



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

Unaudited Condensed Consolidated Financial Statement for the Financial Year 2018
Fourth Quarter Ended 31 March 2018



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	UNAUDITED INDIVIDUAL QUARTER	AUDITED 3 Months Ended 31/3/2017 RM'000 (Restated)	UNAUDITED CUMULATIVE PERIOD 12 Months Ended 31/3/2018 RM'000	AUDITED 12 Months Ended 31/3/2017 RM'000 (Restated)
Revenue	30,565	18,988	94,952	148,386
Cost of sales	(27,123)	(14,457)	(68,563)	(77,092)
Gross profit	3,442	4,531	26,389	71,294
Other income	82	3,090	3,290	5,528
Administrative expenses	(8,227)	(5,075)	(29,613)	(55,621)
Other expenses	(11,180)	(15,474)	(14,030)	(36,959)
Results from operating activities	(15,883)	(12,928)	(13,964)	(15,758)
Finance costs	(826)	(1,645)	(3,539)	(6,078)
Loss before share of associates result	(16,709)	(14,573)	(17,503)	(21,836)
Share of associates result	4,632	2,631	11,403	98,254
(Loss)/Profit before tax and zakat	(12,077)	(11,942)	(6,100)	76,418
Income tax expense	(494)	(495)	(1,461)	(5,252)
Net (loss)/profit for the financial year	(12,571)	(12,437)	(7,561)	71,166
Other comprehensive income	(4,330)	1,928	(5,143)	1,841
Total comprehensive income for the financial year	(16,901)	(10,509)	(12,704)	73,007
Net (loss)/profit attributable to:				
Equity holders of the Company	(13,226)	(13,527)	(8,365)	9,894
Non-controlling interests	655	1,090	804	61,272
	(12,571)	(12,437)	(7,561)	71,166
Total comprehensive income attributable to:				
Equity holders of the Company	(16,582)	(11,599)	(12,303)	11,735
Non-controlling interests	(319)	1,090	(401)	61,272
	(16,901)	(10,509)	(12,704)	73,007
(Loss)/Earnings per share attributable to equity holders of the Company:				
Basic (sen)	(2.63)	(2.70)	(1.67)	1.97
Diluted (sen)	(2.16)	(2.21)	(1.36)	1.61

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSO OF HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	UNAUDITED	AUDITED
	As At	As At
	31/03/2018	31/03/2017
	RM'000	RM'000
		(Restated)
ASSETS		
Non-current assets		
Plant and equipment	2,491	2,415
Intangible assets	19,867	25,245
Goodwill	29,039	29,019
Investments	100	100
Investment in Associate	92,444	94,638
	<u>143,941</u>	<u>151,417</u>
Current assets		
Inventories	34	53
Amount owing by contract customers	-	18,717
Trade receivables	15,306	42,864
Other receivables, deposits and prepayments	31,544	9,976
Tax refundable	353	871
Fixed deposits placed with licensed banks	5,101	6,725
Cash and bank balances	6,503	5,410
	<u>58,841</u>	<u>84,616</u>
TOTAL ASSETS	<u>202,782</u>	<u>236,033</u>
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders		
Share capital	50,196	50,170
Share premium	50,379	50,379
Merger deficit	(12,300)	(12,300)
Retained profits	43,482	51,847
Foreign exchange translation reserves	(3,199)	1,944
	<u>128,558</u>	<u>142,040</u>
Non-controlling interests	6,541	10,965
Total equity	<u>135,099</u>	<u>153,005</u>



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018 (Continued)

	UNAUDITED As At 31/03/2018 RM'000	AUDITED As At 31/03/2017 RM'000
Non-current liabilities		
Long term borrowings	28,222	28,488
Deferred taxation	1,788	2,322
	<u>30,010</u>	<u>30,810</u>
Current liabilities		
Trade payables	4,771	6,039
Other payables and accruals	9,536	7,274
Amount owing to a related party	372	1,257
Short term borrowings	9,666	23,519
Deferred income	3,390	4,272
Bank overdrafts	7,727	7,200
Provision for taxation	2,211	2,657
	<u>37,673</u>	<u>52,218</u>
Total liabilities	<u>67,683</u>	<u>83,028</u>
TOTAL EQUITY AND LIABILITIES	<u>202,782</u>	<u>236,033</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	25.61	28.31

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company						
	Non-Distributable			Distributable			
	Share Capital	Share Premium	Merger Deficit	Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling Interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Equity	RM'000						
(UNAUDITED)							
At 1 April 2017	50,170	50,379	(12,300)	1,944	51,847	142,040	10,965
Profit after taxation	-	-	-	-	(8,365)	(8,365)	804
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	-	(1,198)	-	(1,198)	-
- Share of other comprehensive income of associate	-	-	-	(3,945)	-	(3,945)	-
Total comprehensive income for the financial year	-	-	-	(5,143)	(8,365)	(13,508)	804
Contributions by and distributions to owners of the Company:							
Dividend paid by subsidiaries to NCI	-	-	-	-	-	-	(2,207)
Loss on accretion	-	-	-	-	-	-	(3,021)
Conversion of Warrant A	26	-	-	-	-	26	-
At 31 March 2018	50,196	50,379	(12,300)	(3,199)	43,482	128,558	6,541

* - Pursuant to subsection 618(3) of the Companies Act 2016 ("New Act"), the Company may transfer the share premium account of RM50.38 million to the share capital account and exercise its right to use the amount within 24 months after the commencement of the New Act on 31 January 2017.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Continued)

	Attributable to Equity Holders of the Company							
	Non-Distributable			Distributable		Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
(AUDITED)								
At 1 April 2016, restated	50,170	50,379	(12,300)	103	41,939	130,291	73,409	203,700
Total comprehensive income	-	-	-	1,841	9,894	11,735	61,272	73,007
Contributions by and distributions to owners of the Company:								
Shares issued by a subsidiary to NCI	-	-	-	-	-	-	132,833	132,833
Change in a ownership interests in a subsidiary	-	-	-	-	14	14	(16)	(2)
Disposal of subsidiary	-	-	-	-	-	-	(249,626)	(249,626)
Dividends:								
- By subsidiaries to NCI	-	-	-	-	-	-	(6,907)	(6,907)
Total Transaction with Owners	-	-	-	-	14	14	(123,716)	(123,702)
At 31 March 2017, restated	50,170	50,379	(12,300)	1,944	51,847	142,040	10,965	153,005

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 2017.



CENSO HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	UNAUDITED 12 Months Ended 31/03/2018 RM'000	AUDITED 12 Months Ended 31/03/2017 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(6,100)	76,418
Adjustments for:		
Amortisation of intangible assets	7,681	8,445
Bad debts written off	-	930
Depreciation of plant and equipment	871	4,411
Gain on disposal of investment in associate	(2,776)	-
Impairment losses on trade receivables	10,140	4,018
Impairment losses on intangible assets	-	320
Interest expense	3,539	5,983
Interest income	(183)	(205)
Loss on disposal of property, plant and equipment	-	4
Loss on disposal of a subsidiary	-	18,676
Share of results from an associate	(11,403)	(98,254)
Share option expenses in a former subsidiary	-	2,415
Unrealised loss on foreign exchange	-	50
Operating profit before working capital changes	<u>1,769</u>	<u>23,211</u>
Changes in working capital:		
Amount owing by contract customers	18,717	6,822
Inventories	19	598
Trade and other receivables	(4,150)	36,962
Trade and other payables	994	(1,222)
Deferred income	(882)	(2,448)
Amount owing to related party	(885)	-
Income tax paid	(1,863)	(9,688)
Interest received	183	-
Finance cost	(3,539)	(5,983)
Net Operating Cash Flows	<u>10,363</u>	<u>48,252</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit for acquisition of investment	-	(1,246)
Shares issued by a subsidiary to non-controlling interests	-	85,161
Investment in an associate by a former subsidiary	-	(37,965)
Acquisition of a subsidiary	(20)	(57,411)
Purchase of treasury share	(3,082)	-
Purchase of property, plant and equipment	(659)	(4,432)
Proceeds from disposal of property, plant and equipment	-	9
Proceeds from disposal of intangible assets	-	10
Proceeds from disposal of investment in associates	10,942	-
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	(19,511)
Intangible assets additions	(2,591)	(3,900)
Net Investing Cash Flows	<u>4,590</u>	<u>(39,285)</u>



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Continued)

	UNAUDITED 12 Months Ended 31/03/2018 RM'000	AUDITED 12 Months Ended 31/03/2017 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends received from an associates	1,486	1,554
Dividends paid to non-controlling interests	(2,206)	(6,907)
Drawdown of term loans	15,000	-
Interest received	-	205
Advances from a director		
Placement of pledged deposits and restricted cash	-	9,443
Proceeds from issuance of shares:		
- warrant A	26	-
Advances from related parties	-	1,257
Changes in ownership interests in a subsidiary		(2)
Repayment of hire purchase obligations	(126)	(208)
Repayment of project financing	(7,453)	-
Repayment of term loan	(21,540)	(25,283)
Unpledged fixed deposits as security	217	-
Net Financing Cash Flows	(14,596)	(19,941)
Net change in cash and cash equivalents	357	(10,974)
Effect of foreign exchange translation	(1,198)	391
Cash and cash equivalents at the beginning of the financial year	(119)	10,464
Cash and cash equivalents at the end of the financial year	(960)	(119)
Analysis of Cash and Cash Equivalents		
Fixed deposits placed with licensed banks	5,101	6,725
Cash and bank balances	6,503	5,410
Bank overdrafts	(7,727)	(7,200)
	3,877	4,935
Less: Fixed deposits pledged as security	(4,837)	(5,054)
Total	(960)	(119)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017.



CENSOF HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 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 2017. 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 2017.

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 2017. 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 15	Revenue from Contracts with Customers
MFRS 16	Leases
MFRS 17	Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 23	Uncertainty over Income Tax Treatments

Amendments to MFRSs and IC Interpretations

MFRS 1	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 3	Business Combinations
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
MFRS 6	Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 14	Amendments to MFRS 14 Regulatory Deferral Accounts
MFRS 15	Effective Date of MFRS 15
MFRS 15	Clarifications to MFRS 15 “Revenue from Contracts with Customers”
MFRS 101	Amendments to MFRS 101 Presentation of Financial Statements
MFRS 108	Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 119	Amendments to MFRS 119 (Plan Amendment, Curtailment or Settlement)
MFRS 123	Borrowing Costs
MFRS 128	Annual Improvements to MFRSs 2014 – 2016 Cycle
MFRS 128	Long-term Interests in Associates and Joint Ventures
MFRS 134	Amendments to MFRS 134 Interim Financial Reporting
MFRS 137	Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Amendments to MFRS 138 Intangible Assets
MFRS 140	Transfers of Investment Property
IC Interpretation 12	Amendments to IC Interpretation 12 Service Concession Arrangements



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to MFRSs and IC Interpretations (Continued)

IC Interpretation 19	Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Amendments to IC Interpretation 132 Intangible Assets – Web Site 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 2017.

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 2018.

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.

A8. DIVIDEND PAID

There was no payment of dividend in the current quarter.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

A9. SEGMENTAL REPORTING

12 months ended 31 March 2018 (Current Financial Year)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	49,609	-	49,609	(20,659)
PAS	289	-	289	(299)
WMS	3,449	-	3,449	(822)
TS	24,848	-	24,848	7,016
NSW	-	-	-	-
FMS - C	16,668	-	16,668	197
OTHERS	4,534	(4,445)	89	(2,936)
ASSOCIATE	-	-	-	11,403
TOTAL	99,397	(4,445)	94,952	(6,100)

FMS – G : Financial Management Solution – Government
 PAS : Payment Aggregation Solutions
 WMS : Wealth Management Solutions
 TS : Training Solutions
 NSW : National Single Window
 FMS – C : Financial Management Solution – Commercial
 ASSOCIATE : Investment in Associates – Dagang Nexchange Berhad (“DNeX”)

12 months ended 31 March 2017 (Previous Financial Year - Restated)

Division	Revenue RM'000	Elimination RM'000	Consolidation RM'000	Profit/(Loss) Before Tax RM'000
FMS - G	26,270	-	26,270	(14,442)
PAS	1,344	(513)	831	(910)
WMS	5,272	-	5,272	1,440
TS	12,663	(121)	12,542	3,382
NSW	85,283	(1,027)	84,256	100,430
FMS - C	19,215	-	19,215	3,926
OTHERS	7,651	(7,651)	-	(23,450)
ASSOCIATE	-	-	-	6,042
TOTAL	157,698	(9,312)	148,386	76,418



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

A10. SIGNIFICANT SUBSEQUENT EVENT

On 30 April 2018, the Company's wholly-owned subsidiary, Century Software (M) Sdn Bhd accepted a Letter of Appointment from Pembangunan Sumber Manusia Berhad ("PSMB") for a contract named "Service Provider for the ICT Transformation and Implementation of an Integrated Core and Finance System" for a total contract sum of RM73.35 million with the tenure contract for a period of up to 5 years.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31 March 2018.

A12. CHANGES IN CONTINGENT LIABILITIES

As at 31 March 2018, the Group's contingent liabilities are as follows:-

- (a) Bank Guarantee
The Company has pledged a fixed deposit of RM3.98 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
Kenanga Investment Bank Berhad loan outstanding is RM37.26 million, secured by way of 280,056,609 DNex shares.

A13. CAPITAL COMMITMENTS

The Group does not have any material commitment for capital expenditure for the current quarter ended 31 March 2018.



CENSOF HOLDINGS BERHAD
(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2018

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

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 31/03/2018 RM'000	12 Months Ended 31/03/2018 RM'000
Related Parties		
Office rental *	142	646
Key Management Personnel		
Fees	313	617
Non-fee emoluments	331	1,140

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 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 31/03/2018 RM'000	3 Months Ended 31/3/2017 RM'000	Changes		12 Months Ended 31/03/2018 RM'000	12 Months Ended 31/3/2017 RM'000	Changes	
			RM'000	%			RM'000	%
		(Restated)				(Restated)		
Revenue	30,565	18,988	11,577	61.0%	94,952	148,386	(53,434)	-36.0%
Operating Loss	(15,883)	(12,928)	(2,955)	-22.9%	(13,964)	(15,758)	1,794	11.4%
Loss Before Interest and Tax	(15,883)	(12,928)	(2,955)	-22.9%	(13,964)	(15,758)	1,794	11.4%
(Loss)/Profit Before Tax	(12,077)	(11,942)	(135)	-1.1%	(6,100)	76,418	(82,518)	>-100%
(Loss)/Profit After Tax	(12,571)	(12,437)	(134)	-1.1%	(7,561)	71,166	(78,727)	>-100%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(13,226)	(13,527)	301	2.2%	(8,365)	9,894	(18,259)	>-100%

The Group registered revenue of RM30.57 million for the current quarter under review compared to the previous year's corresponding quarter revenue of RM18.99 million. The higher revenue for the current quarter as compared to the previous year's corresponding quarter was mainly due to the contribution from FMS-G segment with the achievement of 97.28% completion for the project of MAMPU National Registry.

The Group recorded a loss before taxation of RM12.08 million for the current quarter compared to the previous year's corresponding quarter loss before taxation of RM11.94 million. The higher of the loss before taxation recorded in current quarter was mainly due to the recognition of impairment loss on trade receivable of RM10.14 million and cost overrun for the existing project in order to fast track the implementation progress.



CENSO HOLDINGS BERHAD

(Company No. 828269-A)

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 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		12 Months	12 Months	Changes	
	Ended	Ended			Ended	Ended		
	31/03/2018	31/3/2017	RM'000	%	31/03/2018	31/3/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
REVENUE	(Restated)				(Restated)			
FMS - G	20,335	6,075	14,260	>100%	49,609	26,270	23,339	88.8%
PAS	60	73	(13)	-17.8%	289	831	(542)	-65.2%
WMS	779	1,748	(969)	-55.4%	3,449	5,272	(1,823)	-34.6%
TS	5,659	5,589	70	1.3%	24,848	12,542	12,306	98.1%
NSW	-	-	-	-	-	84,256	(84,256)	-100.0%
FMS - C	3,739	5,503	(1,764)	-32.1%	16,668	19,215	(2,547)	-13.3%
OTHERS	(7)	-	(7)	-	89	-	89	N/A
	30,565	18,988	11,577	61.0%	94,952	148,386	(53,434)	-36.0%
PROFIT/(LOSS) BEFORE TAX								
FMS - G	(16,914)	(14,643)	(2,271)	-15.5%	(20,659)	(14,442)	(6,217)	-43.0%
PAS	(71)	(483)	412	85.3%	(299)	(910)	611	67.1%
WMS	(90)	626	(716)	>-100%	(822)	1,440	(2,262)	>-100%
TS	1,861	1,760	101	5.7%	7,016	3,382	3,634	>100%
NSW	-	(801)	801	-	-	100,430	(100,430)	-100.0%
FMS - C	210	(873)	1,083	>100%	197	3,926	(3,729)	-95.0%
OTHERS	(1,705)	(1,313)	(392)	-29.9%	(2,936)	(23,450)	20,514	87.5%
ASSOCIATE	4,632	3,785	847	22.4%	11,403	6,042	5,361	88.7%
	(12,077)	(11,942)	(135)	1.1%	(6,100)	76,418	(82,518)	>-100%



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B1. OPERATING SEGMENTS REVIEW (Continued)

For the current year to date, revenue decreased by 36.0% to RM94.95 million. The lower revenue was mainly due to non-recognition of revenue under NSW segment in first and second quarter of previous year.

For the current year to date, profit before taxation decreased by more than 100% to loss of RM6.10 million, again this was due to the significant contribution from NSW segment in previous year's corresponding period. The recognition of impairment losses on trade receivables and costs overrun for the existing project slashed the profit derived from share of associate result and strong profit contribution from TS segment.

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

	INDIVIDUAL PERIOD			
	3 Months Ended 31/03/2018 RM'000	3 Months Ended 31/12/2017 RM'000	Changes	
			RM'000	%
Revenue	30,565	22,049	8,516	38.6%
Operating (Loss)/Profit	(15,883)	124	(16,007)	>-100%
(Loss)/Profit Before Interest and Tax	(15,883)	124	(16,007)	>-100%
(Loss)/Profit Before Tax	(12,077)	1,430	(13,507)	-944.5%
(Loss)/Profit After Tax	(12,571)	972	(13,543)	>-100%
Net (Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(13,226)	1,366	(14,592)	>-100%

For the current quarter, the Group posted revenue of RM30.57 million, an increase of 38.6% over the preceding quarter. The Group recorded loss before taxation of RM12.08 million, a dropped of more than 100% from the preceding quarter's profit before taxation of RM1.43 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		
	31/03/2018	31/12/2017	RM'000	%	31/03/2018	31/12/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
	REVENUE				PROFIT/(LOSS) BEFORE TAX			
FMS - G	20,335	10,251	10,084	98.4%	(16,914)	(1,278)	(15,636)	>-100%
PAS	60	7	53	>100%	(71)	(105)	34	32.4%
WMS	779	571	208	36.4%	(90)	(512)	422	82.4%
TS	5,659	7,065	(1,406)	-19.9%	1,861	1,655	206	12.4%
NSW	-	-	-	-	-	-	-	-
FMS - C	3,739	4,155	(416)	-10.0%	210	(217)	427	>100%
OTHERS	(7)	-	(7)	-	(1,705)	(226)	(1,479)	>100%
ASSOCIATE	-	-	-	-	4,632	2,113	2,519	>100%
	30,565	22,049	8,516	38.6%	(12,077)	1,430	(13,507)	>-100%

The Group recorded higher revenue of RM30.57 million for the current quarter as compared to RM22.05 million in the preceding quarter mainly due to the contribution from FMS-G segment with the achievement of 97.28% completion for the project of MAMPU National Registry. However, the profit before taxation decreased by more than 100% from RM1.43 million to loss before taxation of RM12.08 million. This was mainly due to the additional costs incurred for the existing projects to accelerate the implementation progress and recognition of impairment losses on trade receivables.



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B3. NEW FINANCIAL YEAR PROSPECTS

Overall market sentiment remains weak and challenging, even with the “Zero GST” impact. Broadly, the Group to focus on the following initiatives:-

- (i) FMS – G Segment
Using the Acumatica technology focus to refresh the Government and Local Council accounts.

Current order book stands at some RM86.9 million.
- (ii) PAS Segment
Seeking to grow e-payment and collection solution gateways with strategic partners to strengthen customer base.
- (iii) WMS Segment
Improving solution offerings for enterprise market in Indonesia financial sector.
- (iv) TS Segment
Expanding on the Industry 4.0 eco system value chain opportunities.
- (v) FMS – C Segment
Repositioning “Financio” accounting software value proposition to enlarge market presence.

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 31/03/2018 RM'000	12 Months Ended 31/03/2018 RM'000
Current tax	494	1,461

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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 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 31 March 2018</u>			
Hire purchase	502	126	628
Project financing	-	-	-
Term loans	27,720	9,540	37,260
Bank overdrafts	-	7,727	7,727
	<u>28,222</u>	<u>17,393</u>	<u>45,615</u>
<u>As at 31 March 2017</u>			
Hire purchase	628	126	754
Project financing	-	7,453	7,453
Term loans	27,860	15,940	43,800
Bank overdrafts	-	7,200	7,200
	<u>28,488</u>	<u>30,719</u>	<u>59,207</u>

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

There were no any loan instalment during the current quarter and the Group's gearing ratio increased to 0.44 times as compared to previous year's corresponding quarter.



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B10. STATUS OF CORPORATE PROPOSALS

Warrant B

A total of 111,412,717 free Warrant were issued on 8 October 2014 and listed on 15 October 2014 with a 5 year exercise/conversion period at a price of RM0.46. The maturity date for the free Warrant B is 7 October 2019.

As at to-date a total of 7,500 Warrant B have been converted into shares.

Date	No of Warrants	No of Shares Issues	Proceeds RM	Listing Date
2 December 2014	7,500	7,500	3,450	3 December 2014

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

As at reporting date, the outstanding unexercised Warrant B is 111,405,217.

B11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B12. DERIVATIVES FINANCIAL INSTRUMENTS

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

B13. MATERIAL LITIGATION

As at 21 May 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. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The basic (loss)/earnings per share has been calculated by dividing the net (loss)/profit for the financial 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 31/3/2018	3 Months Ended 31/3/2017	12 Months Ended 31/3/2018	12 Months Ended 31/3/2017
	(Restated)		(Restated)	
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(13,226)	(13,527)	(8,365)	9,894
Number of ordinary shares in issue ('000)	501,956	501,703	501,956	501,703
Basic (loss)/earnings per share (sen)	(2.63)	(2.70)	(1.67)	1.97

Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 Months Ended 31/3/2018	3 Months Ended 31/3/2017	12 Months Ended 31/3/2018	12 Months Ended 31/3/2017
	(Restated)		(Restated)	
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(13,226)	(13,527)	(8,365)	9,894
<u>Weighted average ('000)</u>				
Number of ordinary shares in issue	501,956	501,703	501,956	501,703
Adjustment for dilutive effect on Conversion of Warrants B	111,405	111,405	111,405	111,405
	613,361	613,108	613,361	613,108
Basic (loss)/earnings per share (sen)	(2.16)	(2.21)	(1.36)	1.61



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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 31/03/2018 RM'000	12 Months Ended 31/03/2018 RM'000
Depreciation and amortisation	2,090	8,552
Finance costs	826	3,539
Impairment losses on trade receivables	10,140	10,140
Interest income	(73)	(183)
Gain on disposal of investment in associates	-	(2,776)

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. COMPARATIVE FIGURE

Prior Year Adjustment

A prior year adjustment in relation to change in accounting treatment reported by DNeX requires the followings adjustments:

Prior year adjustment 1 – Restatement of share of results in associate

The prior year adjustment relates to the incorrect discount rate of 10% based on weighted average cost of capital (“WACC”) used in determining the net present value of the associate’s assets retirement obligations (“ARO”). The use of this incorrect rate was considered to be an accounting error. Therefore, a revised discount rate of 4.3% based upon a risk-free approach was adopted to reflect the retrospective restatement.

Prior year adjustment 2 – Restatement of tax expense

The prior year adjustment relates to incorrect unutilized tax losses recorded in the previous financial year of approximately RM4.7 million. This amount has been adjusted and represents a correction in the financial statement for the year ended 31 March 2017.

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Accordingly, changes shall involve the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows.

The effects of the said adjustments are detailed below:

	As Previously Reported RM'000	Prior Year Adjustment RM'000	As Restated RM'000
Statement of financial position			
As at 31 March 2017			
Investment in associates	96,877	(2,239)	94,638
Retained earnings	53,999	(2,152)	51,847
Foreign exchange traslation	2,031	(87)	1,944
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Statement of comprehensive income for the financial year ended 31 March 2017			
Share of associates result	100,406	(2,152)	98,254
Other comprehensive income	1,928	(87)	1,841
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B18. AUTHORISATION FOR ISSUE

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