



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2018  
Fourth Quarter Ended 31 March 2018



**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months	3 Months	12 Months	12 Months
	Ended	Ended	Ended	Ended
	31/3/2018	31/3/2017	31/3/2018	31/3/2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	30,565	18,988	94,952	148,386
Cost of sales	(27,123)	(14,457)	(68,563)	(77,092)
<b>Gross profit</b>	<b>3,442</b>	<b>4,531</b>	<b>26,389</b>	<b>71,294</b>
Other income	82	3,090	3,290	5,528
Administrative expenses	(8,227)	(5,075)	(29,613)	(55,621)
Other expenses	(11,180)	(15,474)	(14,030)	(36,959)
Results from operating activities	(15,883)	(12,928)	(13,964)	(15,758)
Finance costs	(826)	(1,645)	(3,539)	(6,078)
<b>Loss before share of associates result</b>	<b>(16,709)</b>	<b>(14,573)</b>	<b>(17,503)</b>	<b>(21,836)</b>
Share of associates result	4,632	2,631	11,403	98,254
<b>(Loss)/Profit before tax and zakat</b>	<b>(12,077)</b>	<b>(11,942)</b>	<b>(6,100)</b>	<b>76,418</b>
Income tax expense	(494)	(495)	(1,461)	(5,252)
<b>Net (loss)/profit for the financial year</b>	<b>(12,571)</b>	<b>(12,437)</b>	<b>(7,561)</b>	<b>71,166</b>
Other comprehensive income	(4,330)	1,928	(5,143)	1,841
<b>Total comprehensive income for the financial year</b>	<b>(16,901)</b>	<b>(10,509)</b>	<b>(12,704)</b>	<b>73,007</b>
<b>Net (loss)/profit attributable to:</b>				
Equity holders of the Company	(13,226)	(13,527)	(8,365)	9,894
Non-controlling interests	655	1,090	804	61,272
	(12,571)	(12,437)	(7,561)	71,166
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(16,582)	(11,599)	(12,303)	11,735
Non-controlling interests	(319)	1,090	(401)	61,272
	(16,901)	(10,509)	(12,704)	73,007
<b>(Loss)/Earnings per share attributable to equity holders of the Company:</b>				
Basic (sen)	(2.63)	(2.70)	(1.67)	1.97
Diluted (sen)	(2.16)	(2.21)	(1.36)	1.61

*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 31 MARCH 2018**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At</b>	<b>As At</b>
	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	2,491	2,415
Intangible assets	19,867	25,245
Goodwill	29,039	29,019
Investments	100	100
Investment in Associate	92,444	94,638
	<u>143,941</u>	<u>151,417</u>
<b>Current assets</b>		
Inventories	34	53
Amount owing by contract customers	-	18,717
Trade receivables	15,306	42,864
Other receivables, deposits and prepayments	31,544	9,976
Tax refundable	353	871
Fixed deposits placed with licensed banks	5,101	6,725
Cash and bank balances	6,503	5,410
	<u>58,841</u>	<u>84,616</u>
<b>TOTAL ASSETS</b>	<u>202,782</u>	<u>236,033</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Equity Holders</b>		
Share capital	50,196	50,170
Share premium	50,379	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	43,482	51,847
Foreign exchange translation reserves	(3,199)	1,944
	<u>128,558</u>	<u>142,040</u>
<b>Non-controlling interests</b>	6,541	10,965
<b>Total equity</b>	<u>135,099</u>	<u>153,005</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2018 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At</b>	<b>As At</b>
	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>		
Long term borrowings	28,222	28,488
Deferred taxation	1,788	2,322
	<u>30,010</u>	<u>30,810</u>
<b>Current liabilities</b>		
Trade payables	4,771	6,039
Other payables and accruals	9,536	7,274
Amount owing to a related party	372	1,257
Short term borrowings	9,666	23,519
Deferred income	3,390	4,272
Bank overdrafts	7,727	7,200
Provision for taxation	2,211	2,657
	<u>37,673</u>	<u>52,218</u>
<b>Total liabilities</b>	<u>67,683</u>	<u>83,028</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>202,782</u>	<u>236,033</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	25.61	28.31

*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 YEAR ENDED 31 MARCH 2018**

	←————— Attributable to Equity Holders of the Company —————→							Total Equity
	←————— Non-Distributable —————→			—————→ Distributable		Attributable to		
	Share Capital	Share Premium	Merger Deficit	Translation Reserve	Retained Profits	Owners of the Company	Non-controlling Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>(UNAUDITED)</b>								
<b>At 1 April 2017</b>	50,170	50,379	(12,300)	1,944	51,847	<b>142,040</b>	10,965	<b>153,005</b>
Profit after taxation	-	-	-	-	(8,365)	<b>(8,365)</b>	804	<b>(7,561)</b>
Other comprehensive income for the financial year:								
- Foreign currency translation differences	-	-	-	(1,198)	-	<b>(1,198)</b>	-	<b>(1,198)</b>
- Share of other comprehensive income of associate	-	-	-	(3,945)	-	<b>(3,945)</b>	-	<b>(3,945)</b>
Total comprehensive income for the financial year	-	-	-	(5,143)	(8,365)	<b>(13,508)</b>	804	<b>(12,704)</b>
Contributions by and distributions to owners of the Company:								
Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	(2,207)	<b>(2,207)</b>
Loss on accretion	-	-	-	-	-	-	(3,021)	<b>(3,021)</b>
Conversion of Warrant A	26	-	-	-	-	<b>26</b>	-	<b>26</b>
<b>At 31 March 2018</b>	<b>50,196</b>	<b>50,379</b>	<b>(12,300)</b>	<b>(3,199)</b>	<b>43,482</b>	<b>128,558</b>	<b>6,541</b>	<b>135,099</b>

\* - 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 YEAR ENDED 31 MARCH 2018 (Continued)**

	←————— Attributable to Equity Holders of the Company —————→							Total Equity RM'000
	←————— Non-Distributable —————→			Distributable		Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000			
<b>(AUDITED)</b>								
<b>At 1 April 2016, restated</b>	50,170	50,379	(12,300)	103	41,939	<b>130,291</b>	73,409	<b>203,700</b>
Total comprehensive income	-	-	-	1,841	9,894	<b>11,735</b>	61,272	<b>73,007</b>
Contributions by and distributions to owners of the Company:								
Shares issued by a subsidiary to NCI	-	-	-	-	-	-	132,833	<b>132,833</b>
Change in a ownership interests in a subsidiary	-	-	-	-	14	<b>14</b>	(16)	<b>(2)</b>
Disposal of subsidiary	-	-	-	-	-	-	(249,626)	<b>(249,626)</b>
Dividends:								
- By subsidiaries to NCI	-	-	-	-	-	-	(6,907)	<b>(6,907)</b>
Total Transaction with Owners	-	-	-	-	14	<b>14</b>	(123,716)	<b>(123,702)</b>
<b>At 31 March 2017, restated</b>	<b>50,170</b>	<b>50,379</b>	<b>(12,300)</b>	<b>1,944</b>	<b>51,847</b>	<b>142,040</b>	<b>10,965</b>	<b>153,005</b>

*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 YEAR ENDED 31 MARCH 2018**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>12 Months Ended 31/03/2018 RM'000</b>	<b>12 Months Ended 31/03/2017 RM'000 (Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(6,100)	76,418
Adjustments for:		
Amortisation of intangible assets	7,681	8,445
Bad debts written off	-	930
Depreciation of plant and equipment	871	4,411
Gain on disposal of investment in associate	(2,776)	-
Impairment losses on trade receivables	10,140	4,018
Impairment losses on intangible assets	-	320
Interest expense	3,539	5,983
Interest income	(183)	(205)
Loss on disposal of property, plant and equipment	-	4
Loss on disposal of a subsidiary	-	18,676
Share of results from an associate	(11,403)	(98,254)
Share option expenses in a former subsidiary	-	2,415
Unrealised loss on foreign exchange	-	50
Operating profit before working capital changes	<u>1,769</u>	<u>23,211</u>
Changes in working capital:		
Amount owing by contract customers	18,717	6,822
Inventories	19	598
Trade and other receivables	(4,150)	36,962
Trade and other payables	994	(1,222)
Deferred income	(882)	(2,448)
Amount owing to related party	(885)	-
Income tax paid	(1,863)	(9,688)
Interest received	183	-
Finance cost	(3,539)	(5,983)
<b>Net Operating Cash Flows</b>	<u>10,363</u>	<u>48,252</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit for acquisition of investment	-	(1,246)
Shares issued by a subsidiary to non-controlling interests	-	85,161
Investment in an associate by a former subsidiary	-	(37,965)
Acquisition of a subsidiary	(20)	(57,411)
Purchase of treasury share	(3,082)	-
Purchase of property, plant and equipment	(659)	(4,432)
Proceeds from disposal of property, plant and equipment	-	9
Proceeds from disposal of intangible assets	-	10
Proceeds from disposal of investment in associates	10,942	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	(19,511)
Intangible assets additions	(2,591)	(3,900)
<b>Net Investing Cash Flows</b>	<u>4,590</u>	<u>(39,285)</u>



**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Continued)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>12 Months</b>	<b>12 Months</b>
	<b>Ended</b>	<b>Ended</b>
	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends received from an associates	1,486	1,554
Dividends paid to non-controlling interests	(2,206)	(6,907)
Drawdown of term loans	15,000	-
Interest received	-	205
Advances from a director		
Placement of pledged deposits and restricted cash	-	9,443
Proceeds from issuance of shares:		
- warrant A	26	-
Advances from related parties	-	1,257
Changes in ownership interests in a subsidiary		(2)
Repayment of hire purchase obligations	(126)	(208)
Repayment of project financing	(7,453)	-
Repayment of term loan	(21,540)	(25,283)
Unpledged fixed deposits as security	217	-
<b>Net Financing Cash Flows</b>	<b>(14,596)</b>	<b>(19,941)</b>
Net change in cash and cash equivalents	357	(10,974)
Effect of foreign exchange translation	(1,198)	391
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	<b>(960)</b>	<b>(119)</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Fixed deposits placed with licensed banks	5,101	6,725
Cash and bank balances	6,503	5,410
Bank overdrafts	(7,727)	(7,200)
	3,877	4,935
Less: Fixed deposits pledged as security	(4,837)	(5,054)
<b>Total</b>	<b>(960)</b>	<b>(119)</b>

*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 31 MARCH 2018

#### 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 year:

###### 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 and IC Interpretations

MFRS 1	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 3	Business Combinations
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 6	Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 14	Amendments to MFRS 14 Regulatory Deferral Accounts
MFRS 15	Effective Date of MFRS 15
MFRS 15	Clarifications to MFRS 15 "Revenue from Contracts with Customers"
MFRS 101	Amendments to MFRS 101 Presentation of Financial Statements
MFRS 108	Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 119	Amendments to MFRS 119 (Plan Amendment, Curtailment or Settlement)
MFRS 123	Borrowing Costs
MFRS 128	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 128	Long-term Interests in Associates and Joint Ventures
MFRS 134	Amendments to MFRS 134 Interim Financial Reporting
MFRS 137	Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Amendments to MFRS 138 Intangible Assets
MFRS 140	Transfers of Investment Property
IC Interpretation 12	Amendments to IC Interpretation 12 Service Concession Arrangements



## CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

#### A2. CHANGES IN ACCOUNTING POLICIES (Continued)

##### Amendments to MFRSs and IC Interpretations (Continued)

IC Interpretation 19	Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Amendments to IC Interpretation 132 Intangible Assets – Web Site Costs

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.

#### A4. SEASONAL OR CYCLICAL FACTORS

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

#### A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect for the current quarter ended 31 March 2018.

#### A7. DEBT AND EQUITY SECURITIES

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

#### A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.



**CENSO HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

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

**A9. SEGMENTAL REPORTING**

**12 months ended 31 March 2018 (Current Financial Year)**

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	49,609	-	49,609	(20,659)
PAS	289	-	289	(299)
WMS	3,449	-	3,449	(822)
TS	24,848	-	24,848	7,016
NSW	-	-	-	-
FMS - C	16,668	-	16,668	197
OTHERS	4,534	(4,445)	89	(2,936)
ASSOCIATE	-	-	-	11,403
<b>TOTAL</b>	<b>99,397</b>	<b>(4,445)</b>	<b>94,952</b>	<b>(6,100)</b>

- 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 – Dagang Nexchange Berhad (“DNeX”)

**12 months ended 31 March 2017 (Previous Financial Year - Restated)**

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	26,270	-	26,270	(14,442)
PAS	1,344	(513)	831	(910)
WMS	5,272	-	5,272	1,440
TS	12,663	(121)	12,542	3,382
NSW	85,283	(1,027)	84,256	100,430
FMS - C	19,215	-	19,215	3,926
OTHERS	7,651	(7,651)	-	(23,450)
ASSOCIATE	-	-	-	6,042
<b>TOTAL</b>	<b>157,698</b>	<b>(9,312)</b>	<b>148,386</b>	<b>76,418</b>



## **CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

### **INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

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

##### **A10. SIGNIFICANT SUBSEQUENT EVENT**

On 30 April 2018, the Company's wholly-owned subsidiary, Century Software (M) Sdn Bhd accepted a Letter of Appointment from Pembangunan Sumber Manusia Berhad ("PSMB") for a contract named "Service Provider for the ICT Transformation and Implementation of an Integrated Core and Finance System" for a total contract sum of RM73.35 million with the tenure contract for a period of up to 5 years.

##### **A11. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current quarter ended 31 March 2018.

##### **A12. CHANGES IN CONTINGENT LIABILITIES**

As at 31 March 2018, the Group's contingent liabilities are as follows:-

- (a) Bank Guarantee  
The Company has pledged a fixed deposit of RM3.98 million for a bank guarantee facility extended to a subsidiary company.
- (b) Corporate Guarantee  
Corporate guarantees totaling RM18.5 million were issued to licensed banks for credit facilities granted to a subsidiary company.
- (c) Term Loans  
Kenanga Investment Bank Berhad loan outstanding is RM37.26 million, secured by way of 280,056,609 DNex shares.

##### **A13. CAPITAL COMMITMENTS**

The Group does not have any material commitment for capital expenditure for the current quarter ended 31 March 2018.



**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

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

**A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

(a) Identity 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 year under review:-

	<b>3 Months Ended 31/03/2018 RM'000</b>	<b>12 Months Ended 31/03/2018 RM'000</b>
<b>Related Parties</b>		
Office rental *	142	646
<b>Key Management Personnel</b>		
Fees	313	617
Non-fee emoluments	331	1,140

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.*



**CENSO HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

**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 QUARTER**

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	3 Months Ended 31/03/2018	3 Months Ended 31/3/2017	Changes		12 Months Ended 31/03/2018	12 Months Ended 31/3/2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
		(Restated)				(Restated)		
Revenue	30,565	18,988	11,577	61.0%	94,952	148,386	(53,434)	-36.0%
Operating Loss	(15,883)	(12,928)	(2,955)	-22.9%	(13,964)	(15,758)	1,794	11.4%
Loss Before Interest and Tax	(15,883)	(12,928)	(2,955)	-22.9%	(13,964)	(15,758)	1,794	11.4%
(Loss)/Profit Before Tax	(12,077)	(11,942)	(135)	-1.1%	(6,100)	76,418	(82,518)	>-100%
(Loss)/Profit After Tax	(12,571)	(12,437)	(134)	-1.1%	(7,561)	71,166	(78,727)	>-100%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(13,226)	(13,527)	301	2.2%	(8,365)	9,894	(18,259)	>-100%

The Group registered revenue of RM30.57 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM18.99 million. The higher revenue for the current quarter as compared to the previous year's corresponding quarter was mainly due to the contribution from FMS-G segment with the achievement of 97.28% completion for the project of MAMPU National Registry.

The Group recorded a loss before taxation of RM12.08 million for the current quarter compared to the previous year's corresponding quarter loss before taxation of RM11.94 million. The higher of the loss before taxation recorded in current quarter was mainly due to the recognition of impairment loss on trade receivable of RM10.14 million and cost overrun for the existing project in order to fast track the implementation progress.



**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

**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 31/03/2018	3 Months Ended 31/3/2017	Changes		12 Months Ended 31/03/2018	12 Months Ended 31/3/2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>REVENUE</b>		(Restated)				(Restated)		
FMS - G	20,335	6,075	14,260	>100%	49,609	26,270	23,339	88.8%
PAS	60	73	(13)	-17.8%	289	831	(542)	-65.2%
WMS	779	1,748	(969)	-55.4%	3,449	5,272	(1,823)	-34.6%
TS	5,659	5,589	70	1.3%	24,848	12,542	12,306	98.1%
NSW	-	-	-	-	-	84,256	(84,256)	-100.0%
FMS - C	3,739	5,503	(1,764)	-32.1%	16,668	19,215	(2,547)	-13.3%
OTHERS	(7)	-	(7)	-	89	-	89	N/A
	<u>30,565</u>	<u>18,988</u>	<u>11,577</u>	<u>61.0%</u>	<u>94,952</u>	<u>148,386</u>	<u>(53,434)</u>	<u>-36.0%</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>								
FMS - G	(16,914)	(14,643)	(2,271)	-15.5%	(20,659)	(14,442)	(6,217)	-43.0%
PAS	(71)	(483)	412	85.3%	(299)	(910)	611	67.1%
WMS	(90)	626	(716)	>-100%	(822)	1,440	(2,262)	>-100%
TS	1,861	1,760	101	5.7%	7,016	3,382	3,634	>100%
NSW	-	(801)	801	-	-	100,430	(100,430)	-100.0%
FMS - C	210	(873)	1,083	>100%	197	3,926	(3,729)	-95.0%
OTHERS	(1,705)	(1,313)	(392)	-29.9%	(2,936)	(23,450)	20,514	87.5%
ASSOCIATE	4,632	3,785	847	22.4%	11,403	6,042	5,361	88.7%
	<u>(12,077)</u>	<u>(11,942)</u>	<u>(135)</u>	<u>1.1%</u>	<u>(6,100)</u>	<u>76,418</u>	<u>(82,518)</u>	<u>&gt;-100%</u>



**CENSO HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

**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 36.0% to RM94.95 million. The lower revenue was mainly due to non-recognition of revenue under NSW segment in first and second quarter of previous year.

For the current year to date, profit before taxation decreased by more than 100% to loss of RM6.10 million, again this was due to the significant contribution from NSW segment in previous year's corresponding period. The recognition of impairment losses on trade receivables and costs overrun for the existing project slashed the profit derived from share of associate result and strong profit contribution from TS segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 31/03/2018	3 Months Ended 31/12/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	30,565	22,049	8,516	38.6%
Operating (Loss)/Profit	(15,883)	124	(16,007)	>-100%
(Loss)/Profit Before Interest and Tax	(15,883)	124	(16,007)	>-100%
(Loss)/Profit Before Tax	(12,077)	1,430	(13,507)	-944.5%
(Loss)/Profit After Tax	(12,571)	972	(13,543)	>-100%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(13,226)	1,366	(14,592)	>-100%

For the current quarter, the Group posted revenue of RM30.57 million, an increase of 38.6% over the preceding quarter. The Group recorded loss before taxation of RM12.08 million, a dropped of more than 100% from the preceding quarter's profit before taxation of RM1.43 million.





**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

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

**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	
	31/03/2018	31/12/2017			31/03/2018	31/12/2017		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
	<b>REVENUE</b>				<b>PROFIT/(LOSS) BEFORE TAX</b>			
FMS - G	20,335	10,251	10,084	98.4%	(16,914)	(1,278)	(15,636)	>-100%
PAS	60	7	53	>100%	(71)	(105)	34	32.4%
WMS	779	571	208	36.4%	(90)	(512)	422	82.4%
TS	5,659	7,065	(1,406)	-19.9%	1,861	1,655	206	12.4%
NSW	-	-	-	-	-	-	-	-
FMS - C	3,739	4,155	(416)	-10.0%	210	(217)	427	>100%
OTHERS	(7)	-	(7)	-	(1,705)	(226)	(1,479)	>100%
ASSOCIATE	-	-	-	-	4,632	2,113	2,519	>100%
	<u>30,565</u>	<u>22,049</u>	<u>8,516</u>	<u>38.6%</u>	<u>(12,077)</u>	<u>1,430</u>	<u>(13,507)</u>	<u>&gt;-100%</u>

The Group recorded higher revenue of RM30.57 million for the current quarter as compared to RM22.05 million in the preceding quarter mainly due to the contribution from FMS-G segment with the achievement of 97.28% completion for the project of MAMPU National Registry. However, the profit before taxation decreased by more than 100% from RM1.43 million to loss before taxation of RM12.08 million. This was mainly due to the additional costs incurred for the existing projects to accelerate the implementation progress and recognition of impairment losses on trade receivables.



## CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

#### **B3. NEW FINANCIAL YEAR PROSPECTS**

Overall market sentiment remains weak and challenging, even with the “Zero GST” impact. Broadly, the Group to focus on the following initiatives:-

- (i) FMS – G Segment  
Using the Acumatica technology focus to refresh the Government and Local Council accounts.  
  
Current order book stands at some RM86.9 million.
- (ii) PAS Segment  
Seeking to grow e-payment and collection solution gateways with strategic partners to strengthen customer base.
- (iii) WMS Segment  
Improving solution offerings for enterprise market in Indonesia financial sector.
- (iv) TS Segment  
Expanding on the Industry 4.0 eco system value chain opportunities.
- (v) FMS – C Segment  
Repositioning “Financio” accounting software value proposition to enlarge 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.

#### **B6. TAXATION**

Taxation comprises the following:

	<b>3 Months Ended 31/03/2018 RM'000</b>	<b>12 Months Ended 31/03/2018 RM'000</b>
Current tax	494	1,461



## CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

##### **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**

There were no disposals of quoted securities by the Group 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
<b>Secured</b>			
<u>As at 31 March 2018</u>			
Hire purchase	502	126	628
Project financing	-	-	-
Term loans	27,720	9,540	37,260
Bank overdrafts	-	7,727	7,727
	<u>28,222</u>	<u>17,393</u>	<u>45,615</u>
<u>As at 31 March 2017</u>			
Hire purchase	628	126	754
Project financing	-	7,453	7,453
Term loans	27,860	15,940	43,800
Bank overdrafts	-	7,200	7,200
	<u>28,488</u>	<u>30,719</u>	<u>59,207</u>

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.

There were no any loan instalment during the current quarter and the Group's gearing ratio increased to 0.44 times as compared to previous year's corresponding quarter.



## CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

#### **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**

###### **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.

<b>Date</b>	<b>No of Warrants</b>	<b>No of Shares Issues</b>	<b>Proceeds RM</b>	<b>Listing Date</b>
2 December 2014	7,500	7,500	3,450	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 B is 111,405,217.

##### **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 21 May 2018, 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.



**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018**

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

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

**Basic (loss)/earnings per share**

The basic (loss)/earnings per share has been calculated by dividing the net (loss)/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 31/3/2018	3 Months Ended 31/3/2017 (Restated)	12 Months Ended 31/3/2018	12 Months Ended 31/3/2017 (Restated)
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(13,226)	(13,527)	(8,365)	9,894
Number of ordinary shares in issue ('000)	501,956	501,703	501,956	501,703
Basic (loss)/earnings per share (sen)	<u>(2.63)</u>	<u>(2.70)</u>	<u>(1.67)</u>	<u>1.97</u>

**Diluted earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/3/2018	3 Months Ended 31/3/2017 (Restated)	12 Months Ended 31/3/2018	12 Months Ended 31/3/2017 (Restated)
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(13,226)	(13,527)	(8,365)	9,894
<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 (loss)/earnings per share (sen)	<u>(2.16)</u>	<u>(2.21)</u>	<u>(1.36)</u>	<u>1.61</u>



## CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

### INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

#### **B16. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	<b>3 Months Ended 31/03/2018 RM'000</b>	<b>12 Months Ended 31/03/2018 RM'000</b>
Depreciation and amortisation	2,090	8,552
Finance costs	826	3,539
Impairment losses on trade receivables	10,140	10,140
Interest income	(73)	(183)
Gain on disposal of investment in associates	-	(2,776)

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.

#### **B17. COMPARATIVE FIGURE**

##### **Prior Year Adjustment**

A prior year adjustment in relation to change in accounting treatment reported by DNeX requires the followings adjustments:

##### Prior year adjustment 1 – Restatement of share of results in associate

The prior year adjustment relates to the incorrect discount rate of 10% based on weighted average cost of capital (“WACC”) used in determining the net present value of the associate’s assets retirement obligations (“ARO”). The use of this incorrect rate was considered to be an accounting error. Therefore, a revised discount rate of 4.3% based upon a risk-free approach was adopted to reflect the retrospective restatement.

##### Prior year adjustment 2 – Restatement of tax expense

The prior year adjustment relates to incorrect unutilized tax losses recorded in the previous financial year of approximately RM4.7 million. This amount has been adjusted and represents a correction in the financial statement for the year ended 31 March 2017.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018****PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B17. COMPARATIVE FIGURE (Continued)****Prior Year Adjustment (Continued)**

Accordingly, changes shall involve the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows.

The effects of the said adjustments are detailed below:

	<b>As Previously Reported RM'000</b>	<b>Prior Year Adjustment RM'000</b>	<b>As Restated RM'000</b>
<b>Statement of financial position</b>			
<b>As at 31 March 2017</b>			
Investment in associates	96,877	(2,239)	94,638
Retained earnings	53,999	(2,152)	51,847
Foreign exchange traslation	2,031	(87)	1,944
<hr/>			
<b>Statement of comprehensive income for the financial year ended 31 March 2017</b>			
Share of associates result	100,406	(2,152)	98,254
Other comprehensive income	1,928	(87)	1,841
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**B18. AUTHORISATION FOR ISSUE**

The interim financial statements were authorized for release by the Board of Directors as per the Board Meeting held on 28 May 2018.