



CENTURY SOFTWARE HOLDINGS BERHAD

Company No. 828269-A

Incorporated in Malaysia under the Companies Act, 1965

INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2011

A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation

This interim report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and para 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the first interim report on the consolidated results announced by Century Software Holdings Berhad (the “Company”) in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding years’ corresponding quarter and period.

The accounting policies and methods of computation adopted by the Company and its subsidiaries (the “Group”) for this interim financial report are in compliance with the new and revised FRSs issued by the Malaysian Accounting Standards Board (“MASB”).

This interim report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2010.

2. Adoption of New and Revised Accounting Policies

(a) During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation



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2. Adoption of New and Revised Accounting Policies (Cont'd)

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's interim report, other than the following FRS's as set out below:

(i) FRS 7 requires additional disclosures about the Group's financial instruments. Prior to 1 January 2010, information about financial statements was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the Group's Interim Financial Report for the quarter ended 31 March 2011.

(ii) The adoption of FRS 139 (including the consequential amendments) did not have any material impact on the Group's interim financial report.

(iii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.



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2. Adoption of New and Revised Accounting Policies (Cont'd)

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) those have been issued by the MASB but are not yet effective for the current financial period:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011

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2. Adoption of New and Revised Accounting Policies (Cont'd)

IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 & FRS 3 (Revised)	1 July 2010

3. Auditors' Report

The auditor's report of the Company in respect of the annual audited Financial Statements for the year ended 31 December 2010 was not subject to any audit qualifications.

4. Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any major seasonal or cyclical factors.

5. Significant Unusual Items

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial year to-date.

6. Material Changes in Estimates

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and quarter ended 31 March 2011.

7. Changes in Debt and Equity

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review.

Date of Allotment	Number of Shares	Par Value (RM)	Issue Price (RM)	Consideration	Issued and Paid-up share capital (RM)	Cumulative Issued and Paid-up share capital (RM)
08.08.2008	20	0.10	0.10	Subscribers' shares	2	2
19.11.2010	132,999,980	0.10	0.10	Acquisition of CSM	13,299,998	13,300,000
08.12.2010	16,100,000	0.10	0.10	Acquisition of T-Melmax	1,610,000	14,910,000
25.01.2011	23,000,000	0.10	0.93	Public Issue	2,300,000	17,210,000

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8. Dividend

No dividend was proposed or paid during the current financial quarter under review.

9. Segmental Reporting

Segmental information for the Group by business segment for the cumulative quarter ended 31 March 2011 represented as follows:

Division	Revenue RM '000	Elimination RM '000	Consolidation RM '000
FMSS	6,430	-	6,430
Payment Aggregation	1,220	-	1,220
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Total	7,650	-	7,650
	<hr/>	<hr/>	<hr/>

FMSS – Financial Management Software Solutions

10. Changes in the Composition of the Group

On 31 January 2011, the company's entire issued and paid-up share capital was listed on the Main Market of Bursa Securities.

11. Contingent Liabilities

The Group does not have any contingent liabilities as at the end of the current quarter.

12. Capital Commitments

The Group does not have any material commitment for capital expenditure for the current quarter.

13. Material Events Subsequent to the End of the Interim Reporting Period

On 8 April 2011 the Company announced a proposed Bonus issue of 1 new share for every 1 existing share held and Bursa Securities approval was obtained on 29 April 2011. The shareholders approved the proposed Bonus issue during the Extraordinary General meeting held on 5 May 2011. The entire Bonus issue shares are to be listed on the 24 May 2011.

14. Related Party Transactions

The group did not engage into any related party transactions during the current quarter.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

1. Review of Performance

For the current quarter under review, the Group registered revenue and profit before taxation ("PBT") of RM7.65 million and RM1.95 million respectively.

Tabulated below is the segmental break down of the Revenue for the Group.

Revenue	FMSS RM '000	Payment Aggregation RM '000	Total RM '000
Software, Implementation and Training	1,219	1,106	2,325
Hardware	523	-	523
Maintenance	4,688	114	4,802
Total	6,430	1,220	7,650

2. Comparison with Immediate Preceding Quarter's Results.

The Group registered a revenue and PBT of RM13.58 million and RM9.84 million for the immediate preceding quarter ended 31 December 2010 against lower revenue of RM7.65 million and PBT of RM1.95 million respectively.

This was due to the nature of our clients and prospects, ie Government Sector. It is a trend for this sectors and it's also a normal cycle where most government agencies await their respective budget allocation and disbursement.

3. Business Prospects

With the implementation of the government's ongoing Economic Transformation Programme, business opportunities are positive and bright for the Group.

As for the FMSS division, the public sector is in need of higher security and better connectivity information infrastructure to strengthen its public delivery systems.

In relation to Payment Aggregate software division, the adoption of e-bayaran payment gateway by the various regulatory authorities enhances the division's long term earnings potential.

Barring any unforeseen circumstances, the Group is confident of achieving a better performance for the financial year ending 31 December 2011.

4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.



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5. Income Tax Expense

The taxation figures are as follows:

	Current Year Quarter 31 Mar 2011 RM'000	Current Year to-Date 31 Mar 2011 RM'000
Current tax	<u>0.33</u>	<u>0.33</u>

6. 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.

7. Purchase and/ or Disposal of Quoted Securities

There were no purchases or disposal of quoted securities for the Group as at the date of this interim report.

8. Borrowings

The Group's borrowings as at 31 Mar 2011 are as follows:

	Secured RM '000
Short-term borrowings	
Hire Purchase	216
Project Financing Loan	3,054
	<u>3,270</u>
Long-term borrowings	
Hire purchase	557
	<u>557</u>
Total	<u><u>3,827</u></u>

The project financing loan is secured by debenture and deed of assignment of all contract proceeds.



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9. Status of Corporate Proposal

a. Initial Public Offering ("IPO")

The exercise was completed on 31 January 2011.

b. Utilisation of proceeds

The Company received proceeds of RM21.39 million from the public for issuance of 23,000,000 new shares and the proceeds will be utilised as follows:

Proposed Utilisation	RM'000	%	Amount Utilised 31 Mar 2011 RM'000	Amount Unutilised 31 Mar 2011 RM'000	Expected time frame for utilisation
Research and development expenditure	6,000	28.05	-	6,000	Within three (3) years from the date of receipt.
Business expansion and capital expenditure	4,890	22.86	-	4,890	Within three (3) years from the date of receipt.
Working capital	4,000	18.70	-	4,000	Within three (3) years from the date of receipt.
Repayment of bank borrowings	4,000	18.70	4,000	-	Within six (6) months from the date of receipt.
Estimated listing expenses	2,500	11.69	2,500	-	Within six (6) months from the date of receipt.
	21,390	100.00	6,500	14,890	

10. Off Balance Sheet Financial Instruments

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

11. Derivatives Financial Instruments

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

12. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

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13. Dividend

There were no dividends declared or paid as at the date of this interim report.

14. Realised and Unrealised Profits/(Loss) Disclosure

	The Group As at 31 Mar 2011 RM '000	The Group As at 31 Dec 2010 RM '000
Total retained profits/(loss) of the Company and its subsidiaries		
- Realized	28,602	26,518
- Unrealised	-	-
	<hr/>	<hr/>
Total Group Retained Profits	28,602	26,518
	<hr/>	<hr/>

15. Earnings Per Share

i. Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2011 RM '000	Preceding Year Corresponding Quarter 31 Mar 2010 RM '000	Current Year to-date 31 Mar 2011 RM '000	Preceding Year Corresponding Period 31 Mar 2010 RM '000
Total comprehensive income attributable to owners of the Company (RM'000)	1,948	N/A	1,948	N/A
Weighted average number of ordinary shares in issue ('000)	172,100	N/A	172,100	N/A
Basic earnings per share (sen)	1.13	N/A	1.13	N/A

ii. Diluted

The Company does not have any convertible share or convertible financial instruments for the current quarter under review and financial year to-date.



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16. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 May 2011.