS	2,306	(2,210)	96	(1,005)
ASSOCIATE	-	-	-	4,658
TOTAL	44,548	(2,210)	42,338	4,547

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 SEPTEMBER 2017

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

A9. SEGMENTAL REPORTING (Continued)

6 months ended 30 September 2016 (Previous Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	14,011	(1,787)	12,224	1,610
PAS	723	-	723	(168)
WMS	2,338	-	2,338	348
TS	5,761	-	5,761	1,542
NSW	84,257	-	84,257	101,231
FMS - C	9,454	-	9,454	2,853
OTHERS	3,812	(3,812)	-	(20,949)
TOTAL	120,356	(5,599)	114,757	86,467

A10. SIGNIFICANT SUBSEQUENT EVENT

There was no significant subsequent event after the end of the quarter under review except for the Company's disposal on 17 October 2017 of 12,195,122 ordinary shares of Dagang Nexchange ("DNeX") at price of RM0.41 per DNeX share via a Direct Business Transaction ("DBT"). The sales proceed was mainly used to settle principal and interest for a loan facility amounting to RM5 million. Consequently, the Company's equity interest in DNeX was further reduced from 16.98% to 16.25%.

A11. CHANGES IN COMPOSITION OF THE GROUP

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

- i) On 28 August 2017, the Company disposed of 887,638 ordinary shares of DNeX at price of RM 0.50 per DNeX share via DBT. The sales proceed was mainly used for paying interest for a loan facility. Consequently, the Company's equity interest in DNeX was further reduced from 17.25% to 17.02%.
- ii) On 11 September 2017, the Company disposed of 800,000 ordinary shares of DNeX at price of RM 0.50 per DNeX share via DBT. The sales proceed was mainly used for paying interest for a loan facility. Consequently, the Company's equity interest in DNeX was further reduced from 17.02% to 16.98%.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 30 September 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.



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INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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

Kenanga Investment Bank Berhad loan outstanding is RM42.03 million, secured by way of 292,251,731 DNex shares.

A13. CAPITAL COMMITMENTS

The Group does not have any material commitment for capital expenditure for the current quarter ended 30 September 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 30/09/2017 RM'000	6 Months Ended 30/09/2017 RM'000
Related Parties		
Office rental *	137	308
Key Management Personnel		
Fees	125	273
Non-fee emoluments	669	1,341

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 SEPTEMBER 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 30/09/2017 RM'000	3 Months Ended 30/09/2016 RM'000	Changes		6 Months Ended 30/09/2017 RM'000	6 Months Ended 30/09/2016 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	24,923	52,234	(27,311)	-52.3%	42,338	114,757	(72,419)	-63.1%
Operating Profit/(Loss)	1,546	(11,841)	13,387	113.1%	1,795	(2,458)	4,253	173.0%
Profit/(Loss) Before Interest and Tax	1,546	(11,841)	13,387	113.1%	1,795	(2,458)	4,253	173.0%
Profit/(Loss) Before Tax	3,280	(6,740)	10,020	148.7%	4,547	86,467	(81,920)	-94.7%
Profit/(Loss) After Tax	2,859	(8,841)	11,700	132.3%	4,038	82,289	(78,251)	-95.1%
Net Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	2,205	(13,873)	16,078	115.9%	3,495	21,820	(18,325)	-84.0%

The Group registered revenue of RM24.92 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM52.23 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 after 2Q17.

The Group recorded a profit before taxation of RM3.28 million for the current quarter compared to the previous year's corresponding quarter loss before taxation of RM6.74 million. The significant loss before taxation recorded in previous year's corresponding quarter was mainly due to the loss of derecognition a subsidiary upon the disposal of DNeX shares amounting to RM15.96 million.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 30/09/2017	3 Months Ended 30/09/2016	Changes		6 Months Ended 30/09/2017	6 Months Ended 30/09/2016	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
FMS - G	11,960	4,494	7,466	166.1%	19,023	12,224	6,799	55.6%
PAS	80	898	(818)	-91.1%	222	723	(501)	69.3%
WMS	1,570	1,304	266	20.4%	2,099	2,338	(239)	-10.2%
TS	6,654	4,349	2,305	53.0%	12,124	5,761	6,363	110.4%
NSW	-	36,836	(36,836)	-100.0%	-	84,257	(84,257)	-100.0%
FMS - C	4,659	4,353	306	7.0%	8,774	9,454	(680)	-7.2%
OTHERS	-	-	-	-	96	-	96	N/A
	<u>24,923</u>	<u>52,234</u>	<u>(27,311)</u>	<u>-52.3%</u>	<u>42,338</u>	<u>114,757</u>	<u>(72,419)</u>	<u>-63.1%</u>
PROFIT/(LOSS) BEFORE TAX								
FMS - G	(656)	845	(1,501)	-177.6%	(2,467)	1,610	(4,077)	-253.2%
PAS	(89)	(579)	490	84.6%	(123)	(168)	45	26.8%
WMS	381	198	183	92.4%	(220)	348	(568)	-163.2%
TS	2,356	1,074	1,282	119.4%	3,500	1,542	1,958	127.0%
NSW	-	9,700	(9,700)	-100.0%	-	101,231	(101,231)	-100.0%
FMS - C	346	1,267	(921)	-72.7%	204	2,853	(2,649)	-92.8%
OTHERS	(1,725)	(19,245)	17,520	91.0%	(1,005)	(20,949)	19,944	95.2%
ASSOCIATE	2,667	-	2,667	N/A	4,658	-	4,658	N/A
	<u>3,280</u>	<u>(6,740)</u>	<u>10,020</u>	<u>-148.7%</u>	<u>4,547</u>	<u>86,467</u>	<u>(81,920)</u>	<u>-94.7%</u>



CENSOF HOLDINGS BERHAD
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INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 63.1% to RM42.34 million. The lower revenue was mainly due to non-recognition of revenue under NSW segment in first quarter.

For the current year to date, profit before taxation decreased by 94.7% to RM4.55 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 recognition of amortization on intangible assets under FMS-C segment also slashed the profit of the Group but managed to maintain the profitability with the shares of associate result 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 30/09/2017	3 Months Ended 30/06/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	24,923	17,415	7,508	43.1%
Operating Profit	1,546	249	1,297	520.9%
Profit Before Interest and Tax	1,546	249	1,297	520.9%
Profit Before Tax	3,280	1,267	2,013	158.9%
Profit After Tax	2,859	1,179	1,680	142.5%
Net Profit Attributable to Ordinary Equity Holders of the Company	2,205	1,290	915	70.9%

For the current quarter, the Group posted revenue of RM24.92 million, an increase of 43.1% over the preceding quarter. The Group recorded profit before taxation of RM3.28 million, a significant improvement of 158.9% from the preceding quarter's profit before taxation of RM1.27 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	
	30/09/2017	30/06/2017	RM'000	%	30/09/2017	30/06/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	11,960	7,063	4,897	69.3%	(656)	(1,811)	1,155	63.8%
PAS	80	142	(62)	-43.7%	(89)	(34)	(55)	-161.8%
WMS	1,570	529	1,041	196.8%	381	(601)	982	163.4%
TS	6,654	5,470	1,184	21.6%	2,356	1,144	1,212	105.9%
NSW	-	-	-	-	-	-	-	-
FMS - C	4,659	4,115	544	13.2%	346	(142)	488	343.7%
OTHERS	-	96	(96)	-100.0%	(1,725)	720	(2,445)	-339.6%
ASSOCIATE	-	-	-	-	2,667	1,991	676	34.0%
	<u>24,923</u>	<u>17,415</u>	<u>7,508</u>	<u>43.1%</u>	<u>3,280</u>	<u>1,267</u>	<u>2,013</u>	<u>-158.9%</u>

The Group recorded higher revenue of RM24.92 million for the current quarter as compared to RM17.42 million in the preceding quarter mainly due to fast track of existing project implementation under FMS-G segment and strong revenue recognition on the new training programme, Industry 4.0 under TS segment.

The higher profit before taxation in current quarter was mainly due to improvement on project implementation timeline under FMS-G segment, coupled with the strong revenue recognition on the new training programme, Industry 4.0 under TS segment.



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B3. BUSINESS PROSPECTS

The Board remains cautious on the challenging domestic economy and initiated business review exercise to realign its moving forward strategies to stay profitable by adopting the following medium-term initiatives:-

- (i) **FMS – G Segment**
Enhancing the service offering of cloud ERP products based on the Acumatica technology platform, after appointed as the exclusive OEM partner for South East Asia region.

Presently, this segment's order book had approximately RM22.4 million.

- (ii) **PAS Segment**
E-payment segment is continuously upgrading the product capabilities to build a more robust e-payment and collection solution gateways while seeking new collaboration partner to expand the customer base.

- (iii) **WMS Segment**
Focus on cost management to improve on operating performance and to expand on its range of integrated service offerings riding on Indonesia growing market opportunities.

- (iv) **TS Segment**
Skilled training market continues to grow with the active drive to promote Industry 4.0 standards.

- (v) **FMS – C Segment**
Financio accounting software target at micro/small business owners and non-accountants in Malaysia, remain exciting and strong growth is projected for next financial year with Malaysia, Singapore and Hong Kong, leading its market presence.

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 30/09/2017 RM'000	6 Months Ended 30/09/2017 RM'000
Current tax	421	509

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 stands at 16.98% after disposal by the Company as disclosed in Note A11 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 September 2017</u>			
Hire purchase	596	95	691
Project financing	-	-	-
Term loans	32,490	9,540	42,030
Bank overdrafts	-	7,879	7,879
	33,086	17,514	50,600
<u>As at 30 September 2016</u>			
Hire purchase	806	78	884
Project financing	-	10,714	10,714
Term loans	45,627	3,200	48,827
Bank overdrafts	-	8,090	8,090
	46,433	22,082	68,515

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 and project financing by RM19.15 million during the current quarter and the Group's gearing ratio improved to 0.32 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 13,584,675 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
14 July 2017	35,000	35,000	16,100	17 July 2017
20 July 2017	20,000	20,000	9,200	21 July 2017
	<u>13,584,675</u>	<u>13,584,675</u>	<u>6,248,951</u>	

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

A total of 55,000 warrants were exercised during the current quarter review and this Warrant A was expired on 18 July 2017 with the outstanding unexercised warrant of 29,440,325.

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 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 20 November 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 / (LOSS) 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 30/09/2017	3 Months Ended 30/09/2016	6 Months Ended 30/09/2017	6 Months Ended 30/09/2016
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	2,205	(13,873)	3,495	21,820
Number of ordinary shares in issue ('000)	501,956	501,703	501,956	501,703
Basic earnings/(loss) per share (sen)	<u>0.44</u>	<u>(2.77)</u>	<u>0.70</u>	<u>4.35</u>



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

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/09/2017	3 Months Ended 30/09/2016	6 Months Ended 30/09/2017	6 Months Ended 30/09/2016
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	2,205	(13,873)	3,495	21,820
<u>Weighted average ('000)</u>				
Number of ordinary shares in issue	501,956	501,703	501,956	501,703
Adjustment for dilutive effect on Conversion of Warrants B	111,405	111,405	111,405	111,405
	<u>613,361</u>	<u>613,108</u>	<u>613,361</u>	<u>613,108</u>
Basic earnings/(loss) per share (sen)	<u>0.36</u>	<u>(2.26)</u>	<u>0.57</u>	<u>3.56</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 30/09/2017 RM'000	As at 30/09/2016 RM'000
Total retained profits of the Group		
- Realised	57,173	70,620
- Unrealised	321	-
Total Group's retained profits as per consolidated account	57,494	70,620

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 30/09/2017 RM'000	6 Months Ended 30/09/2017 RM'000
Depreciation and amortisation	2,092	4,154
Finance costs	933	1,906
Interest income	(33)	(67)
Gain on disposal of investment in associates	(303)	(1,706)

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 November 2017.