



CENSOFF HOLDINGS BERHAD (Company No. 828269-A)
Incorporated in Malaysia under the Companies Act, 1965
INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

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

1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards (“MFRS”) 134: ‘Interim Financial Reporting’ in Malaysia and with IAS 34 ‘Interim Financial Reporting’. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the most recent audited financial statements of Company as at and for the year ended 31 December 2012.

The Company’s interim financial statements for part of the period covered by the Company’s first MFRS framework annual financial statements and MFRS 1, ‘First-time Adoption of the Malaysian Financial Reporting Standards’ had been applied.

2. Audit Report

The auditors’ report of the Group’s annual audited financial statements for the year ended 31 December 2012 was not subject to any audit qualification.

3. Seasonal or Cyclical Factors

The Group’s business operations for the current quarter ended 30 September 2013 have not been significantly affected by seasonal or cyclical factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 30 September 2013.

5. Changes in Estimates

There were no changes in estimates that have a material effect on the current quarter ended 30 September 2013.



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6. Changes in Debt and Equity Securities

For the current quarter ended 30 September 2013 the changes in debt and equity securities are as follows:

	Amount
Paid –Up Share Capital	
As at 30 June 2013	344,200,000
Changes	
New Shares issued	20,000,000
Warrants – converted to shares	13,527,800
Enlarged Paid-Up Share Capital	
As at 30 September 2013	37,727,800

7. Dividend Paid

The Final Single Tier Dividend of 1.0 sen per ordinary share of RM0.10 in respect of the financial year ended 31 December 2012 was paid on the 27 September 2013.

8. Segmental Reporting

Segmental information for the Group by business segments for the cumulative quarter ended 30 September 2013 are as follows:

Division	Revenue RM '000	Elimination RM '000	Consolidation RM '000	Profit/(Loss) Before Tax RM '000
FMS	26,404	-	26,404	5,770
PAS	1,719	-	1,719	(1,061)
WMS	2,692	1,275	1,417	(467)
TS	3,762	174	3,588	682
Others	39	39	-	(450)
Total	34,616	1,488	33,128	4,474

FMS – Financial Management Solutions, PAS – Payment Aggregation Solutions, WMS – Wealth Management Solutions. TS – Training Solutions

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 2013.



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10. Contingent Liabilities

As at 30 September 2013, the Group's contingent liabilities were as follows:

- a) **Bank guarantee**
The Company has pledged a fixed deposit of RM3.59 million for a bank guarantee facility of a subsidiary company.
- b) **Corporate guarantees**
Corporate guarantees totaling RM28.50 million were issued to licensed banks for credit facilities granted to a subsidiary company.
- c) **Liquidated Ascertained Damages ("LAD")**
There is a potential contingent liability arising from the delay in a contract undertaken by a subsidiary company.

However, the Directors are confident that the potential LAD claims are unlikely to crystallize as the project is anticipated to be completed based on the extended timeline agreed with the customer.

11. Capital Commitments

The Group does not have any material commitment for capital expenditure for the current quarter ended 30 September 2013.

12. Subsequent Event

1. On 9 October 2013, the Share Sales Agreement (SSA) had become unconditional with Khazanah Nasional Berhad for the fulfillment of the conditions precedent in the SSA upon the receipt of the following:
 - a. the approval by Bursa Securities, vide its letter dated 3 October 2013, of a waiver from complying with Paragraph 8.29(1) of the Listing Requirements subject to the condition that Censof shall procure its shareholders' ratification for the Acquisition and the Mandatory General Offer (MGO) within two (2) months from the completion date of the Acquisition; and
 - b. the letter from the SC dated 8 October 2013 (which was received on 9 October 2013) on its concurrence that the Acquisition and the MGO would not result in a significant change in the business direction or policy of Censof and therefore are not subject to the SC's approval under section 214(1) of the CMSA.

On 11 October 2013, the Company made the payment of RM35,791,354.60 being the Balance Purchase Price I to Khazanah Nasional Berhad for the acquisition of 178,956,773 Sale Shares representing 23.08% equity interest in TIME Engineering Berhad (TEB) of which has been successfully transferred to Censof.

Accordingly, the Company

- a. served the Notice on the Board of TEB, notifying TEB of Censof's intention to undertake a conditional mandatory take-over offer; and



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- b. announced to Bursa Securities that the Notice abovementioned had been served upon the SSA becoming unconditional.

Subsequently on 29 October 2013, the SC has vide its letter dated the same date granted its consent to the Offer Document under Section 12(2) of the Code. The Offer Document was posted to the shareholders of TEB on 30 October 2013.

The MGO offer period closed on the 20 November 2013.

The final payment of Balance Purchase Price II on TEB shares was paid on the 27 November 2013 and the acquisition of 45.03% of TEB shares from Khazanah Nasional Berhad was deemed completed.

2. On 18 October 2013, its wholly owned subsidiary, Century Software (Malaysia) Sdn Bhd ("CSM"), Company had entered into Teaming Agreement with Myanmar Information Technology Pte Ltd (MIT), a private limited company incorporated in Myanmar.

Purpose of Teaming Agreement is to establish a business relationship between the two parties to work together on a collaborative basis. CSM is to give MIT the rights to sell, license, market and distribute CSM products and services in Myanmar. The Teaming Agreement will benefit both parties and to develop the best management and technical approach to specific projects.

3. On 24 October 2013, Bursa Securities approved the listing of such number of new Censof Shares to be issued pursuant to the conversion of the Redeemable Convertible Notes (RCN) and subject to conditions.

On 31 October 2013, Securities Commission Malaysia authorised the issuance of the RCN and subject to conditions.

The proposed RCN was duly approved by the shareholders of the company at the EGM held on the 29 November 2013.

4. On 30 October 2013, there was a total of 1,875 warrants converted to new ordinary shares by the general public.

13. Related Party Transaction

- a. Below is the related party transaction contracted during the quarter and the financial quarter.

	Current Year Quarter 30 Sept 2013 RM	Current Year To-Date 30 Spet 2013 RM
Inventrix Sdn Bhd - office rental	128,850	386,550

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



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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, Ang Hsin Hsien and Abdul Mushir Bin Che Chik (resigned on 28 June 2013).

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

1. Group Performance Review

a. Performance of the Current Quarter v Previous Year Corresponding Quarter

The Group registered revenue of RM7.65 million for the current quarter under review compared to the previous year corresponding quarter's revenue of RM5.33 million. The higher revenue for the current quarter as compared to the previous year quarter was attributed to the actual billing milestones which are more for this quarter.

The Group recorded lower profit before taxation of RM1.35 million for the current quarter compared to the previous year corresponding quarter's profit before taxation of RM1.68 million, this was due to capitalization of development which increased the profits for the previous corresponding quarter.

Tabulated below is the Group's segmental break down by operating divisions of the revenue and profit before tax:-

Division	Current Year Quarter 2013		Previous Year Quarter 2012	
	Revenue RM '000 (Unaudited)	PBT RM '000 (Unaudited)	Revenue RM '000 (Unaudited)	PBT RM '000 (Unaudited)
FMS	6,214	1,760	4,309	2,539
PAS	458	(250)	617	(301)
WMS	10	(723)	402	(255)
TS	965	87	-	-
Others	-	475	-	(303)
Total	7,647	1,349	5,328	1,680

b. Performance of the Current Financial Year To-date v Previous Financial Year To-date

For the current financial year to-date under review, the Group registered a revenue of RM33.13 million compared to the previous year to-date revenue of RM27.13 million. The increase of 22.13% in comparison to the preceding financial year was attributed to the recognition of 3rd party maintenance revenue, part billing for the Perkeso project and also the additional billing milestones for the current quarter.

As for the profit before taxation, the Group registered RM4.48 million for the current financial year to-date compared to the previous year to-date profit before taxation of RM4.64 million. The lower profit before taxation of 3.60% in comparison for the preceding financial year was due to the contribution from the capitalization of the development cost in the preceding quarter.



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Division	Current Year To-date 2013		Previous Year To-date 2012	
	Revenue RM '000 (Unaudited)	PBT RM '000 (Unaudited)	Revenue RM '000 (Unaudited)	PBT RM '000 (Unaudited)
FMS	26,404	5,770	22,904	6,136
PAS	1,719	(1,061)	2,865	(616)
WMS	1,417	(467)	1,356	(361)
TS	3,588	682	-	-
Others	-	(450)	-	(518)
Total	33,128	4,474	27,125	4,641

2. Comparison with Immediate Preceding Quarter's Results

The Group registered a revenue and profit before taxation of RM14.21 million and RM0.77 million for the immediate preceding quarter ended 30 June 2013 against a lower revenue of RM7.66 million and higher profit before taxation of RM1.35 million for the current quarter under review. The Group's higher revenue for the preceding quarter was due to the recognition of Perkeso billing for cluster 2 and the higher profit for the current quarter was because of the dividends paid by Century Software (M) Sdn Bhd.

3. Business Prospects

The Group's business prospects is expected to be encouraging for the financial year ending 31 December 2013, based on the secured and committed orders amounting to some RM41.01 million in-hand. The Group's on-going marketing and operating initiatives are as follow:-

Financial Management Solutions Division (FMS) – the focus still remains geared towards securing more local council projects and exploring a new revenue stream for the GST implementation.

Payment Aggregate Solutions Division (PAS) – efforts are directed towards obtaining 1 Government Payment Gateway from the Ministry of Finance. This will provide a stable and sustainable revenue stream moving forward. .

Wealth Management Solutions Division (WMS) – efforts are directed towards several new projects from government-owned enterprises and also end-of-year system upgrades from existing clients.

Training Solutions (TS) – Executive Master Program's activities have been intensified with the partnership with Malaysia Institute of Accounting (MIA) to promote the program to all their 30'000 members nationwide.

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 30 Sept 2013 RM'000	Current Year To-Date 30 Sept 2013 RM'000
Current Tax	119	241

The current tax paid/payable is mainly in respect of interest income from bank deposits for Century Software (M) Sdn Bhd and Knowledgecom Corporation Sdn Bhd who has been granted Multimedia Super Corridor status, which qualifies the subsidiaries for the Pioneer Status incentive under the Promotion of Investment Act, 1986. As for the Indonesian subsidiary PT Praisindo the tax payable relates to corporation tax and value added tax. Where else for T-Melmax Sdn Bhd is subject to corporation tax.

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 30 September are as follows:

	RM '000
Short-term borrowing	
Hire purchase	84
Project financing	10,311
Term loan	1,600
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	11,995
Long-term borrowing	
Hire purchase	612
	<hr/>
Total	12,607

The project financing loan is secured by debenture and deed of assignment of all contract proceeds. The term loan is secured by pledging of shares by the Holding Company's major shareholders, Saas Global Sdn Bhd.



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9. Status of Corporate Proposals

a) Utilisation of proceeds

The Company received proceeds of RM21.39 million from the public for the issuance of 23,000,000 new shares and the proceeds were fully utilized.

Proposed Utilisation	RM'000	%	Utilised 30 Sept 2013 RM'000
Research and Development expenditure	6,000	28.05	6,000
Business expansion and capital expenditure	4,890	22.86	4,890
Working capital	4,000	18.70	4,000
Repayment of bank borrowings	4,000	18.70	4,000
Estimated listing expenses	2,500	11.69	2,500
	21,390	100.00	21,390

b) Warrants

On 19 July 2012, the Company had issued 43,025,000 warrants on the basis of 1 free warrant for every 8 existing ordinary share of RM0.10 each held in the Company. The exercise period is from 19 July 2012 to 18 July 2017 to subscribe in cash for one new ordinary share of RM0.10 each of the Company at an exercise price of RM0.46 each.

On 12 August 2013, the major shareholders Saas Global Sdn Bhd converted 10,000,000 warrants to new ordinary shares and the new shares were listed on the 15 August 2013. Subsequent, on 18 September 2013 another 3,527,800 warrants were converted to new ordinary shares and listed on the 20 September 2013 by SAAS Global Sdn Bhd.

All proceeds have been deposited into Censof Warrants account. The proceeds were used for working capital.

As at to-date the outstanding unexercised warrant is 29,497,200.

c) Private Placement

On 8 July 2013, Bursa Securities approved the listing of and quotation for up to 38,722,500 new ordinary shares of RM0.10 each to be issues pursuant to the Proposed Private Placement. Since then the Company have issued 20,000,000 shares of 10,000,000 shares each which were listed on the 26 September 2013 and 30 September 2013 respectively at a price of RM0.465.



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The proceeds of RM9.30 million were used to pay the deposits for the acquisition of Time Engineering Berhad shares amounting to RM6.98 million and the balance as working capital.

There is a balance of 18,722,500 new ordinary shares pending Private Placement.

d) Redeemable Conversion Notes

On 14 May 2013, the Company entered into a conditional subscription agreement with Advance Opportunities Fund for the Proposed RCN Issue with an aggregate principal amount of up to RM100.0 million.

On 3 September 2013, Bank Negara Malaysia approved the Proposed RCN Issue.

e) Time Engineering Berhad (TEB) Share Acquisition & Mandatory General Offer

On 12 September 2013, the Company had entered into the Share Sales Agreement (SSA) with Khazanah Nasional Berhad to acquire 349,112,731 TEB Shares, representing 45.03% of the issued and paid-up share capital of TEB for a cash consideration of approximately RM69.82 million.

Upon the SSA becoming unconditional, Censof is deemed to have beneficial interest over all the Sale Shares pursuant to Section 6A(6)(b) of the Act. Accordingly, pursuant to Section 218(2) of the CMSA and Section 9(1), Part III of the Code, Censof is obliged to extend a Mandatory General Offer to the Non-Interested TEB Shareholders at a cash offer price of RM0.20 for every one (1) Share.

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.

13. Dividend

No dividend has been proposed or declared in relation to the current quarter ended 30 September 2013.



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14. Additional Disclosure

	Current Year Quarter 30 Sept 2013 RM '000	Current Year To-Date 30 Sept 2013 RM '000
Interest Income	87	166
Foreign Exchange Gain/(Loss)	5	(20)
Interest Expense	(142)	(577)
Depreciation and Amortization	(3,338)	(3,972)

15. Realised and Unrealised Profits/(Loss) Disclosure

The following analysis is prepared in accordance with Guidance on Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Securities Listing Requirements, as issues by the Malaysian Institute of Accountant ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

	As at 30 Sept 2013 RM '000 (Unaudited)	As at 31 Dec 2012 RM '000 (Audited)
Total Retained Profits/(Loss) of the Company and its subsidiaries:		
- Realized	40,492	41,212
- Unrealized	-	-
Total Group Retained Profits	40,492	41,212



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16. Earnings Per Share

a. 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	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
	30 Sept 2013 RM '000 (unaudited)	30 Sept 2012 RM '000 (audited)	30 Sept 2013 RM '000 (unaudited)	30 Sept 2012 RM '000 (audited)
Total comprehensive income attributable to owners of the Company (RM'000)	1,131	1,678	3,822	4,626
Weighted average number of ordinary shares in issue ('000)	346,283	344,200	346,283	344,200
Basic earnings per share (sen)	0.33	0.49	1.10	1.34



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b. Diluted

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
	30 Sept 2013 RM '000 (unaudited)	30 Sept 2012 RM '000 (audited)	30 Sept 2013 RM '000 (unaudited)	30 Sept 2012 RM '000 (audited)
Total comprehensive income attributable to owners of the Company (RM'000)	1,131	1,678	3,822	4,626
Impact on Income Statement upon conversion of warrant and placement (RM'000)	(240)	-	(240)	-
Total	891	1,678	3,582	4,626
Weighted average number of ordinary shares in issue ('000)	346,283	344,200	346,283	344,200
Adjustment for dilutive effect on Conversion of Warrants ('000)	29,497	-	29,497	-
Adjustment for dilutive effect on Private Placement ('000)	18,723	-	18,723	-
Total	394,503	344,200	394,503	344,200
Diluted earnings per share (sen)	0.23	0.49	0.91	1.34

**the share price upon approval of the warrant in July 2012 was below the exercise price of 0.46 sen and the approval for Private Placement were obtained in July 2013. Hence the 2 exercises are not applicable for dilution computation purposes for the preceding quarter ended September 2012.

17. Authorisation for issue

The interim financial statements were authorised for release by the Board of Directors as per the Board Meeting held on 29 November 2013.