



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2021
First Quarter Ended 30 June 2020



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/06/2020 RM'000	3 Months Ended 30/06/2019 RM'000	3 Months Ended 30/06/2020 RM'000	3 Months Ended 30/06/2019 RM'000
Revenue	13,207	13,197	13,207	13,197
Cost of sales	(7,561)	(5,873)	(7,561)	(5,873)
Gross profit	5,646	7,324	5,646	7,324
Other income	9,594	308	9,594	308
Administrative expenses	(5,518)	(6,672)	(5,518)	(6,672)
Other expenses	(1,109)	(236)	(1,109)	(236)
Results from operating activities	8,613	724	8,613	724
Finance costs	(370)	(753)	(370)	(753)
Profit / (Loss) before share of associates result	8,243	(29)	8,243	(29)
Share of associates result	-	2,002	-	2,002
Profit before tax and zakat	8,243	1,973	8,243	1,973
Income tax expense	(125)	(79)	(125)	(79)
Net profit for the financial period	8,118	1,894	8,118	1,894
Other comprehensive income	316	575	316	575
Total comprehensive income for the financial period	8,434	2,469	8,434	2,469
Net profit attributable to:				
Equity holders of the Company	8,129	1,797	8,129	1,797
Non-controlling interests	(11)	97	(11)	97
	8,118	1,894	8,118	1,894
Total comprehensive income attributable to:				
Equity holders of the Company	8,445	2,372	8,445	2,372
Non-controlling interests	(11)	97	(11)	97
	8,434	2,469	8,434	2,469
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	1.62	0.36	1.62	0.36

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	UNAUDITED	AUDITED
	As At 30/06/2020 RM'000	As At 31/03/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	501	1,870
Right-of Use Assets	1,055	1,743
Intangible assets	15,766	16,541
Goodwill	26,324	26,324
Other investments	3,300	3,300
	<u>46,946</u>	<u>49,778</u>
Current assets		
Inventories	46	41
Trade receivables	22,008	28,874
Other receivables, deposits and prepayments	6,575	5,858
Amount owing by related parties	232	826
Current tax assets	160	672
Short-term investments	22,870	13,976
Fixed deposits placed with licensed banks	2,764	3,754
Cash and bank balances	6,045	7,610
	<u>60,700</u>	<u>61,611</u>
TOTAL ASSETS	<u>107,646</u>	<u>111,389</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	100,575	100,575
Merger deficit	(12,300)	(12,300)
Accumulated losses	(21,654)	(29,783)
Foreign exchange translation reserve	(438)	(754)
	<u>66,183</u>	<u>57,738</u>
Non-controlling interests	<u>4,247</u>	<u>6,342</u>
Total equity	<u>70,430</u>	<u>64,080</u>

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020 (Continued)**

	UNAUDITED	AUDITED
	As At	As At
	30/06/2020	31/03/2020
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	10,200	10,563
Lease liabilities	287	887
Deferred taxation	932	1,035
	<u>11,419</u>	<u>12,485</u>
Current liabilities		
Trade payables	1,858	2,965
Other payables and accruals	6,829	8,177
Amount owing to a related party	150	199
Short term borrowings	7,848	11,358
Lease liabilities	774	1,189
Deferred income	6,086	5,762
Bank overdrafts	456	3,577
Provision for taxation	1,796	1,597
	<u>25,797</u>	<u>34,824</u>
Total liabilities	<u>37,216</u>	<u>47,309</u>
TOTAL EQUITY AND LIABILITIES	<u>107,646</u>	<u>111,389</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	13.19	11.51

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	←————— Attributable to Equity Holders of the Company —————→							Total Equity RM'000
	←————— Non-Distributable —————→				Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	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 2020	100,575	(12,300)	-	(754)	(29,783)	57,738	6,342	64,080
Profit after taxation	-	-	-	-	8,129	8,129	(11)	8,118
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	316	-	316	-	316
Total comprehensive income for the financial period	-	-	-	316	8,129	8,445	(11)	8,434
Contributions by and distributions to owners of the Company:								
- Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	(806)	(806)
- Disposal of investment in subsidiary	-	-	-	-	-	-	(1,278)	(1,278)
At 30 June 2020	100,575	(12,300)	-	(438)	(21,654)	66,183	4,247	70,430



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (Continued)**

	Attributable to Equity Holders of the Company					Attributable to Owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-Distributable		Distributable					
	Share Capital RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000			
(AUDITED)								
At 1 April 2019	100,575	(12,300)	168	(1,449)	42,982	129,976	3,914	133,890
Profit / (Loss) after taxation	-	-	-	-	(72,421)	(72,421)	772	(71,649)
Other comprehensive income:								
- Foreign currency translation differences	-	-	-	(169)	-	(169)	-	(169)
- Share of other comprehensive income of an equity accounted associate	-	-	-	1,773	-	1,773	-	1,773
Total comprehensive income	-	-	-	1,604	(72,421)	(70,817)	772	(70,045)
Contributions by and distributions to owners of the Company:								
- Accretion loss from changes in a subsidiary's ownership interests	-	-	-	-	(2,950)	(2,950)	2,950	-
- Acquisition of subsidiaries	-	-	-	-	-	-	109	109
- Warrant exercise	*	-	-	-	-	*	-	*
- Share issued by a subsidiary to non-controlling interest	-	-	-	-	-	-	98	98
- Dividends by subsidiaries to NCI	-	-	-	-	-	-	(1,662)	(1,662)
- Changes in a subsidiary's ownership interests that do no result in a loss of control	-	-	-	-	742	742	161	903
Total transactions with owners	-	-	-	-	(2,208)	(2,208)	1,656	(552)
Share of equity reserve of an associate	-	-	(1)	6	(594)	(589)	-	(589)
Reversal of reserves related to disposal of an associate	-	-	(167)	(915)	2,458	1,376	-	1,376
At 31 March 2020	100,575	(12,300)	-	(754)	(29,783)	57,738	6,342	64,080

Note (*) – Amount below RM500.

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 2020.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	UNAUDITED 3 Months Ended 30/06/2020 RM'000	UNAUDITED 3 Months Ended 30/06/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,243	1,973
Adjustments for:		
Amortisation of intangible assets	1,309	882
Depreciation of plant and equipment	68	184
Fair value gain on quoted investment	(8,894)	-
Interest expense	370	753
Interest income	(8)	(88)
Share of results from an associate	-	(2,002)
Loss on disposal of investment in subsidiary	983	-
Operating profit before working capital changes	2,071	1,702
Changes in working capital:		
Inventories	(5)	1
Trade and other receivables	6,149	(1,527)
Trade and other payables	(2,455)	(2,670)
Deferred income	324	(256)
Amount owing to related party	545	300
Income tax paid	(135)	(106)
Finance cost	(370)	(753)
Net Operating Cash Flows	6,124	(3,309)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(180)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	(1,338)	-
Intangible assets additions	(534)	(1,386)
Net Investing Cash Flows	(1,872)	(1,566)

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (Continued)**

	UNAUDITED	UNAUDITED
	3 Months	3 Months
	Ended	Ended
	30/06/2020	30/06/2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(806)	-
Decrease in pledged fixed deposits with licensed bank and restricted cash	-	3,228
Interest received	8	88
Proceeds from disposal of subsidiary	800	-
Repayment of lease liabilities	(264)	-
Repayment of hire purchase obligations	(152)	(79)
Repayment of term loan	(3,588)	-
Share buyback by a subsidiary	-	-
Net Financing Cash Flows	(4,002)	3,237
Net change in cash and cash equivalents	250	(1,638)
Effect of foreign exchange translation	316	(122)
Cash and cash equivalents at the beginning of the financial year	6,853	9,059
Cash and cash equivalents at the end of the financial year	7,419	7,299
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	2,764	6,554
Cash and bank balances	6,045	5,399
Bank overdrafts	(456)	(3,922)
	8,353	8,031
Less: Fixed deposits pledged as security	(934)	(732)
Total	7,419	7,299

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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 2020. 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 2020.

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 2020. 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

Amendments to MFRSs and IC Interpretations

MFRS 1	Annual Improvements to MFRS Standards 2018-2020
MFRS 3	Business Combinations - Reference to the Conceptual Framework
MFRS 9	Financial Instruments – Annual Improvements to MFRS Standards 2018-2020
MFRS 16	Covid-19 Related Rent Concessions
MFRS 17	Insurance Contracts – Amendments to Insurance Contracts
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 137	Provision, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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 2020.

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.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect for the current quarter ended 30 June 2020.

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 2020 (Current Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	8,253	-	8,253	1,708
PAS	43	-	43	(11)
WMS	536	-	536	(785)
TS	60	-	60	(177)
FMS - C	4,315	-	4,315	809
OTHERS	1,323	(1,323)	-	6,699
ASSOCIATE	-	-	-	-
TOTAL	14,530	(1,323)	13,207	8,243

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 2019 (Previous Financial Period)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	7,374	-	7,374	1,642
PAS	65	-	65	(69)
WMS	1,394	-	1,394	158
TS	255	-	255	(593)
FMS - C	4,109	-	4,109	436
OTHERS	-	-	-	(1,603)
ASSOCIATE	-	-	-	2,002
TOTAL	13,197	-	13,197	1,973



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

A10. SIGNIFICANT SUBSEQUENT EVENTS

On 10th July 2020, the Company had disposed the short-term investment of 71 million Ordinary Shares in Dagang Nexchange Berhad (“DNeX”) comprising 4.04% of the issued and paid-up share capital of DNeX for a total consideration of RM12.78 million.

On 24th July 2020, the Company’s wholly-owned subsidiary, Century Software (M) Sdn Bhd accepted a Letter of Award from Dewan Bandaraya Kuala Lumpur (“DBKL”) for a project named “Menaiktaraf Sistem Penilaian Dan Pengurusan Harta Dewan Bandaraya Kuala Lumpur” for a tenure of 18 months with a total contract sum of RM4.98 million.

On 7th August 2020, the Company further disposed the short-term investment of 46.057 million Ordinary Shares in Dagang Nexchange Berhad (“DNeX”) comprising 2.62% of the issued and paid-up share capital of DNeX for a total consideration of RM10.365 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 2020 except as follows:

Disposal of a Subsidiary

On 4th May 2020, the Company had entered into a Sale and Purchase of Shares Agreement (“SPSA”) to fully dispose its entire 70% equity interest of 1.4 million Ordinary Shares in Knowledgecom Corporation Sdn Bhd (“KCOM”) for a total sales consideration of RM1.5 million under the management buy-out arrangement (“MBO”). On the same date, all the indirect subsidiaries, Global Strategic Partners Sdn Bhd, Knowledgecom Pte Ltd and Beyond4 Sdn Bhd, ceased as indirect subsidiaries of Censof.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 30 June 2020, 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 RM12.71 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 RM5.00 million, secured by way of third-party shares.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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 2020.

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 30/06/2020 RM'000	3 Months Ended 30/06/2020 RM'000
Related Parties		
Office rental *	132	132
Key Management Personnel		
Directors		
- Fees	106	106
- Non-fee emoluments	420	420

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 30 JUNE 2020

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 30/06/2020 RM'000	3 Months Ended 30/06/2019 RM'000	Changes		3 Months Ended 30/06/2020 RM'000	3 Months Ended 30/06/2019 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	13,207	13,197	10	0.1%	13,207	13,197	10	0.1%
Operating Profit	8,613	724	7,889	>100.0%	8,613	724	7,889	>100.0%
Profit Before Interest and Tax	8,613	724	7,889	>100.0%	8,613	724	7,889	>100.0%
Profit Before Tax	8,243	1,973	6,270	>100.0%	8,243	1,973	6,270	>100.0%
Profit After Tax	8,118	1,894	6,224	>100.0%	8,118	1,894	6,224	>100.0%
Net Profit Attributable to Ordinary Equity Holders of the Company	8,129	1,797	6,332	>100.0%	8,129	1,797	6,332	>100.0%

The Group registered revenue of RM13.21 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM13.20 million. The higher revenue for the current quarter as compared to the previous year's corresponding quarter was due to the higher project deliverables under FMS-G segment and revenue contribution under FMS-C segment upon the new acquisition of Netsense Group in year 2020.

The Group recorded a significant profit before taxation of RM8.24 million for the current financial period against the previous financial period of RM1.97 million. The positive contributing factor was mainly due to the gain on fair value adjustment on short-term investment of approximately RM8.89 million by marked the DNeX's share price from 11 cents to 18 cents as on reporting date.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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 30/06/2020	3 Months Ended 30/06/2019	Changes		3 Months Ended 30/06/2020	3 Months Ended 30/06/2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE								
FMS - G	8,253	7,374	879	11.9%	8,253	7,374	879	11.9%
PAS	43	65	(22)	-33.8%	43	65	(22)	-33.8%
WMS	536	1,394	(858)	-61.5%	536	1,394	(858)	-61.5%
TS	60	255	(195)	-76.5%	60	255	(195)	-76.5%
FMS - C	4,315	4,109	206	5.0%	4,315	4,109	206	5.0%
OTHERS	-	-	-	0.0%	-	-	-	-
	<u>13,207</u>	<u>13,197</u>	<u>10</u>	<u>0.1%</u>	<u>13,207</u>	<u>13,197</u>	<u>10</u>	<u>0.1%</u>
PROFIT / (LOSS) BEFORE TAX								
FMS - G	1,708	1,642	66	4.0%	1,708	1,642	66	4.0%
PAS	(11)	(69)	58	-84.1%	(11)	(69)	58	-84.1%
WMS	(785)	158	(943)	>-100.0%	(785)	158	(943)	>-100.0%
TS	(177)	(593)	416	-70.2%	(177)	(593)	416	-70.2%
FMS - C	809	436	373	85.6%	809	436	373	85.6%
OTHERS	6,699	(1,603)	8,302	>-100.0%	6,699	(1,603)	8,302	>-100.0%
ASSOCIATE	-	2,002	(2,002)	-100.0%	-	2,002	(2,002)	-100.0%
	<u>8,243</u>	<u>1,973</u>	<u>6,270</u>	<u>>100.0%</u>	<u>8,243</u>	<u>1,973</u>	<u>6,270</u>	<u>>100.0%</u>



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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 RM13.21 million, arising mainly from the higher contribution by FMS-G segment and FMS-C segment. However, the revenue contribution from TS segment on training programmes was lower mainly due to the impact arising from the implementation of Movement Control Order and the subsequent discontinued the recognition of revenue from 4 of May 2020 onwards after the disposal the subsidiary, Knowledgecom Corporation Sdn Bhd.

The Group recorded significant profit before taxation of RM8.24 million as compared to the previous year's corresponding period. This was mainly attributed by the gain on fair value adjustment on short-term investment of approximately RM8.89 million by marked the DNeX's share price from 11 cents to 18 cents on reporting date.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 30/06/2020	3 Months Ended 31/03/2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue	13,207	32,529	(19,322)	-59.4%
Operating Profit / (Loss)	8,613	(73,549)	82,162	>100.0%
Profit / (Loss) Before Interest and Tax	8,613	(73,549)	82,162	>100.0%
Profit / (Loss) Before Tax	8,243	(73,805)	82,048	>100.0%
Profit / (Loss) After Tax	8,118	(73,905)	82,023	>100.0%
Net Profit / (Loss) Attributable to Ordinary Equity Holders of the Company	8,129	(73,957)	82,086	>100.0%

In the current quarter, the Group posted a lower revenue of 59.4% over the preceding quarter. However, the profit before tax improved to RM8.24 million against the preceding quarter loss before tax of RM73.81 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		
	30/06/2020	31/03/2020	30/06/2020	31/03/2020				
RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%	
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	8,253	26,415	(18,162)	-68.8%	1,708	5,794	(4,086)	-70.5%
PAS	43	19	24	>100.0%	(11)	(50)	39	-78.0%
WMS	536	1,526	(990)	-64.9%	(785)	472	(1,257)	>-100.0%
TS	60	207	(147)	-71.0%	(177)	(2,075)	1,898	-91.5%
FMS - C	4,315	4,362	(47)	-1.1%	809	762	47	6.2%
OTHERS	-	-	-	-	6,699	(79,044)	85,743	>-100.0%
ASSOCIATE	-	-	-	-	-	336	(336)	-100.0%
	<u>13,207</u>	<u>32,529</u>	<u>(19,322)</u>	<u>-59.4%</u>	<u>8,243</u>	<u>(73,805)</u>	<u>82,048</u>	<u>>-100.0%</u>

The Group recorded lower revenue of RM13.21 million for the current quarter as compared to RM32.53 million in the preceding quarter mainly due to higher revenue recognition for the FMS-G segment in preceding quarter due to the renewal of maintenance customers renewal at beginning of the new calendar year.

The loss before taxation situation of RM73.81 million in preceding quarter had turn into profit before taxation of RM8.24 million in current quarter. The negative contributing factors leading to the significant loss in the preceding quarter were due to:

- RM31.22 million loss on the partial disposal of investment in associates due to the forced selling of DNeX Shares carried out by MIDF Amanah Investment Bank Berhad ("MIDF"), in relation to the margin call arising from shortfall position;
- RM45.69 million loss arising from the re-measurement based on the remaining interest in DNeX's market value; and
- Impairment losses amounting to RM3.24 million related to goodwill in subsidiaries.



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B3. CURRENT FINANCIAL YEAR PROSPECTS

The Board expects the performance for the current financial year to be better after the major re-alignment of the Group's core business activities and the significant reduction in borrowings.

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 30/06/2020 RM'000	3 Months Ended 30/06/2020 RM'000
Current tax	125	125

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.

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 2020</u>			
Hire purchase	200	143	343
Term loans	10,000	7,705	17,705
Bank overdrafts	-	456	456
	<u>10,200</u>	<u>8,304</u>	<u>18,504</u>
<u>As at 30 June 2019</u>			
Hire purchase	324	137	461
Term loans	15,613	21,047	36,660
Bank overdrafts	-	3,922	3,922
	<u>15,937</u>	<u>25,106</u>	<u>41,043</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 RM3.59 million for term loans during the current quarter and the Group's gearing ratio was stood at 0.26 time as compared to 0.40 times at previous financial year.



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B10. STATUS OF CORPORATE PROPOSALS

Gross Proceeds from Disposal of Quoted Investment

After this financial quarter, the Company had disposed 46.057 million Ordinary Shares in DNeX for a total consideration of RM10.365 million, classified as short-term investment on 7th August 2020.

As at to-date, the status of the utilization on gross proceeds as follows:

Detail of Utilisation	Proposed Amount RM	Utilisation Period	Status
Repayment of principal term loan from Kenanga Investment Bank Berhad	3,500,000	Immediately	<i>Completed on 7th August 2020</i>
Repayment of principal and interest on share margin loan from MIDF Amanah Investment Bank Berhad	2,000,000	Within next 1 month from date of disposal	<i>Completed on 26th August 2020</i>
Strategic Investment	2,000,000	Within next 12 months from date of disposal	
Repayment of Bank Overdraft from Maybank under Subsidiary	1,500,000	Within next 2 months from date of disposal	
Working Capital	1,365,282	Within next 12 months from date of disposal	
TOTAL	10,365,282		

B11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this interim report.

B12. DERIVATIVES FINANCIAL INSTRUMENTS

There were no derivatives financial instruments as at the date of this interim report.

B13. MATERIAL LITIGATION

As at 20 August 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. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share has been calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 30/06/2020	3 Months Ended 30/06/2019	3 Months Ended 30/06/2020	3 Months Ended 30/06/2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	8,129	1,797	8,129	1,797
Number of ordinary shares in issue ('000)	501,759	501,758	501,759	501,758
Basic earnings per share (sen)	<u>1.62</u>	<u>0.36</u>	<u>1.62</u>	<u>0.36</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 30/06/2020 RM'000	3 Months Ended 30/06/2020 RM'000
Depreciation and amortisation	1,377	1,377
Finance costs	370	370
Loss on disposal of subsidiary	983	983
Fair value gain on quoted investment	(8,894)	(8,894)
Interest income	(8)	(8)

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 27 August 2020.