



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2020
Third Quarter Ended 31 December 2019



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/12/2019 RM'000	3 Months Ended 31/12/2018 RM'000	9 Months Ended 31/12/2019 RM'000	9 Months Ended 31/12/2018 RM'000
Revenue	16,683	15,177	45,330	48,803
Cost of sales	(11,838)	(8,295)	(27,317)	(25,336)
Gross profit	4,845	6,882	18,013	23,467
Other income	3,467	368	3,890	769
Administrative expenses	(6,872)	(7,606)	(19,654)	(23,639)
Other expenses	(171)	(247)	(584)	(1,342)
Results from operating activities	1,269	(603)	1,665	(745)
Finance costs	(752)	(906)	(2,294)	(2,775)
(Loss) / Profit before share of associates result	517	(1,509)	(629)	(3,520)
Share of associates result	50	1,622	3,589	5,452
Profit before tax and zakat	567	113	2,960	1,932
Income tax expense	(495)	(298)	(704)	(255)
Net profit for the financial period	72	(185)	2,256	1,677
Other comprehensive income	(832)	(1)	61	(1,084)
Total comprehensive income for the financial period	(760)	(186)	2,317	593
Net profit attributable to:				
Equity holders of the Company	(83)	219	1,536	2,418
Non-controlling interests	155	(404)	720	(741)
	72	(185)	2,256	1,677
Total comprehensive income attributable to:				
Equity holders of the Company	(258)	841	2,255	1,935
Non-controlling interests	(502)	(1,027)	62	(1,342)
	(760)	(186)	2,317	593
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	(0.02)	0.04	0.31	0.48

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2019.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	UNAUDITED	AUDITED
	As At 31/12/2019 RM'000	As At 31/03/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,981	2,158
Intangible assets	17,787	19,542
Goodwill	29,039	29,039
Investments	3,300	100
Investment in associate	97,036	95,462
Deferred tax asset	186	-
	<u>149,329</u>	<u>146,301</u>
Current assets		
Inventories	45	44
Trade receivables	21,686	20,321
Other receivables, deposits and prepayments	7,437	4,340
Amount owing by related parties	619	1,184
Current tax assets	674	697
Fixed deposits placed with licensed banks	4,739	9,991
Cash and bank balances	5,535	6,591
	<u>40,735</u>	<u>43,168</u>
TOTAL ASSETS	<u>190,064</u>	<u>189,469</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	100,575	100,575
Merger deficit	(12,300)	(12,300)
Retained profits	43,866	42,982
Foreign exchange translation reserve	(1,334)	(1,449)
Share option reserve	167	168
	<u>130,974</u>	<u>129,976</u>
Non-controlling interests	<u>3,677</u>	<u>3,914</u>
Total equity	<u>134,651</u>	<u>133,890</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (Continued)**

	UNAUDITED	AUDITED
	As At	As At
	31/12/2019	31/03/2019
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	15,836	16,008
Deferred taxation	1,181	1,260
	<u>17,017</u>	<u>17,268</u>
Current liabilities		
Trade payables	2,609	2,401
Other payables and accruals	5,600	5,567
Amount owing to a related party	48	48
Short term borrowings	21,185	21,192
Deferred income	5,645	4,005
Bank overdrafts	1,853	3,563
Provision for taxation	1,456	1,535
	<u>38,396</u>	<u>38,311</u>
Total liabilities	<u>55,413</u>	<u>55,579</u>
TOTAL EQUITY AND LIABILITIES	<u>190,064</u>	<u>189,469</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.09	25.89

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2019.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	←————— Attributable to Equity Holders of the Company —————→								
	←————— Non-Distributable —————→				Distributable				
	Share Capital	Share Premium	Merger Deficit	Share Option Reserve	Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(UNAUDITED)									
At 1 April 2019	100,575	-	(12,300)	168	(1,449)	42,982	129,976	3,914	133,890
Profit after taxation	-	-	-	-	-	1,536	1,536	720	2,256
Other comprehensive income for the financial period:									
- Foreign currency translation differences	-	-	-	(1)	53	-	52	(1)	51
- Disposal of partial investment in subsidiary	-	-	-	-	-	-	-	149	149
- Share of other comprehensive income of associate	-	-	-	-	62	-	62	-	62
Total comprehensive income for the financial period	-	-	-	(1)	115	1,536	1,650	868	2,518
Contributions by and distributions to owners of the Company:									
- Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	-	(1,105)	(1,105)
Share of equity reserve of an associate	-	-	-	-	-	(652)	(652)	-	(652)
At 31 December 2019	100,575	-	(12,300)	167	(1,334)	43,866	130,974	3,677	134,651



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (Continued)**

	← Attributable to Equity Holders of the Company →					Retained Profits RM'000	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	Share Option Reserve RM'000	Translation Reserve RM'000				
(AUDITED)									
At 1 April 2018	50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251	135,843
- Adjustment on initial application of MFRS 9, net of tax	-	-	-	-	-	(329)	(329)	-	(329)
Adjusted balance as at 1 April 2018	50,196	50,379	(12,300)	1,037	(3,100)	42,051	128,263	7,251	135,514
Profit / (Loss) after taxation	-	-	-	-	-	681	681	(1,590)	(909)
Other comprehensive income:									
- Foreign currency translation differences	-	-	-	-	142	-	142	-	142
- Share of other comprehensive income of an equity accounted associate	-	-	-	-	1,521	-	1,521	-	1,521
Total comprehensive income	-	-	-	-	1,663	681	2,344	(1,590)	754
Contributions by and distributions to owners of the Company:									
- Accretion loss from changes in a subsidiary's ownership interests	-	-	-	-	-	1,581	1,581	(2,099)	(518)
- Share issued by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	49	49
- Dividends by subsidiaries to NCI	-	-	-	-	-	-	-	(814)	(814)
- Transfer to share capital upon implementation of the Companies Act 2016	50,379	(50,379)	-	-	-	-	-	-	-
- Changes in a subsidiary's ownership interests that do no result in a loss of control	-	-	-	-	-	533	533	1,117	1,650
Total transactions with owners	50,379	(50,379)	-	-	-	2,114	2,114	(1,747)	367
Share of equity reserve of an associate	-	-	-	(869)	(12)	(1,864)	(2,745)	-	(2,745)
At 31 March 2019	100,575	-	(12,300)	168	(1,449)	42,982	129,976	3,914	133,890

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 2019.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	UNAUDITED 9 Months Ended 31/12/2019 RM'000	UNAUDITED 9 Months Ended 31/12/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,960	1,932
Adjustments for:		
Amortisation of intangible assets	3,507	3,458
Depreciation of plant and equipment	538	475
Gain on partial disposal of investment in subsidiary	(806)	(2)
Impairment losses on trade receivables	-	(606)
Interest expense	2,294	2,775
Interest income	(181)	(290)
Share of results from an associate	(3,589)	(5,452)
Operating profit before working capital changes	4,723	2,290
Changes in working capital:		
Amount owing by contract customers	-	397
Inventories	(1)	(7)
Trade and other receivables	(4,462)	18,985
Trade and other payables	241	(6,585)
Deferred income	1,640	91
Amount owing to related party	565	(128)
Income tax paid	(1,081)	(275)
Interest received	-	290
Finance cost	(2,294)	(2,775)
Net Operating Cash Flows	(669)	12,283
CASH FLOWS FROM INVESTING ACTIVITIES		
Incorporation of subsidiaries	-	(51)
Purchase of property, plant and equipment	(361)	(1,026)
Purchase of treasury shares	-	(94)
Purchase of unquoted shares	(3,200)	-
Proceeds from disposal of partial interest on subsidiary	-	413
Intangible assets additions	(1,752)	(3,058)
Net Investing Cash Flows	(5,313)	(3,816)

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (Continued)**

	UNAUDITED	UNAUDITED
	9 Months	9 Months
	Ended	Ended
	31/12/2019	31/12/2018
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends received from an associates	1,425	-
Dividends paid to non-controlling interests	(1,105)	-
Drawdown of term loan	-	22,700
Interest received	181	-
Proceeds from disposal of partial interest in an indirect subsidiary	906	-
Repayment of hire purchase obligations	(103)	(99)
Repayment of term loan	(76)	(22,403)
Unpledged fixed deposits as security	3,269	487
Net Financing Cash Flows	4,497	685
Net change in cash and cash equivalents	(1,485)	9,152
Effect of foreign exchange translation	115	194
Cash and cash equivalents at the beginning of the financial year	9,059	(1,623)
Cash and cash equivalents at the end of the financial year	7,689	7,723
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	4,739	3,996
Short term investments	-	-
Cash and bank balances	5,535	13,531
Bank overdrafts	(1,853)	(5,803)
	8,421	11,724
Less: Fixed deposits pledged as security	(732)	(4,001)
Total	7,689	7,723

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2019.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

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 2019. 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 2019.

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 2019. 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 17	Insurance Contracts
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Amendments to MFRSs and IC Interpretations

MFRS 3	Business Combinations
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors

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 2019.

A4. SEASONAL OR CYCLICAL FACTORS

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

A5. UNUSUAL SIGNIFICANT ITEMS

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

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect for the current quarter ended 31 December 2019.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019**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**9 months ended 31 December 2019 (Current Financial Period)**

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	26,291	-	26,291	2,281
PAS	255	-	255	(115)
WMS	4,215	-	4,215	651
TS	2,593	-	2,593	(90)
FMS - C	11,976	-	11,976	1,670
OTHERS	-	-	-	(5,026)
ASSOCIATE	-	-	-	3,589
TOTAL	45,330	-	45,330	2,960

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”)

9 months ended 31 December 2018 (Previous Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	26,995	-	26,995	3,208
PAS	299	-	299	55
WMS	3,476	-	3,476	(426)
TS	6,716	-	6,716	408
FMS - C	11,072	-	11,072	(1,173)
OTHERS	1,281	(1,036)	245	(5,592)
ASSOCIATE	-	-	-	5,452
TOTAL	49,839	(1,036)	48,803	1,932



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

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

A10. SIGNIFICANT SUBSEQUENT EVENTS

On 2nd January 2020, the Company had entered into a Share Sales and Purchase Agreement (“SSPA”) to acquire 108,000 Ordinary Shares and subscribe 300,000 new Ordinary Shares in Netsense Business Solutions Sdn Bhd (“NBSB”) to make up to 51% of the issued and paid-up shares capital of NBSB. The total purchase consideration and share subscription value are RM408,000.

On the same date, the Company had entered into a SSPA to acquire 26,500 Ordinary Shares and subscribe 50,000 new Ordinary Shares in Netsense Business Solutions Pte Ltd (“NBPL”) to make up to 51% of the issued and paid-up shares capital of NBPL. The total purchase consideration and share subscription value are SGD76,500 (equivalent to approximately RM237,150).

Both companies became 51% subsidiaries of the Company upon the completion of the Conditions Precedent stated in the SSPA at the same date.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 December 2019 except as follows:

On 23rd December 2019, the Company’s subsidiary, Knowledgecom Corporation Sdn Bhd had entered into a Share Sales and Purchase Agreement (“SSPA”) to strategic divestment 30,000 Ordinary Shares in Knowledgecom Pte Ltd (“KCPL”) comprising of 30% of the issued and paid-up share capital of KCPL for a total consideration of SGD300,000 (equivalent to approximately of RM918,000) with Mr Philip Teng Chee Wan and Ms Sharon Lim Siok Lin. Upon the completion of this SSPA on the same date, KCPL remain as an indirect subsidiary with an effective equity interest of 49% held by the Company.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 31 December 2019, the Group’s contingent liabilities are as follows:-

- (a) Bank Guarantee
The subsidiary company has pledged a fixed deposit of RM0.4 million for a bank guarantee facility.
- (b) Corporate Guarantee
Corporate guarantees totaling RM8.6 million were issued to licensed banks for credit facilities granted to subsidiary companies.
- (c) Term Loans
 - (i) Kenanga Investment Bank Berhad loan outstanding is RM15.0 million, secured by way of 117,056,609 DNeX shares and a fixed deposit of RM0.3 million.
 - (ii) MIDF Amanah Investment Bank Berhad loan outstanding is RM21.0 million, secured by way of 158,000,000 DNeX shares and third-party shares.



CENSOF HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

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 31 December 2019.

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 31/12/2019 RM'000	9 Months Ended 31/12/2019 RM'000
Related Parties		
Office rental *	141	423
Key Management Personnel		
Directors		
- Fees	106	319
- Non-fee emoluments	407	1,254

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 *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 DECEMBER 2019

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 31/12/2019	3 Months Ended 31/12/2018	Changes		9 Months Ended 31/12/2019	9 Months Ended 31/12/2018	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	16,683	15,177	1,506	9.9%	45,330	48,803	(3,473)	-7.1%
Operating Profit / (Loss)	1,269	(603)	1,872	>100%	1,665	(745)	2,410	>100%
Profit / (Loss) Before Interest and Tax	1,269	(603)	1,872	>100%	1,665	(745)	2,410	>100%
Profit Before Tax	567	113	454	>100%	2,960	1,932	1,028	53.2%
Profit / (Loss) After Tax	72	(185)	257	>100%	2,256	1,677	579	34.5%
Net (Loss) / Profit Attributable to Ordinary Equity Holders of the Company	(83)	219	(302)	>-100%	1,536	2,418	(882)	-36.5%

The Group registered revenue of RM16.68 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM15.18 million. The higher revenue for the current quarter as compared to the previous year's corresponding quarter was due to the recovery by the TS segment.

The Group managed to record a profit before taxation of RM0.57 million for the current financial period against the previous financial period of RM0.11 million. The positive contributing factors were as follows:

- (a) Recognition of non-recurring capital gain of RM0.81 million upon disposal of 30% equity interest in Knowledgecom Pte Ltd under TS segment; and
- (b) Continuous cost management effort to reduce and align operating costs by FMS-C segment under the prevailing weak market condition.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

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 31/12/2019	3 Months Ended 31/12/2018	Changes		9 Months Ended 31/12/2019	9 Months Ended 31/12/2018	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
FMS - G	10,126	9,096	1,030	11.3%	26,291	26,995	(704)	-2.6%
PAS	114	47	67	142.6%	255	299	(44)	-14.7%
WMS	1,219	1,719	(500)	-29.1%	4,215	3,476	739	21.3%
TS	1,342	575	767	>100%	2,593	6,716	(4,123)	-61.4%
FMS - C	3,882	3,740	142	3.8%	11,976	11,072	904	8.2%
OTHERS	-	-	-	-	-	245	(245)	>-100%
	<u>16,683</u>	<u>15,177</u>	<u>1,506</u>	<u>9.9%</u>	<u>45,330</u>	<u>48,803</u>	<u>(3,473)</u>	<u>-7.1%</u>
PROFIT / (LOSS) BEFORE TAX								
FMS - G	1,020	980	40	4.1%	2,281	3,208	(927)	-28.9%
PAS	(3)	91	(94)	>-100%	(115)	55	(170)	>-100%
WMS	13	295	(282)	-95.6%	651	(426)	1,077	>100%
TS	633	(668)	1,301	>100%	(90)	408	(498)	>-100%
FMS - C	492	(403)	895	>100%	1,670	(1,173)	2,843	>100%
OTHERS	(1,638)	(1,804)	166	9.2%	(5,026)	(5,592)	566	10.1%
ASSOCIATE	50	1,622	(1,572)	-96.9%	3,589	5,452	(1,863)	-34.2%
	<u>567</u>	<u>113</u>	<u>454</u>	<u>>100%</u>	<u>2,960</u>	<u>1,932</u>	<u>1,028</u>	<u>53.2%</u>



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2019

**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 7.1% to RM45.33 million, arising mainly from the significant lower contribution by the TS segment, due to the Government's on-going review of Industry 4.0 training allocations during second quarter of last FYE 2019. TS segment has improved in the current quarter after the expansion of business operation in Singapore.

However, the Group recorded profit before taxation of RM2.96 million, an improvement of 53.2% from the previous year's corresponding period. This was mainly attributed by the management effort of continuous cost down initiatives by the FMS-C segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 31/12/2019 RM'000	3 Months Ended 30/09/2019 RM'000	Changes	
			RM'000	%
Revenue	16,683	15,450	1,233	8.0%
Operating Profit / (Loss)	1,269	(328)	1,597	>-100.0%
Profit / (Loss) Before Interest and Tax	1,269	(328)	1,597	>-100.0%
Profit Before Tax	567	420	147	35.0%
Profit After Tax	72	290	(218)	-75.2%
Net Loss Attributable to Ordinary Equity Holders of the Company	(83)	(178)	95	53.4%

In the current quarter, the Group registered a higher revenue of 8.0% over the preceding quarter. The profit before tax was in line with revenue and increase to RM0.57 million against the preceding quarter profit before tax of RM0.42 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	
	31/12/2019	30/09/2019			31/12/2019	30/09/2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	10,126	8,791	1,335	15.2%	1,020	(381)	1,401	>100%
PAS	114	76	38	50.0%	(3)	(43)	40	93.0%
WMS	1,219	1,602	(383)	-23.9%	13	480	(467)	-97.3%
TS	1,342	996	346	34.7%	633	(130)	763	>100.0%
FMS - C	3,882	3,985	(103)	-2.6%	492	742	(250)	-33.7%
OTHERS	-	-	-	-	(1,638)	(1,785)	147	8.2%
ASSOCIATE	-	-	-	-	50	1,537	(1,487)	-96.7%
	<u>16,683</u>	<u>15,450</u>	<u>1,233</u>	<u>8.0%</u>	<u>567</u>	<u>420</u>	<u>147</u>	<u>35.0%</u>

The Group recorded higher revenue of RM16.68 million for the current quarter as compared to RM15.45 million in the preceding quarter mainly due to the higher revenue recognition for the FMS-G segment.

The profit before taxation was increased from RM0.42 million in preceding quarter to RM0.57 million in current quarter, mainly attributed by the recognition of compensation from Northport legal case (RM2.24million) under FMS-G segment and gain on disposal of 30% equity interest in Knowledgecom Pte Ltd (RM0.81 million) under TS segment. However, the profit before tax was partially offset by the lower contribution from the shares of associate result.



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B3. CURRENT FINANCIAL YEAR PROSPECTS

The country's digitalization agenda for both the government bodies and private sector continues to generate positive traction in the adoption of new technologies especially in cloud based financial solutions. With the acquisition of both Netsense Business Solutions Sdn Bhd and Netsense Business Solutions Pte Ltd, the Group remain focus on the expansion of Acumatica xRP and Financio platform to enlarge market presence in both Malaysia and Singapore.

The Board remain cautious and expects the financial year to remain challenging in view of global uncertainties and the outbreak of Covid-19 which can impact on the implementation progress of ICT expenditure.

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 31/12/2019 RM'000	9 Months Ended 31/12/2019 RM'000
Current tax	495	704

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 transaction disclosed in Note A11.



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B8. PURCHASE AND/OR DISPOSAL OF QUOTED SECURITIES

There were no purchase or disposal of quoted securities by the Group during the current quarter under review.

	RM'000
Quoted investment at cost as at 30 September 2019	58,080

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 31 December 2019</u>			
Hire purchase	255	137	392
Term loans	15,581	21,048	36,629
Bank overdrafts	-	1,853	1,853
	<u>15,836</u>	<u>23,038</u>	<u>38,874</u>
<u>As at 31 March 2019</u>			
Hire purchase	358	137	495
Term loans	15,650	21,055	36,705
Bank overdrafts	-	3,563	3,563
	<u>16,008</u>	<u>24,755</u>	<u>40,763</u>

The bank overdrafts and term loans are secured by pledging of shares by the Company's major shareholders, Saas Global Sdn Bhd, DNeX Shares and fixed deposits.

The Group had made repayment of RM32k for term loan during the current quarter and the Group's gearing ratio was improved at 0.29 time as compared to 0.30 times at 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 years 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
8 October 2019	50	50	23	9 October 2019
9 October 2019	750	750	345	10 October 2019

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

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 February 2020, 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. (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 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 31/12/2019	3 Months Ended 31/12/2018	9 Months Ended 31/12/2019	9 Months Ended 31/12/2018
Net profit attributable to ordinary equity holders of the Company (RM'000)	(83)	219	1,536	2,418
Number of ordinary shares in issue ('000)	501,957	501,956	501,957	501,956
Basic (loss) / earnings per share (sen)	<u>(0.02)</u>	<u>0.04</u>	<u>0.31</u>	<u>0.48</u>

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 31/12/2019 RM'000	9 Months Ended 31/12/2019 RM'000
Depreciation and amortisation	1,514	4,045
Finance costs	752	2,294
Interest income	(44)	(181)
	<u>1,222</u>	<u>6,158</u>

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 February 2020.