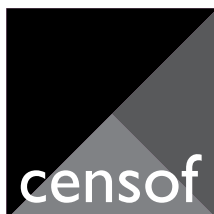


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CENSOF HOLDINGS BERHAD**

(Company No.: 828269-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED ISSUANCE OF FREE WARRANTS ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY  
FOUR (4) EXISTING ORDINARY SHARES OF  
RM0.10 EACH IN CENSOF HOLDINGS BERHAD ("CENSOF" OR THE "COMPANY") ("CENSOF  
SHARE(S)" OR "SHARE(S)")  
HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY  
ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("EGM") of Censof Holdings Berhad to be convened at A-8, Block A, Level 8, Sunway PJ51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 17 September 2014 at 10.00 a.m. is enclosed together with the Form of Proxy in this Circular.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Form of Proxy must be lodged with the Share Registrar of Censof Holdings Berhad, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time stipulated for holding the EGM, as indicated below. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: Monday, 15 September 2014 at 10.00 a.m.
Date and time of the EGM	: Wednesday, 17 September 2014 at 10.00 a.m.

This Circular is dated 2 September 2014

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## DEFINITIONS

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For the purpose of this Circular and the accompanying appendix, the following definitions shall apply, except where the context otherwise requires:-

<b>Act</b>	:	Companies Act, 1965 as amended from time to time or any re-enactment thereof
<b>AmInvestment Bank or the Adviser</b>	:	AmInvestment Bank Berhad (23742-V)
<b>Board</b>	:	Board of Directors of Censof
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (635998-W)
<b>Censof or the Company</b>	:	Censof Holdings Berhad (828269-A)
<b>Censof Group or the Group</b>	:	Censof and its subsidiaries
<b>Censof Share(s) or the Share(s)</b>	:	Ordinary share(s) of RM0.10 each in Censof
<b>Circular</b>	:	This circular to the shareholders of Censof in relation to the Proposed Free Warrants Issue dated 2 September 2014
<b>Deed Poll</b>	:	Deed poll governing the Warrants-B to be executed by the Company
<b>EGM</b>	:	Extraordinary general meeting of Censof
<b>Entitled Shareholders</b>	:	Shareholders of Censof whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
<b>Entitlement Date</b>	:	The date to be determined and announced by the Board later, on which the names of the shareholders of Censof must be registered in the Record of Depositors of the Company at the close of business in order to be entitled to participate in the Proposed Free Warrants Issue
<b>EPS</b>	:	Earnings per share
<b>FPE(s)</b>	:	Financial period(s) ended / ending, as the case may be
<b>FYE(s)</b>	:	Financial year(s) ended / ending, as the case may be
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	22 August 2014, being the latest practicable date prior to the printing of this Circular
<b>Market Day(s)</b>	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the Bursa Securities is open for trading of securities
<b>M&amp;A</b>	:	Memorandum and Articles of Association of Censof

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**DEFINITIONS (CONT'D)**

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<b>NA</b>	:	Net assets
<b>Official List</b>	:	A list specifying all securities listed on the Main Market of Bursa Securities
<b>Proposed Free Warrants Issue or the Proposal</b>	:	Proposed issuance of free warrants on the basis of one (1) new warrant for every four (4) existing Censof Shares held by the Entitled Shareholders of the Company on the Entitlement Date
<b>RCN</b>	:	Redeemable convertible notes comprising the redeemable convertible commercial papers and/or redeemable convertible medium term notes
<b>Record of Depositors</b>	:	A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Rules of Bursa Depository</b>	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 including all amendments made thereto from time to time or any re-enactment thereof
<b>VWAMP</b>	:	Volume-weighted average market price
<b>Warrant(s)-A</b>	:	Warrants issued by the Company on 19 July 2012 and due to expire on 18 July 2017
<b>Warrant(s)-B or Warrant(s)</b>	:	Free warrants in Censof to be issued pursuant to the Proposed Free Warrants Issue

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include corporations.

All references to “our Company” in this Circular are to Censof. References to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, shall include our subsidiaries.

All references to “you” in this Circular are to the shareholders of Censof.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

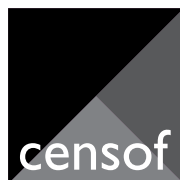
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**CENSOF HOLDINGS BERHAD**

(Company No.: 828269-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

Level 15-2  
Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

2 September 2014

**Board of Directors:**

Tan Sri Dato' Mohd Ibrahim Bin Mohd Zain (*Independent Non-Executive Chairman*)  
Ameer Bin Shaik Mydin (*Group Managing Director*)  
Tamil Selvan A/L M. Durairaj (*Deputy Managing Director*)  
Datuk Samsul Bin Husin (*Non-Independent Non-Executive Director*)  
Ang Hsin Hsien (*Executive Director*)  
Tuan Haji Ab. Gani Bin Haron (*Senior Independent Non-Executive Director*)  
Boey Tak Kong (*Independent Non-Executive Director*)

**To: The shareholders of Censof**

Dear Sir/ Madam,

**PROPOSED FREE WARRANTS ISSUE**

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**1. INTRODUCTION**

On 3 July 2014, AmlInvestment Bank had, on behalf of the Board, announced that Censof proposed to undertake the Proposed Free Warrants Issue.

On 15 August 2014, AmlInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 14 August 2014, approved the following on the Main Market of Bursa Securities:-

- (a) admission to the Official List and the listing of and quotation for up to 165,477,233 Warrants-B to be issued pursuant to the Proposed Free Warrants Issue; and
- (b) listing and quotation of up to 165,477,233 new Censof Shares to be issued pursuant to the exercise of Warrants-B issued under the Proposed Free Warrants Issue.

The approval granted by Bursa Securities for the Proposed Free Warrants Issue is subject to the conditions as set out in Section 6 of this Circular.

The purpose of this Circular is to provide you with details of the Proposal and to set out the view and recommendation of the Board as well as to seek your approval for the resolution pertaining to the Proposal to be tabled at the forthcoming EGM. The Notice of EGM and Form of Proxy are enclosed in this Circular.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSAL AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSAL**

### **2.1 Basis and number of free warrants to be issued**

Censof proposes to issue free new warrants to its Entitled Shareholders on the basis of one (1) new Warrant-B for every four (4) existing Censof Shares held by the Entitled Shareholders on the Entitlement Date.

The actual number of Warrants-B to be issued pursuant to the Proposed Free Warrants Issue would depend on the issued and paid-up share capital of the Company (net of treasury shares) as at the Entitlement Date, after taking into consideration any new Censof Shares that may be issued prior to the Entitlement Date, pursuant to the exercise and conversion of any outstanding Warrants-A and RCN respectively. As at the LPD, the total number of outstanding Warrants-A is 29,495,325 and amount of outstanding RCN is RM85,000,000. The total number of new Shares arising from the exercise of 29,495,325 outstanding Warrants-A would be 29,495,325. The amount of outstanding RCN of RM85,000,000 has not been issued yet as at the LPD and issuance of new Censof Shares only occur when the RCN that has been issued are converted to new Shares at a chosen conversion price.

As at the LPD, the total number of Warrants-B to be issued is up to 165,477,233, based on the issued and paid-up share capital of the Company (net of treasury shares) under the maximum scenario of full exercise of outstanding Warrants-A and full issuance and conversion of outstanding RCN (Please refer to Section 5 of this Circular).

Fractional entitlements of the Warrants-B, if any, shall be disregarded and dealt with by the Board in such manner as the Board in its absolute discretion deems fit and expedient in the best interests of the Company.

### **2.2 Basis of determining the issue price and exercise price of the Warrants-B**

The Warrants-B are issued at no cost to the Entitled Shareholders on a pro rata basis.

The exercise price of the Warrants-B has been currently fixed by the Board at RM0.46 each, at a discount of approximately 4.47% to the 5-day VWAMP of Censof Shares of RM0.4815 up to and including 22 August 2014, being the LPD.

However, adjustments may be made to the exercise price (Please refer to Section 2.5 of this Circular for the indicative salient terms of the Warrants-B).

The Board has arrived at the exercise price after considering, amongst other, the historical price movement of Censof Shares and the funding requirements of Censof Group.

## 2.3 Ranking of the Warrants-B and new Censof Shares arising from the exercise of the Warrants-B

The holders of the Warrants-B will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in Censof until and unless they exercise their Warrants-B into new Censof Shares.

The new Censof Shares arising from the exercise of the Warrants-B will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Censof Shares, save and except that they shall not be entitled to any dividends, rights, allotment, and/or other forms of distribution that may be declared, made or paid, where the entitlement date precedes the date of allotment and issuance of the said new Censof Shares arising from the exercise of Warrants-B.

## 2.4 Utilisation of proceeds of Warrants-B

The Proposed Free Warrants Issue will not raise any immediate funds upon its issuance as the Warrants-B will be issued at no cost to the Entitled Shareholders. Nevertheless, the exact quantum of proceeds that may be raised by Censof from the exercise of the Warrants-B would depend upon the actual number of Warrants-B exercised during the tenure of the Warrants-B.

If based on the LPD and maximum scenario, assuming full exercise 165,477,233 Warrants-B, the maximum proceeds to be raised by the Company is approximately RM 76.12 million, based on the exercise price of RM0.46 per Warrant-B.

If and when exercised, the maximum proceeds to be raised the Warrants-B shall be utilised for the repayment of loan and working capital purposes of Censof Group as per estimated breakdown below:

	RM ('000)	%
Repayment of loan*	53,284	70
Working capital	22,836	30
<b>Total Fund Raised (Maximum)</b>	<b>76,120</b>	<b>100</b>

\* Assumption of repayment of loan from a financial institution for payment of past acquisitions, fees, etc.

These proceeds are earmarked to be utilised for working capital purposes which will be used to finance the Group's day-to-day operations. These expenses include, amongst others, payment of staff salaries, travelling, rental, promotional marketing and other expenses. As at the date of this Circular, the Company has yet to determine the specific allocation of the proceeds to each component of working capital mentioned above.

Assuming full exercise of the Warrants-B, based on the maximum scenario, the amount of annual savings in interest payments and the total borrowings of the Group as at the LPD are as below:

	RM ('000)
Annual savings in interest payments	4,240
<b>Total borrowings</b>	<b>112,288</b>

The estimated expenses for the Proposed Free Warrants Issue are approximately up to RM250,000 (which include, amongst others, professional fees, fees payable to the authorities and printing fees), which will be settled immediately from internally generated funds.

Any future proceeds to be received by Censof from the exercise of the Warrants-B during the exercise period will be used immediately for repayment of loan and for working capital purposes as and when required. As such, the time frame for the full utilisation of proceeds is expected to exceed the intended five-year (5) exercise period.

## 2.5 Indicative salient terms of the Warrants-B

The indicative salient terms of the Warrants-B are set out below:-

Issue size	: Up to 165,477,233 Warrants-B to be issued in conjunction with the Proposed Free Warrants Issue to the Entitled Shareholders of Censof on the basis of one (1) new warrant for every four (4) Censof Shares held by the Entitled Shareholders as at the LPD. The actual number of Warrants-B to be issued pursuant to the Proposed Free Warrants Issue would depend on the issued and paid-up share capital of the Company (net of treasury shares) as at the Entitlement Date.
Form and denomination	: The Warrants-B will be issued in registered form and constituted by a Deed Poll.
Exercise rights	: Each Warrant-B entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new Censof Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise period	: Exercisable at any time within the period commencing on and including the date of issuance of Warrants-B and ending on the last market day preceding the 5th anniversary from the date of issuance of the Warrants-B. The Warrants-B which are not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	: The exercise price of Warrants-B is RM0.46 per warrant.
Mode of exercise:	: The registered holder of a Warrant-B is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with full payment of the exercise money by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
Mode of transfer	: The Warrants-B are transferable by an instrument of transfer in the usual or common form or such other form as the Board, Bursa Securities and/or any other relevant authorities may approve and in accordance with the Deed Poll, the Securities Industry (Central Depositories) Act, 1991 and, the Rules of Bursa Depository.
Board lot	: For the purpose of trading on the Bursa Securities and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants-B shall comprise 100 Warrants-B carrying the right to subscribe for 100 new Shares at any time during the exercise period, or such denomination as determined by Bursa Securities.



Listing status	: An application was made to Bursa Securities for the admission to the Official List and for the listing and quotation of up to 165,477,233 Warrants-B and listing and quotation of up to 165,477,233 new Censof Shares to be issued pursuant to the exercise of Warrants-B issued under the Proposed Free Warrants Issue on the Main Market of Bursa Securities, which was approved by Bursa Securities vide its letter dated 14 August 2014.
Ranking of new shares	: The new Censof Shares arising from the exercise of the Warrants-B will, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing Censof Shares, save and except that they shall not be entitled to any dividends, rights, allotment, and/or other forms of distribution that may be declared, made or paid where the Entitlement Date precedes the date of allotment and issuance of the said new Censof Shares arising from the exercise of Warrants-B.
Rights in the event of winding up, liquidation, compromise and/or arrangement:	<p>: Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:-</p> <ul style="list-style-type: none"> <li>(i) if such winding up or scheme of arrangement is one in which the Warrants-B holders, or some person designated by them for such purpose by special resolution, are to be a party, the terms of such winding up or scheme of arrangement are binding on all the Warrants-B holders;</li> <li>(ii) in a voluntary winding up or compromise or arrangement in any other case, every Warrant-B holder shall be entitled, upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or six (6) weeks from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of its/his Warrants-B to the Company, elect to be treated as if it/he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the exercise rights represented by its/his Warrants-B to the extent specified in the relevant exercise forms and be entitled to receive out of the assets of the Company which would be available in liquidation if it/he had on such date been the holder of the new Shares to which it/he would have been entitled to pursuant to such exercise and the liquidator of the Company, must give effect to such election accordingly and all exercise rights, which have not been exercised within the above six (6) weeks of either the passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, will lapse and the Warrants-B will cease to be valid for any purpose.</li> </ul>

Adjustments in the exercise price and/or number of Warrants-B	: The exercise price and the number of unexercised Warrants-B may from time to time be adjusted, calculated or determined by the Board, in consultation with an approved investment bank or the auditors appointed by the Company, in the event of alteration to the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll.
Deed Poll	: The Warrants-B are constituted by a Deed Poll to be executed by the Company.
Modification	: Save for such modification to Warrants-B or the Deed Poll which is not materially prejudicial to the interest of the Warrants-B holders, manifest error or to comply with mandatory provisions of Malaysian law, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the Warrants-B holders sanctioned by ordinary resolution and may be effected only by a supplemental Deed Poll, executed by the Company and expressed to be supplemental and subject to the approval of the relevant authorities, if necessary.
Governing Law	: The Warrants-B and the Deed Poll shall be governed by the laws and regulations of Malaysia.

### 3. RATIONALE FOR THE PROPOSAL

After due consideration, the Board is of the view that the Proposed Free Warrants Issue is the most appropriate avenue of rewarding the existing shareholders of Censof as the Proposed Free Warrants Issue shall:

- (i) provide the existing shareholders of Censof with a tradable derivative;
- (ii) provide an opportunity for the existing shareholders of Censof to further increase their participation in Censof in terms of equity and also in the future growth of Censof Group; and
- (iii) the future exercise of Warrants-B will help to further strengthen the capital base of Censof and will enable Censof to raise funds without incurring extra financing cost.

### 4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

#### 4.1 Overview and outlook of the software solutions industry in Malaysia

The Malaysian economy registered a strong growth of 6.4% in the second quarter of 2014 (1Q 2014: 6.2%), underpinned by higher exports and continued strength in private domestic demand. On the supply side, growth in the major economic sectors remained firm, supported by trade and domestic activity. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.8% (1Q 2014: 0.8%).

As at 19 July 2013, the Malaysian Investment Development Authority has approved a total of RM220.5 million for 36 projects with investments worth RM2.1 billion, which includes for projects under the information and communications technology ("ICT") industry.

Although there are many benefits of ICT, most businesses in Malaysia, particularly small medium enterprises ("**SME**") are slow to adapt to the ICT due to limited financial resources, lack of technological knowledge and high cost of technical team and software applications. In empowering SMEs and entrepreneurs, the Government of Malaysia is performing initiatives such as Digital Malaysia Programme ("**DMP**") under the National Transformation Policy which aims to create an ecosystem that promotes the pervasive use of digital technology in all aspects of the economy; and to provide platforms and programmes to grow users to generate revenue through digital business model.

*(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2014, Bank Negara Malaysia)*

*(Source: Economic Performance and Prospects, Economic Report 2013/2014, Ministry of Finance Malaysia)*

In Malaysia, the services component in ICT will continue to accelerate economic growth by bolstering domestic demand. Malaysia has been fortunate that in addition to the growing penetration of mobile and broadband, the overall ICT sector has been consistently one of the fastest growing sectors in Malaysia. Malaysia's local ICT industry is expected to achieve a growth rate of 9% in 2013 and will continue to be a top five paying industry here. Over the last five years, the average ICT salary has also consistently grown at 10% per annum with jobs becoming more specialised towards big data, analytics and cyber security-related areas.

*(Source: Message by the National ICT Association of Malaysia ("**PIKOM**") Chairman - ICT Strategic Review 2013/2014 "The Digital Opportunity" Ministry of Science, Technology and Innovation ("**MOSTI**"), the National ICT Association of Malaysia)*

As it was in the past, the Information Communication Technology Services ("**ICTS**") segment in Malaysia is projected to register significant growth in 2013. The ICTS segment grew at a Compound Annual Growth Rate ("**CAGR**") of 13.6% by increasing its value added services from RM12.7 billion in 2001 to RM55.1 billion in 2012. The ICTS segment is poised to reach the mark of RM61.7 billion in 2013 with an annual growth rate of 12%. In tandem with this, the share of ICTS in the national Gross Domestic Product ("**GDP**") has almost doubled from 3.3% to 6.3% between 2001 and 2012 while the GDP is now poised to reach segment's share of 6.7% in 2013.

PIKOM is confident of achieving double digit growth in the years ahead through on-going capital intensive economic transformation programmes and mega projects that have been stimulating domestic demand for ICT Services. To name a few, the ICT intensive big projects include the Mass Rapid Transit linking Kajang and Sg. Buloh, Petronas Refinery and Petrochemical Integrated Development project in Pengerang, Tun Razak Exchange River of Life, Bandar Malaysia at Sungei Besi as well as the various economic corridors – Iskandar Malaysia, Northern Corridor Economic Region, East Coast Economic Region, Sabah Development Corridor and Sarawak Corridor of Renewable Energy.

The ICT sector, in its contemporary form, has evolved to be more than a mere collection of technological tools. As a socio-economic enabler and key driver of business, ICT is poised to increase the process efficiency and effectiveness of product and services delivery. ICT's ubiquity, pervasive features and characteristics are continually impacting the way one works, plays and learns. In the early stages of the Information Age, such changes were harnessed through the Multimedia Super Corridor ("**MSC**") Malaysia initiative that was introduced in 1996. Having gone through two decades of new age experiences and exposures, viewing from a public policy perspective, the country has reached the next inflection point by creating a digital innovation economy through the DMP. From the private sector lens, the DMP is expected to increase business activities across the board and on a social level; it is poised to enhance the quality of life of the masses.

The ICTS sector - next to health care services and business and professional services - is considered one of the high performing sectors in enhancing the overall productivity of the nation.

The Government of Malaysia has promulgated the development of the ICTS sector through flagship applications of MSC Malaysia. Some of the key focus areas include application software, mobility embedded software and hardware shared services and outsourcing creative multimedia, internet based businesses with research and development incubators set up by institutes of higher learning.

Investment in the ICT sector has also led to significant growth in exports and imports of ICT Services. The ICTS grew from RM310 million in 2000 to RM8.706 billion in 2012, registering an annual average growth of 32.0%. Similarly, ICT imports also grew from RM765 million to RM8.485 billion, recording an annual growth rate of 22.0% over the same period. Notably, import of ICTS services was higher than exports of services at the beginning of the new century and since 2002, the country has become a net exporter of ICTS. The other notable trend is that ICTS trading has been registering exponential growth over the past five years and is projected to sustain such growth in the years ahead with increasing emphasis placed on the services sector including ICTS.

*(Source: Chapter Two: Malaysian Economic and Information & Communications Technology - (ICT) Industry Outlook - ICT Strategic Review 2013/2014 "The Digital Opportunity", Ministry of Science, Technology and Innovation, the National ICT Association of Malaysia)*

## 4.2 Prospects of Censof Group

Censof Group is principally involved in the design, development, implementation and marketing of Financial Management Software Solution(s) ("**FMMS**") segment and related services, Payment Aggregation Solutions ("**PAS**") segment which provides services for financial applications, electronic payments and collections solutions, as well as the Wealth Management Solutions ("**WMS**") segment which provides services for portfolio management, fund accounting, unit registry, selling agent and online transactions, Corporate ("**CS**") segment, which provide Group level corporate services and treasury functions and investments and Training Solution ("**TS**") segment, which provides training services in areas related to information technology ("**FMMS**", "**PAS**", "**WMS**", "**CS**" and "**TS**" are collectively known as "**Business Segments**")

Our subsidiary company, Century Software (Malaysia) Sdn Bhd ("**CSM**"), which carries out our FMSS business segment, successfully secured valuable contracts during the financial period under review, replenishing our order book with a total contract value of RM11.7 million. These projects have resulted in an outstanding order book of approximately RM35 million as at 31 March 2014. More recently, in May 2014 CSM also secured a two (2) year contract with a project value of RM3.7 million with Northport (M) Bhd. In addition to the revenue and profits generated from these project awards, Censof will also benefit from the resulting maintenance fees chargeable to the respective clients upon completion of the projects. This will increase the Group's recurring income in the long run. To build a stronger foundation for Censof in its aspirations to expand its footprint on an international scale, CSM entered into a Memorandum of Understanding ("**MOU**") with Estemarat Services LLC in 2013 to pursue business opportunities in the Middle East. In order to capitalise on an emerging economy with huge potential, CSM also signed a Teaming Agreement to collaborate with Myanmar Information Technology Pte Ltd to promote CSM products and services in Myanmar as a reseller.

Censof's division which provides PAS continues to focus on providing and developing innovative one-stop e-transaction systems. On 22<sup>nd</sup> October 2013, T-Melmax launched its C-Pay Mobile App that now supports the use of the C-Pay system on all smart phones and android mobile platforms. The launch of this mobile application is developed in line with the advanced payment solutions and market demands.

PT Praisindo Teknologi ("**PTP**"), Censof's division that provides WMS is based in Jakarta and has been gradually entering into the Malaysian market. PTP's products have been expanded into the Malaysian market mainly in meeting the Islamic requirements in Malaysia. Organizations such as Perbadanan Tabung Pendidikan Tinggi Nasional and Jambatan Kedua Malaysia are a few of the customers of PTP.

On November 2012, Censof Group acquired an 80% stake in Knowledgecom Corporation Sdn Bhd ("**Knowledgecom**"), an ICT educational service provider.

Knowledgecom operates our TS business segment, which was awarded a contract worth RM1.05 million during the financial period 2014 from Kementerian Sumber Manusia of Pembangunan Sumber Manusia Berhad ("**PSMB**"). This project was successfully completed within the contracted period.

Knowledgecom have been working intensely in collaboration with various parties in training and developing technical talents in Malaysia. Working together with reputable associations such as Multimedia Development Corporation, Talent Corporation Malaysia Berhad, PSMB and Ministry of Education – Knowledgecom is optimistic that it will be able to continue to increase its portfolio of training programs and services, that will contribute to a growing population of skilled workforce required in Malaysia in meeting the Government's Vision 2020 of becoming a developed nation by year 2020.

On 12 September 2013, Censof Group entered into a conditional share sale and purchase agreement with Khazanah Nasional Berhad ("**Khazanah**") to acquire 349,112,731 ordinary shares of nominal value RM0.20 each in Dagang NeXchange Berhad (formerly known as TIME Engineering Berhad) ("**DNEX**"), representing approximately 45.03% of the total issued and paid-up share capital of DNEX, from Khazanah for a total cash consideration of RM69,822,546.20.

This acquisition was successfully completed on 27 November 2013, resulting in Censof becoming the controlling shareholder of DNEX. DNEX is in the business of investment holding.

On 11 July 2014, Censof Group disposed of 45,000,000 ordinary shares of nominal value RM0.20 each in DNEX, equivalent to 5.80% equity interest for a total consideration of RM12,500,000. As at the LPD, Censof owns approximately 39.23% stake in DNEX.

The management foresees that the Group's long-term prospects will remain positive moving forth with growing market trends and advancing industry developments that are driving the demand for comprehensive ICT solutions. Firstly, the influx of the Government Service Tax ("**GST**") compliance system will not only generate opportunities for new implementation projects for the Group's GST software; but also trigger demand for upgrading and training services from our over 80 existing government agencies that are currently using our products before the implementation of the GST compliance system.

Moving forward, Censof believes that it will continue to focus on organic growth with the market shifting towards electronic financial management solutions that is driving trends towards a more technologically advanced era.

*(Source: The management of Censof)*

## 5. PROFORMA EFFECTS OF THE PROPOSAL

The effects of the Proposal on Censof Group's issued and paid-up share capital, earnings and EPS, NA per share and gearing, substantial shareholders' shareholdings and existing convertible securities are illustrated based on the following two scenarios (if applicable):

**Minimum Scenario:** Assuming no issuance of outstanding RM85.0 million RCN and none of the outstanding RM85.0 million RCN are converted and none of the outstanding 29,495,325 Warrants-A are exercised as at the LPD; and

**Maximum Scenario:** Assuming full issuance of outstanding RM85.0 million RCN and all of the outstanding RM85.0 million RCN are converted and all of the outstanding 29,495,325 Warrants-A are exercised as at the LPD.

Warrants-A have a fixed exercise price of RM0.46 per warrant.

For RCN, as at the LPD and for illustrative purposes, the conversion price chosen is the floating conversion price ("**Floating Conversion Price**") instead of fixed conversion price ("**Fixed Conversion Price**"). The Floating Conversion Price of RCN is RM0.4151 (based on 88% of the average of the closing prices of Censof Shares for the three (3) consecutive Market Days, from 6 June 2014 to 10 June 2014 (with 7 June 2014 and 8 June 2014 being non Market Days), being the chosen average closing prices during the forty-five (45) Market Days prior to the LPD of RM0.4717).

### 5.1 Issued and paid-up share capital

The proforma effects of the Proposal on the issued and paid-up share capital of Censof are as follows:

Details	Minimum Scenario		Maximum Scenario	
	Number of Shares	Value RM	Number of Shares	Value RM
Issued and paid-up share capital as at the LPD	427,643,671	42,764,368	427,643,671	42,764,368
To be issued pursuant to the full issuance of outstanding RCN <sup>(1)</sup>	-	-	-	-
To be issued pursuant to the full conversion of outstanding RCN	-	-	204,769,935	20,476,993
To be issued pursuant to the full exercise of Warrants-A	-	-	29,495,325	2,949,533
<b>Enlarged issued and paid-up share capital</b>	<b>427,643,671</b>	<b>42,764,368</b>	<b>661,908,931</b>	<b>66,190,894</b>
To be issued pursuant to Proposed Free Warrants Issue	-	-	-	-
Warrants-B fully exercised	106,910,918	10,691,092	165,477,233	16,547,723

<b>Enlarged Issued and paid-up share capital after full conversion of Warrants-B</b>	<b>534,554,589</b>	<b>53,455,460</b>	<b>827,386,164</b>	<b>82,738,617</b>
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Notes:

- (1) *The issuance of outstanding RCN does not involve any issuance of new Censof Shares until after the RCN is converted to new Shares.*

## **5.2 Earnings and EPS**

The Proposal is not expected to have a material effect on the earnings of the Group for the FYE 31 March 2015.

However, when the Warrants-B are exercised into new Censof Shares pursuant to the Proposal, it will result in a corresponding dilutive effect on the EPS of Censof Group due to the increase in the number of Censof Shares in issue.

## **5.3 NA per share and gearing**

The proforma effects of the Proposal on the NA per share and gearing of the Group based on the audited consolidated financial statements of Censof Group as at 31 March 2014 are as follows:-

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**Minimum Scenario  
As at 31 March 2014**

	As at 31 March 2014 (RM'000)	(I) Adjustments as at the LPD <sup>(2)</sup> (RM'000)	(II) After (I) and Proposed Free Warrants Issue (RM'000)	(III) After (II) and full exercise of Warrants-B (RM'000)
Share capital	39,960	42,764	42,764	53,455
Share premium	22,545	31,441	31,441	69,929
Merger deficit	(12,300)	(12,300)	(12,300)	(12,300)
Retained profits	38,781	40,747	<sup>(3)</sup> 40,498	40,498
Foreign exchange translation reserve	(311)	(311)	(311)	(311)
Estimated RCN equity component	72	-	-	-
NA attributable to owners of the Company	88,747	102,341	102,092	151,271
Non-controlling interests	62,403	72,812	72,812	72,812
Total Equity	151,150	175,153	174,904	224,083
Number of Shares (net of treasury shares) ('000)	399,595	427,643	427,643	534,554
<b>NA per Share(RM)</b>	0.38	0.41	0.41	0.42
Total debt (RM'000)	127,517	112,288	112,288	112,288
<b>Gearing ratio (times) <sup>(1)</sup></b>	0.84	0.64	0.64	0.50

Notes:

- (1) Gearing ratio is total debt divided by shareholders' equity.  
(2) Adjustments for the effects of 28,048,206 new Censof Shares issued pursuant to the conversion of RM11.7 million amount of RCN and partial disposal of 45.0 million Dagang NeXchange Berhad's shares for RM12.5 million up to the LPD. There were no additional Private Placement and exercise of Warrants-A up to the LPD.  
(3) After deducting estimated expenses in relation to the Proposed Free Warrants Issue of RM249,000 which is to be funded by internally generated funds of the Company.



**Maximum Scenario  
As at 31 March 2014**

	As at 31 March 2014 (RM'000)	(I) Adjustments as at the LPD <sup>(2)</sup> (RM'000)	(II) After (I) and full issuance of outstanding RCN (RM'000)	(III) After (II) and full conversion of outstanding RCN (RM'000)	(IV) After (III) and full exercise of Warrants-A (RM'000)	(V) After (IV) and Proposed Free Warrants Issue (RM'000)	(VI) After (V) and full exercise of Warrants-B (RM'000)
Share capital	39,960	42,764	42,764	63,241	66,191	66,191	82,739
Share premium	22,545	31,441	31,441	<sup>(5)</sup> 95,964	<sup>(6)</sup> 106,582	106,582	166,154
Merger deficit	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)	(12,300)
Retained profits	38,781	40,747	40,747	40,747	40,747	<sup>(7)</sup> 40,497	40,497
Foreign exchange translation reserve	(311)	(311)	(311)	(311)	(311)	(311)	(311)
Estimated RCN equity component	72	-	<sup>(3)</sup> 13,611	-	-	-	-
Na attributable to owners of the Company	88,747	102,341	115,952	187,341	200,909	200,659	276,779
Non-controlling interests	62,403	72,812	72,812	72,812	72,812	72,812	72,812
Total Equity	151,150	175,153	188,764	260,153	273,721	273,471	349,591
Number of Shares (net of treasury shares) ('000)	399,595	427,643	427,643	632,413	661,809	661,809	827,386
<b>NA per Share (RM)</b>	0.38	0.41	0.44	0.41	0.41	0.41	0.42
Total debt (RM'000)	127,517	112,288	<sup>(4)</sup> 179,140	112,288	112,288	112,288	112,288
<b>Gearing ratio (times) <sup>(1)</sup></b>	0.84	0.64	0.95	0.43	0.41	0.41	0.32

**Notes:**

(1) Gearing ratio is total debt divided by shareholders' equity.

(2) Adjustment for the effects of 28,048,206 new Censof Shares issued pursuant to the conversion of RM11.7 million amount of RCN and partial disposal of 45.0 million Dagang NeXchange Berhad's shares for RM12.5 million up to the LPD. There were no additional Private Placement and exercise of Warrants-A up to the LPD.

- (3) Being the estimated equity component of the RCN after deducting the fair value of the liability component of the RCN of RM66.85 million and the deferred tax adjustment on the equity component of the RCN of RM4.54 million respectively.
- (4) Including the liability component of the RCN amounting to RM66.85 million.
- (5) Based on the conversion price of RCN of RM0.4151. The total number of new Censof Shares arising from the full conversion of outstanding RCN is 204,769,935.
- (6) Based on the exercise price of the Warrants-A of RM0.46. The total number of new Censof Shares arising from the full exercise of outstanding Warrants-A is 29,495,325.
- (7) After deducting estimated expenses in relation to the Proposed Free Warrants Issue of RM250,000 which is to be funded by internally generated funds of the Company.

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## 5.4 Substantial shareholders' shareholdings

If based on the LPD, the proforma effects of the Proposal on the shareholdings of the substantial shareholders of Censof are set out below:

### Minimum Scenario

Substantial Shareholders of Censof	(I)			(II)			(III)		
	As at the LPD			After (I) and Proposed Free Warrants Issue			After (II) and full exercise of Warrants-B		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	Number of Shares	%*	Number of Shares	Number of Shares	%*	Number of Shares	Number of Shares	%*	Number of Shares
SAAS Global Sdn Bhd	175,937,954	41.14		175,937,954	41.14		219,922,443	41.14	
Datuk Samsul Bin Husin			175,937,954 <sup>(1)</sup>		41.14	175,937,954 <sup>(1)</sup>	219,922,443 <sup>(1)</sup>		41.14
Ameer Bin Shaik Mydin			175,937,954 <sup>(1)</sup>		41.14	175,937,954 <sup>(1)</sup>	219,922,443 <sup>(1)</sup>		41.14

#### Notes:

(1) Deemed interest pursuant to Section 6A of the Act though their interests in SAAS Global Sdn Bhd.

\* Based on 100% equity interest in Censof.

**Maximum Scenario**

Substantial Shareholders of Censof	(I)				(II)				(III)			
	As at the LPD				After (I) and full issuance of outstanding RCN <sup>(2)</sup>				After (II) and full conversion of outstanding RCN <sup>(3)</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*
SAAS Global Sdn Bhd	175,937,954	41.14			175,937,954	41.14			175,937,954	27.82		
Datuk Samsul Bin Husin			175,937,954 <sup>(1)</sup>	41.14			175,937,954 <sup>(1)</sup>	41.14			175,937,954 <sup>(1)</sup>	27.82
Ameer Bin Shaik Mydin			175,937,954 <sup>(1)</sup>	41.14			175,937,954 <sup>(1)</sup>	41.14			175,937,954 <sup>(1)</sup>	27.82

(IV)				(V)				(VI)			
After (III) and full exercise of Warrants-A <sup>(4)</sup>				After (IV) and Proposed Free Warrants Issue				After (V) and full exercise of Warrants-B			
Direct		Indirect		Direct		Indirect		Direct		Indirect	
Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*	Number of Shares	%*
175,938,023	26.58			175,938,023	26.58			219,922,529	26.58		
		175,938,023 <sup>(1)</sup>	26.58			175,938,023 <sup>(1)</sup>	26.58			219,922,529 <sup>(1)</sup>	26.58
		175,938,023 <sup>(1)</sup>	26.58			175,938,023 <sup>(1)</sup>	26.58			219,922,529 <sup>(1)</sup>	26.58

**Notes:**

- (1) Deemed interest pursuant to Section 6A of the Act though their interests in SAAS Global Sdn Bhd  
(2) After full issuance of outstanding RM85.0 million of RCN.  
(3) After full conversion of outstanding RM85.0 million RCN, which will be converted to 204,769,935 number of new Censof Shares.  
(4) After full exercise of outstanding 29,495,325 Warrants-A, which will be converted to 29,495,325 number of new Censof Shares.  
\* Based on 100% equity interest in Censof.

## 5.5 Convertible securities

As at the LPD, Censof has:

- (i) 29,495,325 number of outstanding Warrants-A; and
- (ii) RM85,000,000 worth of outstanding RCN.

Based on the deed poll dated 28 June 2012 in relation to the Warrants-A no adjustments is expected to be made to the existing exercise price and the number of outstanding Warrants-A which remain unexercised upon the issue of Warrants-B.

Pursuant to the Subscription Agreement dated 14 May 2013 ("**Subscription Agreement**"), an adjustment may be required to be made to the Fixed Conversion Price of the outstanding RCN on the Entitlement Date in accordance with the provisions as set out in the Subscription Agreement, in relation to the Proposal.

Save for the outstanding Warrants-A and RCN above, the Company does not have any other convertible securities issued or granted.

## 6. APPROVALS REQUIRED

The Proposal is subject to the following approvals being obtained:-

- (i) approval of Bursa Securities which was obtained on 14 August 2014 for:-
  - (a) admission to the Official List and the listing of and quotation for up to 165,477,233 Warrants-B to be issued pursuant to the Proposed Free Warrants Issue; and
  - (b) listing and quotation of up to 165,477,233 new Censof Shares to be issued pursuant to the exercise of Warrants-B issued under the Proposed Free Warrants Issue.

The approval of Bursa Securities is conditional upon:-

Conditions imposed	Status of compliance
(1) Censof and AmlInvestment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Free Warrants Issue;	To be complied
(2) Censof and AmlInvestment Bank to inform Bursa Securities upon the completion of the Proposed Free Warrants Issue;	To be complied
(3) Censof to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities approval once the Proposed Free Warrants Issue is completed; and	To be complied
(4) Censof is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants-B, as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) approval of the shareholders of Censof at the forthcoming EGM; and
- (iii) the approvals / consents of any other relevant authorities / parties; if required.

**7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposal apart from their respective entitlements under the Proposal, which are also available to all other shareholders of the Company.

**8. DIRECTORS' RECOMMENDATION**

The Board having considered all aspects of the Proposal, particularly the rationale as set out in sections above, is of the opinion that the Proposal is in the best interest of Censof and its shareholders.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming EGM.

**9. INTER-CONDITIONALITY OF THE PROPOSAL**

The Proposal is not conditional upon any other corporate exercises.

**10. OUTSTANDING PROPOSAL ANNOUNCED BUT PENDING IMPLEMENTATION**

As at the LPD, save for the Proposal, there are no other proposals which have been announced but pending implementation.

**11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE**

The Proposal is expected to be completed by the fourth (4<sup>th</sup>) quarter of 2014, barring any unforeseen circumstances and subject to all required approvals being obtained.

The tentative timeline for the implementation of the Proposal is set out below:-

Date	Event
End September 2014	Entitlement Date
Mid October 2014	Allotment of the Warrants-B
	Completion of Proposed Free Warrants Issue

**12. EGM**

The EGM, the notice of which is enclosed with this Circular, will be held at A-8, Block A, Level 8, Sunway PJ 51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 17 September 2014 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposal.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

**13. FURTHER INFORMATION**

You are advised to refer to the enclosed appendix for further information.

Yours faithfully  
For and on behalf of the Board  
**CENSOF HOLDINGS BERHAD**

**AMEER BIN SHAIK MYDIN**  
Group Managing Director



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## **APPENDIX I - FURTHER INFORMATION**

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### **1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and accuracy of the information given herein and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other material facts, the omission of which would make any statement in this Circular false or misleading.

### **2. CONSENT AND CONFLICT OF INTEREST**

#### **(i) AmlInvestment Bank**

The written consent of AmlInvestment Bank for the inclusion of its name in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, AmlInvestment Bank is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser to the Company in respect of the Proposed Free Warrants Issue.

#### **(ii) Messrs. Cheang & Ariff**

Messrs. Cheang & Ariff, being the due diligence solicitors to the Company for the Proposed Free Warrants Issue, has given and has not subsequently withdrawn before the issuance of this Circular its written consent to the inclusion in this Circular of its name and all references to it in the form and context in which they so appear in the Circular.

As at the LPD, Messrs. Cheang & Ariff is not aware of any conflict of interest which exists or is likely to exist in its capacity as the due diligence solicitors to the Company in respect of the Proposed Free Warrants Issue.

#### **(iii) Messrs. Crowe Horwath**

Messrs. Crowe Horwath, being the Reporting Accountant to the Company for the Proposed Free Warrants Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references to it in the form and context in which they so appear in the Circular.

As at the LPD, Messrs. Crowe Horwath is not aware of any conflicts of interest which exists or is likely to exist in its capacity as the Reporting Accountant to the Company in respect of the Proposed Free Warrants Issue.

### **3. HISTORICAL SHARE PRICE**

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the past twelve (12) months preceding the date of this Circular from September 2013 to August 2014 are as follows:-

**APPENDIX I - FURTHER INFORMATION (CONT'D)**

	High	Low
	(RM)	(RM)
<b>2013</b>		
September	0.540	0.390
October	0.615	0.475
November	0.670	0.565
December	0.585	0.500
<b>2014</b>		
January	0.605	0.525
February	0.555	0.480
March	0.525	0.470
April	0.545	0.470
May	0.510	0.475
June	0.535	0.470
July	0.510	0.470
August	0.520	0.470

(Source: Bloomberg)

The last transacted price of the Shares on Bursa Securities on 2 July 2014, being the last Market Day prior to the announcement of the Proposal on 3 July 2014 was RM0.475.

The last transacted price of the Shares on Bursa Securities on the LPD was RM0.480.

#### 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

##### Material commitments

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

##### Contingent liabilities

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results/position of the Group:

##### (a) Corporate guarantee

	Amount RM '000
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	16,436

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**APPENDIX I - FURTHER INFORMATION (CONT'D)**

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(b) Liquidated Ascertained Damages (“**LAD**”)

There is a potential contingent liability arising from the delay in a contract undertaken by a subsidiary.

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

**5. MATERIAL LITIGATION**

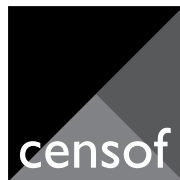
As at the LPD, neither Censof nor any of its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material and adverse effect on the financial position or business of the Group and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings, pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of Censof at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming EGM:-

- (a) the M&A of Censof;
- (b) Censof's audited consolidated financial statements for the FYE 31 December 2012 and FPE 31 March 2014 and unaudited consolidated financial statements for the three (3)-month FPE 30 June 2014;
- (c) the letters of consent referred to in Section 2, Appendix I of this Circular; and
- (d) the draft Deed Poll.

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**CENSOF HOLDINGS BERHAD**

(Company No.: 828269-A)

(Incorporated in Malaysia under the Companies Act, 1965)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Censof Holdings Berhad ("**Censof**" or the "**Company**") will be held at A-8, Block A, Level 8, Sunway PJ 51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 17 September 2014 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without modification:-

**ORDINARY RESOLUTION**

**PROPOSED ISSUANCE OF FREE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) NEW WARRANT FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF RM0.10 EACH IN CENSOF ("CENSOF SHARE(S)" OR "SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED FREE WARRANTS ISSUE")**

**"THAT** subject to the approvals of all relevant authorities, authority be and is hereby given to the Board of Directors of Censof ("**Board**") to allot and issue free Warrants to be named as "Warrants-B", on the basis of one (1) new Warrant-B for every four (4) existing Censof Shares held by the shareholders of Censof whose names appear in the Company's Record of Depositors at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**");

**THAT** authority be and is hereby given to the Board to allot and issue such further Warrants-B ("**Additional Warrants-B**") as may be required or permitted to be issued pursuant to any adjustments under the terms and provisions of the deed poll to be executed, constituting the Warrants-B ("**Deed Poll**");

**THAT** authority be and is hereby given to the Board to allot and issue such number of new Shares credited as fully paid-up to be issued pursuant to the exercise of the Warrants-B and Additional Warrants-B (if any) during the exercise period of Warrants-B in accordance with the terms of the Deed Poll;

**THAT** upon allotment and issuance, the new Shares to be issued pursuant to the exercise of the Warrants-B and Additional Warrants-B (if any) shall rank *pari passu* in all respects with the then existing Censof Shares, save and except that they shall not be entitled to any dividends, rights, allotment, and/or other forms of distribution that may be declared, made or paid, where the entitlement date precedes the date of allotment and issuance of the new Shares to be issued pursuant to the exercise of the Warrants-B and Additional Warrants-B (if any);

**THAT** any fractional entitlement that may arise from the Proposed Free Warrants Issue will be disregarded and the Board be and is hereby authorised to deal with any such fractional entitlement in such manner as the Board in its absolute discretion may deem fit and expedient in the best interest of the Company;

**THAT** authority be and is hereby given to the Board to utilise the proceeds to be raised from the Proposed Free Warrants Issue for the purposes as set out in Section 2.4 of the circular to the shareholders of Censof dated 2 September 2014 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary, expedient and/or appropriate and in the best interest of the Company, subject to the receipt of approvals from the relevant authorities (if required);

**THAT** the Board be and is hereby authorised to enter into and execute the Deed Poll constituting the Warrants-B and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll;

**AND THAT** the Board be and is hereby authorised to do all things and acts and/or sign and execute all documents as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Free Warrants Issue with full powers to assent to any term, condition, modification, variation and/or amendment as may be required or permitted by any relevant authorities and/or parties, as a consequence of any such requirement and/or as the Board may deem fit, necessary, expedient and/or appropriate and in the best interest of the Company.”

By Order of the Board

Lim Seck Wah (MAICSA 0799845)  
M. Chandrasegaran A/L S. Murugasu (MAICSA 0781031)  
Company Secretaries

Kuala Lumpur  
2 September 2014

Notes:-

1. For the purpose of determining a member who shall be entitled to attend and vote at the Extraordinary General Meeting, the Company shall be requesting the Record of Depositors as at 10 September 2014. Only a depositor whose name appears on the Record of Depositors as at 10 September 2014 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy.
3. Where a member is an authorised nominee as defined under the Security Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
5. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
6. The Form of Proxy must be deposited at the share registrar of the Company at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.



## FORM OF PROXY

**CENSOF HOLDINGS BERHAD**  
(Company No. 828269-A)  
(Incorporated in Malaysia under the  
Companies Act, 1965)

<b>No. of ordinary shares held</b>

I/We .....  
(Full name in Capital Letters)

NRIC No./ Passport No./ Company No. .... CDS A/C No. ....

of .....  
(Full address)

being a member/members of **CENSOF HOLDINGS BERHAD**, hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address	No. of shares to be represented
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at A-8, Block A, Level 8, Sunway PJ 51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 17 September 2014 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:-

	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
<b>Ordinary Resolution – Proposed Free Warrants Issue</b>				

(Please indicate with a “√” or “X” in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.). The first named proxy shall be entitled to vote on a show of hands on my/our behalf)

Signed this.....day of.....2014

Signature of Shareholder(s)/Common Seal

### Notes:-

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Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Share Registrar

**CENSOF HOLDINGS BERHAD (828269-A)**  
Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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