



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2019
Second Quarter Ended 30 September 2018



CENSO HOLDINGS BERHAD
(Company No. 828269-A)

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

	UNAUDITED		UNAUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months	3 Months	6 Months	6 Months
	Ended	Ended	Ended	Ended
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	16,187	24,923	33,626	42,338
Cost of sales	(9,468)	(15,341)	(17,041)	(26,398)
Gross profit	6,719	9,582	16,585	15,940
Other income	111	427	401	1,986
Administrative expenses	(7,900)	(7,481)	(16,033)	(14,216)
Other expenses	(851)	(982)	(1,095)	(1,915)
Results from operating activities	(1,921)	1,546	(142)	1,795
Finance costs	(834)	(933)	(1,869)	(1,906)
(Loss)/Profit before share of associates result	(2,755)	613	(2,011)	(111)
Share of associates result	1,857	2,667	3,830	4,658
(Loss)/Profit before tax and zakat	(898)	3,280	1,819	4,547
Income tax expense	316	(421)	43	(509)
Net (loss)/profit for the financial period	(582)	2,859	1,862	4,038
Other comprehensive income	(421)	(208)	(1,083)	(322)
Total comprehensive income for the financial period	(1,003)	2,651	779	3,716
Net (loss)/profit attributable to:				
Equity holders of the Company	(92)	2,205	2,199	3,495
Non-controlling interests	(490)	654	(337)	543
	(582)	2,859	1,862	4,038
Total comprehensive income attributable to:				
Equity holders of the Company	(535)	2,099	1,094	3,342
Non-controlling interests	(468)	552	(315)	374
	(1,003)	2,651	779	3,716
(Loss)/Earnings per share attributable to equity holders of the Company:				
Basic (sen)	(0.02)	0.44	0.44	0.70
Diluted (sen)	(0.01)	0.36	0.36	0.57

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 SEPTEMBER 2018

	UNAUDITED	AUDITED
	As At	As At
	30/9/2018	31/03/2018
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,296	1,620
Intangible assets	21,250	20,738
Goodwill	28,638	29,039
Investments	100	100
Investment in associate	96,440	92,352
Deferred tax asset	123	-
	147,847	143,849
Current assets		
Inventories	34	34
Amount owing by contract customers	397	397
Trade receivables	30,315	39,889
Other receivables, deposits and prepayments	7,358	7,799
Tax refundable	411	1,093
Fixed deposits placed with licensed banks	4,001	4,533
Short-term investments	5,071	568
Cash and bank balances	4,728	5,491
	52,315	59,804
TOTAL ASSETS	200,162	203,653
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	100,575	50,196
Share premium	-	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	44,579	42,380
Foreign exchange translation reserve	(2,784)	(3,100)
Share option reserve	1,037	1,037
	131,107	128,592
Non-controlling interests	7,749	7,251
Total equity	138,856	135,843

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

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

	UNAUDITED As At 30/9/2018 RM'000	AUDITED As At 31/03/2018 RM'000
Non-current liabilities		
Long term borrowings	37,496	28,248
Deferred taxation	1,615	1,788
	<u>39,111</u>	<u>30,036</u>
Current liabilities		
Trade payables	3,766	4,460
Other payables and accruals	5,590	10,121
Amount owing to a related party	100	228
Short term borrowings	66	9,707
Deferred income	3,689	3,613
Bank overdrafts	7,459	7,727
Provision for taxation	1,525	1,918
	<u>22,195</u>	<u>37,774</u>
Total liabilities	<u>61,306</u>	<u>67,810</u>
TOTAL EQUITY AND LIABILITIES	<u>200,162</u>	<u>203,653</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.12	25.62

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 SEPTEMBER 2018

	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 2018	50,196	50,379	(12,300)	1,037	(3,100)	42,380	128,592	7,251	135,843
Profit after taxation	-	-	-	-	-	2,199	2,199	(337)	1,862
Other comprehensive income for the financial period:									
- Foreign currency translation differences	-	-	-	-	58	-	58	-	58
- Accretion loss from changes in a subsidiary's ownership interests	-	-	-	-	-	-	-	(94)	(94)
- Disposal of partial investment in subsidiary	-	-	-	-	-	-	-	1,245	1,245
- Share of other comprehensive income of associate	-	-	-	-	258	-	258	-	258
Total comprehensive income for the financial period	-	-	-	-	316	2,199	2,515	814	3,329
Contributions by and distributions to owners of the Company:									
- Transfer to share capital upon implementation of the Companies Act 2016	50,379	(50,379)	-	-	-	-	-	-	-
- Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	-	(365)	(365)
- Incorporation of subsidiaries	-	-	-	-	-	-	-	49	49
At 30 September 2018	100,575	-	(12,300)	1,037	(2,784)	44,579	131,107	7,749	138,856



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 (Continued)

	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
(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 SEPTEMBER 2018

	UNAUDITED 6 Months Ended 30/9/2018 RM'000	UNAUDITED 6 Months Ended 30/9/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,819	4,547
Adjustments for:		
Amortisation of intangible assets	2,009	3,734
Depreciation of plant and equipment	475	420
Gain on disposal of investment in associate	-	(1,706)
Gain on partial disposal of investment in subsidiary	(2)	-
Impairment losses on trade receivables	608	-
Interest expense	1,869	1,906
Interest income	(290)	(67)
Share of results from an associate	(3,830)	(4,658)
Operating profit before working capital changes	2,658	4,176
Changes in working capital:		
Amount owing by contract customers	-	5,071
Inventories	-	13
Trade and other receivables	10,644	(575)
Trade and other payables	(5,225)	(270)
Deferred income	76	(786)
Amount owing to related party	(128)	(149)
Income tax paid	(108)	(1,076)
Interest received	290	67
Finance cost	(1,869)	(1,906)
Net Operating Cash Flows	6,338	4,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	-	(20)
Incorporation of subsidiaries	(51)	-
Purchase of treasury share	(94)	-
Purchase of property, plant and equipment	(607)	-
Proceeds from disposal of partial interest on subsidiary	413	-
Proceeds from disposal of investment in associates	-	5,941
Intangible assets additions	(2,065)	(2,342)
Net Investing Cash Flows	(2,404)	3,579



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2018 (Continued)

	UNAUDITED 6 Months Ended 30/9/2018 RM'000	UNAUDITED 6 Months Ended 30/9/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends received from an associates	-	1,486
Drawdown of term loan	22,000	15,000
Proceeds from issuance of shares:		
- warrant A	-	25
Repayment of hire purchase obligations	(133)	(63)
Repayment of project financing	-	(7,453)
Repayment of term loan	(22,260)	(16,770)
Unpledged fixed deposits as security	487	-
Net Financing Cash Flows	94	(7,775)
Net change in cash and cash equivalents	4,028	369
Effect of foreign exchange translation	(65)	(322)
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	2,340	(72)
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	4,001	6,935
Short term investments	5,071	-
Cash and bank balances	4,728	5,926
Bank overdrafts	(7,459)	(7,879)
	6,341	4,982
Less: Fixed deposits pledged as security	(4,001)	(5,054)
Total	2,340	(72)

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 SEPTEMBER 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 September 2018.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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**6 months ended 30 September 2018 (Current Financial Period)**

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	17,899	-	17,899	2,228
PAS	252	-	252	(36)
WMS	1,757	-	1,757	(721)
TS	6,141	-	6,141	1,076
FMS - C	7,332	-	7,332	(770)
OTHERS	1,281	(1,036)	245	(3,788)
ASSOCIATE	-	-	-	3,830
TOTAL	34,662	(1,036)	33,626	1,819

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")

6 months ended 30 September 2017 (Previous Financial Period)

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



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

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

A10. SIGNIFICANT SUBSEQUENT EVENT

There was no significant subsequent event after the end of the quarter under review.

A11. CHANGES IN COMPOSITION OF THE GROUP

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

- (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.
- (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. Subsequently, the Company had further subscribed 49,470 ordinary shares for a cash consideration of RM1/share without changing the equity interest in Cendee.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 30 September 2018, the Group's contingent liabilities are as follows:-

- (a) Bank Guarantee
The Company has pledged a fixed deposit of RM4 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 117,056,609 DNeX shares.
 - (ii) MIDF Amanah Investment Bank Berhad loan outstanding is RM22 million, secured by way of 158,000,000 DNeX shares

**CENSOF HOLDINGS BERHAD**

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INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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 30/9/2018 RM'000	6 Months Ended 30/9/2018 RM'000
Related Parties		
Office rental *	142	284
Key Management Personnel		
Directors		
- Fees	133	228
- Non-fee emoluments	369	690

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 SEPTEMBER 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 30/9/2018 RM'000	3 Months Ended 30/9/2017 RM'000	Changes		6 Months Ended 30/9/2018 RM'000	6 Months Ended 30/9/2017 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	16,187	24,923	(8,736)	-35.1%	33,626	42,338	(8,712)	-20.6%
Operating (Loss)/Profit	(1,921)	1,546	(3,467)	>100.0%	(142)	1,795	(1,937)	>100.0%
(Loss)/Profit Before Interest and Tax	(1,921)	1,546	(3,467)	>100.0%	(142)	1,795	(1,937)	>100.0%
(Loss)/Profit Before Tax	(898)	3,280	(4,178)	>100.0%	1,819	4,547	(2,728)	-60.0%
(Loss)/Profit After Tax	(582)	2,859	(3,441)	>100.0%	1,862	4,038	(2,176)	-53.9%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(92)	2,205	(2,297)	>100.0%	2,199	3,495	(1,296)	-37.1%

The Group registered revenue of RM16.19 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM24.92 million. The lower revenue for the current quarter as compared to the previous year's corresponding quarter were mainly due to the lower contribution from FMS-G segment after the 100% completion for the project of MAMPU National Registry in preceding quarter and lesser training programme under TS segment.

The Group recorded a loss before taxation of RM0.90 million for the current quarter compared to the previous year's corresponding quarter profit before taxation of RM3.28 million. The loss before taxation recorded in current quarter were mainly due to the impairment losses of RM0.6 million for the trade receivables under WMS segment and in line with the dropped in revenue under TS segment.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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	3 Months	Changes		6 Months	6 Months	Changes	
	Ended	Ended			Ended	Ended		
	30/9/2018	30/9/2017	RM'000	%	30/9/2018	30/9/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
REVENUE								
FMS - G	8,291	11,960	(3,669)	-30.7%	17,899	19,023	(1,124)	-5.9%
PAS	185	80	105	>100.0%	252	222	30	13.5%
WMS	737	1,570	(833)	-53.1%	1,757	2,099	(342)	-16.3%
TS	3,112	6,654	(3,542)	-53.2%	6,141	12,124	(5,983)	-49.3%
FMS - C	3,617	4,659	(1,042)	-22.4%	7,332	8,774	(1,442)	-16.4%
OTHERS	245	-	245	N/A	245	96	149	>100.0%
	<u>16,187</u>	<u>24,923</u>	<u>(8,736)</u>	<u>-35.1%</u>	<u>33,626</u>	<u>42,338</u>	<u>(8,712)</u>	<u>-20.6%</u>
PROFIT/(LOSS) BEFORE TAX								
FMS - G	396	(656)	1,052	>100.0%	2,228	(2,467)	4,695	>100.0%
PAS	10	(89)	99	>100.0%	(36)	(123)	87	70.7%
WMS	(875)	381	(1,256)	>100.0%	(721)	(220)	(501)	>100.0%
TS	186	2,356	(2,170)	-92.1%	1,076	3,500	(2,424)	-69.3%
FMS - C	(570)	346	(916)	>100.0%	(770)	204	(974)	>100.0%
OTHERS	(1,902)	(1,725)	(177)	-10.3%	(3,788)	(1,005)	(2,783)	>100.0%
ASSOCIATE	1,857	2,667	(810)	-30.4%	3,830	4,658	(828)	-17.8%
	<u>(898)</u>	<u>3,280</u>	<u>(4,178)</u>	<u>>100.0%</u>	<u>1,819</u>	<u>4,547</u>	<u>(2,728)</u>	<u>-60.0%</u>



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 20.6% to RM33.63 million, attributed by both TS & FMS-G segment with lesser training programme and order books. The revenue declined in TS segment was due to uncertainty of funds allocation by the government.

For the current year to date, profit before taxation decreased 60.0% to RM1.82 million, again this was mainly due to the lower contribution from TS segment. The contribution from “OTHERS” segment in previous corresponding period was a non-recurring gain on partial disposal of DNeX shares. During the current year to date, there was a recognition of impairment losses of RM0.6 million for the trade receivables under WMS segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 30/9/2018 RM'000	3 Months Ended 30/6/2018 RM'000	Changes	
			RM'000	%
Revenue	16,187	17,439	(1,252)	-7.2%
Operating (Loss)/Profit	(1,921)	1,779	(3,700)	>-100%
(Loss)/Profit Before Interest and Tax	(1,921)	1,779	(3,700)	>-100%
(Loss)/Profit Before Tax	(898)	2,717	(3,615)	>-100%
(Loss)/Profit After Tax	(582)	2,444	(3,026)	>-100%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(92)	2,291	(2,383)	>-100%

For the current quarter, the Group posted revenue of RM16.19 million, a decrease of 7.2% over the preceding quarter. The Group recorded loss before taxation of RM0.90 million, a dropped of more than 100% from the preceding quarter’s profit before taxation of RM2.72 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		
	30/9/2018	30/6/2018	RM'000	%	30/9/2018	30/6/2018	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	8,291	9,608	(1,317)	-13.7%	396	1,832	(1,436)	-78.4%
PAS	185	67	118	>100%	10	(46)	56	>100%
WMS	737	1,020	(283)	-27.7%	(875)	154	(1,029)	>-100%
TS	3,112	3,029	83	2.7%	186	890	(704)	-79.1%
FMS - C	3,617	3,715	(98)	-2.6%	(570)	(200)	(370)	>-100%
OTHERS	245	-	245	-	(1,902)	(1,886)	(16)	-0.8%
ASSOCIATE	-	-	-	-	1,857	1,973	(116)	-5.9%
	16,187	17,439	(1,252)	-7.2%	(898)	2,717	(3,615)	>-100%

The Group recorded lower revenue of RM16.19 million for the current quarter as compared to RM17.44 million in the preceding quarter mainly due to the lower contribution from FMS-G segment after the 100% completion for the project of MAMPU National Registry in preceding quarter. However, the profit before taxation of RM2.72 million in preceding quarter had turn into loss before taxation of RM0.90 million. These significant losses in the current quarter were mainly due to the recognition of impairment losses of RM0.6 million under WMS segment and in line with the dropped in revenue under FMS-G segment.



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B3. CURRENT FINANCIAL YEAR PROSPECTS

The Board is encouraged by the country's drive to expand on the digitalization agenda involving both the government agencies and private sectors. Accordingly, the Group have invested in block chain technology and also accelerating the development on the cloud based financial solutions in order to stay competitive.

However, the Board expects the financial year to remain challenging in view of global market uncertainties which can result in the curtailment 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 30/9/2018 RM'000	6 Months Ended 30/9/2018 RM'000
Current tax	(316)	(43)



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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.

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 September 2018</u>			
Hire purchase	496	66	562
Term loans	37,000	-	37,000
Bank overdrafts	-	7,459	7,459
	<u>37,496</u>	<u>7,525</u>	<u>45,021</u>
<u>As at 30 September 2017</u>			
Hire purchase	596	95	691
Term loans	32,490	9,540	42,030
Bank overdrafts	-	7,879	7,879
	<u>33,086</u>	<u>17,514</u>	<u>50,600</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 no repayment of term loans 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 19 November 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 30/9/2018	3 Months Ended 30/9/2017	6 Months Ended 30/9/2018	6 Months Ended 30/9/2017

Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(92)	2,205	2,199	3,495
Number of ordinary shares in issue ('000)	501,956	501,956	501,956	501,956
Basic earnings/(loss) per share (sen)	<u>(0.02)</u>	<u>0.44</u>	<u>0.44</u>	<u>0.70</u>

Diluted earnings per share

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
3 Months Ended 30/9/2018	3 Months Ended 30/9/2017	6 Months Ended 30/9/2018	6 Months Ended 30/9/2017

Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(92)	2,205	2,199	3,495
<u>Weighted average ('000)</u>				
Number of ordinary shares in issue	501,956	501,956	501,956	501,956
Adjustment for dilutive effect on Conversion of Warrants B	111,405	111,405	111,405	111,405
	<u>613,361</u>	<u>613,361</u>	<u>613,361</u>	<u>613,361</u>
Basic earnings/(loss) per share (sen)	<u>(0.01)</u>	<u>0.36</u>	<u>0.36</u>	<u>0.57</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 30/9/2018 RM'000	6 Months Ended 30/9/2018 RM'000
Depreciation and amortisation	1,011	2,484
Finance costs	834	1,869
Impairment losses on trade receivables	608	608
Interest income	(247)	(290)
Gain on disposal of investment in subsidiary	-	(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 26 November 2018.