



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2019
Fourth Quarter Ended 31 March 2019



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

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

	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months	3 Months	12 Months	12 Months
	Ended	Ended	Ended	Ended
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	14,461	29,880	63,264	94,267
Cost of sales	(10,899)	(31,296)	(36,235)	(72,736)
Gross profit / (loss)	3,562	(1,416)	27,029	21,531
Other income	3,833	99	4,602	3,307
Administrative expenses	(5,565)	(5,568)	(29,204)	(26,954)
Other expenses	(2,564)	(8,602)	(3,906)	(11,452)
Results from operating activities	(734)	(15,487)	(1,479)	(13,568)
Finance costs	(857)	(826)	(3,632)	(3,539)
Loss before share of associates result	(1,591)	(16,313)	(5,111)	(17,107)
Share of associates result	(1,118)	3,503	4,334	10,274
Loss before tax and zakat	(2,709)	(12,810)	(777)	(6,833)
Income tax expense	121	(187)	(134)	(1,154)
Net loss for the financial year	(2,588)	(12,997)	(911)	(7,987)
Other comprehensive income	2,747	(4,231)	1,663	(5,044)
Total comprehensive income for the financial year	159	(17,228)	752	(13,031)
Net (loss)/profit attributable to:				
Equity holders of the Company	(1,737)	(13,984)	681	(9,123)
Non-controlling interests	(851)	987	(1,592)	1,136
	(2,588)	(12,997)	(911)	(7,987)
Total comprehensive income attributable to:				
Equity holders of the Company	409	(18,446)	2,344	(14,167)
Non-controlling interests	(250)	1,218	(1,592)	1,136
	159	(17,228)	752	(13,031)
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	(0.35)	(2.79)	0.14	(1.82)
Diluted (sen)	(0.28)	(2.28)	0.11	(1.49)

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 31 MARCH 2019

	UNAUDITED	AUDITED
	As At	As At
	31/03/2019	31/03/2018
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,065	1,620
Intangible assets	19,635	20,738
Goodwill	29,039	29,039
Investments	100	100
Investment in associate	96,358	92,352
Deferred tax asset	181	-
	<u>147,378</u>	<u>143,849</u>
Current assets		
Inventories	44	34
Amount owing by contract customers	-	397
Trade receivables	20,321	39,889
Other receivables, deposits and prepayments	4,355	7,799
Amount owing by related parties	1,185	-
Tax refundable	682	1,093
Fixed deposits placed with licensed banks	9,991	4,533
Short-term investments	-	568
Cash and bank balances	6,592	5,491
	<u>43,170</u>	<u>59,804</u>
TOTAL ASSETS	<u>190,548</u>	<u>203,653</u>
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	44,846	42,380
Foreign exchange translation reserve	(1,435)	(3,100)
Share option reserve	(812)	1,037
	<u>130,874</u>	<u>128,592</u>
Non-controlling interests	<u>3,913</u>	<u>7,251</u>
Total equity	<u>134,787</u>	<u>135,843</u>



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

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

	UNAUDITED As At 31/03/2019 RM'000	AUDITED As At 31/03/2018 RM'000
Non-current liabilities		
Long term borrowings	16,008	28,248
Deferred taxation	1,441	1,788
	<u>17,449</u>	<u>30,036</u>
Current liabilities		
Trade payables	2,399	4,460
Other payables and accruals	5,643	10,121
Amount owing to a related party	49	228
Short term borrowings	21,193	9,707
Deferred income	3,930	3,613
Bank overdrafts	3,563	7,727
Provision for taxation	1,535	1,918
	<u>38,312</u>	<u>37,774</u>
Total liabilities	<u>55,761</u>	<u>67,810</u>
TOTAL EQUITY AND LIABILITIES	<u>190,548</u>	<u>203,653</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.07	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.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-Distributable		Distributable			Attributable to Owners of the Company		Non-controlling Interest	
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Retained Profits 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
- Effect of change in accounting policies	-	-	-	-	-	(329)	(329)	-	(329)
Balance as at 1 April 2018, as restated	50,196	50,379	(12,300)	1,037	(3,100)	42,051	128,263	7,251	135,514
Profit after taxation	-	-	-	-	-	681	681	(1,592)	(911)
Other comprehensive income for the financial period:									
- Foreign currency translation differences	-	-	-	-	144	-	144	-	144
- Disposal of partial investment in subsidiary	-	-	-	-	-	533	533	1,117	1,650
- Share of other comprehensive income of associate	-	-	-	-	1,521	-	1,521	-	1,521
Total comprehensive income for the financial year	-	-	-	-	1,665	1,214	2,879	(475)	2,404
Contributions by and distributions to owners of the Company:									
- Accretion gain from changes in a subsidiary's ownership interests	-	-	-	-	-	1,581	1,581	(2,099)	(518)
- Transfer to share capital upon implementation of the Companies Act 2016	50,379	(50,379)	-	-	-	-	-	-	-
- Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	-	(813)	(813)
- Incorporation of subsidiaries	-	-	-	-	-	-	-	49	49
Share of share option reserve of an associate	-	-	-	(1,849)	-	-	(1,849)	-	(1,849)
At 31 March 2019	100,575	-	(12,300)	(812)	(1,435)	44,846	130,874	3,913	134,787



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

	Attributable to Equity Holders of the Company								
	Non-Distributable			Distributable					
	Share Capital RM'000	Share Premium 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	Total Equity 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.



CENSO OF HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	UNAUDITED 12 Months Ended 31/03/2019 RM'000	AUDITED 12 Months Ended 31/03/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(777)	(6,833)
Adjustments for:		
Amortisation of intangible assets	4,296	7,311
Depreciation of plant and equipment	895	1,237
Gain on disposal of investment in associate	-	(2,776)
Impairment losses on trade receivables	(2,829)	10,175
Interest expense	3,632	3,539
Interest income	(85)	(269)
Reversal of impairment on trade receivables	-	(67)
Share of results from an associate	(4,334)	(10,274)
Unrealised loss on foreign exchange	-	83
Operating profit before working capital changes	798	2,126
Changes in working capital:		
Amount owing by contract customers	397	18,320
Inventories	(10)	16
Trade and other receivables	25,841	(6,268)
Trade and other payables	(6,539)	1,526
Deferred income	317	(393)
Income tax paid	(2,137)	(2,367)
Finance cost	(3,632)	(3,539)
Net Operating Cash Flows	15,035	9,421
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	-	(20)
Incorporation of subsidiaries	(51)	-
Purchase of property, plant and equipment	(1,340)	(553)
Proceeds from disposal of partial interest on subsidiary	825	-
Proceeds from disposal of property, plant and equipment	-	1
Proceeds from disposal of investment in associates	-	10,941
Intangible assets additions	(3,193)	(3,049)
Net Investing Cash Flows	(3,759)	7,320



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR 31 MARCH 2019 (Continued)

	UNAUDITED 12 Months Ended 31/03/2019 RM'000	AUDITED 12 Months Ended 31/03/2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends received from an associates	-	1,486
Dividends paid to non-controlling interests	812	(2,206)
Drawdown of term loan	22,700	-
Advances to related parties	(1,364)	(1,007)
Interest recived	85	269
Proceeds from issuance of shares:		
- warrant A	-	26
Repayment of hire purchase obligations	(99)	(126)
Repayment of term loan	(23,355)	(13,926)
Share buyback by a subsidiary	(94)	(2,988)
Unpledged fixed deposits as security	85	566
Net Financing Cash Flows	(1,230)	(17,906)
Net change in cash and cash equivalents	10,046	(1,165)
Effect of foreign exchange translation	194	(339)
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	8,617	(1,623)
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	9,991	4,533
Short term investments	-	568
Cash and bank balances	6,592	5,491
Bank overdrafts	(3,563)	(7,727)
	13,020	2,865
Less: Fixed deposits pledged as security	(4,403)	(4,488)
Total	8,617	(1,623)

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 31 MARCH 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 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 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.

The Group has adopted the new accounting standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") with for the financial year on or after from 1 April 2018. The detail of new significant accounting policies and the nature and effect of the changes to previous accounting policy is set out below:

MFRS 9 Financial Instruments

Financial Instruments

Financial assets and financial liabilities are recognized in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

MFRS 9 Financial Instruments (Continued)

Classification

The Group classifies its financial assets in the following measurement categories:-

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measure at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment in held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are:-

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is determined using the effective interest rate method.
- Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is determined using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss.



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INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

MFRS 9 Financial Instruments (Continued)

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, including contract assets. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

The Group measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit loss if the credit risk of that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit loss.

For trade receivables and contract assets, the Group applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit loss.

Transition to MFRS 9

The Group has chosen not to restate comparative figures of its financial instruments, in which case the cumulative effect of the initially application of the Standard has been adjusted to the opening balance of retained profits (or other appropriate component of equity) in the period of its initial application (i.e. 1 April 2018).

As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives. Adjustments arising from the initial application of the new impairment model has been recognized in the opening balance of the retained earnings and the carrying amount of the financial assets as at 1 April 2018 as disclosed below:

Impact of adoption of MFRS 9 to opening balance at 1 April 2018	
	RM'000
Decrease in retained earnings	329
Decrease in trade and other receivables	329



CENSOF HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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

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 year under review.

A5. UNUSUAL SIGNIFICANT ITEMS

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

A6. CHANGES IN ESTIMATES

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

A7. DEBT AND EQUITY SECURITIES

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



CENSO HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.

A9. SEGMENTAL REPORTING

12 months ended 31 March 2019 (Current Financial Year)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	37,451	-	37,451	6,419
PAS	378	(310)	68	30
WMS	3,853	-	3,853	(2,049)
TS	6,748	-	6,748	(1,121)
FMS - C	15,136	-	15,136	(956)
OTHERS	245	(237)	8	(7,434)
ASSOCIATE	-	-	-	4,334
TOTAL	63,811	(547)	63,264	(777)

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”)

12 months ended 31 March 2018 (Previous Financial Year)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	49,758	-	49,758	(20,719)
PAS	289	(423)	(134)	(314)
WMS	3,348	-	3,348	(942)
TS	24,848	-	24,848	7,016
FMS - C	16,423	-	16,423	791
OTHERS	4,534	(4,510)	24	(2,938)
ASSOCIATE	-	-	-	10,273
TOTAL	99,200	(4,933)	94,267	(6,833)



CENSOF HOLDINGS BERHAD

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INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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

A10. SIGNIFICANT SUBSEQUENT EVENT

On 15 May 2019, the Company's wholly-owned subsidiary, Century Software (M) Sdn Bhd had entered into a Share Sale and Purchase Agreement ("SSPA") to acquire 255,000 ordinary shares in Netsense Business Solutions Sdn Bhd (NBSSB) representing 51% of the issued and paid-up share capital of NBSSB and 51,000 ordinary shares in Netsense Business Solutions Pte Ltd ("NBSPL") constituting 51% of the issued and paid-up share capital of NBSPL for a total cash consideration of RM1.3 million. Upon completion of the Conditions Precedent stated in SSPA, NBSSB and NBSPL shall become 51% subsidiaries of CSM.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 March 2019.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 31 March 2019, the Group's contingent liabilities are as follows:-

- (a) Bank Guarantee
The Company has pledged a fixed deposit of RM3.5 million for a bank guarantee facility extended to a subsidiary company.
- (b) Corporate Guarantee
Corporate guarantees totaling RM18.0 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 and third-party shares.

**CENSOF HOLDINGS BERHAD**

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 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 March 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 year under review:-

	3 Months Ended 31/03/2019 RM'000	12 Months Ended 31/03/2019 RM'000
Related Parties		
Office rental *	142	568
Key Management Personnel		
Directors		
- Fees	106	440
- Non-fee emoluments	447	1,694

The transaction was contracted in the normal course of business and concluded under negotiated terms.

* -*Inventrix Sdn Bhd* – is a company controlled by common Directors namely, *Datuk Samsul Bin Husin, Tamil Selvan A/L M. Durairaj, Ameer Bin Shaik Mydin and Ang Hsin Hsien.*



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 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 31/03/2019 RM'000	3 Months Ended 31/03/2018 RM'000	Changes		12 Months Ended 31/03/2019 RM'000	12 Months Ended 31/03/2018 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	14,461	29,880	(15,419)	-51.6%	63,264	94,267	(31,003)	-32.9%
Operating Loss	(734)	(15,487)	14,753	-95.3%	(1,479)	(13,568)	12,089	-89.1%
Loss Before Interest and Tax	(734)	(15,487)	14,753	-95.3%	(1,479)	(13,568)	12,089	-89.1%
Loss Before Tax	(2,709)	(12,810)	10,101	-78.9%	(777)	(6,833)	6,056	-88.6%
Loss After Tax	(2,588)	(12,997)	10,409	-80.1%	(911)	(7,987)	7,076	-88.6%
Net (Loss) / Profit Attributable to Ordinary Equity Holders of the Company	(1,737)	(13,984)	12,247	-87.6%	681	(9,123)	9,804	>100%

The Group registered revenue of RM14.46 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM29.88 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 TS segment with reduced training sessions in current quarter and higher revenue recognition under FMS-G segment in previous year with the achievement of 97.28% completion for the project of MAMPU National Registry.

The Group recorded a lower loss before taxation of RM0.78 million for the current financial year compared to the previous corresponding financial year loss before taxation of RM6.83 million attributed by the recognition of impairment loss on trade receivable of RM10.18 million and cost overrun for the existing project in financial year 2018.



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B1. OPERATING SEGMENTS REVIEW (Continued)

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	3 Months Ended 31/03/2019 RM'000	3 Months Ended 31/03/2018 RM'000	Changes		12 Months Ended 31/03/2019 RM'000	12 Months Ended 31/03/2018 RM'000	Changes	
			RM'000	%			RM'000	%
REVENUE								
FMS - G	10,456	20,484	(10,028)	-49.0%	37,451	49,758	(12,307)	-24.7%
PAS	(231)	(363)	132	36.4%	68	(134)	202	>100%
WMS	377	678	(301)	-44.4%	3,853	3,348	505	15.1%
TS	32	5,659	(5,627)	-99.4%	6,748	24,848	(18,100)	-72.8%
FMS - C	4,064	3,494	570	16.3%	15,136	16,423	(1,287)	-7.8%
OTHERS	(237)	(72)	(165)	>-100%	8	24	(16)	-66.7%
	<u>14,461</u>	<u>29,880</u>	<u>(15,419)</u>	<u>-51.6%</u>	<u>63,264</u>	<u>94,267</u>	<u>(31,003)</u>	<u>-32.9%</u>
LOSS BEFORE TAX								
FMS - G	3,211	(16,974)	20,185	>100%	6,419	(20,719)	27,138	>100%
PAS	(25)	(86)	61	-70.9%	30	(314)	344	>100%
WMS	(1,623)	(210)	(1,413)	>100%	(2,049)	(942)	(1,107)	>-100%
TS	(1,529)	1,861	(3,390)	>100%	(1,121)	7,016	(8,137)	>-100%
FMS - C	217	804	(587)	-73.0%	(956)	791	(1,747)	>-100%
OTHERS	(1,842)	(1,707)	(135)	7.9%	(7,434)	(2,938)	(4,496)	>-100%
ASSOCIATE	(1,118)	3,502	(4,620)	>-100%	4,334	10,273	(5,939)	-57.8%
	<u>(2,709)</u>	<u>(12,810)</u>	<u>10,101</u>	<u>-78.9%</u>	<u>(777)</u>	<u>(6,833)</u>	<u>6,056</u>	<u>-88.6%</u>



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B1. OPERATING SEGMENTS REVIEW (Continued)

For the current year to date, revenue decreased by 32.9% to RM63.26 million, mainly from the significant lower contribution by the TS segment, arising from the Government's on-going review in relation to the Industry 4.0 allocations.

However, the current year to date loss before taxation was reduced by 88.6% to RM0.78 million, due to completion of major projects in the FMS-G segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 31/03/2019 RM'000	3 Months Ended 31/12/2018 RM'000	Changes	
			RM'000	%
Revenue	14,461	15,177	(716)	-4.7%
Operating Loss	(734)	(603)	(131)	21.7%
Loss Before Interest and Tax	(734)	(603)	(131)	21.7%
Profit/(Loss) Before Tax	(2,709)	113	(2,822)	>100.0%
Loss After Tax	(2,588)	(185)	(2,403)	>100.0%
Net Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(1,737)	219	(1,956)	>100.0%

For the current quarter, the Group posted revenue of RM14.46 million, a marginal decrease of 4.7% over the preceding quarter. The Group's loss before taxation of RM2.71 million, were mainly attributed by the losses incurred by the WMS, TS and Associate operations.



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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		
	31/03/2019	31/12/2018			31/03/2019	31/12/2018		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE					PROFIT/(LOSS) BEFORE TAX			
FMS - G	10,456	9,096	1,360	15.0%	3,211	980	2,231	>100.0%
PAS	(231)	47	(278)	>-100.0%	(25)	91	(116)	>-100.0%
WMS	377	1,719	(1,342)	>-100.0%	(1,623)	295	(1,918)	>-100.0%
TS	32	575	(543)	-94.4%	(1,529)	(668)	(861)	>-100.0%
FMS - C	4,064	3,740	324	8.7%	217	(403)	620	>100.0%
OTHERS	(237)	-	(237)	-	(1,842)	(1,804)	(38)	2.1%
ASSOCIATE	-	-	-	-	(1,118)	1,622	(2,740)	>-100.0%
	14,461	15,177	(716)	-4.7%	(2,709)	113	(2,822)	>-100.0%

The Group recorded lower revenue of RM14.46 million for the current quarter as compared to RM15.18 million in the preceding quarter mainly due to the poor sales deliverables under WMS segment and lower contribution from TS segment with the reduced training sessions. The profit before taxation situation of RM0.11 million in preceding quarter had turn into loss before taxation of RM2.71 million. The significant loss in the current quarter were mainly due to recognition of impairment losses of RM2.22 million under trade receivables coupled with lower sales under TS segment.

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MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B3. NEW FINANCIAL YEAR PROSPECTS**

The overall domestic market sentiment on consumer spending remains weak and challenging. Accordingly, the Group plans to continue to focus on the Government sectors and to expand the Industry 4.0 training to Singapore and Indonesia to enhance its revenue opportunities moving forward.

**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 31/03/2019 RM'000	12 Months Ended 31/03/2019 RM'000
Current tax	(121)	134

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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 purchase or disposal of quoted securities by the Group during the current quarter under review.

	RM'000
Quoted investment at cost as at 31 March 2019	<u>65,495</u>

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 March 2019</u>			
Hire purchase	358	137	495
Term loans	15,650	21,056	36,706
Bank overdrafts	-	3,563	3,563
	<u>16,008</u>	<u>24,756</u>	<u>40,764</u>
 <u>As at 31 March 2018</u>			
Hire purchase	532	157	689
Term loans	27,716	9,550	37,266
Bank overdrafts	-	7,727	7,727
	<u>28,248</u>	<u>17,434</u>	<u>45,682</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 of the Company pledged to a licensed bank.

The Group had made repayment of RM1 million for term loan during the current quarter and the Group's gearing ratio improved to 0.30 times as compared to 0.34 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 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
14 August 2013	10,000,000	10,000,000	4,600,000	15 August 2013
19 September 2013	3,527,800	3,527,800	1,622,788	20 September 2013
30 October 2013	1,875	1,875	863	31 October 2013
14 July 2017	35,000	35,000	16,100	17 July 2017
20 July 2017	20,000	20,000	9,200	21 July 2017
	<u>13,584,675</u>	<u>13,584,675</u>	<u>6,248,951</u>	

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 24 May 2019, 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 / (LOSS) PER SHARE

Basic earnings / (loss) per share

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
3 Months Ended 31/03/2019	3 Months Ended 31/03/2018	12 Months Ended 31/03/2019	12 Months Ended 31/03/2018

Net profit attributable to ordinary equity holders of the Company (RM'000)	(1,737)	(13,984)	681	(9,123)
Number of ordinary shares in issue ('000)	501,956	501,956	501,956	501,956
Basic earnings per share (sen)	<u>(0.35)</u>	<u>(2.79)</u>	<u>0.14</u>	<u>(1.82)</u>

Diluted earnings per share

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
3 Months Ended 31/03/2019	3 Months Ended 31/03/2018	12 Months Ended 31/03/2019	12 Months Ended 31/03/2018

Net profit attributable to ordinary equity holders of the Company (RM'000)	(1,737)	(13,984)	681	(9,123)
<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 per share (sen)	<u>(0.28)</u>	<u>(2.28)</u>	<u>0.11</u>	<u>(1.49)</u>

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MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B16. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

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

	3 Months Ended 31/03/2019 RM'000	12 Months Ended 31/03/2019 RM'000
Depreciation and amortisation	1,258	5,191
Finance costs	857	3,632
Impairment losses on trade receivables	2,223	2,829
Interest income	205	(85)

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 31 May 2019.