



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2019
First Quarter Ended 30 June 2018



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/6/2018 RM'000	3 Months Ended 30/6/2017 RM'000	3 Months Ended 30/6/2018 RM'000	3 Months Ended 30/6/2017 RM'000
Revenue	17,439	17,415	17,439	17,415
Cost of sales	(7,573)	(11,057)	(7,573)	(11,057)
Gross profit	9,866	6,358	9,866	6,358
Other income	290	1,559	290	1,559
Administrative expenses	(8,133)	(6,735)	(8,133)	(6,735)
Other expenses	(244)	(933)	(244)	(933)
Results from operating activities	1,779	249	1,779	249
Finance costs	(1,035)	(973)	(1,035)	(973)
Profit/(Loss) before share of associates result	744	(724)	744	(724)
Share of associates result	1,973	1,991	1,973	1,991
Profit before tax and zakat	2,717	1,267	2,717	1,267
Income tax expense	(273)	(88)	(273)	(88)
Net profit for the financial period	2,444	1,179	2,444	1,179
Other comprehensive income	(662)	(114)	(662)	(114)
Total comprehensive income for the financial period	1,782	1,065	1,782	1,065
Net profit attributable to:				
Equity holders of the Company	2,291	1,290	2,291	1,290
Non-controlling interests	153	(111)	153	(111)
	2,444	1,179	2,444	1,179
Total comprehensive income attributable to:				
Equity holders of the Company	1,629	1,243	1,629	1,243
Non-controlling interests	153	(178)	153	(178)
	1,782	1,065	1,782	1,065
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	0.46	0.26	0.46	0.26
Diluted (sen)	0.37	0.20	0.37	0.20

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	UNAUDITED	AUDITED
	As At	As At
	30/6/2018	31/03/2018
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	2,344	1,620
Intangible assets	19,530	20,738
Goodwill	28,638	29,039
Investments	100	100
Investment in associate	94,931	92,352
	<u>145,543</u>	<u>143,849</u>
Current assets		
Inventories	38	34
Amount owing by contract customers	397	397
Trade receivables	34,667	39,889
Other receivables, deposits and prepayments	9,130	7,799
Tax refundable	412	1,093
Fixed deposits placed with licensed banks	4,597	4,533
Short-term investments	70	568
Cash and bank balances	6,828	5,491
	<u>56,139</u>	<u>59,804</u>
TOTAL ASSETS	<u>201,682</u>	<u>203,653</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	50,196	50,196
Share premium	50,379	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	44,671	42,380
Foreign exchange translation reserve	(2,575)	(3,100)
Share option reserve	1,037	1,037
	<u>131,408</u>	<u>128,592</u>
Non-controlling interests	8,440	7,251
Total equity	<u>139,848</u>	<u>135,843</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (Continued)**

	UNAUDITED	AUDITED
	As At	As At
	30/6/2018	31/03/2018
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	37,469	28,248
Deferred taxation	1,702	1,788
	<u>39,171</u>	<u>30,036</u>
Current liabilities		
Trade payables	3,566	4,460
Other payables and accruals	6,346	10,121
Amount owing to a related party	350	228
Short term borrowings	125	9,707
Deferred income	3,418	3,613
Bank overdrafts	6,807	7,727
Provision for taxation	2,051	1,918
	<u>22,663</u>	<u>37,774</u>
Total liabilities	<u>61,834</u>	<u>67,810</u>
TOTAL EQUITY AND LIABILITIES	<u>201,682</u>	<u>203,653</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.18	25.63

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	←————— Attributable to Equity Holders of the Company —————→								Total Equity RM'000
	←————— Non-Distributable —————→				Distributable				
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Share Option Reserve	Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	
(UNAUDITED)									
At 1 April 2018	50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251	135,843
Profit after taxation	-	-	-	-	-	2,291	2,291	153	2,444
Other comprehensive income for the financial period:									
- Foreign currency translation differences	-	-	-	-	(81)	-	(81)	-	(81)
- Accretion loss from changes in a subsidiary's ownership interests	-	-	-	-	-	-	-	(22)	(22)
- Disposal of partial investment in subsidiary	-	-	-	-	-	-	-	1,245	1,245
- Share of other comprehensive income of associate	-	-	-	-	606	-	606	-	606
Total comprehensive income for the financial period	-	-	-	-	525	2,291	2,816	1,376	4,192
Contributions by and distributions to owners of the Company:									
Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	-	(187)	(187)
At 30 June 2018	50,196	50,379	(12,300)	1,037	(2,575)	44,671	131,408	8,440	139,848

* - 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 2018 (Continued)**

	← 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	Share Option Reserve	Translation Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
(AUDITED)									
At 1 April 2017, restated	50,170	50,379	(12,300)	-	1,944	51,847	142,040	10,965	153,005
Total comprehensive income	-	-	-	-	(5,044)	(9,123)	(14,167)	1,136	(13,031)
Contributions by and distributions to owners of the Company:									
Conversion of Warrant A	26	-	-	-	-	-	26	-	26
Accretion loss from changes in a subsidiary's ownership interests	-	-	-	-	-	(344)	(344)	(2,644)	(2,988)
Dividends:									
- By subsidiaries to NCI	-	-	-	-	-	-	-	(2,206)	(2,206)
Total Transaction with Owners	26	-	-	-	-	(344)	(318)	(4,850)	(5,168)
Share of share option reserve of an associate	-	-	-	1,037	-	-	1,037	-	1,037
At 31 March 2018	50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251	135,843

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 2018.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	UNAUDITED 3 Months Ended 30/06/2018 RM'000	UNAUDITED 3 Months Ended 30/06/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	2,717	1,267
Adjustments for:		
Amortisation of intangible assets	1,241	1,913
Depreciation of plant and equipment	232	149
Gain on disposal of investment in associate	-	(1,403)
Gain on partial disposal of investment in subsidiary	(2)	-
Interest expense	1,035	973
Interest income	(43)	(34)
Share of results from an associate	(1,973)	(1,991)
Operating profit before working capital changes	<u>3,207</u>	<u>874</u>
Changes in working capital:		
Amount owing by contract customers	-	534
Inventories	(4)	(5)
Trade and other receivables	3,891	(4,581)
Trade and other payables	(4,669)	3,666
Deferred income	(195)	(524)
Amount owing to related party	122	(149)
Interest received	43	34
Finance cost	(1,035)	(973)
Net Operating Cash Flows	<u>1,360</u>	<u>(1,124)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	-	(20)
Purchase of treasury share	(22)	-
Purchase of property, plant and equipment	(956)	-
Proceeds from disposal of partial interest on subsidiary	1,650	-
Proceeds from disposal of investment in associates	-	5,100
Intangible assets additions	(33)	-
Net Investing Cash Flows	<u>639</u>	<u>5,080</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR PERIOD 30 JUNE 2018 (Continued)**

	UNAUDITED	UNAUDITED
	3 Months	3 Months
	Ended	Ended
	30/06/2018	30/06/2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(187)	-
Drawdown of term loan	22,000	-
Repayment of hire purchase obligations	(101)	(32)
Repayment of term loan	(22,260)	(5,070)
Net Financing Cash Flows	(548)	(5,102)
Net change in cash and cash equivalents	1,451	(1,146)
Effect of foreign exchange translation	368	(114)
Cash and cash equivalents at the beginning of the financial year	(1,623)	(119)
Cash and cash equivalents at the end of the financial year	196	(1,379)
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	4,597	6,777
Short term investments	70	-
Cash and bank balances	6,828	5,007
Bank overdrafts	(6,807)	(8,109)
	4,688	3,675
Less: Fixed deposits pledged as security	(4,488)	(5,054)
Total	200	(1,379)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 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 2018. 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 2018.

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 2018. 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 16	Leases
MFRS 17	Insurance Contracts
IC Interpretation 23	Uncertainty over Income Tax Treatments

Amendments to MFRSs and IC Interpretations

MFRS 3	Business Combinations
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 123	Borrowing 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 2018.

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 2018.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

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 2018 (Current Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	9,608	-	9,608	1,832
PAS	67	-	67	(46)
WMS	1,020	-	1,020	154
TS	3,029	-	3,029	890
FMS - C	3,715	-	3,715	(200)
OTHERS	585	(585)	-	(1,886)
ASSOCIATE	-	-	-	1,973
TOTAL	18,024	(585)	17,439	2,717

FMS – G : Financial Management Solution – Government

PAS : Payment Aggregation Solutions

WMS : Wealth Management Solutions

TS : Training Solutions

FMS – C : Financial Management Solution – Commercial

ASSOCIATE : Investment in Associates – Dagang Nexchange Berhad ("DNeX")

3 months ended 30 June 2017 (Previous 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
FMS - C	4,115	-	4,115	(142)
OTHERS	610	(514)	96	720
ASSOCIATE	-	-	-	1,991
TOTAL	17,929	(514)	17,415	1,267



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

A10. SIGNIFICANT SUBSEQUENT EVENTS

- (a) On 23rd July 2018, the Company’s 70% owned subsidiary, Knowledgecom Corporation Sdn Bhd (“KCOM”) has incorporated a new subsidiary, Knowledgecom Pte Ltd (“KCOMS”) with 1 ordinary share for a cash consideration of SGD1 (equivalent to approximately RM3), representing 100% equity interest in KCOMS. The principal activities of KCOMS are to provide a range of specialized IT and application courses from Microsoft, SAP, Oracle, and few others. Training on other operating system platforms are conducted based on its clientele request.
- (b) On 15th August 2018, the Company has incorporated a new subsidiary, Cendee Sdn Bhd (“Cendee”) with 1,530 ordinary shares for a cash consideration of RM1/share, representing 51% equity interest in Cendee. The intended principal business activities of Cendee is to develop a platform for integrated financial interactions across the blockchain ecosystem comprising of the internet and private key cryptography, to deploy custom decentralized application and infrastructure support, to enhance big data security, to provide a platform for data related transactions, to set up and manage peer to peer online software system, to enable virtual asset trading, including e-commerce platforms, payment services to merchants, backed systems, integration, application programming interface and other services alike.
- (c) On 23rd August 2018, the Company’s wholly-owned subsidiary, Century Software (M) Sdn Bhd (“CSM”) received a Letter of Award from Dewan Bandaraya Kuala Lumpur (“DBKL”) for a project named “Comprehensive Maintenance and Support Services of ePBT Financial Management System for a tenure of 12 months with a project sum of RM3.85 million.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 30 June 2018 other than the following share transaction:-

On 31 May 2018, the Company disposed of 200,000 ordinary shares of Knowledgecom Corporation Sdn Bhd (“KCOM”) for a cash consideration of RM1.65 million. Consequently, the Company’s equity interest in KCOM was further reduced from 80% to 70%.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 30 June 2018, the Group’s contingent liabilities are as follows:-

- (a) Bank Guarantee
The Company has pledged a fixed deposit of RM4.49 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
 - (i) Kenanga Investment Bank Berhad loan outstanding is RM15 million, secured by way of 122,056,609 DNeX shares.
 - (ii) MIDF Amanah Investment Bank Berhad loan outstanding is RM22 million, secured by way of 158,000,000 DNeX shares



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INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

A13. CAPITAL COMMITMENTS

The Group does not have any material commitment for capital expenditure for the current quarter ended 30 June 2018.

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 period under review:-

	3 Months Ended 30/06/2018 RM'000	3 Months Ended 30/06/2018 RM'000
Related Parties		
Office rental *	142	142
Key Management Personnel		
Directors		
- Fees	95	95
- Non-fee emoluments	321	321

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 30 JUNE 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 30/06/2018	3 Months Ended 30/6/2017	Changes		3 Months Ended 30/06/2018	3 Months Ended 30/6/2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	17,439	17,415	24	0.1%	17,439	17,415	24	0.1%
Operating Profit	1,779	249	1,530	>100.0%	1,779	249	1,530	>100.0%
Profit Before Interest and Tax	1,779	249	1,530	>100.0%	1,779	249	1,530	>100.0%
Profit Before Tax	2,717	1,267	1,450	>100.0%	2,717	1,267	1,450	>100.0%
Profit After Tax	2,444	1,179	1,265	>100.0%	2,444	1,179	1,265	>100.0%
Net Profit Attributable to Ordinary Equity Holders of the Company	2,291	1,290	1,001	77.6%	2,291	1,290	1,001	77.6%

The Group registered revenue of RM17.44 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM17.42 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 fast track of SAGA projects implementation.

The Group recorded a profit before taxation of RM2.72 million for the current quarter compared to the previous year's corresponding quarter profit before taxation of RM1.27 million. The higher of the profit before taxation recorded in current quarter was mainly due to the higher project deliverables in both SAGA and special projects under FMS-G segment.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 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 30/06/2018	3 Months Ended 30/6/2017	Changes		3 Months Ended 30/06/2018	3 Months Ended 30/6/2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
FMS - G	9,608	7,063	2,545	36.0%	9,608	7,063	2,545	36.0%
PAS	67	142	(75)	-52.8%	67	142	(75)	-52.8%
WMS	1,020	529	491	92.8%	1,020	529	491	92.8%
TS	3,029	5,470	(2,441)	-44.6%	3,029	5,470	(2,441)	-44.6%
FMS - C	3,715	4,115	(400)	-9.7%	3,715	4,115	(400)	-9.7%
OTHERS	-	96	(96)	-100.0%	-	96	(96)	-100.0%
	<u>17,439</u>	<u>17,415</u>	<u>24</u>	<u>0.1%</u>	<u>17,439</u>	<u>17,415</u>	<u>24</u>	<u>0.1%</u>
PROFIT/(LOSS) BEFORE TAX								
FMS - G	1,832	(1,811)	3,643	>100.0%	1,832	(1,811)	3,643	>100.0%
PAS	(46)	(34)	(12)	-35.3%	(46)	(34)	(12)	-35.3%
WMS	154	(601)	755	125.6%	154	(601)	755	125.6%
TS	890	1,144	(254)	-22.2%	890	1,144	(254)	-22.2%
FMS - C	(200)	(142)	(58)	-40.8%	(200)	(142)	(58)	-40.8%
OTHERS	(1,886)	720	(2,606)	>100.0%	(1,886)	720	(2,606)	>100.0%
ASSOCIATE	1,973	1,991	(18)	-0.9%	1,973	1,991	(18)	-0.9%
	<u>2,717</u>	<u>1,267</u>	<u>1,450</u>	<u>>100.0%</u>	<u>2,717</u>	<u>1,267</u>	<u>1,450</u>	<u>>100.0%</u>



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 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 increased by 0.1% to RM17.44 million, attributed by the FMS-G segment with higher project deliverables. However, the revenue decline in TS segment was grossly due to more funding restrictions on training programme implemented by the new government.

For the current year to date, profit before taxation increased by more than 100% to RM2.72 million, again this was mainly due to the positive contribution from FMS-G segment. The contribution from “OTHERS” segment in previous corresponding period was a non-recurring gain on partial disposal of DNeX shares.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 30/06/2018	3 Months Ended 31/3/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	17,439	29,880	(12,441)	-41.6%
Operating Profit/(Loss)	1,779	(15,487)	17,266	>100%
Profit/(Loss) Before Interest and Tax	1,779	(15,487)	17,266	>100%
Profit/(Loss) Before Tax	2,717	(12,810)	15,527	>100%
Profit/(Loss) After Tax	2,444	(12,997)	15,441	>100%
Net Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	2,291	(13,984)	16,275	>100%

For the current quarter, the Group posted revenue of RM17.44 million, a decrease of 41.6% over the preceding quarter. The Group recorded profit before taxation of RM2.72 million, an increment of more than 100% from the preceding quarter’s loss before taxation of RM12.81 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	3 Months	Changes		3 Months	3 Months	Changes	
	Ended	Ended			Ended	Ended		
	30/06/2018	31/3/2017	RM'000	%	30/06/2018	31/3/2017	RM'000	%
RM'000	RM'000			RM'000	RM'000			
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	9,608	20,290	(10,682)	-52.6%	1,832	(16,976)	18,808	>100%
PAS	67	(169)	236	>100%	(46)	(86)	40	46.5%
WMS	1,020	678	342	50.4%	154	(210)	364	>100%
TS	3,029	5,587	(2,558)	-45.8%	890	1,861	(971)	-52.2%
FMS - C	3,715	3,494	221	6.3%	(200)	804	(1,004)	>-100%
OTHERS	-	-	-	-	(1,886)	(1,705)	(181)	-10.6%
ASSOCIATE	-	-	-	-	1,973	3,502	(1,529)	-43.7%
	<u>17,439</u>	<u>29,880</u>	<u>(12,441)</u>	<u>-41.6%</u>	<u>2,717</u>	<u>(12,810)</u>	<u>15,527</u>	<u>>100%</u>

The Group recorded lower revenue of RM17.44 million for the current quarter as compared to RM29.88 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 in preceding quarter. However, the profit before taxation increased by more than 100% from loss of RM12.81 million to profit before taxation of RM2.72 million. This significant loss in the preceding quarter was mainly due to the additional costs incurred for the existing projects to accelerate the implementation progress coupled with the recognition of impairment loss on trade receivables amounting to RM8.44 million.



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B3. NEW FINANCIAL YEAR PROSPECTS

The Board expects the overall market sentiment to remain challenging but is mindful that the country's digitalization agenda of both the government bodies and business sectors will generate a positive work environment. Accordingly, the Group has also initiated new investments in blockchain technology and the adoption of cloud based financial solutions to stay competitive, including expansion on e-learning solutions and e-commerce transactions to scale up the Group's business activities to record better performance.

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:

	3 Months Ended 30/06/2018 RM'000	3 Months Ended 30/06/2018 RM'000
Current tax	273	273



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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 except for the disposal of 200,000 ordinary shares in KCOM as disclosed in Note A11.

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
Secured			
<u>As at 30 June 2018</u>			
Hire purchase	469	125	594
Term loans	37,000	-	37,000
Bank overdrafts	-	6,807	6,807
	<u>37,469</u>	<u>6,932</u>	<u>44,401</u>
<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
	<u>22,117</u>	<u>32,897</u>	<u>55,014</u>

The Bank overdrafts are secured by pledging of shares by the Company's major shareholders, Saas Global Sdn Bhd, DNeX Shares and fixed deposits of the Company pledged to a licensed bank.

The Group had made the total repayment of term loans by RM260,000 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

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	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 August 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.



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B15. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial period 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 30/6/2018	3 Months Ended 30/6/2017	3 Months Ended 30/6/2018	3 Months Ended 30/6/2017

Net profit attributable to ordinary equity holders of the Company (RM'000)	2,291	1,290	2,291	1,290
Number of ordinary shares in issue ('000)	501,956	501,703	501,956	501,703
Basic earnings per share (sen)	<u>0.46</u>	<u>0.26</u>	<u>0.46</u>	<u>0.26</u>

Diluted earnings per share

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
3 Months Ended 30/6/2018	3 Months Ended 30/6/2017	3 Months Ended 30/6/2018	3 Months Ended 30/6/2017

Net profit attributable to ordinary equity holders of the Company (RM'000)	2,291	1,290	2,291	1,290
<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 A	-	29,495	-	29,495
Adjustment for dilutive effect on Conversion of Warrants B	111,405	111,405	111,405	111,405
	<u>613,361</u>	<u>642,603</u>	<u>613,361</u>	<u>642,603</u>
Basic earnings per share (sen)	<u>0.37</u>	<u>0.20</u>	<u>0.37</u>	<u>0.20</u>



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B16. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	3 Months Ended 30/06/2018 RM'000	3 Months Ended 30/06/2018 RM'000
Depreciation and amortisation	1,473	1,473
Finance costs	1,035	1,035
Interest income	(43)	(43)
Gain on disposal of investment in subsidiary	(2)	(2)

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. AUTHORISATION FOR ISSUE

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