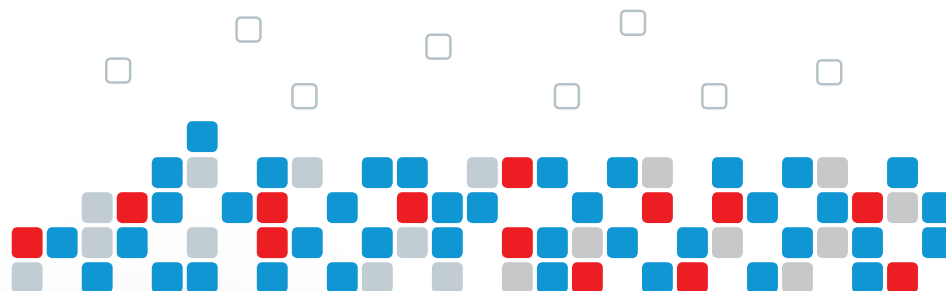


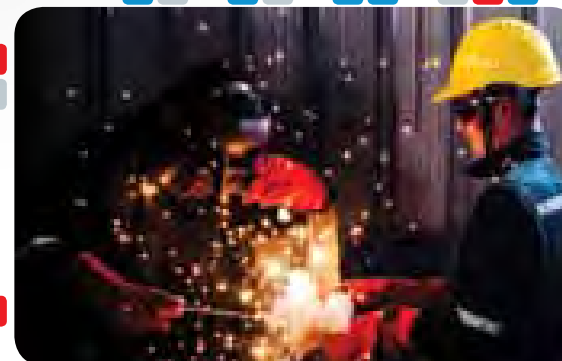


PRESTARIANG®

upskill and reskill for lifelong learners



- Education
- Academy
- Software & Services





Upskill and reskill for lifelong learners

Demand for highly skilled, technically qualified employees is being driven by the expansion of new and innovative industries, including information technologies, and renewable and efficient energy, mining and construction.

Higher education and professional training institutions have been increasingly positioning themselves as agents for economic and regional growth and are identifying their areas of competitive strength in research and teaching. The goal is for businesses and universities to work together and learn from each other on how to generate and exploit innovative ideas.

The encouragement, promotion and development of lifelong learning are critical for continued growth and development in a world that is evolving in a rapid pace. The knowledge-based economy, new technologies, the growing speed of technological changes and globalisation all influence the needs to improve the population's skills and competences.

As such, Prestariang is playing a greater part in the Government's agenda of improving skills of the workforce by identifying skills gaps in various sectors. The reskilling and upskilling programs that we offer are designed to offer participants an opportunity to exploit career opportunities by developing skills most in need within enterprises around the country.

OUR **VISION**

To develop local talents for the global market

OUR **PURPOSE** and **MISSION**

To enhance human potential through lifelong learning

LINE OF **BUSINESS**

- Education
- Academy
- Software & Services

4th

ANNUAL GENERAL MEETING

Date : **25 June 2014, Wednesday**
Time : **10.00 a.m.**
Venue : **Cindai 1, Cyberview Resort & Spa
Persiaran Multimedia
63000 Cyberjaya
Selangor Darul Ehsan**

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Major Projects

4



Home Grown Intellectual Properties

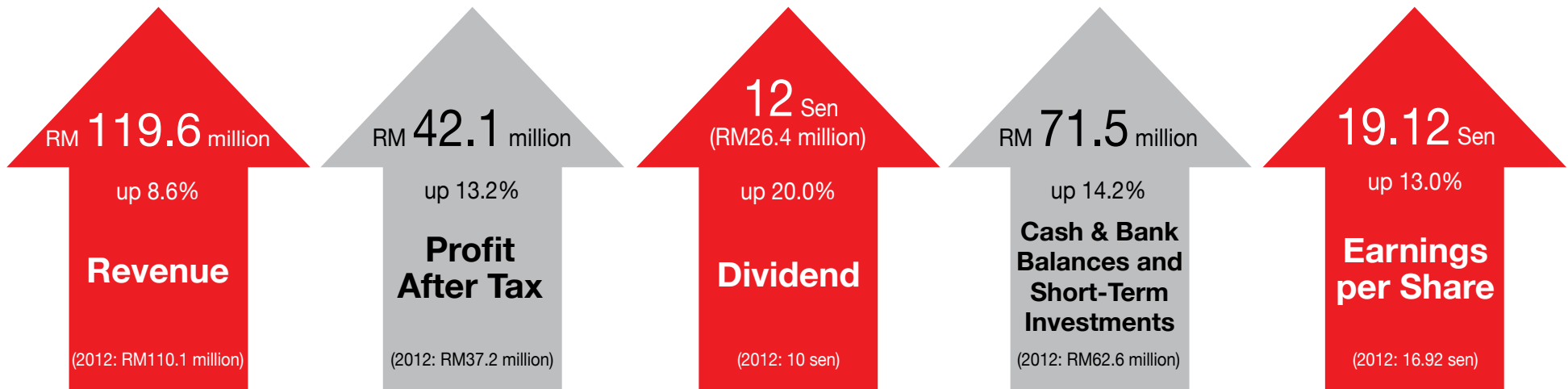
130

Dedicated Employees

37

Awards & Recognitions

since 2004



Payout since 2011:
30 sen or RM66 million



We are catalysing the next generation of highly-educated youth through innovative and cutting-edge higher education

Incorporated in 2003, Prestariang Berhad’s (“Prestariang” or “the Group”) core business is to train and certify lifelong learners to become professionals.

Our three-pronged focus is on Education, Academy and Software & Services where our aim is to impart knowledge, skills and the right attitude to make a person gain initial employment, maintain it and obtain new ones, if required, through globally benchmarked accreditations.

Our Education arm, University Malaysia of Computer Science & Engineering or UniMy offers disciplines, which are uniquely related to ICT as part of Digital Malaysia’s thrusts that will leverage on new and existing initiatives to drive Malaysia towards a digital economy. UniMy has introduced a 1+3+1 pure computer program, which features 1 year for Foundation studies, 3 years for the Degree and the final year for postgraduate Masters.

The first intake was in August 2013 for Foundation in Computer Engineering studies for 28 top students selected throughout Malaysia. UniMy is currently based at the temporary campus in Putrajaya, which can accommodate up to 1,000 students. A proposed purpose-built permanent campus is scheduled to be fully operational by 2018 with a maximum enrolment of 3,000 students.

Training & certification for ICT and the newly introduced sector of oil and gas (“O&G”) are the core focus under our Academy Segment (“Academy”). Our Academy and Software & Services business activities are highly synergistic as the training & certification programs, which are carried out are tied-in with the supply of licences for the softwares that we provide.

As a provider of professional ICT Training & Certification, we are certified and authorised by the following technology and software vendors:

- Microsoft Gold Partner
- Adobe Authorized Training Center
- Autodesk Training & Exam Center
- CompTIA Authorized Partner Program
- IBM Software Career Training
- EC-Council Accredited Training Center
- Oracle Partner Network
- Certiport Authorized Training Center
- Quint Wellington Redwood Asia Sdn. Bhd.

In addition, we are an authorised center for testing and assessment where examinations are conducted for professional certifications. We are authorised by the following Test Centers:-

- Authorized Prometric Testing Center; and
- Pearson Vue Authorized Test Centre

As a certified partner for various technology and software vendors and organisations, we have the capability to provide both basic and professional ICT Training & Certification, which encompass instructor-led courses and certification examinations at the end of the courses. At the same time we also distribute and manage our partners’ software licences.

Currently, we offer approximately 60 certification courses from various technology and software vendors who are our valued partners, which include among others Microsoft, IBM, Oracle, Sun Microsystems, CompTIA, Autodesk, EC-Council and Adobe.

For O&G, the Academy provides training, which includes certification of the AutoCad program that enhances job placement within a short span of time. Full time skills training are conducted between a period of 3 and 6 months, which encompasses rigging, scaffolding and pipe fitting. Prestariang in collaboration with Yayasan Pelajaran Johor have set up the Petroleum Academy Malaysia (“PAM”) to provide skills and upskilling training in the O&G industry to meet with the expected demand of skilled workers throughout the country and in particular the Refinery and Petrochemicals Integrated Development (“RAPID”) in Pengerang, Johor. The vocational education and technical training are vital to address the human capital needs of the National Key Economic Area projection for the nation’s O&G industry.



Lifelong learning is a continuously supportive process, which stimulates and empowers individuals to enhance their professional and personal lives



“We enhance human potential through lifelong learning and develop local talents for the global market.”

Dr Abu Hasan Bin Ismail

Chief Executive Officer, Prestariang Berhad

Prestariang’s emphasis on lifelong learning is key in developing a workforce that is engaged and keen on continuously strengthening their skills. Our training & certification programs offer multiple benefits, which include the opportunity to enhance new and existing skills, stimulating learning experiences and promote better interaction. Learning is intrinsic and we engage in learning throughout our whole lives. Lifelong learning develops the intellectual growth of an individual, besides providing excellent business networking possibilities, both at managerial and business levels. It further promotes enhanced employability, economic prosperity, social inclusion, active citizenship and personal fulfilment.

Our core business segments of Education, Academy and Software & Services revolve around emerging sustainable trends in the employment market. Prestariang is one of the largest provider of ICT Training & Certifications as well as software licence management and distribution in Malaysia. To remain in the forefront of our industry, we have bridged our Training & Certification activities with the supply of licences for the software, which are used in our programs.

Education

UniMy

UniMy is a unique, first and one of a kind boutique university, which is devoted to provide specialised computer science and engineering education. UniMy, which was launched in January 2013, is committed to produce specially trained and market-ready computing professionals and talents. UniMy is focused on the delivery of pure computer studies in five strategic computer domains. These are:

- Computer Engineering;
- Computer Science;
- Software Engineering;
- Information System; and
- Information Technology.

UniMy has introduced a unique 1+3+1 program, where students can pursue one year for Foundation studies, three years for the Degree and the final year for postgraduate Masters. UniMy’s unique proposition sets it apart from other universities as it offers students the option to pursue four professional certifications. It is also the only university in Malaysia to be accepted as an academic partner of the Melbourne University’s School of Engineering, which ranks number one in the world for ICT.



UniMy is a niche university, which specialises in delivering pure computer studies.

In August 2013, UniMy received its first batch of 28 top students, which were hand-picked from around the country to pursue their studies in Foundation in Computer Engineering.

UniMy, which currently accommodates up to 1,000 students, is temporarily located in Putrajaya. Plans are in place for the construction of the proposed purpose-built permanent campus, which is targeted to be fully operational by 2018 will be able to house a maximum of 3,000 students.

Academy

ICT Training & Certification

As a certified partner for various technology and software vendors and organisations, Prestariang has the capability to provide both basic and professional ICT Training & Certification, which encompass instructor-led courses and certification examinations at the end of the course.

Prestariang’s professional ICT Training & Certification includes over 60 types of courses from internationally recognised technology and software vendors and organisations, such as Microsoft, Autodesk, CompTIA, IBM, Oracle, EC Council and others. The focus is on internationally recognised industry driven certifications to address the gap between competency levels of graduates to improve employability. In addition to training, Prestariang is also a center for conducting examinations for professional certification, which is authorised by the Authorized Prometric Testing Center and the Pearson Vue Authorized Test Center.



The ICT Training & Certification programs conducted by Prestariang are internationally recognised.

In collaboration with the Ministry of Education (“MoE”), Prestariang has embarked on an industry-based certification initiative known as “Program Pentauliahahan Profesional” (“3P”), which is targeted at IT and IT-related final year students at higher learning institutions. To date, 3P has trained over 37,000 participants from 16 public universities, 21 polytechnics and 16 community colleges.

Prestariang also offers both third party certifications and home grown certifications under ICT Training & Certification. The training covers a broad range of courses, which include elementary ICT competency skills and knowledge, as well as technical subjects. Prestariang’s home grown proprietary training & certification program is developed to meet market needs and has the flexibility to undertake modification, customisation and updates of existing modules.

One of Prestariang’s most recognisable home grown programs is IC CITIZEN, which is a training & certification program that was successfully developed and marketed by Prestariang for the local and global market.



The O&G Training programs offer specialised skills training to meet with the heightened demand for skilled personnel in the oil and gas industry.

The certification program aims to impart basic understanding and rules of acceptable behaviour when using the internet in order for individuals to become responsible citizens in online communities.

O&G Training

Prestariang’s foray into O&G training was initiated in 2012 to meet increasing demand for skilled personnel in the industry. The Academy focuses on integrating technical and vocational educational learning with certification, which includes students’ exposure to AutoCad programing. More comprehensive programs are slated in the foreseeable future to train, upskill and reskill graduates and professionals. The Academy currently conducts training for riggers, scaffolders and pipe fitters, which is a full time program that is conducted over a 3 to 6 month period. The Academy’s vocational training segment addresses the shortage of skilled workers in the industry, particularly for diploma holders and below.

Software & Services

Prestariang’s Software & Services business is highly synergistic with the provision of ICT Training & Certification. Being partners with many of the global technology and software vendors and organisations for the provision of training & certification of their products, it is a natural extension to also distribute and manage their product licences.

Prestariang primarily distributes proprietary software licences such as Microsoft Campus Agreement or School Agreement (“CASA”) for schools and higher learning institutions, Microsoft Master Licensing Agreement (“MLA”) for Government entities, Microsoft SELECT for organisations with more than 250 desktop personal computers and Autodesk Education Suite Licensing for educators in multi-disciplinary learning.

The software licences are sold through a volume licensing method. Prestariang offers software licence management services to streamline the process of software inventory, software upgrade and licence management to increase efficiency and improve the ability to promote IT governance through software IP compliance. To date, Prestariang has managed and distributed more than 5 million licences to various clients in Malaysia.



We offer software licence distribution and management services to streamline the process of software inventory, software upgrade and licence management to increase efficiency and improve the ability to promote IT governance through software IP compliance.



IC CITIZEN Certification

- IC CITIZEN Certification is the first of its kind in the world that is specially developed and designed to produce digitally literate and responsible citizens.
- This unique yet universal certification program aims to impart Acceptable Usage Policy (“AUP”) that lays down rules of acceptable ‘netiquette’ or behaviour that must be applied when operating digital devices and accessing the Internet within a society.
- The program certifies knowledge and understanding of the following Values: e-Access, e-Literate, e-Rule, e-Safety, e-Interaction & Collaboration, e-Enterprise, e-Care and e-Accountability.
- IC CITIZEN continues to be the main product for international market penetration. Successfully making inroads into European and Middle East markets, IC CITIZEN is currently marketed to 152 countries through its US partner, Certiport.



Proficiency in Enterprise Communication (“PEC”) Certification

- PEC is to certify university graduates’ English competency level for employment purposes in the area of ICT. It emphasises on 4 critical skills; Speaking, Listening, Language & Reading, and Writing.



Smart Green Certification & Training Program

- A program, which offers individuals certification in Green IT Foundation. It certifies sustainability officers and IT personnel of an organisation that demonstrate knowledge in implementing and managing efficient Green Office solutions, best practices, as well as products and services.



Training & Learning Management Systems

- TLMS is a web based course components management system, which provides flexible courses/program management functionalities. It features systematic learning tools with measurable learning outcomes.
- These learning tools are part of a larger enterprise-wide learning management system with an integrated back end that allows data chunks to be reused and recycled. Together with service tools, role tools and analysis and reporting tools, they form an interactive teaching/learning platform.



- A program, which provides professional ICT Training & Certification to final year students of ICT and ICT related fields in public higher education institutions in Malaysia.
- Over 37,000 participants have been trained and certified since 2006.



- A joint-collaboration with the Ministry of Education (“MoE”), which involves distributing and managing Microsoft and Autodesk software licenses to public higher education institutions in Malaysia.



Role-based Training for Civil Servant

- Appointed by Microsoft (Malaysia) Sdn. Bhd. to provide ICT literacy to civil servants in Malaysia.
- Over 11,000 civil servants have been trained since 2009.



- A special training program, which was developed to foster national unity via appropriate use of technology. It promotes the concept of 1Malaysia digitally by instilling the positive values in using technology appropriately while fostering unity in a multi-ethnic society, via IC CITIZEN Certification.
- 120,000 participants have been trained since 2011.



- 1VDP is an initiative derived from the Master Licensing Agreement (“MLA”), a strategic partnership developed between the Ministry of Finance Malaysia together with Microsoft (M) Sdn. Bhd. in 2009.

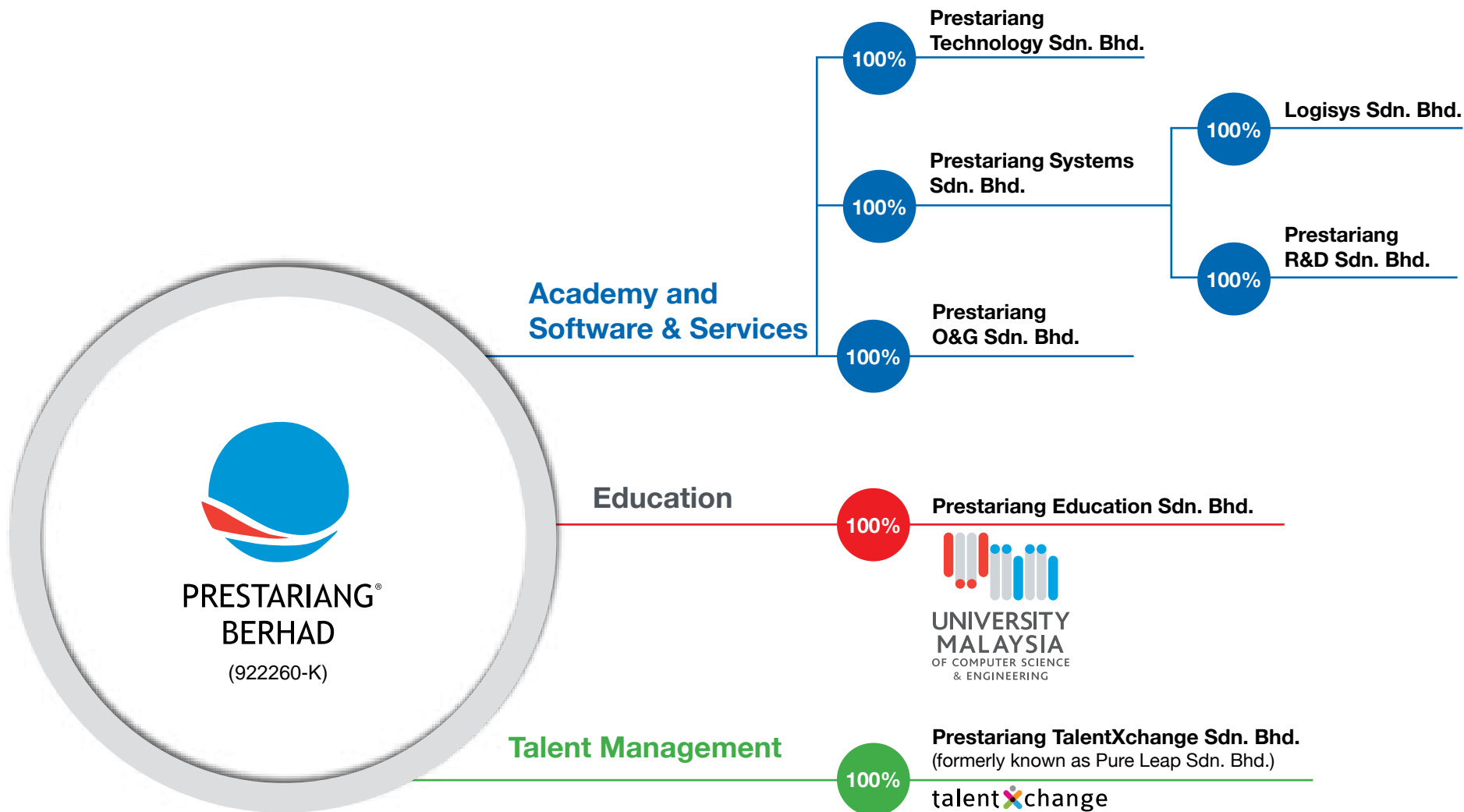


- A tailor-made ICT training program that provides relevant knowledge, skills and competencies under the National Broadband Initiative (“NBI”) for the Netbook recipients community.



A special training program developed for a fast track entry into the engineering, production, field and operations sector of the Oil and Gas industry.

- Specially developed in collaboration with SapuraKencana Petroleum Berhad for professional overview and Autodesk Inc. for integrated software development and certification specialisation.
- Conducted through a parallel input approach, which provides both Professional Knowledge Overview Lectures and Software Skill Set Hands-on Training modules.
- Appointed by the MoF to run “Professional Skill Set for Oil & Gas industry” program for 360 polytechnic graduates.
- The program has been adopted by TalentCorp as a pilot under their Graduate Employability Management Scheme (“GEMS 2.0”) for 250 fresh university graduates.
- Appointed by Yayasan Peneraju Pendidikan Bumiputera (“YPPB”) as the service provider for skills training certification in the Oil and Gas industry for riggers, scaffolders and pipe fitters under the Peneraju Tunas Iltizam Program.





Our explosion of innovation has been transforming, creating and expanding the learning ecosystem to integrate talent, assets and resources in support of lifelong learning



“Prestariang has achieved an impressive growth trajectory in all key financial indicators and this is reflected by the positive sentiments towards our stock by both institutional and individual investors.”

DATO' MOHAMED YUNUS RAMLI BIN ABBAS
Chairman

Dear esteemed shareholders,

If we consider 2012 as the year when we came of age, 2013 would be the year when Prestariang Berhad ("Prestariang" or "the Group") crossed the threshold into the ranks of mid-capitalisation companies on Bursa Malaysia Securities Berhad ("Bursa Securities").

I am proud and honoured to inform you that we have made this breakthrough on the back of a record year during which the Group registered stellar gains on the financial front even as we refined our business model to reinforce a platform for recurring revenue.

Since we were publicly listed in 2011, Prestariang has achieved an impressive growth trajectory in all key financial indicators and this is reflected by the positive sentiments towards our stock by both institutional and individual investors. It is worth noting that our market capitalisation grew to over RM600 million as at 31 December 2013.

At the same time, we have strengthened our position as a leading provider of lifelong learning by creating a unique value chain for the development of human capital. This encompasses talent acquisition and talent management with upskilling and reskilling as the central focus of our business offerings.

On this score, we continue to be a critical component of Malaysia's efforts to generate human capability and capacity in information and communication technologies ("ICT"), now increasingly referred to as digital technologies, while expanding our vocational portfolio to include other technical areas starting with the Oil & Gas ("O&G") sector. Prestariang has realigned its focus by segmenting the training & certification for ICT and O&G into the Academy segment of its business. We are also evaluating other industries where we can play a role in improving the employability of fresh graduates and to also assist industry professionals acquire and update essential skills for their further development.

On behalf of the Board of Directors, it is my privilege to present the financial results of Prestariang for the year ended 31 December 2013 ("FY2013").

FINANCIAL RESULTS

The Group achieved Revenue of RM119.6 million in FY2013, an increase of 8.6% compared with RM110.1 million the year before. This produced a Profit After Tax ("PAT") of RM42.1 million, representing a year-on-year growth of 13.2% over RM37.2 million achieved in FY2012. The PAT margin against Revenue also improved to 35.2% in the year under review from 33.8% in the previous year.

The better performance in FY2013 was the result of continued growth in ICT Training & Certification, which in turn boosted our complementary business in the distribution and management of software licensing. We had identified this synergy of ICT certification and software licensing as a key strategy to generate 'parallel' growth at the outset. Another contributing factor to the improved financial results was the Group's nascent venture into technical and vocational training for the O&G sector. During the year under review, ICT Training & Certification achieved revenue of RM54 million, an increase of 57.9% compared with FY2012 (RM34.2 million). Meanwhile, the Software & Services business segment contributed RM59.2 million in revenue, a decrease of 22.1% against RM76 million achieved the year before. The new business of O&G training under the aegis of the Academy achieved revenue of RM6 million. The Group's education arm, the University Malaysia of Computer Science & Engineering ("UniMy") posted revenue of RM0.4 million in its first year of operations.

In FY2013, the Academy, which comprises Training & Certification in ICT and O&G contributed 50.2% to Group Revenue, Software & Services 49.5% and Education contributed 0.3%. As in previous years, Training & Certification continues to offer the highest margin towards profits.

Prestariang's Shareholders' Funds grew to RM96.9 million during the year under review, representing an increase of 21.6% from RM79.7 million in FY2012. Earnings Per Share ("EPS") hiked up 13% to 19.12 sen against 16.92 sen the year before while total assets amounted to RM117.5 million, 14.3% higher than in 2012, which registered at RM102.8 million.

Our cash & bank balances and short term investments have increased to RM71.5 million from RM62.6 million recorded in FY2012.

DIVIDEND

As part of Prestariang's commitment to share profit with its shareholders, we declared and issued a total tax exempt dividend of 12 sen per share in FY2013 with a combined dividend payout of RM26.4 million, which represents 62.7% of our PAT. During the course of the year, we issued interim tax exempt dividends in every quarter of 2.50 sen per share (first quarter), 3 sen per share (second quarter), 3.50 sen per share (third quarter) and 3 sen per share (fourth quarter).

Previously, the Group had issued tax exempt dividends of 10 sen in FY2012 and 8 sen in FY2011. This means that since listing in July 2011, we have paid out dividends totalling 30 sen per share, which amounts to a cumulative payout of RM66 million.

Where possible, we will continue to share at least 50% of PAT with our stakeholders as a reward for their trust and confidence in Prestariang.

BUSINESS SEGMENTS

Leveraging on Synergies

During the year under review, Prestariang has realigned its operations to capitalise on the natural synergies of our businesses. Our core activities are now focused in three main areas:

- Education through UniMy
- Academy to provide Training & Certification in ICT and O&G
- Software & Services

Education - UniMy

UniMy, the Group's platform for its Education business segment, was launched in FY2013 as the country's first boutique university focusing on the fundamentals of computer studies and offering courses and programs for Foundation studies, Degree and postgraduate Masters.

For the year under review, UniMy recorded a loss of RM6.5 million on the back of RM0.4 million in revenue.

Although our business plan for this venture may be behind schedule, we remain optimistic of meeting our goals and aspirations in Education during FY2014 as we expect to perform better on a financial basis.

Currently, UniMy is operating at the temporary campus with the capacity to house up to 1,000 students. Our target for UniMy is to become fully operational by 2018 with a maximum enrolment of 3,000 students at a proposed purpose-built permanent campus.



UniMy is the country's first boutique university, which offers courses and programs for Foundation studies, Degree and Postgraduate Masters.



Leveraging on the Government's aim to develop Malaysia's O&G industry, Prestariang has expanded its presence in O&G training and certification by enhancing the skills of the O&G workforce.

Academy - Training & Certification

• ICT

Training & Certification in ICT remains a mainstay for the Group even as we expand and extend our services along the entire value chain of human capital development and deployment. The current national drive towards Digital Malaysia (which is the brand name given to the initiative for the development of a vibrant and dynamic digital economy) coupled with the fluid nature of knowledge and skills required for this industry ensure a continued and prolonged demand for skilling and reskilling of human resources. We have cultivated strong partnerships with global players on the supply side to cater to the demand from our long term contracts with the Government, particularly the Ministry of Education ("MoE") and the Malaysian Communications and Multimedia Commission ("MCMC").

In the meantime, our own Intellectual Property ("IP"), IC Citizen continues to generate revenue, with more than 80,000 students trained on the software during the course of the year.

• Oil & Gas

During the year under review, we secured three projects and contracts to provide professional training & certification for 610 students and vocational training for 240 students. The secured projects and contracts, which are worth a total of RM9.1 million are from TalentCorp Malaysia, the Ministry of Finance ("MoF") and Yayasan Peneraju Pendidikan Bumiputera ("YPPB"). The professional and vocational training provided for this sector represents a natural extension of our expertise and experience in ICT Training & Certification. Vocational training in this case focuses on the knowledge and skills required by school leavers to gain employment. For a start, the skills training offered are rigging, scaffolding and pipe fitting. These programs are offered in collaboration with industry partners, which include SapuraKencana Petroleum Berhad ("SapuraKencana"), Dialog Group Berhad and Malaysian Marine and Heavy Engineering Holdings Berhad. The Group has launched the Petroleum Academy Malaysia ("PAM") with the intention of replicating the success of our ICT Training & Certification in O&G.



Academy O&G - centre for vocational excellence.

Software & Services

The performance of this business segment is tied to the growth of the Group's Training & Certification as well as Education arms. This forms an important pillar of our strategy to stimulate synergistic growth. Prestariang was appointed as the Malaysian Education Partner for Autodesk in FY2013 for three years, the first exclusive arrangement given by Autodesk in Malaysia. We have also secured a central contract worth RM20 million over a period of three years from the MoE for software licensing & management of Autodesk with more variation orders, which are expected due to growing demand from the users. With the exclusive rights, Prestariang is expected to double its target via demand from private learning institutions as well as the private sector. For the private sector, Prestariang in FY2013 delivered 200 units of Autodesk software to SapuraKencana at an estimated value of RM4.6 million, the first private customer for the Autodesk software.

While the growth area is in Autodesk software, Prestariang continues to grow its software business for Microsoft. For FY2013, Prestariang delivered a total of 704,963 software programs with a total value of RM59 million.

OUTLOOK

Generating Recurring Business

Prestariang's focus going forward has always been and continues to be business sustainability through the generation of recurring business. On this score, we have put in place the building blocks to form what we term as "Prestariang 2.1". This represents our new and improved DNA to achieve the goals and aspirations we had set out for the Group and all our stakeholders over the past three years.

The thrust of Prestariang 2.1 will be on the upskilling and reskilling of lifelong learners and will hinge on a value chain, which starts with talent acquisition for Education and Training & Certification that will also fuel our Software & Services business, which will flow through to talent management. A more detailed description and explanation will be provided under the Chief Executive Officer's Review of Operations.

On the financial front, we expect professional and vocational training in the O&G sector to grow in the years ahead. ICT Training & Certification remains an attractive prospect given the primacy of Digital Malaysia to our national objectives.

In the meantime, Talent Management will offer a new potential revenue stream, as will future prospects in software compliance.

APPRECIATION

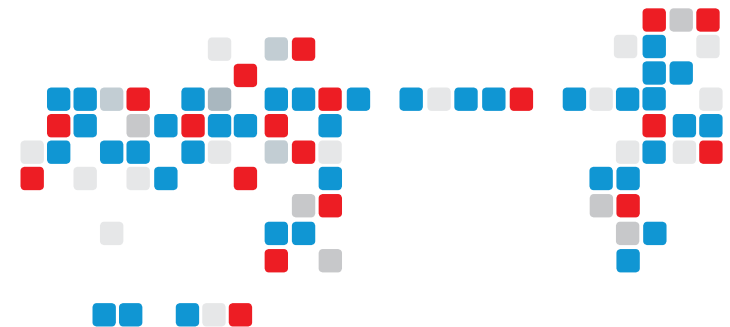
At this stage, let me take the opportunity to pay tribute to my fellow Board members for their sound stewardship, the management team for their effective leadership and our employees for their dedication and determination to achieve the Group's collective aims. Also, we could not have reached such heights without the loyal support as well as cooperation and collaboration of our shareholders and all other stakeholders.

On behalf of the Board of Directors, I sincerely thank all our stakeholders, which comprise our shareholders, customers, business partners, bankers, the Government and relevant regulatory authorities. We will continue on this path to drive the Group towards a superlative performance, which has surpassed all expectations and look forward to a future that is full of potential for business success and sustainability.

DATO' MOHAMED YUNUS RAMLI BIN ABBAS

Chairman

3 June 2014





DR. ABU HASAN BIN ISMAIL
Chief Executive Officer

“From the outset, Prestariang has always recognised and acknowledged the primacy of change as the critical component for success and sustainability. This has resulted in a corporate culture, which embraces the value of continuous evolution and practices the concept of constant reinvention.”

Dear valued shareholders,

Since our debut on Bursa Securities in 2011, Prestariang Berhad (“Prestariang” or “the Group”) has achieved numerous milestone achievements where we are now regarded as the company of choice in terms of upskilling and reskilling individuals who are keen on lifelong learning.

These include the growing demand for highly skilled and technically qualified employees, which is being driven by an increasingly competitive business environment where new and innovative industries are mushrooming. Communications content and infrastructure (Technology and Innovation) as well as renewable and efficient energy, and mining and construction are some of the industries, which have been identified as crucial areas for development in Malaysia’s Economic Transformation Program (“ETP”) amid the progressively challenging technological landscape.

It is pertinent to note that Malaysia was ranked 22nd out of 122 economies by the World Economic Forum (“WEF”) in its inaugural Human Capital Index 2013. Our nation came in fifth in Asia Pacific behind Singapore, New Zealand, Japan and Australia. In this benchmarking exercise, Malaysia was commended for its focus on the upskilling and upgrading of its workforce, performing well on most of the qualitative talent and training indicators in the Workforce and Employment pillar.

It is also important to bear in mind that the Government is urging more school leavers to enrol into Vocational Education and Training (“VET”) to facilitate the creation of a skilled workforce essential for the country to scale up the value chain and achieve high-income nation status. This is an area where Prestariang plays a critical role for the nation and its future generations. To do so, we have to be as fluid and dynamic as the rapid changes taking place in industry and technology.

Indeed, the constantly evolving and transforming business environment requires companies to adopt a game-changing approach to the way they plan and the way they operate. From the outset, Prestariang has always recognised and acknowledged the primacy of change as the critical component for success and sustainability. This has resulted in a corporate culture, which embraces the value of continuous evolution and practices the concept of constant reinvention.

For these reasons, we have applied this philosophy of ‘change’ in first, our business offerings and second, our business model. Taken together, they represent Prestariang’s unique DNA not found in Malaysia and rarely anywhere else.

The first (business offerings) is to ensure our output matches the fluid demands of industry and in doing so, enhance the employability of our graduates and trainees when they enter the job market. To achieve this, we are placing emphasis on ‘upskilling’ and ‘reskilling’ of human talent.

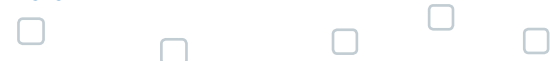
The second (business model) is to orient the company towards market opportunities in human capital development so as to generate business sustainability. This is based on a set of building blocks we refer to as ‘Prestariang 2.1’.

UPSKILLING AND RESKILLING

In today’s business and employment market, specific competencies are transient in nature with the timeframe for their applicability and relevancy becoming shorter as time goes by. The pace at which prevailing technologies, inclusive of information and communications technologies (ICT or digital technologies) as well as industrial automation, is being superseded or rendered obsolete by new and evolving technologies is rapid and shows no signs of slowing down.



Prestariang is an active sponsor of seminars and conferences, which are focused on human capital development as part of strengthening its marketplace engagement.



As an example, digital technologies are driving greater mobility, self-service and cognitive computing in reshaping business and industry. Faced with this scenario, human resources have to adapt their abilities according to the prevailing trends and this is transforming the employment landscape.

As one of the nation's premier providers of lifelong learning, Prestariang has the responsibility to ensure that our Education and Training & Certification offerings are tailored towards the existing as well as changing needs of industry.

Against this backdrop, our way forward is to put in place a value chain for human capital development that offers upskilling and reskilling for our customers or beneficiaries, in this case the students and trainees of our programs and learning activities. These programs are designed to deliver a learning experience of the highest quality and supported by a fit-for-purpose quality assurance framework to provide opportunities for students to improve their employability skills and maintain a supportive learning environment.

Part of the job is to extrapolate the kind of knowledge, skills and competencies required in the foreseeable future so that we are always at the forefront of efforts to develop the next generation workforce required by Malaysia to join the ranks of the developed world by 2020.

In turn, this has the effect of generating recurring business, and in the long run, sustainability for the Group.

PRESTARIANG 2.1

At Prestariang, our corporate decisions are invariably driven by business demands and requirements. As such, change is at the heart of our strategy and this has resulted in an improved business model.

Prestariang 2.1 represents a new direction in the way we capitalise on market opportunities and consists of a comprehensive value chain for lifelong learning that recruits and retains repeat business for the Group.

In essence, it encompasses the lifecycle of human talent from the time they are tapped for tertiary education or vocational training and continues after their entry into the workforce. On this score, it requires our engagement with industry from day one to obtain valuable input on the competencies required by human resources.

Our core business segments are:

- Education
- Academy
- Software & Services

Complementing our core business activities is Talent Management, which includes talent acquisition and talent placement. This latest addition to our offerings has become an integral component of the entire Prestariang proposition. To date, we are the only provider in the country that offers this unique value chain of human talent development and management under one roof.

EDUCATION – TURNAROUND IN 2014

The Group officially launched the University Malaysia of Computer Science and Engineering ("UniMy") on 31 January 2013, marking the entry of the nation's first boutique university. The groundwork had been laid the year before with local and global partners brought on board including Melbourne University's School of Engineering as well as industry players Microsoft, IBM, Huawei, Dell, Autodesk and EC-Council plus local agencies Multimedia Development Corporation ("MDeC") and NanoMalaysia.

However, the business plan has been delayed with all options to turnaround the university currently being explored. Prestariang is confident that UniMy will perform better in 2014, with plans to develop a permanent campus that can accommodate 3,000 undergraduates and post-graduate students targeted for completion in FY2018.

UniMy continues to focus on the delivery of pure computer studies to its students, offering programs in five strategic computer domains, which are:

- Computer Engineering;
- Computer Science;
- Software Engineering;
- Information System; and
- Information Technology.

The university has also introduced a unique '1+3+1' program, which comprises a year for Foundation studies, three years for the Degree and a final year for postgraduate Masters.

- UniMy remains a unique institution of higher learning in Malaysia and is set apart from others due to the following reasons:
 - o The option for students to pursue four professional certifications to further enhance their employability;
 - o Industry partnership in the areas of curriculum development, internship and job placement with the Group's long term technology partners from our other business segments; and
 - o UniMy is the only university in Malaysia to be accepted as an academic partner of Melbourne University's School of Engineering, which is ranked number one in the world for ICT.

UniMy also plans to increase its new courses offerings to meet the demand of the job market.

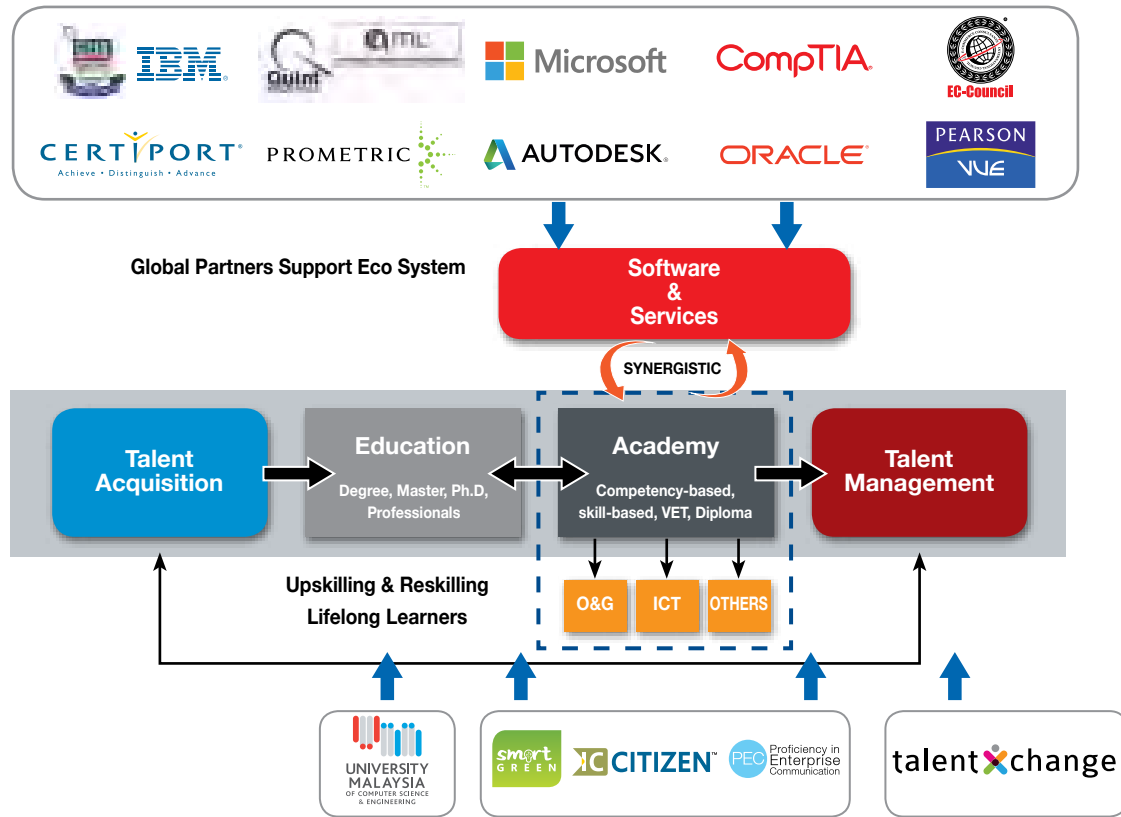


Diagram 1.1 : Business Model & Revenue Stream

ACADEMY – PROVIDING COMPETENCY-BASED TRAINING TO MATCH INDUSTRY NEEDS

The Academy segment has amalgamated the Group’s ICT Training & Certification and the new sector of oil & gas (“O&G”). To date, more than 200,000 participants have been trained and certified by Prestariang, making it the largest training & certification provider in Malaysia. ICT Training & Certification continues to be the primary revenue generator, being one of two established segments of our business.

In FY2013, more than 80,000 students were trained on our homegrown IP, IC Citizen, a vast improvement from the year before, which involved about 30,000 students. The certification was introduced in 2011 to produce digitally-literate and responsible netizens in line with the Government’s 1Malaysia initiative and to date, has successfully trained 120,000 students since the inception of the program in 2011. It has since been rolled out to more than 152 countries in partnership with US-based, Certiport Inc.

In FY2013, Prestariang trained and certified more than 5,000 university undergraduates in various ICT specifications under the 3P program, which is an industry-based certification program, ‘Program Pentauliahhan Profesional’, undertaken in a joint initiative with the Ministry of Education (“MoE”). Since the start of the program in 2006, more than 37,000 students have been trained and certified in 3P and has ensured 100% employment for the participants for whom it represents. This is an additional qualification on top of their university diploma or degree.

The Academy’s provision of training in O&G took off during the year under review with an initial batch of 610 students for professional certification and another 240 students in skills training. The professional certification includes certification of the AutoCad program that enhances job placement within a short span of time. Meanwhile, full time skills training offered are Rigging, Scaffolding and Pipe Fitting, which spans between 3 and 6 months. It is heartening to note that all the trainees have secured job placements right after completing their training.

As mentioned in the Chairman’s Statement, the Group successfully secured RM9.1 million in projects for training & certification in O&G from TalentCorp, the Ministry of Finance (“MoF”) and Yayasan Peneraju Pendidikan Bumiputera.

We foresee skills training in O&G will be one of the revenue drivers for the Group and this is supported by our announcement to set up a Petroleum Academy Malaysia (“PAM”). This is a collaboration with YPJ Holdings Sdn. Bhd., with a main objective to produce the skilled manpower needed in the O&G industry nationwide in particular for the Refinery And Petrochemicals Integrated Development (“RAPID”) project in Pengerang, Johor.

SOFTWARE & SERVICES

This segment is tied to the activities carried out by the Academy, where our training & certification undertaking channels business to software licensing. It is a synergy that has and continues to supplement revenue for the Group.

During the year under review, we were appointed as the sole Malaysian Education Partner for Autodesk Licence Distributor in the country, enabling us to distribute to both public and private institutions in the country. This is the first exclusive arrangement for a period of three years in Malaysia, which provides the platform for Prestariang to further increase sales of Autodesk licenses in the years to come.

While Prestariang foresees a positive growth area for Autodesk licensing, we will continue to focus on expanding other brands as well, such as Microsoft to boost our Software & Services business.

TALENT MANAGEMENT – CREATING A NEW PLATFORM FOR RECURRING BUSINESS

Human resource is a long term engagement, with ample potential for upskilling and reskilling to match the shifting needs of the industry. The Group's new business segment of talent management under the banner of TalentXchange.my completes Prestariang's value chain for the development of human capital. While it is not a primary revenue generator, talent management is a business offering that serves to feed our other revenue-generating activities.

Talent Management encompasses the following:-

- 1) Talent Acquisition – Sourcing for and developing future talent pipeline, profiling the individual psychometric that make up natural talents, strengths, preferences and potential.

- 2) Talent Development – Industry-specific skills training (skilling, upskilling and reskilling) to enhance talents' value in a competitive work environment
- 3) Talent Placement – Finding and placing the right talent for the right job after which monitoring and tracking of the individual will be undertaken for career progression.

OUR JOURNEY FORWARD

The coming financial year represents a challenge to match or even exceed the achievements of FY2013. Nevertheless, the Group is bullish on its prospective performance going forward.

With ICT Training & Certification expected to continue contributing towards the recurring revenue, Prestariang also expects healthy growth in professional and vocational training in O&G. At the same time, the business segment of Software & Services is projected to be driven by the Academy as well as through Education.

As mentioned earlier, the Academy for O&G sector offers the Group vast potential in the area of training & certification. The sector is facing a shortage of skilled workers, particularly at diploma-level and vocational knowledge and skills. Accordingly, the Group is extending its focus on degree-level disciplines to include this larger group of trainees. In the long run, we hope and expect to replicate for O&G a similar success story as our ICT Training & Certification.

For Software & Services, while Prestariang foresees the potential growth of Autodesk products, we have also identified two new areas for expansion and extension for this segment, which are software compliance and the subscription based licensing model. This augurs well for creating a recurrent and constant revenue stream for Prestariang.

Over and above these areas, Prestariang will also introduce training programs in entrepreneurship as part of our national responsibility to help create job makers for an innovation-led economy. Lifelong learning is at the heart of Prestariang where the objectives are to increase part-time and postgraduate capacity; to enable the education sector to increase its role in the delivery of intermediate higher education provision; to continually review the curriculum so it remains relevant and up-to-date; and to provide greater support for economically relevant subjects.

It is our fervent hope that Prestariang will continue to revolutionise the higher education landscape, which accredits or extends the workplace skills and abilities of employees.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank all our stakeholders, which include our Board members, employees, business partners, vendors and shareholders for the invaluable support, without which success would not have been possible.

Achieving success is only the first step. Attaining business sustainability is our ultimate goal.

DR. ABU HASAN BIN ISMAIL
Chief Executive Officer

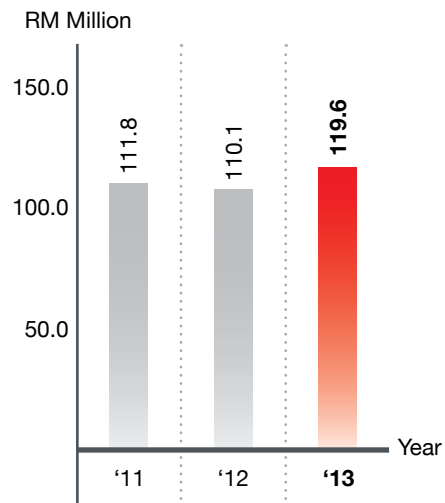
3 June 2014



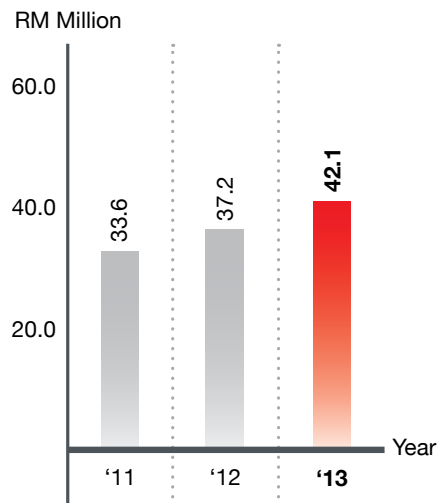
**Powering the economy by facilitating
the creation of a skilled workforce
essential for the nation to scale up the
value chain**



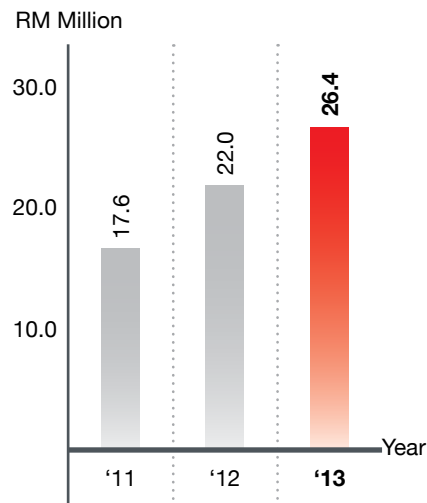
Revenue



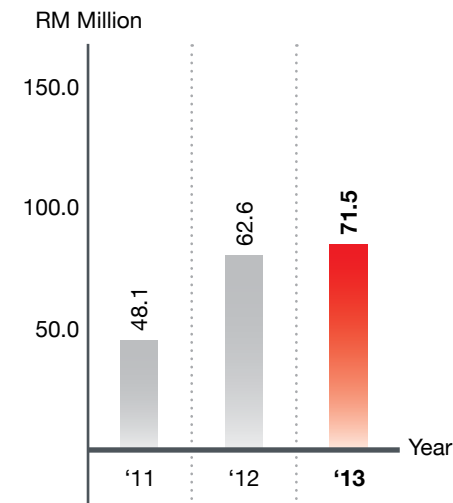
Profit After Tax



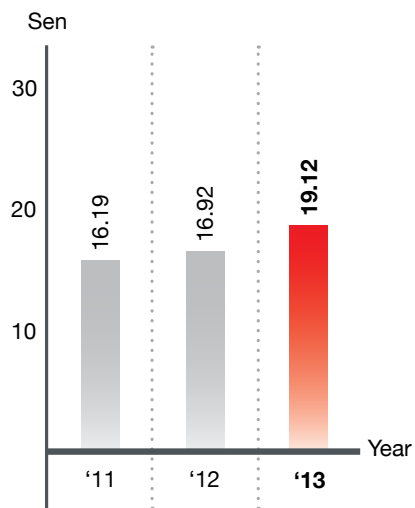
Dividend



Cash & Bank Balances and Short-Term Investments

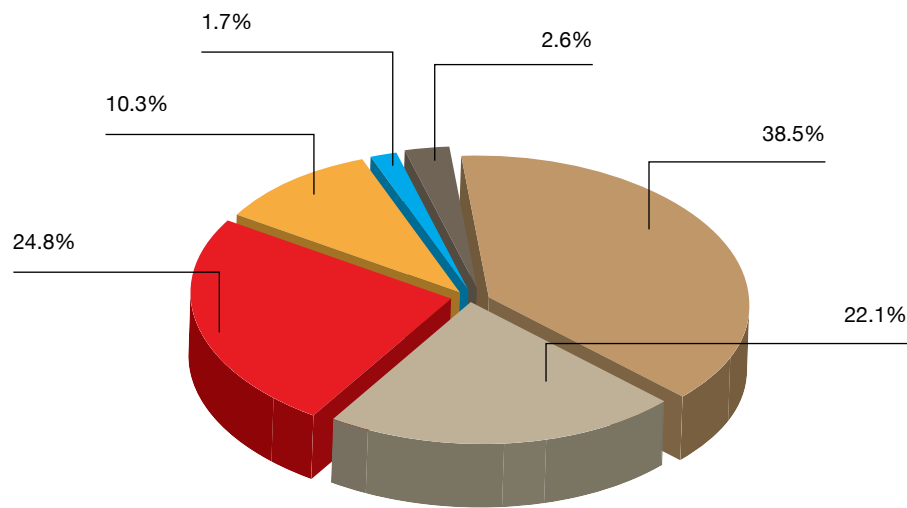


Earnings Per Share



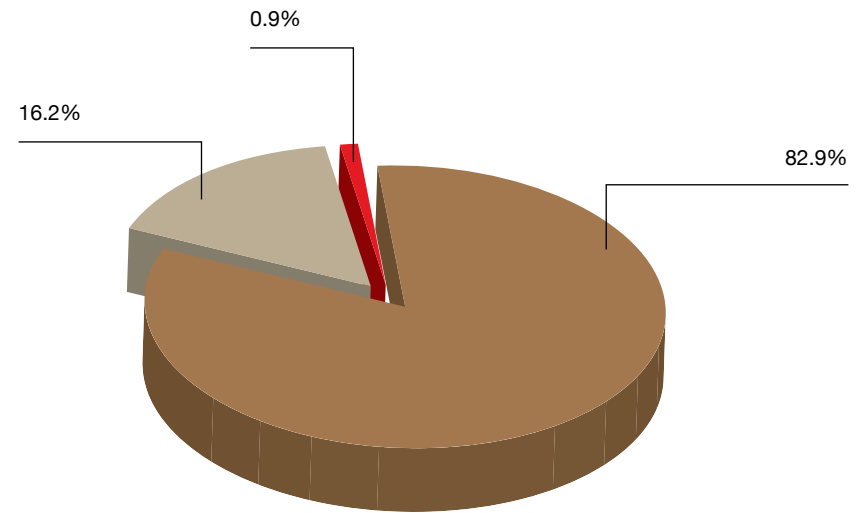
Financial Year ended 31 December	2011	2012	2013
Revenue (RM mil)	111.8	110.1	119.6
Profit After Tax (RM mil)	33.6	37.2	42.1
Dividend (RM mil)	17.6	22.0	26.4
Cash & Bank Balances and Short-Term Investments (RM mil)	48.1	62.6	71.5
Earnings Per Share (Sen)	16.19	16.92	19.12

FINANCIAL POSITION AS AT 31 DECEMBER 2013



Total assets: RM117 million

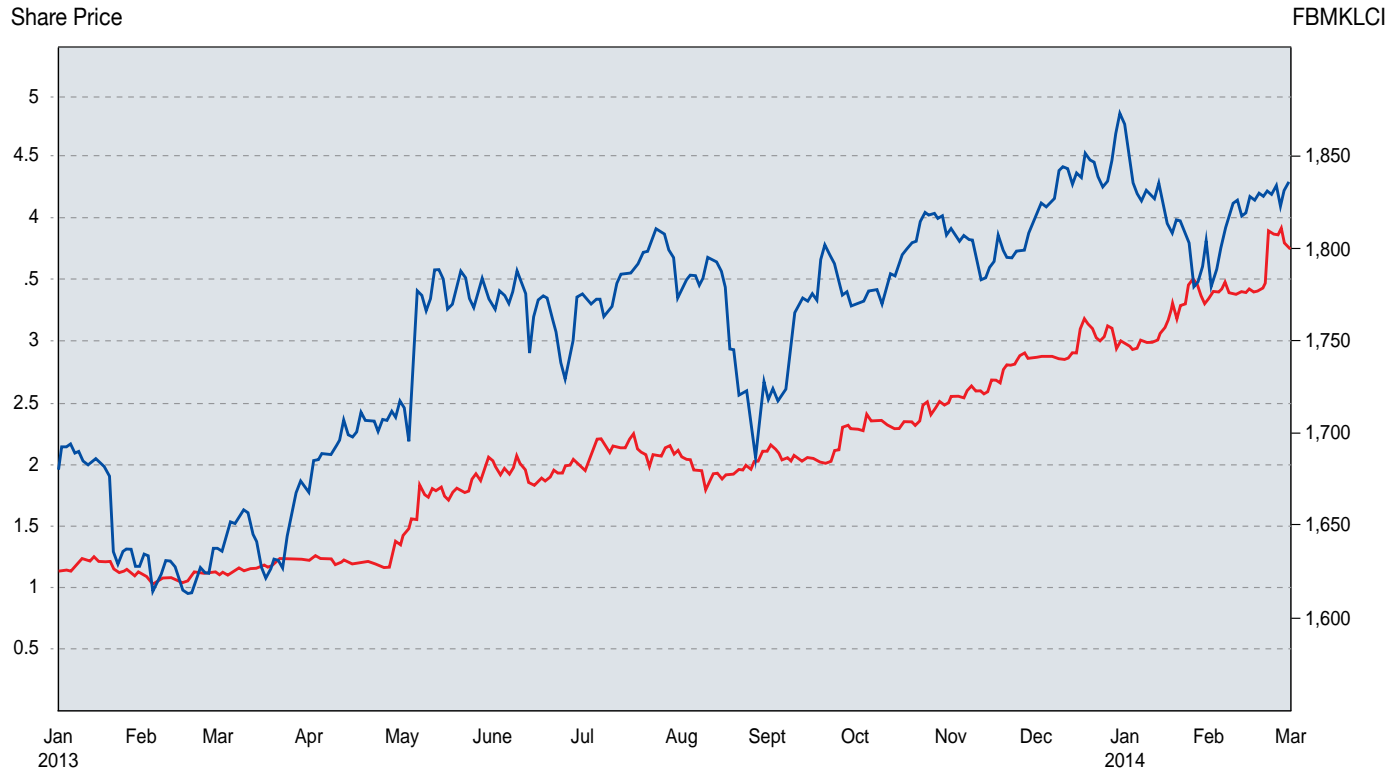
- Cash & Bank Balances: RM45 million
- Fixed Assets: RM12 million
- Short-term investments: RM26 million
- Inventories: RM2 million
- Trade & Other Receivables: RM29 million
- Development costs: RM3 million



Total equity and liabilities: RM117 million

- Shareholders' Funds: RM97 million
- Trade and Other Payables: RM19 million
- Borrowings: RM1 million

SHARE PRICE MOVEMENT FOR THE PERIOD FROM 2 JANUARY 2013 TO 31 MARCH 2014



— Prestariang
— FBMKLCI

PRICE	RM	DATE
Highest	3.91	27 March 2014
Lowest	1.03	6 February 2013

Average daily volume traded within the period: **960,977** shares.

20 February 2013

- Unaudited consolidated fourth quarter results ended 31 December 2012.
- Declaration of fourth Interim Single-Tier Dividend of 3 sen for the financial year ended 31 December 2012.

Announcement Date : 20 February 2013
Entitlement Date : 7 March 2013
Payment Date : 28 March 2013

22 May 2013

- Unaudited consolidated first quarter results ended 31 March 2013.
- Declaration of first Interim Single-Tier Dividend of 2.5 sen for the financial year ended 31 December 2013.

Announcement Date : 22 May 2013
Entitlement Date : 7 June 2013
Payment Date : 20 June 2013

12 June 2013**3rd Annual General Meeting****27 August 2013**

- Unaudited consolidated second quarter results ended 30 June 2013.
- Declaration of second Interim Single-Tier Dividend of 3 sen for the financial year ended 31 December 2013.

Announcement Date : 27 August 2013
Entitlement Date : 11 September 2013
Payment Date : 26 September 2013

20 November 2013

- Unaudited consolidated third quarter results ended 30 September 2013.
- Declaration of third Interim Single-Tier Dividend of 3.5 sen for the financial year ended 31 December 2013.

Announcement Date : 20 November 2013
Entitlement Date : 5 December 2013
Payment Date : 18 December 2013

20 February 2014

- Unaudited consolidated fourth quarter results ended 31 December 2013.
- Declaration of fourth Interim Single-Tier Dividend of 3 sen for the financial year ended 31 December 2013.

Announcement Date : 20 February 2014
Entitlement Date : 7 March 2014
Payment Date : 20 March 2014

16 April 2014

- Extraordinary General Meeting

Proposed Bonus Issue of 220 million New Ordinary Shares of RM0.10 each In Prestariang Berhad on the basis of one (1) Bonus Share for every one (1) Existing Prestariang Share held by the Entitled Shareholders on an Entitlement Date.

28 May 2014

- Unaudited consolidated first quarter results ended 31 March 2014.
- Declaration of first Interim Single-Tier Dividend of 1.25 sen for the financial year ended 31 December 2014.

Announcement Date : 28 May 2014
Entitlement Date : 12 June 2014
Payment Date : 26 June 2014

3 June 2014

- Notice of the 4th Annual General Meeting.
- Issuance of 2013 Annual Report to Shareholders.

25 June 2014**4th Annual General Meeting**

Board of Directors

Dato' Mohamed Yunus Ramli Bin Abbas
Non-Independent Non-Executive Chairman

Dr Abu Hasan Bin Ismail
Chief Executive Officer
Non-Independent Executive Director

Dato' Maznah Binti Abdul Jalil
Senior-Independent Non-Executive Director

Paul Chan Wan Siew
Independent Non-Executive Director

Dato' Loy Teik Ngan
Independent Non-Executive Director

Pang Yee Beng
Independent Non-Executive Director
(appointed on 16.4.2014)

Ramanathan A/L Sathiamutty
Independent Non-Executive Director
(appointed on 16.4.2014)

Dato' Gan Nyap Liou @ Gan Nyap Liow
Independent Non-Executive Director
(resigned on 1.6.2013)

Dato' Jaffar Indot
Independent Non-Executive Director
(demised on 8.4.2014)

Board Committees

Audit Committee

Paul Chan Wan Siew (Chairman)
Dato' Loy Teik Ngan
Dato' Maznah Binti Abdul Jalil
Ramanathan A/L Sathiamutty

Nomination Committee

Dato' Maznah Binti Abdul Jalil (Chairman)
Paul Chan Wan Siew
Pang Yee Beng

Remuneration Committee

Dato' Loy Teik Ngan (Chairman)
Pang Yee Beng
Paul Chan Wan Siew
Dr Abu Hasan Bin Ismail

Risk Management Committee

Ramanathan A/L Sathiamutty (Chairman)
Dato' Loy Teik Ngan
Dr Abu Hasan Bin Ismail
Paul Chan Wan Siew

Finance and Investment Committee

Dato' Maznah Binti Abdul Jalil (Chairman)
Paul Chan Wan Siew
Dr Abu Hasan Bin Ismail

Head Office

70-73, NeoCyber
Lingkar Cyber Point Barat
63000 Cyberjaya
Selangor Darul Ehsan
Tel : (03) 8314 8400
Fax : (03) 8318 9280
Website: www.prestariang.com.my

Registered Office

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : (03) 2084 9000
Fax : (03) 2094 9940

Principal Banker

Amlslamic Bank
Bank Muamalat Malaysia Berhad

Stock Exchange Listing

Main Market,
Bursa Malaysia Securities Berhad

Investor Relations

RAPR Mileage Communications
Sdn. Bhd.
E-mail: inquiry@prestariang.com.my

Company Secretaries

Chua Siew Chuan
(MAICSA 0777689)
Pan Seng Wee
(MAICSA 7034299)

Auditors

Messrs. Crowe Horwath
(AF 1018)
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Solicitors

Messrs. Abdullah Chan
31st Floor, UBN Tower
10, Jalan P. Ramlee
50250 Kuala Lumpur

Share Registrar

Symphony Share Registrars
Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7841 0000
Fax : (03) 7841 8151



Left to right:

- | | | | |
|--|--|---|---|
| <p>1. Pang Yee Beng
Independent Non-Executive Director</p> | <p>3. Dato' Loy Teik Ngan
Independent Non-Executive Director</p> | <p>5. Dr. Abu Hasan bin Ismail
Chief Executive Officer,
Non-Independent Executive Director</p> | <p>7. Dato' Maznah Binti Abdul Jalil
Senior-Independent Non-Executive Director</p> |
| <p>2. Paul Chan Wan Siew
Independent Non-Executive Director</p> | <p>4. Dato' Mohammed Yunus Ramli bin Abbas
Chairman, Non-Independent Non-Executive Director</p> | <p>6. Dato' Jaffar Indot
Independent Non-Executive Director
<i>(demised on 8. 4. 2014)</i></p> | <p>8. Ramanathan A/L Sathiamutty
Independent Non-Executive Director</p> |



DATO' MOHAMED YUNUS RAMLI BIN ABBAS
Age 65, Malaysian



DR. ABU HASAN BIN ISMAIL
Age 53, Malaysian

Position on the Board	Non-Independent Non-Executive Chairman
Date of Appointment	18 November 2010
Membership of Board Committees	None
Qualifications	<ul style="list-style-type: none"> Bachelor of Economics from University of Malaya. Master of Business Administration from Nova Southeastern University, Fort Lauderdale, Florida, United States of America ("USA"). Attended the Executive Program in Business Management from University of Michigan, USA. Doctorate of Management UNIMAP (Honorary).
Membership of Associations	None
Working Experience and Occupation	<ul style="list-style-type: none"> 1978-1980: Started his career at Motorola in Penang and was subsequently appointed as the Director of Human Resource of Motorola South Asia. 1980-1985: Director of Training and Development for Motorola Asia Pacific. 1989-1995: Vice President at Motorola Inc. in Florida, USA. 1996-2001: Country Manager for Motorola Malaysia. 2002 : Chief Executive Officer, Encorp Group 2002-2005: Chief Executive Officer, Celcom (Malaysia) Berhad. 2003-2005: Appointed by the Ministry of Education as the Chairman of the Board of Directors of Universiti Malaysia Perlis ("UNIMAP"). 2006 : Established NuSuara Technologies Sdn. Bhd. Executive Director of NuSuara Technologies Sdn. Bhd. Non-Executive Chairman of Kumpulan Modal Perdana Sdn. Bhd. Sits on the Board of Directors of University Technology Malaysia Holdings.
Directorships of other Public Companies	None
No of Board Meetings Attended for the Financial Year	5/5

Position on the Board	Chief Executive Officer, Non-Independent Executive Director
Date of Appointment	18 November 2010
Membership of Board Committees	<ul style="list-style-type: none"> Member of the Remuneration Committee, Risk Management Committee and Finance and Investment Committee.
Qualifications	<ul style="list-style-type: none"> Diploma in Architecture from Universiti Teknologi Malaysia ("UTM"). Bachelor of Science (BSc) and Bachelor of Architecture (BArch) from the University of Strathclyde, Glasgow. Master of Philosophy (MPhil) and Doctor of Philosophy (PhD) from the University of Sheffield, UK.
Membership of Associations	<ul style="list-style-type: none"> International Advisory Board of Computer Trade Industry Association (CompTIA) based in the USA. Council member at Taylor's University. Advisory Panel for International Business School ("IBS") in Universiti Teknologi Malaysia (UTM). Trustee Member of Yayasan Sukarelawan Siswa ("YSS") under the Ministry of Education, Malaysia. Adjunct Professor at Universiti Teknologi Malaysia and a Visiting Professor at Universiti Teknologi MARA.
Working Experience and Occupation	<ul style="list-style-type: none"> 1997: Became one of the founders of the Multimedia University and was subsequently appointed as the Professor and Dean at the newly created Faculty of Creative Multimedia. He is currently the Chief Executive Officer and founder of Prestariang Berhad. Since its inception in 2003, Dr. Abu has overseen the financial and strategic growth of the company and has formed successful partnerships with global ICT organisations, which include Microsoft, Autodesk, IBM, Oracle, CompTIA, Certiport, Prometric, ASIC and others. Listed the Company on the Main Market of Bursa Malaysia on 27 July 2011.
Directorships of other Public Companies	<ul style="list-style-type: none"> Institute Sultan Iskandar of Urban Habitat and High Rise.
No of Board Meetings Attended for the Financial Year	5/5



DATO' MAZNAH BINTI ABDUL JALIL
Age 61, Malaysian



PAUL CHAN WAN SIEW
Age 62, Malaysian

Position on the Board	Senior Independent Non-Executive Director
Date of Appointment	02 July 2012
Membership of Board Committees	<ul style="list-style-type: none"> Chairman of the Finance and Investment Committee and Nomination Committee. Member of the Audit Committee.
Qualifications	<ul style="list-style-type: none"> Bachelor of Science (BSc) and Masters Degree in Business Administration (Finance) from the Northern Illinois University, USA and the Central Michigan University, USA respectively.
Membership of Associations	<ul style="list-style-type: none"> Trustee and Treasurer of Malaysian Aids Foundation. Life Member of the Women's Institute of Management.
Working Experience and Occupation	<ul style="list-style-type: none"> 1979-1992 : Joined Amanah Merchant Bank Berhad and served as the Manager of Corporate Finance & Advisory. 1992-1995 : Appointed as Executive Director of Corporate Affairs at Master Carriage (M) Sdn. Bhd. 1997 : Joined HICOM Holdings Berhad as Vice President and was elected to the board of DRB-HICOM Berhad. She was also appointed to the boards of the various subsidiaries and associated companies of DRB-HICOM till 2006. 2006-2007 : Appointed to the board of United Overseas Bank Berhad. 2007-2008 : Appointed as Head, Corporate Finance and Principal Investment at Hong Leong Financial Group Berhad. 2009-2011 : Appointed as Executive Vice President, Corporate Finance Advisory at Kenanga Investment Bank Berhad. 2011-Present : Set up SCS Global Advisory (M) Sdn. Bhd. (formerly known as Moore Stephens AC Advisory Sdn. Bhd.)
Directorships of other Public Companies	<ul style="list-style-type: none"> Board Member of Pavillion Real Estate Investment Trust, Sona Petroleum Berhad, Universiti Teknologi Mara and the Malaysian Aids Foundation.
No of Board Meetings Attended for the Financial Year	5/5

Position on the Board	Independent Non-Executive Director
Date of Appointment	18 November 2010
Membership of Board Committees	<ul style="list-style-type: none"> Chairman of the Audit Committee. Member of the Nomination Committee, Risk Management Committee, Remuneration Committee and the Finance and Investment Committee.
Qualifications	<ul style="list-style-type: none"> Chartered Accountant, Malaysian Institute of Accountants ("MIA"). Chartered Certified Accountant, Association of Chartered Certified Accountants (UK). Chartered Secretary, Institute of Chartered Secretaries and Administrators (UK). Certified Practising Accountant, CPA Australia. Certified Financial Planner and Chartered Financial Consultant (USA).
Membership of Associations	<ul style="list-style-type: none"> Chartered Accountant, Malaysian Institute of Accountants. Fellow Member, Association of Chartered Certified Accountants (UK). Fellow Member, Institute of Chartered Secretaries and Administrators (UK). Fellow Member, CPA Australia. Founding Deputy President, Malaysian Alliance of Corporate Directors ("MACD"). NACD Governance Fellow, National Association of Corporate Directors, USA. NACD Board Leadership Fellow, National Association of Corporate Directors, USA. Executive Committee Member, Federation of Public Listed Companies ("FPLC"). Executive Committee Member, Malaysian Institute of Accountants ("MIA") Founding & Executive Committee Member, Global Network of Director Institutes ("GNDI").
Working Experience and Occupation	<ul style="list-style-type: none"> Professional and business experience spans over three decades in accounting, corporate, financial and business advisory services. President of Business Transitions Asia Sdn. Bhd.
Directorships of other Public Companies	<ul style="list-style-type: none"> Board Member of Integrex Berhad, Luxchem Corporation Berhad, Prudential Assurance Malaysia Berhad, Federation of Public Listed Companies, Malaysian Alliance of Corporate Directors and Malaysian Institute of Corporate Governance.
No of Board Meetings Attended for the Financial Year	5/5



DATO' LOY TEIK NGAN
Age 52, Malaysian



PANG YEE BENG
Age 48, Malaysian

Position on the Board	Independent Non-Executive Director	Independent Non-Executive Director
Date of Appointment	18 November 2010	16 April 2014
Membership of Board Committees	<ul style="list-style-type: none"> Chairman of the Remuneration Committee. Member of the Audit Committee and the Risk Management Committee. 	Member of the Nomination Committee and Remuneration Committee.
Qualifications	<ul style="list-style-type: none"> Bachelor of Arts Degree in Economics from the McMaster University in Ontario, Canada. 	<ul style="list-style-type: none"> Bachelor of Computer Science Second Class (Upper) Honours Degree from Universiti Sains Malaysia. Certification in Negotiation Skills from the Harvard Business School, Boston. Various technical certifications from Novell, AT&T and IBM.
Membership of Associations	<ul style="list-style-type: none"> Active member of the Young Presidents' Organisation. Served as the Deputy President of the Malaysian Amateur Volleyball Association. Served as the President of the Kuala Lumpur Amateur Volleyball Association. Board Trustee of Taylor's Education Group Foundation. Member of Yayasan Badminton Malaysia. 	<ul style="list-style-type: none"> Previously a Steering committee member of the American Chamber of Commerce (Malaysian chapter). Board member of University Malaysia of Computer Science and Engineering.
Working Experience and Occupation	<ul style="list-style-type: none"> 2003: Took over the reins of the Taylor's Education Group and in the ensuing years, built it into the largest private education group in Malaysia. 	<ul style="list-style-type: none"> Started his professional IT career at Mesiniaga Sdn. Bhd. in 1990 as a Systems Engineer and subsequently held various positions throughout his tenure until 1996. He was awarded the Mesiniaga Systems Engineer of the Year in 1992. 1996-2003 : Joined 3Com Asia Pacific Ltd. From his appointment as Country Manager, Malaysia he was subsequently promoted to Country Manager for India and Hong Kong, Channels Director for Asia Pacific/ Japan Region and Regional Director, ASEAN. 2003-2006 : Public Sector Director at Microsoft Malaysia. 2006-2008 : Country Manager for Malaysia at Dell. 2008-2009 : Regional Director for Malaysia, Singapore and Indonesia of Dell. 2009-2010 : Commercial Channels Executive Director for the Asia Pacific/ Japan Region of Dell. 2010-2011 : Executive Director for Advanced System Group for the Asia Pacific/ Japan Region of Dell. 2012-2013 : Executive Director for Software and Peripherals for the Asia Pacific/ Japan Region of Dell. 2013-2014 : Vice President, Asia Pacific (excluding Japan) of Data Direct Networks.
Directorships of other Public Companies	<ul style="list-style-type: none"> Board Member of MBF Corporation Berhad Group, Leisure Holidays Berhad and Group, Taylor's Education Group Foundation and Yayasan Badminton Malaysia. 	None
No of Board Meetings Attended for the Financial Year	5/5	Not Applicable



RAMANATHAN A/L SATHIAMUTTY
Age 50, Malaysian

Position on the Board	Independent Non-Executive Director
Date of Appointment	16 April 2014
Membership of Board Committees	<ul style="list-style-type: none"> Chairman of the Risk Management Committee. Member of the Audit Committee.
Qualifications	<ul style="list-style-type: none"> Bachelor of Engineering (Honours) Degree in Electrical & Electronic Engineering from University Kebangsaan Malaysia. Master of Business Administration (MBA) from Universiti Putra Malaysia Executive Management Program from the Harvard Business School and INSEAD.
Membership of Associations	<ul style="list-style-type: none"> Member of the advisory boards at INTI College, Universiti Putra Malaysia's Computer Science and Information Technology Faculty and University Tenaga Nasional's International Advisory Council. Board member of University Malaysia of Computer Science and Engineering.
Working Experience and Occupation	<ul style="list-style-type: none"> Begin his career as a system engineer at IBM Corporation in 1988 and was subsequently appointed as the Managing Director for IBM Malaysia in January 2010. His career at IBM spanned 24 years and he was involved in the telecommunication, utilities, media and entertainment sectors. Throughout his tenure at IBM, he managed the venture capital portfolio, where he was based in Japan. He also led a team to develop strategies on software acquisitions in the USA and served as the project executive for delivery at one of the largest telecommunications company in India. He subsequently took on assignments in Korea as part of IBM Korea's senior leadership team after which he went to Singapore to be part of the ASEAN Leadership team. He is a sought after speaker and was engaged to speak at the ASEAN Leadership Exchange, 9th ASLI Leadership Forum and the 16th Malaysian Banking Summit. He is currently an adjunct professor at Taylor's University.
Directorships of other Public Companies	None
No of Board Meetings Attended for the Financial Year	Not Applicable

Notes:

- (i) Except for Dr. Abu Hasan Bin Ismail whose spouse and sibling are also substantial shareholders of the Company, none of the Directors has any family relationship with each other and with any substantial shareholders of the Company.
- (ii) None of the Directors has any conviction for offences, other than traffic offences, within the past 10 years.
- (iii) Except as disclosed above, none of the Directors holds any directorship in other public companies.
- (iv) The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of this Annual Report.

JANUARY 2013

15 January 2013

Prestariang attended the RHB-OSK DMG Inaugural ASEAN Hong Kong Corporate Day.

31 January 2013

Official launch of University Malaysia of Computer Science and Engineering (“UniMy”) at Cyberjaya, Selangor.



21 February 2013



21-23 February 2013

FEBRUARY 2013

21 February 2013

Analysts & Investors Briefing.

21-23 February 2013

Prestariang conducted the Off-site Meeting with Learning Institutions & Partners at the Golden Sands Resort in Penang.



31 January 2013

MARCH 2013

15-17 March 2013

Prestariang participated in the Invention, Innovation & Design Expo (IIDEX) 2013 at Universiti Teknologi Mara (“UiTM”) in Shah Alam, Selangor.



15-17 March 2013

MAY 2013

8-10 May 2013

In conjunction with the Managing University Software as an Enterprise ("MUSE") program, a meeting was organised to streamline technical aspects at ICT Politechnics and Kolej Komuniti. The meeting was held at Cititel in Penang.

9-11 May 2013

Prestariang participated in the 24th International Invention, Innovation & Technology Exhibition ("ITEX") 2013 held at the Kuala Lumpur Convention Centre.



9-11 May 2013



15-17 May 2013

15-17 May 2013

Prestariang sponsored the finals of Imagine Cup Malaysia, which was held at Resorts World in Langkawi, Kedah.

23 May 2013

Analysts & Investors Briefing.



23 May 2013

JUNE 2013

4 June 2013

Representatives from Prestariang attended the CIMB Corporate Day in Singapore.

12 June 2013

The 3rd Annual General Meeting ("AGM") was held at the Kuala Lumpur Golf & Country Club.

12-14 June 2013

Prestariang was one of the participants at the SME Annual Showcase 2013 ("SMIDEX 2013") at the Kuala Lumpur Convention Centre. The annual event was organised by SME Corp. Malaysia.



12 June 2013



12-14 June 2013

JULY 2013

18 July 2013

Prestariang was one of the sponsors of the High Impact Teaching Learning Innovation (“HITLI”) 2013 Exhibition organised by UiTM Shah Alam.

AUGUST 2013

28 August 2013

Analysts & Investors Briefing

SEPTEMBER 2013

14 September 2013

Prestariang representatives attended the *Majlis Pemerkasaan Ekonomi Bumiputera 2013*, which was held at UiTM Shah Alam. The program is part of the Government’s agenda to strengthen the Bumiputera economic stronghold through various initiatives.



OCTOBER 2013

1 October 2013

Prestariang ComTIA Performance Awards & Technology In-Trend Talk was held at the Pullman Putrajaya Lakeside Hotel, Putrajaya, Selangor.

7 October 2013

1CITIZEN was the Winner at the MSC Malaysia APICTA Awards 2013, which was held at the Continental Hotel in Kuala Lumpur.

NOVEMBER 2013

21 November 2013

Analysts & Investors cum Media Briefing



DECEMBER 2013

13 December 2013

The Scholarship Award Ceremony for students of Yayasan Peneraju Pendidikan Bumiputera (“YPPB”) Tunas Iltizam Program was held at the Academy - O&G in Kuala Selangor, Selangor.



2004

- Apple Key Account Win FY2004

2007

- Microsoft Certified Partner for Learning Solution (CPLS) 2007-2008

2008

- Microsoft Gold Certified Partner 2008-2009
- Microsoft Certified Partner Learning Solution (CPLS) 2008-2009
- Asia Pacific Regional Best Practices in Advancing Industry Growth through Innovation in Education 2008
- Certificate of Acknowledgement for Prestariang Systems Sdn. Bhd., IBM Malaysia Sdn. Bhd. and Universiti Teknologi Mara (UiTM) working together under the Career Education in IBM Software (CEIS) 2008

2009

- Microsoft Certified Partner for Learning Solution (CPLS) Partner Excellence 2009
- Microsoft Gold Certified Partner 2009-2010
- Prometric Most Valued Partner - Most Comprehensive Global IT Certification Program in Asia
- EC-Council Authorised Training Centre of The Year 2009
- Best Performance for Career Education In IBM Software (CEIS Program)
- Highest Certification Achievement and Commitment in Producing Globally-benchmarked Graduates
- Member in Good Standing and Afforded All The Privileges and Benefits of this Designation 2009-2010
- Member in Good Standing of CompTIA (Computing Technology Industry Association) 2009

2010

- Microsoft Learning Solution Partner of the Year 2010
- CompTIA Authorised Platinum Partner 2010-2011
- Microsoft Gold Certified Partner 2010-2011
- Microsoft Certified Partner 2010-2011
- Recognition Award for Innovative Venture Capital Backed Companies 2010 by the Malaysian Venture Capital and Private Equity Association
- EC-Council Circle of Excellence Authorised Training Centre 2010

2011

- Microsoft Learning Solution Partner of the Year 2011
- Certipoint Champion of Digital Literacy 2011
- Autodesk Best Performing Partner in Asia Pacific 2011
- Autodesk High Achiever Education Authorisation 2011
- Microsoft Partner Network Gold Volume Licensing 2011
- EC Council ATC of Year 2011

2012

- EC-Council Circle of Excellence Authorised Training Centre 2012
- Malaysia Venture Capital Awards 2012
- Innovation in Workforce Enablement 2012 by Prometric
- Microsoft Partner Network 2012 (Gold Learning, Gold Volume Licensing, Silver Learning & Silver Volume Licensing)
- OSK Small Cap Day 2012 (OSK Top 5 Malaysian Small Cap Companies 2012)

2013

- 1. Best of e-Inclusion & e-Community MSC Malaysia APICTA 2013**
- 2. Autodesk Best Performing Reseller in Asia Pacific 2013 Deal of the Year**
- 3. 24th International Invention, Innovation & Technology Exhibition (ITEX) 2013**
Prestariang's home grown certification, Proficiency in Enterprise Communication ("PEC") won the Gold Medal under the Educational Items category
- 4. Invention, Innovation & Design Expo - IIDEX 2013**
PEC won the Diamond Award (Invention) & Gold Medal
- 5. IC CITIZEN Outstanding Performance - Global Partner Summit 2013**
- 6. APAC Partner Performance Awards 2013 - IC3 Exam Growth Rate Exceptional Performance for IC CITIZEN**
- 7. EC-Council Circle of Excellence Authorised Training Centre 2013**
- 8. Microsoft Partner Network 2013 (Gold Learning, Silver Volume Licensing)**
- 9. CompTIA Excellence Award 2013**



Prestariang unit wins RM20m ministry job

KUALA LUMPUR: Prestariang Bhd's unit, Prestariang Systems Sdn Bhd, has won a RM20 million contract from the Education Ministry, the company told *Bursa Malaysia* yesterday.

The company said the contract is to supply licensed software and related value-add services comprising Autodesk software and services to institutions of higher learning, including universities, polytechnics and community colleges.

The three-year contract could excite the market, which now anticipates that the company will now

Comfortable with underdog tag

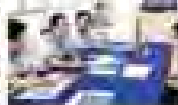
Prestariang executives see sales grow significantly after 2 years



...the company said the contract is to supply licensed software and related value-add services comprising Autodesk software and services to institutions of higher learning, including universities, polytechnics and community colleges.

Coveted internship programme

5



...the company said the contract is to supply licensed software and related value-add services comprising Autodesk software and services to institutions of higher learning, including universities, polytechnics and community colleges.

與歐特克洽商 柏斯達亮或得2000萬合約

【本報訊】柏斯達亮（Prestariang）與歐特克（Autodesk）洽商，柏斯達亮或得2000萬合約。柏斯達亮表示，該合約是為期三年，合約價值約為2000萬。柏斯達亮表示，該合約是為期三年，合約價值約為2000萬。柏斯達亮表示，該合約是為期三年，合約價值約為2000萬。

Raising the game on IT

A... the company said the contract is to supply licensed software and related value-add services comprising Autodesk software and services to institutions of higher learning, including universities, polytechnics and community colleges.



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AIA has 5% stake in Prestariang

PETALING JAYA: AIA Bhd has emerged as a substantial shareholder in Prestariang Bhd with a 5.05% indirect interest via Orange Policy Sdn Bhd. Meanwhile, the Employees Provident Fund had also disposed 667,800 shares and now has a direct 5.53% stake in the same company.

Financial aid for aspiring computer scientists



T... the company said the contract is to supply licensed software and related value-add services comprising Autodesk software and services to institutions of higher learning, including universities, polytechnics and community colleges.

O&G to feature prominently in Prestariang growth

Oil and Gas (O&G) is expected to feature prominently in Prestariang's growth. The company has secured several contracts in the O&G sector, which is a key driver of its revenue. The company has secured several contracts in the O&G sector, which is a key driver of its revenue.

Graduan ICT penuh tuntutan revolusi kerjaya

Graduates in ICT are expected to meet the demands of a career revolution. The industry is rapidly evolving, and graduates need to stay updated with the latest technologies. The industry is rapidly evolving, and graduates need to stay updated with the latest technologies.

Prestariang may get Sapurakencana job

Prestariang may get the contract for training, certification and software distribution. The company has been shortlisted for the project, which is a significant milestone for the company. The company has been shortlisted for the project, which is a significant milestone for the company.

Prestariang Bhd

Target price: **RM2.32** **OUTPERFORM**



PERKARA INVEST BERSEKUTU (PIB) di Prestariang, sebuah syarikat pendidikan Prestariang System Holdings telah menerima a letter of intent from the Ministry of Education worth RM10 million for the supply of "streamed software and related educational services to all public schools. He mentioned that it is an extension of the previous contract to supply the related software and services. Since then, several changes in the company's products and "software" said. Based on its quarterly results, software license distribution and new segment, which accounted for 1% of the group's revenue in MYQ3, has recorded a great margin of 47%. As it is a three-year contract, it helps provide a strong income to the group.

We think that target price of RM2.32 based on our 12-month P/E of 27x based on current levels. It implies a potential return of 14.6% and a dividend yield of 3.0%. Given that 2013 results are only making up 4% of our full year forecast, we follow PIB's earnings with some leeway.

MoF Inc cashes in on Prestariang

MOF INC has secured a 2013 contract to supply software and related educational services to all public schools. The contract is an extension of the previous contract to supply the related software and services. Since then, several changes in the company's products and "software" said. Based on its quarterly results, software license distribution and new segment, which accounted for 1% of the group's revenue in MYQ3, has recorded a great margin of 47%. As it is a three-year contract, it helps provide a strong income to the group.

柏斯達亮獲2000萬合約

(吉隆坡7日訊) 柏斯達亮 (PRESTARANG, 8334, 主要教育資訊) 旗下一公司, 獲教育部頒發價值2000萬令吉, 提供電腦軟件及相關增值服務合約。

柏斯達亮副馬文用報告, 旗下柏斯達亮系統有限公司是于4日(周五), 收到標榜合約, 將負責為大馬所有公共高等教育機構包括大學, 工藝學院和社區學院, 提供軟特克 (Autodesk) 軟件和服務。

文指出, 該合約期限長達3年時間, 預計可為柏斯達亮貢獻正面收益。



Kerjaya sains komputer di UniMy

Universiti Malaysia (UniMy) has secured a 2013 contract to supply software and related educational services to all public schools. The contract is an extension of the previous contract to supply the related software and services. Since then, several changes in the company's products and "software" said. Based on its quarterly results, software license distribution and new segment, which accounted for 1% of the group's revenue in MYQ3, has recorded a great margin of 47%. As it is a three-year contract, it helps provide a strong income to the group.

Prestariang Q3 net profit up 21%

PETALING JAYA: Prestariang Ltd recorded a 21.7% climb in net profit to RM11.55mil in its third quarter ended Sept 30 compared to RM10.21mil a year ago, attributable to its robust training and certification business.

Revenue for the quarter was 3%

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Revenue for the quarter was 3%

UniMy to spur engineering interns development

PRESTARANG has recorded a 21.7% climb in net profit to RM11.55mil in its third quarter ended Sept 30 compared to RM10.21mil a year ago, attributable to its robust training and certification business.

Revenue for the quarter was 3%



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油氣股漲潮捲土重來

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Prestariang eyes O&G jobs to meet RM1b goal

PRESTARANG aims to provide vocational training, talent development for sectors

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Prestariang zooming in on training

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Revenue for the quarter was 3%

Prestariang Ltd					
	2012	2013	2014	2015	2016
Revenue	102.1	115.5	128.9	142.3	155.7
Net Profit	10.2	11.6	13.0	14.4	15.8
EPS	0.15	0.17	0.19	0.21	0.23
Dividend	0.05	0.06	0.07	0.08	0.09
P/E Ratio	27.0	27.0	27.0	27.0	27.0
Dividend Yield	3.0%	3.0%	3.0%	3.0%	3.0%

PETALING JAYA: Prestariang Ltd recorded a 21.7% climb in net profit to RM11.55mil in its third quarter ended Sept 30 compared to RM10.21mil a year ago, attributable to its robust training and certification business.

Revenue for the quarter was 3%

Sustainability has been a part of the culture of Prestariang Berhad (“Prestariang” or “the Group”) since its inception in 2003. With each progressing year, we have been mindful of the need to provide a balanced view of our business progress in sustainability. For the year 2013, we take pride in highlighting our achievements, which are in tandem with our business strategy of including sustainability initiatives in the areas of workplace, marketplace, community and our environmental responsibilities. One key area of focus, “Upskill and Reskill for Lifelong Learners” involves a number of projects relating to lifelong learning and human capital development. It is through this consistency and constant growth that Prestariang has reaped recognition from the Government, private institutions and other private bodies as well as international partners. This is also evident in the numerous accolades bestowed on the Group annually.

Prestariang’s motto, “Educating Young Minds, Certifying a Future” succinctly expresses the intentions and commitment of Corporate Social Responsibility (“CSR”) that goes beyond philanthropy. Prestariang brings CSR to life in impactful ways, which focuses on involving educational and workplace readiness, employee volunteerism, engaging our shareholders and various stakeholders, fostering closer ties with our clients, continuously developing our people improvements, supporting the community and also identifying areas to minimise our impact on the environment. The following are our CSR activities exemplified in the year under review:



Collaborating for a greener future and sustainable.

Environment

Prestariang continually looks for ways to expand its environmental relationships. A key area of focus is to slant our business’ products and service offerings towards becoming more environmentally-friendly. Through prudent business practices, our people can build environmentally conscious practices into our work flow to lighten our carbon footprint and keep taking steps towards sustainability. This in turn will create more value-add for our stakeholders in terms of Prestariang demonstrating a forward thinking approach in measuring, managing and reducing carbon emissions to enhance efficiency, meet compliance and benefit from a healthier bottom line.

- **Sustainable Information Technology**

Prestariang was the gold sponsor for the **South-East Asia Green IT Conference 2013**, which was held on 11 October 2013 at the Mandarin Oriental Kuala Lumpur in conjunction with IGEM 2013 – 4th International Green Tech & Eco Product Exhibition & Conference Malaysia. This conference, which was organised by the Ministry of Energy, Green Technology & Water (KeTTHA) and GreenTech Malaysia, is to provide an avenue that brings together decision makers from multiple sectors to collaborate and share ideas as well as disseminate knowledge on sustainable information technology.

Marketplace

Our approach to corporate citizenship begins with our Mission, which articulates the enhancing of human potential through lifelong learning. Our two-fold strategy aims:

- to leverage our resources, assets and expertise to catalyse dramatic improvement to our various stakeholders, shareholders, strategic partners, vendors/suppliers and customers.
- to interact responsibly in all facets where our business intersects with society in an ethical manner.
- **Information Technology Research and Development**
Prestariang contributed RM2 million to **Yayasan Universiti Malaysia** during the launch of University Malaysia of Computer Science & Engineering (“UniMy”) on 31 January 2013. The Foundation promotes educational achievements at pre-university, undergraduate and post graduate levels for selected universities, which focus on information technology advancement with the aim to produce an IT literate society and to further create new technology providers through various research and development activities. This is in line with Prestariang’s aspiration to broaden the range of specialist subjects in IT while creating new opportunities for innovation and collaboration in other related fields in Malaysia.

- **Enable Innovators to Dream, Build and Live**

Prestariang sponsored RM90,000 in support of the **Microsoft Imagine Cup Malaysia 2013**, which was held from 15 to 17 May 2013 in Langkawi, Kedah. This anticipated and raved about event is Microsoft’s premier student technology competition where innovators have the opportunity to compete in the finals worldwide. This competition, which was organised by Microsoft and Universiti Teknikal Malaysia (“UteM”) Melaka saw 21 finalists from 11 universities and colleges around Malaysia vie for the championship title.

- **Nurturing Business Leaders with Governance**

Prestariang donated RM100,000 to **Yayasan Putra Business School** (formerly known as Yayasan Sekolah Pengajian Siswazah Pengurusan) for the support of education and learning activities of Putra Business School, University Putra Malaysia (“UPM”) in Serdang, Selangor. The overarching mission of the school is to nurture business leaders with a difference, where focus is on ensuring human wellbeing or human governance and corporate governance.



Prestariang contributed RM2 million to Yayasan Universiti Malaysia to support IT research and development.



Imagine Cup Malaysia 2013 - nurturing an innovative and creative new generation.

- **Human Capital in Oil and Gas**

Prestariang sponsored the **PETRONAS International Human Capital Summit 2013**, which was held from 29 to 31 October 2013 at the Kuala Lumpur Convention Centre. This conference, which was organised by Urban Forum (Malaysia) Sdn. Bhd. and hosted by PETRONAS, encompassed a series of discussions and workshops on methods of effectively attracting and retaining talents in the oil and gas industry. This event is also in line with Prestariang's foray to run the "Professional Skills Set for the Oil & Gas Industry" to support continued growth and talent in the industry.

- **Emphasising Education**

Prestariang contributed to the Bachelor of Education (B.Ed) student awards in conjunction with the 29th Convocation Awards of International Islamic University Malaysia (IIUM), Kuala Lumpur, which was held from 16 to 18 November 2013. This contribution is envisaged to motivate students in the field of education by producing higher achievers in the future. Prestariang's contribution was for the Best Student (Teaching of English as a Second Language/TESL) and the Best Student (Guidance and Counselling) categories.

Prestariang also contributed towards the International Conference on Teacher Education in the Muslim World ("ICTEM 2013"), which was held from 12 to 18 November 2013. *Redesigning Pedagogy: Transformative Value-Based Education* was the theme of the event, which featured discussions on education and change for the sake of human development and progress.



Petronas International Human Capital Summit 2013.

Community

Prestariang's CR for the community is focused on programs, which target children, youth and the underprivileged in our society. We support humanitarian causes through financial support, sponsorships and volunteering. Through employee giving and volunteering, as well as corporate philanthropy programs, we take a targeted approach to making a difference in these areas.

Prestariang is committed to the syariah compliance by dispersing at least 2.5% of annual profits towards charitable causes such as orphanages and other homes for the aged, infirmed and underprivileged. Financial aid were disbursed to Pusat Jagaan Anak-Anak Istimewa Harapan in Negeri Sembilan and Pusat Jagaan & Rawatan Orang Tua AI-Ikhas in Kampung Meranti, Puchong, Selangor.

Workplace

Prestariang internalises human capital development, and as such we are the greatest advocates of our theme, which is “skill and reskill”. Our employees are the prime asset of the company and we greatly value and recognise our employees by prioritising their wellbeing at all times. The Company also facilitates communications channels through scheduled yearly activities as well as ad-hoc events to promote a conducive environment in the workplace.

- **Fair, Equitable and Competitive Remuneration**

The Company continuously reviews the remuneration structure of its employees to ensure that the scheme is fair, equitable and strives to be competitive within the market. Prestariang has employed the services of Towers Watson, a leading global professional services company that helps organisations improve performance through effective people, risk and financial management, to study the current remuneration of its employees and have since revised the structure as per recommended. The sales commission and other incentive schemes in place are in constant review to motivate and recognise the achievers of the Company.

- **Lifelong Learning and Self Improvement**

Prestariang fosters continuous learning and self-improvement among its employees in order to enhance competency, productivity, leadership and upskilling with the aim of unleashing greater talents. Training funds in compliance with the Human Resources Development Fund (“HRDF”), were made available to employees for continuous training and development programs. Seasoned and new employees were also given the opportunity to be certified. Some of the notable certifications offered are Certified Training Professional, Certified Microsoft Educator and IC Citizen. Employees are also eligible for full reimbursement of any annual membership fees for international professional associations and local professional memberships, which are relevant to their profession and nature of job.

- **Internship**

The Company encourages internships to assist students develop knowledge and experience in a workplace situation. For the year under review, Prestariang undertook six undergraduates for industrial training activities for a period of three to six months.



We are committed to ensuring that skills, knowledge and talent are proactively identified and developed among our employees.

- **Employee Engagement through Social Events and Gatherings**

At Prestariang, it is imperative for us to identify the level of engagement in our organisation and implement behavioural strategies that will facilitate full engagement. The Company encourages a two-way communication between management and employees as a way to promote openness, understanding and enthusiasm among all employee levels. Employee-focused initiatives such as implementing work-life balance initiatives are critical as an engaged workforce helps improve organisational performance. Throughout 2013, we organised several events, which included the Company Trip to Gold Coast, Australia, the Annual “Makan-Makan”, Breaking of Fast during the month of Ramadhan and the ever-popular Durian Party Fest.

We believe that engaged employees have the ability to impact positively on the quality of services and products. Given the amount of time, which people spend at the workplace, a conducive atmosphere is paramount and we will continue our efforts to make greater steps to achieve this.



As a knowledge-based organisation, we continuously invest in people and ideas. Our people are equipped with various qualifications and skills to ensure the smooth operations and continuous growth of the Company. We have a team of professionals in the following areas of specialty:

- Autodesk AutoCAD 2010 Associate and Professional
- Autodesk Revit Architecture 2010 Associate and Professional
- Certified Training Professionals (“CTP”)
- MCAD, CISCO and CompTIA certified engineers and specialists
- Microsoft Certified Professional – Licensing Solutions
- Microsoft Certified Technology Specialist
- Project Management Professional (“PMP”)
- Graphic, Web & Multimedia Designers

More importantly, the management team led by **Dr Abu Hasan Ismail Ph.D, Chief Executive Officer;** **Abdul Razak Bakrun, Chief Financial Officer;** **Abdul Hamid Abdul Rahman, Chief Knowledge Officer;** **Rohaizam Isahak, Chief Service Officer** and **Prof Datuk Dr Khairuddin Ab Hamid, Vice Chancellor of UniMy** has cultivated a work culture that encourages creativity and drives motivation. We believe innovation and the right attitude, anchored by the necessary qualifications and experiences, are the key factors behind the continued success of the Company.



Corporate Statements

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The Board of Directors of Prestariang Berhad (“the Company”) is fully committed to sustaining high standards of corporate governance with the goal of ensuring the Company and the Group are in the forefront of good governance and implementing the guidelines of the Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”). The Code serves as a fundamental guide to the Board in discharging its principal duty to act in the best interest of the Company and the Group, and managing the business and affairs of both the Company and the Group efficiently and effectively.

The Board views the corporate governance as synonymous with the four prerequisites of a responsible corporate citizen, namely transparency, accountability, integrity and corporate performance.

The Board is pleased to share the following statement which indicates the Principles and Recommendations of the Code, in all material respect, have been adhered to and complied by the Company during the financial year ended 31 December 2013.

STATEMENT OF PRINCIPLES

The following sets out the manner in which the Principles and Recommendations of the Code have been applied by the Company.

BOARD OF DIRECTORS

Board Responsibilities

The Company is led and controlled by an effective Board comprising one (1) Chief Executive Officer (“CEO”)/Executive Director (“ED”) and a seven (7) Non-Executive Directors drawn from various professional backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Company’s business operations.

Recommendation 3.5 of the Code states that the Board must comprise a majority of independent directors where the chairman of the board is not an independent director. The Company is adhered to Recommendation 3.5 of the Code where Dato’ Mohamed Yunus Ramli Bin Abbas is the Non-Independent Non-Executive Chairman of the Company and the majority of the Board is independent directors. The Board had identified Dato’ Maznah Binti Abdul Jalil to be the Senior Independent Non-Executive Director to whom concerns may be conveyed to by shareholders and the general public.

The Company recognises the pivotal role played by the Board in the stewardship of its strategic business direction and ultimately in the enhancement of its long-term shareholder value.

The Board remains resolute and upholds its responsibility in governing, guiding and monitoring the direction of the Company with the eventual objective of enhancing long term sustainable value creation aligned with shareholders’ interests whilst taking into account the long-term interests of all stakeholders, including shareholders, employees, customers, business associates and the communities in which the Company and the Group conducts its business.

Based on the Board Charter, the Board’s primary commitment is to lead and oversee the business of the Company and to ensure that the conduct of the Group’s operations promotes business sustainability, integrity and complies with the relevant law, rules and regulations.

The Board’s roles are:-

- a. to represent and serve the interests of shareholders by overseeing and evaluating the Company’s strategies, policies and performance;
- b. to ensure the shareholders are kept informed of the Company’s performance and major developments affecting its state of affairs;
- c. to review, approve and monitor the strategic business plans, goals and key policies proposed by Management to ensure sustainability and optimization of long term returns for the Group;

- d. to identify, continuously assessing and managing the principal risks affecting the Group and to ensure the implementation of appropriate systems to manage these risks;
- e. to plan succession, including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group;
- f. to develop and implement an investor relations programme or shareholder communications policy for the Company;
- g. to review the adequacy and integrity of the Company's internal control and risk management systems as well as management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- h. to determine the remuneration of Executive Directors and Non-Executive Directors of the Group, with the individuals concerned abstaining from discussions of their own remuneration; and
- i. to ensure that the Company has appropriate corporate structures including standards of ethical behaviour as stated in the Directors' Code of Ethics and promoting a culture of corporate responsibility.

A list of matters reserved for the Board is clearly stated in the Board Charter and a copy of the Board Charter, which is subject to review from time to time has been uploaded to the Company's website at www.prestariang.com.my.

The Board members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, in order for the Company to achieve strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to shareholders.

The CEO/ED shall act in accordance with the authorities delegated to him by the Board. He together with the Management Committee comprising certain key management staff shall be responsible, within the limits of authority determined and powers delegated by the Board of Directors from time to time.

The Non-Executive Directors ("NEDs") are independent from Management. Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address the matters concerning the management and oversight of the Company's business and operations.

The Board has defined the roles and responsibilities of NEDs, which include the following:-

- providing independent and objective views (in the case of Independent Non-Executive Directors ["INEDs"]), assessment and suggestions in deliberations of the Board;
- ensuring effective check and balance in the proceedings of the Board;
- mitigating any possible conflict of interest between the policy-making process and day-to-day management of the Company and the Group; and
- constructively challenging and contributing to the development of the business strategies and direction of the Company and the Group.

To ensure the effectiveness of the INEDs on the Board, including newly appointed INEDs, the independence assessment shall be conducted annually.

The Board is satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interests of the Company.

Board Composition and Balance

Presently, the Board consists of a total of seven (7) Directors and the status of their directorship is as follows:

Directors	Status
Dato' Mohamed Yunus Ramli Bin Abbas	Non-Independent Non-Executive Chairman
Dato' Loy Teik Ngan	Independent Non-Executive Director
Chan Wan Siew	Independent Non-Executive Director
Dr. Abu Hasan Bin Ismail	Non-Independent Executive Director
Dato' Maznah Binti Abdul Jalil	Senior Independent Non-Executive Director
Pang Yee Beng	Independent Non-Executive Director
Ramanathan A/L Sathiamutty	Independent Non-Executive Director
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned on 1/6/2013)	Independent Non-Executive Director
Dato' Jaffar Indot (Demised on 8/4/2014)	Independent Non-Executive Director

The Company complies with Bursa Malaysia Securities Berhad Main Market Listing Requirements with regards to Board's composition and the required ratio of Independent Directors. The profiles of the Directors are set out on pages 28 to 31 of this Annual Report.

The roles of the Chairman and the CEO/ED are segregated and clearly defined by their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The CEO/ED is responsible for the day-to-day management of the business as well as the implementation of Board policies and decisions.

The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company.

On boardroom diversity, the Board is supportive of the gender boardroom diversity as recommended by the Code. Presently, Dato' Maznah Binti Abdul Jalil is the only female director on the Board and the Board is endeavoured to appoint more female director if there are suitable candidates.

Directors' Code of Ethics

The Board has adopted a Directors' Code of Ethics to describe the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company.

Policy on Sustainability

It is the Board's role to formalise the Company's strategies on promoting sustainability by giving attention to environmental, social and governance aspects of business which underpin sustainability. Although there were no formalised policies on promoting sustainability, from time to time, the Board reviews, approves and monitors the strategic business plans, goals and key policies proposed by Management to ensure sustainability and optimization of long term returns for the Group.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors are subject to retirement by rotation of every Annual General Meeting ("AGM") and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board are subject to re-election by the shareholders at the annual general meeting held following their appointments. Pursuant to the Article 95 of the Company's Articles of Association, the Directors who are subject to re-election by rotation are Dato' Mohamed Yunus Ramli Bin Abbas and Mr. Chan Wan Siew, both of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Mr. Pang Yee Beng and Mr. Ramanathan A/L Sathiamutty, who were appointed on 16 April 2014, are subject to retirement pursuant to Article 97 of the Company's Articles of Association and being eligible, have offered themselves for re-election.

Meetings

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and pencil the next year's Board meetings into their respective meeting schedules.

During the financial year ended 31 December 2013, the Board met on five (5) occasions, deliberating upon and considering a variety of matters including the Company's and Group's financial results, major investments, strategic decisions and the overall direction of the Company and the Group.

Agenda and matters for discussion are prepared and circulated in advance of each meeting. All proceedings from Board meetings are recorded and the minutes are maintained by the Company Secretaries.

Details of Directors attendance at meetings of the Board during the financial year under review are as follows:

Name of Directors	No. of Meetings Attended
Dato' Mohamed Yunus Ramli Bin Abbas	5/5
Dato' Loy Teik Ngan	5/5
Chan Wan Siew	5/5
Dr. Abu Hasan Bin Ismail	5/5
Dato' Maznah Binti Abdul Jalil	5/5
Pang Yee Beng (Appointed w.e.f. 16/4/2014)	N/A
Ramanathan A/L Sathiamutty (Appointed w.e.f. 16/4/2014)	N/A
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned on 1/6/2013)	3/3
Dato' Jaffar Indot (Demised on 8/4/2014)	3/5

Supply of Information

All members of the Board are supplied with information in a timely manner. Board reports and papers are circulated prior to Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings.

Each Director has access to information pertaining to the Company's and the Group's business and affairs to enable them to discharge their duties. In addition, certain matters are reserved specifically for the Board's decision. These include approval of material acquisitions and disposals of assets, major corporate plans, financial results, and Board appointments.

The Directors also have direct access to the advice of the Company Secretaries, independent professional advisors and internal and external auditors, as and when appropriate, at the Company's expense.

The Board members are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities. The cost of procuring these professional services will be borne by the Company.

Company Secretaries

The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable, on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia Securities Berhad. The Company Secretaries also serve notice to the Directors and principal Officers to notify them of closed periods for trading in the Company's shares, and timely communication of decisions made and in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the NEDs and Management.

Directors' Training

The Board, through the Nomination Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge, and experience to appropriately perform the duties of Directors. As at the end of the financial year under review, all Directors have successfully completed the Mandatory Accreditation Programme. In addition, Directors undergo continuous training to equip themselves with the necessary knowledge and to keep abreast with developments to effectively discharge their duties as a Director. Amongst others, the training programmes/seminars/forums attended by the Directors during the financial year are as follows:-

- Autodesk One Team Conference
- Neuramatix Distinguished Lecture Series

The Board, with the assistance of the Nomination Committee would determine a continuous education program for Board members to upgrade their skills in enhancing their effective contribution.

DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for recommending the compensation and remuneration package for the Executive Director and Senior Management staff. In formulating the recommended remuneration package, the Remuneration Committee has taken into consideration the information prepared by Management and also independent consultants by surveying data on the remuneration practices of comparable companies. While remuneration policies and procedures have yet to be formalised, the directors' remuneration is generally determined at levels which would continue to attract and retain high calibre directors.

The Board, as a whole, determines the remuneration of NEDs, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company remunerates its NEDs an annual fee which is subject to the approval of the shareholders of the Company at AGM.

Details of the nature and amount of each major element of the remuneration of Directors of the Company, during the financial year, are as follows:

	EXECUTIVE DIRECTOR (RM)	NON-EXECUTIVE DIRECTORS (RM)	TOTAL (RM)
Emoluments and Allowance	760,959	205,500	966,459
Fees	-	360,000	360,000
Total	760,959	565,500	1,326,459

The number of Directors whose remuneration fell within the respective bands is as follows:

REMUNERATION BAND (RM)	EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTORS
50,001 - 100,000	-	3
100,001 - 150,000	-	3
750,001 - 800,000	1	-

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

COMMITTEES ESTABLISHED BY THE BOARD

The Board delegates certain responsibilities to the Board Committees, namely the Audit Committee, Nomination Committee, Risk Management Committee, Remuneration Committee and Finance and Investment Committee in order to enhance business and operational efficiencies as well as efficacies.

All Board Committees have written terms of reference and the Board receives all minutes and reports of their proceedings and deliberations, where relevant. The Chairmen of the various Committees report to the Board on the outcome of the Committee meetings. Such reports are incorporated in the minutes of the full Board meetings.

Audit Committee

The Company's Audit Committee comprises exclusively of Non-Executive Directors, all of the members are independent and presently chaired by Mr. Chan Wan Siew.

The Terms of Reference of the Audit Committee are set out under the Audit Committee Report on pages 57 to 60 of this Annual Report.

The Audit Committee meets at least four (4) times annually.

During the financial year, the Audit Committee held five (5) meetings and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Chan Wan Siew - Chairman	5/5
Dato' Loy Teik Ngan	5/5
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned w.e.f. 1/6/2013)	3/3
Dato' Maznah Binti Abdul Jalil (Appointed w.e.f.27/8/2013)	1/1
Ramanathan A/L Sathiamutty (Appointed w.e.f. 16/4/2014)	Not Applicable

The CEO, Chief Financial Officer, Senior Manager Corporate Governance and the internal auditors, have attended the Audit Committee meeting by invitation. Where appropriate, the external auditors are invited to attend and brief the Audit Committee and to provide responses to queries raised by the Audit Committee in respect of the Company's Financial Statements and reporting requirements.

Nomination Committee

The Company's Nomination Committee comprises exclusively of Non-Executive Directors, and all of the members are independent.

The salient terms of the Terms of Reference of the Nomination Committee are as follows:-

- a. To recommend to the Board, new candidates for appointment and re-election for all directorships to be filled by the shareholders or the Board of Directors for any vacancies on the Boards;
- b. To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability, by any other senior executive or any director or shareholder;
- c. To recommend to the Board of Directors on the establishment of new committees or the dissolution of any existing committees of the Board which no longer serves its purpose;
- d. To recommend to the Board of Directors to fill the seats on any board committees.

In discharging the above responsibilities, the Nomination Committee needs to report the following to the Board of Directors:-

- i. The effectiveness of the present size of the Board of Directors;
- ii. The effectiveness of the composition of the Board of Directors in relation to the mix of independent directors, non-executive directors and executive directors;
- iii. The effectiveness of the composition of the Board of Directors in relation to the mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board, and which should be disclosed in the Annual Report;
- iv. The existence or potential existence of conflict of interests, of any present directors or any new directors who may be nominated, with the businesses of the company;
- v. The contribution of individual directors in relation to the effective decision making of the Board of Directors; and
- vi. To determine a continuous education program for Board members to upgrade their skills in enhancing their effective contribution.

The Nomination Committee meets as and when required, and at least once a year.

During the financial year, the Nomination Committee held one (1) meeting and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman) (Resigned w.e.f. 1/6/2013)	1/1
Dato' Maznah Binti Abdul Jalil (Appointed as Chairman w.e.f.27/8/2013)	Not Applicable
Dato' Jaffar Indot (Demised on 8/4/2014)	1/1
Chan Wan Siew	1/1
Pang Yee Beng (Appointed w.e.f. 16/4/2014)	Not Applicable

During the aforesaid meeting, the Nomination Committee reviewed and recommended the Directors who are subject to retirement by rotation pursuant to the Company's Articles of Association and Section 129(6) of the Companies Act 1965 and assessed the performance of the Board and Board Committees.

The Board Charter provides that the tenure of an independent director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Otherwise, the Board must provide justification and seek shareholders' approval at the AGM in the event it retains the director as an independent director. None of the Directors exceeds the nine (9) years' tenure at the forthcoming AGM and subject to the re-designation and/or shareholders' approval.

Protocol for accepting new directorships and Time Commitment

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman before accepting any new directorship and indicate the amount of time that will be spent on the new appointment. The Company did not set out expectations on time commitment to be devoted by each of the directors but the directors are expected to devote sufficient time to discharge their duties as directors of the Company.

Remuneration Committee

The Remuneration Committee ("RC") is made up of three (3) Independent Non-Executive Directors and one (1) Executive Director, and is presently chaired by Dato' Loy Teik Ngan.

The salient terms of the Terms of Reference of the Remuneration Committee are as follows:-

- a. The functions of the Remuneration Committee are as follows: -
- b. to recommend to the Board a competitive Compensation and Remuneration package for executive directors and senior management staff (both present and potential future) in order to attract and retain outstanding individuals with the skills and experience needed to manage the Company's business successfully;
- c. to recommend to the Board a competitive Compensation and Remuneration package for non-executive directors in order to attract and retain outstanding individuals of integrity, calibre, credibility and who have the necessary skills and experience to bring an independent judgment to bear on the issues of strategy, performance and resources for the success of the Company; and
- d. to review and recommend the annual compensation and rewards for all individual directors and senior management staff (both present and potential future).
- e. In discharging the above responsibilities, the Remuneration Committee needs to ensure the following:-
 - i) the determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the board as a whole; and
 - ii) all directors should abstain from discussion of their own remuneration.

The Remuneration Committee meets as and when required, and at least once a year.

During the financial year, the Remuneration Committee held four (4) meetings and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato' Loy Teik Ngan (Chairman)	4/4
Dato' Jaffar Indot (Demised on 8/4/2014)	3/4
Chan Wan Siew	4/4
Dr. Abu Hasan Bin Ismail	4/4
Pang Yee Beng (Appointed w.e.f. 16/4/2014)	Not Applicable

The summary of activities of the RC during the financial year under review is as follows:-

- Review and recommend to the Board, the amount of directors' fees for the financial year ended 31 December 2013;
- Review and receipt of reports on the total compensation package and grading structure for the Company and the Group; and
- Review and recommend to the Board the remuneration and benefit packages for the CEO/ED.

Risk Management Committee

The Risk Management Committee is made up of a majority of Non-Executive Directors, Mr. Ramanathan A/L Sathiamutty was appointed as chairman of the Risk Management Committee on 16 April 2014.

The salient terms of the Terms of Reference of the Risk Management Committee are as follows:-

- reviewing existing controls that may reduce the key risk factors of the Company;
- reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval;
- reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- ensuring adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems performs those duties independently of the management's risk taking activities; and
- reviewing the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

During the financial year, the Risk Management Committee held three (3) meetings and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato' Jaffar Indot (Chairman) (Demised on 8/4/2014)	2/3
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned w.e.f. 1/6/2013)	2/2
Ramanathan A/L Sathiamutty (Chairman) (Appointed w.e.f. 16/4/2014)	Not Applicable
Dato' Loy Teik Ngan	3/3
Dr. Abu Hasan Bin Ismail	3/3
Chan Wan Siew (Appointed w.e.f 20/2/2014)	Not Applicable

During the financial year under review, the Risk Management Committee has recommended the adoption of the Whistle-Blowing Policy and reviewed the operation and project risks of the Group on periodic basis.

Finance and Investment Committee

The Finance & Investment Committee is led by Dato' Maznah Binti Abdul Jalil. The Committee is made up of a majority of Independent Non-Executive Directors.

The Terms of Reference of the Finance and Investment Committee are as follows:-

- a. To develop, review and recommend to the Board the investment policies and strategies.
- b. To perform the duties that are assigned to it by the Board including, without limitation, the review of all investment proposals.
- c. To receive quarterly reports from the management, deliberate and decide on the compliance with the overall investment policies and strategies, and to report the findings to the Board.
- d. At the Initial Project Assessment/pre-qualification/tender bid stage:
 - i. To review and give approval for the Company to proceed with the pre-qualification /tender bid submission or project/investment initiation activities, which meet the pre-determined criteria, for all ventures.
 - ii. To authorise the Company to enter into any agreements, memorandum of understanding and/or contracts with potential partners for the requalification/tender stage and approve such terms in relation to the said agreement, memorandum of understanding and/or contracts. Notwithstanding, any agreement, memorandum of understanding or contracts which may include equity participation of the Company is reserved for deliberation by the Board.
- e. Following the Detailed Appraisal/Evaluation, or if the tender is successful:
 - i. To review and approve on behalf of the Board the investment proposals, if these fall within the approved authority limits delegated to the Committee by the Board.
 - ii. To review and recommend to the Board for final decision, the investment proposals, which are beyond the authority limits of the Committee.
- f. To review the terms of reference of the Committee and recommend the relevant changes to the Board as and when deemed fit.
- g. Investment matters relating to wholly-owned subsidiaries of the Company would be referred directly to the Committee for review and recommendation to the Board.
- h. Investment matters relating to non-wholly owned subsidiary companies are submitted to the respective Board of the subsidiary companies for deliberation and approval. In this respect, the Board of the subsidiary companies will then provide an update to the Committee and the Company's Board in which the Committee and the Company's Board would raise the appropriate observations and/or comments as a measure of check and balance.

The Finance and Investment Committee meets as and when required, and at least once a year.

During the financial year, the Finance and Investment Committee held three (3) meetings and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato'Maznah Binti Abdul Jalil (Chairman)	3/3
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned on 1/6/2013)	2/2
Chan Wan Siew	3/3
Dr. Abu Hasan Bin Ismail (Appointed w.e.f. 27/8/2013)	1/1

The Finance and Investment Committee reviewed the investment policy and guidelines, proposals, status of investments during the financial under review.

SHAREHOLDERS AND INVESTORS

Communication

The Company recognises the paramount importance of communicating with its shareholders and other stakeholders as it is a key component to uphold the principles and best practices of corporate governance for the Company and the Group.

In maintaining the commitment to effective communication with shareholders and stakeholders, the Company adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders. This practise of disclosure of information is not just established to comply with Bursa Malaysia Securities Berhad Main Market Listing Requirements pertaining to continuing disclosure, but it also adopts the best practices as recommended with regards to strengthening engagement and communication with its shareholders. Where possible and applicable, the Company also provides additional disclosure of information on a voluntary basis. The Company believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The annual report is a main channel of communication between the Company and its shareholders and stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Company and the Group. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Malaysia Securities Berhad Main Market Listing Requirements.

In addition, the Company and the Group always strive to voluntarily make available in the Company's annual report information and disclosures that extend well beyond the regulatory requirements in order to provide more extensive information which enable various stakeholders to have better appreciation of the Group's business strategies, operations, performance, challenges and quality of management.

The Company disseminates its annual report, together with an executive summary, to its shareholders either in hard copy or in CD ROM media. The executive summary provides highlights of the Company's and the Group's key financial and corporate information, in order to facilitate shareholders' access to such key information. All information to shareholders is available electronically as soon as it is announced or published.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Directors and Senior Management.

At the Company's AGM, the Chairman of the Company presents a comprehensive and concise review of the Group's financial performance and value created for shareholders. This review is supported by visual and graphical presentation of key points and key financial figures. Printed copies of this review are also made available to shareholders upon their request, and to the media.

In addition, the Company makes various announcements through Bursa Malaysia Securities Berhad, in particular, the timely release of the quarterly results within two (2) months from the close of a particular quarter. Summaries of the quarterly and full year results and copies of the full announcements are available at the Company's website. Members of the public can also obtain the full financial results and Company announcements from Bursa Malaysia Securities Berhad's website.

Investor Relations

Along with good corporate governance practices, the Company has embarked on appropriate corporate policies to provide greater disclosure and transparency through all its communications with its shareholders, investors and the general public. A dedicated section on Corporate Governance which sets out the Board Charter and Directors' Code of Ethics is available on the Company' website to effectively disseminate information to all shareholders.

The Company strives to promote and encourage bilateral communications with its shareholders through participation at its general meetings and also ensures timely dissemination of any information to investors, analysts and the general public.

The Company and the Group maintain the following website that allows all shareholders and investors access to information about the Company and the Group: www.prestariang.com.my. Any further information regarding the Company and the Group may also be obtained from the following persons:

Corporate Governance
Telephone : 03-8314 8400
Facsimile : 03-8318 9280
inquiry@prestariang.com.my

During the Third AGM held last year, the Chairman had reminded the attending shareholders of their right to demand for poll voting. Nonetheless, no request for poll voting was received during the AGM.

The Board would consider employing electronic means for poll votes in the future general meetings for substantive resolutions. The Board considers a poll vote to be necessary for a fair voting process.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide a balance and meaningful assessment of the Company's and the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders and the Chairman's Statement in the Annual Report.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the quality of the Company's and Group's annual and interim financial statements. It also reviews the appropriateness of the Company's and Group's accounting standards and regulatory requirements.

Recommendation 5.2 of the Code states that the Audit Committee should have policies and procedures to assess the suitability and independence of external auditors. The Audit Committee had conducted an assessment and obtained confirmation from the External Auditors that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Company and the Group is set out on page 66 of this Annual Report.

Related Party Transactions

The Company and the Group has no significant transactions with the related parties during the year under review.

Internal Control

The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Statement on Risk Management and Internal Control furnished on pages 61 to 63 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.

Relationship with the Auditors

The Company has established a transparent arrangement with the Auditors to meet their professional requirement. Key features underlying the relationship of the Audit Committee with the Internal and External Auditors are included in the Audit Committee Report on pages 57 to 60 this Annual Report.

Internal Audit

In the pursuit of greater independence in the internal audit function, the Internal Audit activity continued to be outsourced during the financial year under review to KPMG Management and Risk Consulting Sdn Bhd to provide internal audit services.

A summary of the activities of the Audit Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 57 to 60 of this Annual Report.

The Board of Directors (“Board”) of Prestariang Berhad (“the Company”) is pleased to present the Audit Committee Report for the financial year ended 31 December 2013.

OBJECTIVES

The objectives of the Audit Committee are as follows:-

- reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the company’s policies; and
- ensuring that proper processes and procedures are in place to comply with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

COMPOSITION

The Audit Committee comprises at least three (3) Directors, all of whom are Independent. The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. The Audit Committee comprises only of Non-Executive Directors.

MEMBERSHIP

The present members of the Audit Committee comprise of the following Independent Non-Executive Directors:

Chan Wan Siew - Chairman

Dato’ Loy Teik Ngan

Dato’ Maznah Binti Abdul Jalil (appointed w.e.f. 27/8/2013)

Ramanathan A/L Sathiamutty (appointed w.e.f. 16/04/2014)

Dato’ Gan Nyap Liou @ Gan Nyap Liow (resigned on 1/6/2013)

DUTIES AND RESPONSIBILITIES

- To review the quarterly and annual financial statements of the Company.
- To review any related party transaction and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of Management integrity.
- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximize opportunities.
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.
- To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Company’s Code of Business Conduct.
- To obtain assurance that proper plans for control have been developed, prior to the commencement of major areas of change within the organisation.
- To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company.

- (viii) To review with the external auditors the nature and scope of their audit plan and report.
- (ix) To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors.
- (x) To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence.
- (xi) To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that the position as auditors are not deemed to be compromised.
- (xii) To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
- (xiii) To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.
- (xiv) To review with the external auditors the Statement of Internal Controls of the Group for inclusion in the annual report.
- (xv) To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an internal, audit function and summary of the activities of that function for inclusion in the annual report.
- (xvi) To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the annual report.
- (xvii) To review ordinary and extraordinary dividend payments.
- (xviii) To act on any other matters as may be directed by the Board.

RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee is authorised by the Board:-

- (i) to review any activity within the Audit Committee's terms of reference. It is authorised to seek any information it requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Company and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee;
- (ii) to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain the prior approval of the Chairman of the Audit Committee;
- (iii) to review any activity within its Terms of Reference, and where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflicts of interest, or abuse by a significant or controlling shareholder; and
- (iv) shall have direct communication channels and be able to convene meetings with the external auditors excluding the attendance of the non-independent members of the Audit Committee, whenever deemed necessary.
- (v) The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by Management regarding the appointment, transfer and removal of the Head of Internal Audit of the Company shall require prior approval of the Audit Committee. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee.

MEETINGS

The Audit Committee shall:

- (i) meet at least four (4) times annually. A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting; and
- (ii) report to the Board and its minutes will be tabled to and noted by the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

- (i) Reviewed the unaudited quarterly financial results of the Company and the Group before recommending to the Board for report on consolidated approval and release to Bursa Malaysia Securities Berhad.
- (ii) Reviewed the Audit Planning Memorandum of the Company and the Group for the financial year ended 31 December 2013 with the external auditors.
- (iii) Reviewed the audited financial statements of the Company and the Group, the issues arising from the audit, their resolution and the audit report prior to recommending to the Board for approval.
- (iv) Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for disclosure into Annual Report 2013.
- (v) Reviewed the effectiveness of the External Auditors and the recommendation to the Board of Directors, the re-appointment of the External Auditors.
- (vi) Met with the External Auditors without the presence of the Executive Director and Management twice during the year.
- (vii) Reviewed with the internal auditors, the internal audit findings and recommendations presented and the manner in which the issues raised by the internal auditors are subsequently resolved by Management.
- (viii) Reviewed with the External Auditors and Internal Auditors, other pertinent issues of the Company and the Group that have significant impact on the results of the Company and the Group and the statutory audits.

INTERNAL AUDIT FUNCTION

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

To this end, the functions of the internal auditors are to:

- (i) perform audit work in accordance with the pre-approved internal audit plan;
- (ii) carry out reviews on the systems of internal control of the Company and the Group; and
- (iii) review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (iv) provide recommendations, if any, for the improvement of the control policies and procedures.

The Audit Committee and Board are satisfied with the performance of the internal auditors KPMG Management and Risk Consulting Sdn. Bhd., in the provision of outsourced internal audit services to the Company and the Group. The cost incurred for the internal audit function in respect of the financial year ended 31 December 2013 is RM60,000.

During the year under review, the internal auditors completed 2 audit cycles focused on key controls deployed by the Management in respect of the following processes as approved by the Audit Committee:

Cycle 1

- Financial Management
- Project Management

Cycle 2

- Human Resource Management
- Sales and Marketing

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 (“Code”) recommends that the Board of Directors (“the Board”) of the listed companies should maintain a sound risk management and internal control framework in order to safeguard shareholders’ investments and the Company’s and Group’s assets. Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements also requires the Board of the listed companies to include a statement on the state of their internal controls in their annual reports.

In view of the above, the Board of the Company is pleased to present the following statement that is prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by the Bursa Malaysia’s Task Force on Internal Control.

BOARD RESPONSIBILITY

The Board recognises their responsibility of upholding an effective and adequate risk management and internal control system, which contribute material part to form good corporate governance. In line with that, the Board acknowledges their main responsibility of ensuring the principal and significant risks of the Company and of the Group are identified and properly managed by the risk management and internal control system of the Company and of the Group.

The Board has also established an on-going process for identifying, evaluating and managing significant risks faced by the Company and of the Group and to regularly review this process in conjunction with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Management is assigned with the role of assisting the Board on the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the various risks that could affect the operation of the Company and of the Group, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

From time to time, the Board has received assurance from the Chief Executive Officer and Chief Finance Officer that the risk management and internal control system in place is operating in an adequate and effective manner, and that it is sufficient to safeguard the interest of the Company and of the Group.

The Board acknowledges that a sound risk management and internal control system provides reasonable but not absolute assurance, that the Company and the Group will not be hindered in achieving its business objectives in the ordinary course of business.

CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The day to day operations of the Company and of the Group is monitored by the Chief Executive Officer. This control is exercised through Senior Management in respect of commercial, financial and operational aspects of the Company and of the Group. The Chief Executive Officer and Senior Management meet regularly to deliberate on such matters.

The Board fully supports the contents of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and through the Audit Committee continually reviews the adequacy and effectiveness of the risk management processes in place within the various operating units with the aim of strengthening the risk management functions across the Company and the Group.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal control and for providing assurance to the Board that it has done so in accordance with the policies adopted by the Board. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating units within the Group. Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Company and of the Group, the decision was taken to outsource the Internal Audit activities to a third party service provider.

INTERNAL AUDIT FUNCTION

In desiring to maintain total independence in the management of the risk and internal control environment, the Company has appointed KPMG Management and Risk Consulting Sdn. Bhd. to manage the Company's internal audit function on an outsourced basis. The costs incurred for the outsourced internal audit function for the financial year ended 31 December 2013 were RM60,000.

KPMG Management and Risk Consulting Sdn. Bhd. reports independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with KPMG Management and Risk Consulting Sdn. Bhd. agree on the scope and planned internal audit activities annually and all audit findings arising therefrom are reported to the Audit Committee.

KPMG Management and Risk Consulting Sdn. Bhd. is allowed for an unrestricted access to all the documents and records of the Company and of the Group which deemed necessary for the performance of its function and independently reviews the risk identification procedures and control processes implemented by Management. It also reviews the risk management and internal controls in the key activities of the Company's and of the Group's business based on the risk profiles of the business units in the Company and the Group. In addition, KPMG Management and Risk Consulting Sdn. Bhd. carries out periodic assignments to ensure the policies and procedures established by the Board are complied with by Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group, KPMG Management and Risk Consulting Sdn. Bhd. also provides business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient and comprehensive risk management and internal control environment.

In the year under review, KPMG Management and Risk Consulting Sdn. Bhd. had completed 2 audit cycles which focused on key controls deployed by Management in respect of the following processes as approved by the Audit committee:

Cycle 1

- Financial Management
- Project Management

Cycle 2

- Human Resource Management
- Sales and Marketing

OTHER KEY RISK MANAGEMENT AND INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee and Finance & Investment Committee.
- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational and financial requirements and performance monitored on a quarterly basis.
- The Chief Executive Officer meets regularly with Senior Management to discuss issues on the financial performance, business initiatives and other management and corporate issues of the Company and of the Group.
- There are regular Board meetings and Board papers are distributed in advance to all Board Members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Company and of the Group.

- The Audit Committee reviews the effectiveness of the system of risk management and internal control of the Company and of the Group on behalf of the Board. The Audit Committee comprises Non-Executive Members of the Board, who are also Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Company and of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- Review by the Audit Committee of risk management and internal control issues identified by the external and internal auditors and action taken by the Management in respect of the findings arising therefrom. The internal audit function reports directly to the Audit Committee. Findings are communicated to the Management and the Audit Committee with recommendations for improvements and follow up to confirm all agreed recommendations are implemented. The internal audit plan is structured on a risk based approach and is reviewed and approved by the Audit Committee.
- The Risk Management Committee was established by the Board to assist the Board in overseeing the overall management of the principal areas of risk of the Company and of the Group including capital management and operational process.
- Review all proposals for material capital and investment opportunities by the Finance & Investment Committee and approval of the same by the Board prior to committing the expenses.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financial and regulatory environment. Management Accounts are prepared timely and on a monthly basis and is reviewed by the Chief Executive Officer with the Senior Management.

WEAKNESSES IN RISK MANAGEMENT AND INTERNAL CONTROL RESULTING IN MATERIAL LOSS

The Board is of the opinion that there is no significant weakness in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Company and the Group. The Board is also of the opinion that the Company's risk management system and internal control is in place for the financial year under review, and is up to date as at the date of this statement. The Company and the Group continues to take necessary measures to strengthen its internal control structure and the management of risks.

ASSURANCE FROM THE CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR AND THE CHIEF FINANCIAL OFFICER

The Board has received assurance from the Chief Executive Officer / Executive Director and the Chief Financial Officer that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 December 2013 in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Recommended Practice Guide 5 (Revised), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, have reported to the Board that nothing has come to their attention that causes them to believe that the Statement, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

Other Compliance Information

The following information is provided in compliance with paragraph 9.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

a) Utilisation Of Proceeds

As at the end of the financial year ended ("FYE") 31 December 2013, the status of actual utilisation of the proceeds of RM19.8 million raised from the public issue as compared to the proposed utilisation are as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Deviation		Note
				(RM'000)	(%)	
Capital expenditure	Within 12 months	2,500	2,223	277	11.08	3
Reserch and development expenditure	Within 24 months	6,500	2,648	3,852	59.26	1
Working capital	Within 24 months	6,200	5,772	428	6.90	
Repayment of term loan	Within 12 months	1,600	1,690	(90)	(5.63)	
Estimated listing expenses	Immediate	3,000	3,428	(428)	(14.27)	2
Total Gross Proceed		19,800	15,761	4,039		

The gross proceeds arising from the Offer for Sale, net of the relevant fee, are paid entirely to the Offeror and no part of the proceeds will be received by the Company are accrued.

Note:-

- (1) IPO proceeds will be utilised within the estimated timeframe. The Group does not expect any material deviation as at the date of this report.
- (2) The total listing expenses was RM3.43 million of which RM0.97 million was offset against share premium as these transaction costs were directly attributed to the issuance of new shares of the IPO exercise. The deviation of RM0.43 million from the estimated listing expenses will be funded from working capital.
- (3) The deviation of RM0.28 million will be utilised under working capital.

b) Share Buy Back

During the financial year, the Company purchased 950,000 of its own issued ordinary shares of RM0.10 each from open market at prices ranging from RM1.02 to RM1.04 per shares. The shares were subsequently sold to the open market in which the gain from disposal amounted to RM1,487,000 was capitalised to share premium account.

c) Related Party Transactions (“RPT”)

There was no RPT except as disclosed in Note 33 of the financial statements.

d) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the FYE 31 December 2013.

e) Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Company for the FYE 31 December 2013 was RM72,000.

f) Imposition of Sanctions and/or Penalties

There were no sanctions or penalties imposed on the Company for the FYE 31 December 2013.

g) Profit Estimates, Forecasts or Projections

There were no significant variances noted between the audited results and the unaudited results announced. The Company did not make any release on the profit estimates, forecasts or projections for the FYE 31 December 2013.

h) Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

i) Material Contracts

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Statement of Responsibility by Directors

The Board of Directors (“the Board”) of the Company is responsible for ensuring the annual audited financial statements of the Company and the Group are made in accordance with applicable approved accounting standards, and have reflected a true and fair view of the state of affairs of the Group and the Company as at 31 December 2013, and of the results of their operations and cash flows of the Company and the Group at the financial year.

The Board also responsible for ensuring that the annual audited financial statements of the Company and the Group are in compliance with the provisions of the Companies Act, 1965, the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standard Board, the Listing Requirements of Bursa Malaysia Securities Berhad and all other necessary laws and regulations.

The Directors have further responsibility of ensuring that proper, accurate, timely and reliable accounting records are kept. The annual audited financial statements have been prepared based on relevant and appropriate accounting policies and with usage of reasonable and prudent judgement and estimates.

The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In compliance with the several responsibilities of the Directors, the Directors present the financial statements of the Company and the Group for the financial year ended 31 December 2013 as set out on pages 74 to 133 of this annual report.



Financial Statements

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The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	42,053	26,325
Attributable to:		
Owners of the Company	42,061	26,325
Non-controlling interest	(8)	-
	42,053	26,325

DIVIDENDS

Since the end of the previous financial year, the Company:-

- (a) paid a fourth interim single-tier dividend of 3 sen per ordinary share amounting to RM6,571,500 in respect of the financial year ended 31 December 2012 on 28 March 2013;
- (b) paid a first interim single-tier dividend of 2.5 sen per ordinary share amounting to RM5,476,250 in respect of the current financial year on 20 June 2013;
- (c) paid a second interim single-tier dividend of 3 sen per ordinary share amounting to RM6,571,500 in respect of the current financial year on 26 September 2013; and
- (d) paid a third interim single-tier dividend of 3.5 sen per ordinary share amounting to RM7,700,000 in respect of the current financial year on 18 December 2013.

On 20 February 2014, the Board of Directors declared a fourth interim single-tier dividend of 3 sen per ordinary share amounting to RM6,600,000 in respect of the financial year ended 31 December 2013. The interim dividend was paid on 20 March 2014. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

DATO' MOHAMED YUNUS RAMLI BIN ABBAS

DR. ABU HASAN BIN ISMAIL

CHAN WAN SIEW

DATO' LOY TEIK NGAN

DATO' MAZNAH BINTI ABDUL JALIL

PANG YEE BENG

(APPOINTED ON 16.4.2014)

RAMANATHAN A/L SATHIAMUTTY

(APPOINTED ON 16.4.2014)

DATO' GAN NYAP LIOW @ GAN NYAP LIOW

(RESIGNED ON 1.6.2013)

DATO' JAFFAR INDOT

(DEMISED ON 8.4.2014)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares of RM0.10 each			At 31.12.2013
	At 1.1.2013	Bought	Sold	
The Company				
Direct Interests:				
Dato' Mohamed Yunus Ramli Bin Abbas	250,000	-	-	250,000
Chan Wan Siew	250,000	-	(125,000)	125,000
Dato' Jaffar Indot	320,000	20,000	-	340,000
Dato' Loy Teik Ngan	275,000	118,000	(10,900)	382,100
Dato' Maznah Binti Abdul Jalil	999,000	132,000	-	1,131,000
Indirect Interests:				
Dr. Abu Hasan Bin Ismail #1	90,650,700	-	(1,500,000)	89,150,700
Dato' Jaffar Indot #2	130,000	30,000	-	160,000
Dato' Loy Teik Ngan #3	1,500,000	-	-	1,500,000
Dato' Maznah Binti Abdul Jalil #2	-	60,000	-	60,000

Notes :-

- #1 - Deemed interested by virtue of his substantial shareholdings in Ekohati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. which in turn are substantial shareholders of the Company pursuant to Section 6A of the Companies Act 1965.
- #2 - Deemed interested by virtue of his/her spouse's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.
- #3 - Deemed interested by virtue of his substantial shareholdings in Taylor's Education Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

By virtue of his interest in shares in the Company, Dr. Abu Hasan Bin Ismail is deemed to have an interest in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 26 and Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The significant events subsequent to the end of the reporting period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 16 APRIL 2014.



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

Statement by Directors
Pursuant to Section 169(15) of the Companies Act 1965

We, Dr. Abu Hasan Bin Ismail and Dato' Mohamed Yunus Ramli Bin Abbas, being two of the directors of Prestariang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 76 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, 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 Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED ON BEHALF OF THE BOARD IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 16 APRIL 2014.



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act 1965

I, Abdul Razak Bin Bakrun, I/C No. 680321-04-5245, being the officer primarily responsible for the financial management of Prestariang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 136 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Abdul Razak Bin Bakrun, I/C No. 680321-04-5245
at Kuala Lumpur in the Federal Territory
on this 16 April 2014.



B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.



Abdul Razak Bin Bakrun

Before me

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Prestariang Berhad, which comprise statements of financial position as at 31 December 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 136.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 on page 136 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Horwath
Firm No: AF 1018
Chartered Accountants

16 April 2014
Kuala Lumpur



Chin Kit Seong
Approval No: 3030/01/15(J)
Chartered Accountant

Statements of Financial Position

At 31 December 2013

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Assets					
Non-current assets					
Investment in subsidiaries	5	-	-	39,890	39,890
Property and equipment	6	11,568	10,852	138	174
Development costs	7	2,687	2,879	-	-
		14,255	13,731	40,028	40,064
Current assets					
Inventories	8	1,941	2,470	-	-
Trade receivables	9	26,853	21,259	-	-
Other receivables	10	2,568	2,549	115	18
Amount due from subsidiaries	11	-	-	295	304
Short-term investments	12	26,397	1,271	-	-
Tax recoverable		327	234	286	234
Cash and bank balances	13	45,132	61,297	10,507	11,562
		103,218	89,080	11,203	12,118
Total assets		117,473	102,811	51,231	52,182
Liabilities and equity					
Current liabilities					
Trade payables	14	7,750	12,577	-	-
Other payables	15	11,377	8,827	912	548
Amount due to a subsidiary	11	-	-	10,138	12,946
Borrowings	16	328	310	-	-
Tax payables		38	38	-	-
		19,493	21,752	11,050	13,494
Net current assets/(liabilities)		83,725	67,328	153	(1,376)

The annexed notes form an integral part of these financial statements.

Statements of Financial Position
At 31 December 2013 (continued)

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current liabilities					
Borrowings	16	1,033	1,333	-	-
Total liabilities		20,526	23,085	11,050	13,494
Net assets		96,947	79,726	40,181	38,688
Equity					
Share capital	19	22,000	22,000	22,000	22,000
Share premium	20	21,531	20,044	18,119	16,632
Merger deficit	21	(14,212)	(14,212)	-	-
Retained profits	21	67,627	51,885	62	56
Total equity attributable to owners of the Company		96,946	79,717	40,181	38,688
Non-controlling interest	5	1	9	-	-
Total equity		96,947	79,726	40,181	38,688
Total liabilities and equity		117,473	102,811	51,231	52,182

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2013

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	22	119,550	110,086	30,585	26,700
Cost of sales		(52,212)	(58,171)	-	-
Gross profit		67,338	51,915	30,585	26,700
Other income	23	2,394	1,595	278	182
Administrative expenses		69,732	53,510	30,863	26,882
Other expenses		(24,949)	(14,906)	(4,455)	(3,000)
Finance costs	24	(2,407)	(1,824)	(36)	(6)
Profit before taxation	24	(214)	(178)	(5)	(2)
Income tax expense	25	42,162	36,602	26,367	23,874
Profit after taxation	28	(109)	629	(42)	359
Other comprehensive income		42,053	37,231	26,325	24,233
Total comprehensive income for the financial year		-	-	-	-
Profit after taxation attributable to:-		42,053	37,231	26,325	24,233
Owners of the Company		42,061	37,231	26,325	24,233
Non-controlling interest		(8)	*	-	-
Total comprehensive income attributable to:-		42,053	37,231	26,325	24,233
Owners of the Company		42,061	37,231	26,325	24,233
Non-controlling interest		(8)	*	-	-
Earnings per share attributable to owners of the Company (sen)		42,053	37,231	26,325	24,233
Basic	29	19.12	16.92		

Note:-

* - Amount less than RM1,000

Statements of Changes in Equity
For The Financial Year Ended 31 December 2013

	Note	← Non-distributable →			Distributable Retained Profits RM'000	Attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total Equity RM'000	
		Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000					Merger Deficit RM'000
The Group									
At 1 January 2012		22,000	20,044	-	(14,212)	38,854	66,686	-	66,686
Transactions with owners of the Company:									
- Dividends paid	30	-	-	-	-	(24,200)	(24,200)	-	(24,200)
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	37,231	37,231	*	37,231
Changes in ownership interest in a subsidiary that do not result in a loss of control:									
- Effect of change in stake		-	-	-	-	-	-	9	9
At 31 December 2012/ 1 January 2013		22,000	20,044	-	(14,212)	51,885	79,717	9	79,726
Transaction with owners of the Company:									
- Purchase of treasury shares	21	-	-	(975)	-	-	(975)	-	(975)
- Disposal of treasury shares	21	-	1,487	975	-	-	2,462	-	2,462
- Dividends paid	30	-	-	-	-	(26,319)	(26,319)	-	(26,319)
Total transactions with the owners of the Company		-	1,487	-	-	(26,319)	(24,832)	-	(24,832)
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	42,061	42,061	(8)	42,053
At 31 December 2013		22,000	21,531	-	(14,212)	67,627	96,946	1	96,947

Note:-

* - Amount less than RM1,000

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity
For The Financial Year Ended 31 December 2013 (Continued)

	Note	Share Capital RM'000	Non-distributable Share Premium RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
The Company						
At 1 January 2012		22,000	16,632	-	23	38,655
Transactions with owners of the Company:						
- Dividends paid	30	-	-	-	(24,200)	(24,200)
Profit after taxation/Total comprehensive income for the financial year		-	-	-	24,233	24,233
At 31 December 2012/ 1 January 2013		22,000	16,632	-	56	38,688
Transactions with owners of the Company:						
- Purchase of treasury shares	21	-	-	(975)	-	(975)
- Disposal of treasury shares	21	-	1,487	975	-	2,462
- Dividends paid	30	-	-	-	(26,319)	(26,319)
Total transactions with owners of the Company		-	1,487	-	(26,319)	(24,832)
Profit after taxation/Total comprehensive income for the financial year		-	-	-	26,325	26,325
At 31 December 2013		22,000	18,119	-	62	40,181

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows
For The Financial Year Ended 31 December 2013

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows generated from operating activities					
Profit before taxation		42,162	36,602	26,367	23,874
Adjustments for:-					
Allowance for impairment loss on trade receivables		299	-	-	-
Amortisation of development costs		463	463	-	-
Bad debts written off		-	319	-	-
Depreciation of property and equipment		1,085	909	36	6
Dividend income		(416)	(410)	-	-
Fair value gain on short-term investments		(560)	(190)	-	-
Interest expense		108	105	-	-
Interest income		(280)	(184)	(278)	(182)
Loss on disposal of property and equipment		-	45	-	-
Profit income received from deposit with a licensed Islamic Bank		(71)	(33)	-	-
Unrealised (gain)/loss on foreign exchange		(32)	76	-	-
Writeback of impairment losses on trade receivables		-	(219)	-	-
Operating profit before working capital changes		42,758	37,483	26,125	23,698
Decrease in inventories		529	1,144	-	-
Increase in trade and other receivables		(5,912)	(172)	(97)	(12)
(Decrease)/Increase in trade and other payables		(2,245)	4,272	364	484
Cash generated from operating activities		35,130	42,727	26,392	24,170
Interest paid		(108)	(105)	-	-
Income tax paid		(202)	(677)	(94)	(575)
Net cash generated from operating activities carried forward		34,820	41,945	26,298	23,595

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 December 2013 (Continued)

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net cash generated from operating activities brought forward		34,820	41,945	26,298	23,595
Cash flows (used in)/generated from investing activities					
Acquisition of equity interest in a subsidiary by a non-controlling interest		-	9	-	-
Additional investments in subsidiaries	5	-	-	-	(20,090)
Development costs paid		(271)	(937)	-	-
Dividend received		416	410	-	-
Interest received		280	184	278	182
Net withdrawal/(placement) of deposits pledged with a licensed banks		4,913	(117)	-	-
Proceeds from disposal of property and equipment		-	291	-	-
Profit income received from deposit with a licensed Islamic Bank		71	33	-	-
Proceeds from disposal of short-term investments		434	-	-	-
Purchase of property and equipment		(1,801)	(2,772)	-	(180)
Purchase of short-term investments		(25,000)	-	-	-
Repayment from subsidiaries		-	-	9	6,993
Net cash (used in)/generated from investing activities		(20,958)	(2,899)	287	(13,095)
Cash flows used in financing activities					
Dividends paid	30	(26,319)	(24,200)	(26,319)	(24,200)
Proceeds from disposal of treasury shares		2,462	-	2,462	-
Purchase of treasury shares		(975)	-	(975)	-
Repayment of hire purchase obligations		(196)	(510)	-	-
Repayment of term loans		(86)	(131)	-	-
(Repayment to)/Advances from subsidiaries		-	-	(2,808)	12,946
Net cash used in financing activities		(25,114)	(24,841)	(27,640)	(11,254)
Net (decrease)/increase in cash and cash equivalents		(11,252)	14,205	(1,055)	(754)
Cash and cash equivalents at beginning of the financial year		53,465	39,260	11,562	12,316
Cash and cash equivalents at end of the financial year	13	42,213	53,465	10,507	11,562

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.

Principal place of business : 70-73, NeoCyber,
Lingkar Cyber Point Barat,
63000 Cyberjaya,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 16 April 2014.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

3. BASIS OF PREPARATION (CONTINUED)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

- (i) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional disclosures are disclosed in Note 5 to the financial statements.
 - (ii) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. MFRS 13 has been applied prospectively as of the beginning of the current financial year. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures)
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- (ii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

3. BASIS OF PREPARATION (CONTINUED)

- (iii) The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- (iv) Annual Improvements to MFRSs 2010 – 2012 Cycle: Generally there will be no impact on the financial statements except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of future revaluations.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) *Impairment of Non-Financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Amortisation of Development Costs*

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(v) *Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Critical Accounting Estimates And Judgements (Continued)

(vi) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) *Fair Value Estimates for Certain Financial Assets*

The Group carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2013.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation (Continued)

(i) Business Combinations (Continued)

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Functional and Foreign Currencies (Continued)

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(d) Financial Instruments

Financial instruments are recognised in the statements of the financial position when the Group has become a party to the contractual provisions of the instruments.

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

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

(i) Financial Assets (Continued)

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (Continued)

(iii) Equity Instruments (Continued)

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(f) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	50 years
Computer systems and equipment	5 years
Furniture and fittings	10 years
Office equipment	5 - 10 years
Office renovation	5 - 10 years
Motor vehicles	5 years

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property and Equipment (Continued)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(g) Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits.

Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

- (i) its ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its intention to complete and the ability to use or sell the developed asset; and
- (v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment

(i) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) **Assets under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4(f) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

(k) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents presented exclude deposits pledged to secure banking facilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

(n) Employees Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(o) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(q) Revenue and Other Income

(i) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) Management Fees

Management fees are recognised as income as and when the services are rendered.

(iv) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(v) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(vi) Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements unless collectability is in doubt.

(r) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost:-		
At 1 January	39,890	19,800
Additional during the financial year	^^	20,090
At 31 December	39,890	39,890

Notes:-

^^ -RM2

The details of the subsidiaries, which are all incorporated in Malaysia, are as follows:-

Name of Subsidiary	Principal Activities	Proportion (%) of Ownership Interest	
		2013	2012
<i>Held by the Company:</i>			
Prestariang Systems Sdn. Bhd. ("PSSB")	Providing Information and Communication Technology ("ICT") training and certification, and software licence distribution and management.	100	100
Prestariang Education Sdn. Bhd. ("PESB")	Providing personalised ICT education in a diverse and vibrant community.	100	100
Pure Leap Sdn. Bhd. ("PLSB")	Providing best-fit talents to the local, regional & global markets and delivering practical talent management solutions.	90	90
Prestariang O&G Sdn. Bhd. ("POGSB")	Dormant.	100	-
Subsidiaries of PSSB			
Logisys Sdn. Bhd. ("LSB")	Providing ICT training and software licence distribution and management.	100	100
Prestariang R&D Sdn. Bhd. ("PR&D")	Research and development.	100	100

(a) On 15 July 2013, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of POGSB for a total cash consideration of RM2. Consequently, POGSB became a wholly-owned subsidiary of the Company.

The fair value and carrying amount of the identifiable asset of POGSB as at the date of acquisition amounted to RM2.

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The non-controlling interest at the end of the reporting period comprised the following:-

	The Group	
	2013 RM'000	2012 RM'000
PLSB	1	9

(c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests is as follows:-

	PLSB	
	2013 RM'000	2012 RM'000
<u>At 31 December</u>		
Current assets	104	100
Current liabilities	(95)	(6)
Net assets	9	94
<u>Financial year ended 31 December</u>		
Revenue	-	-
Loss for the financial year	(86)	(6)
Total comprehensive income	(86)	(6)
Total comprehensive income attributable to non-controlling interest	(8)	*
Net cash used in operating activities	(87)	(3)
Net cash generated from investing activities	-	-
Net cash generated from financing activities	87	103

Note:-

* - Amount less than RM1,000

(d) A subsidiary has been acquired subsequent to the end of the reporting period as disclosed in Note 35(a). Summary financial information of the newly acquired subsidiary is not presented as it is not material to the Group.

6. PROPERTY AND EQUIPMENT

	Buildings RM'000	Computer Systems and Equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
The Group								
At 31 December 2013								
Cost								
At 1 January	5,255	1,116	711	554	2,112	1,870	1,543	13,161
Additions	-	795	5	483	159	105	254	1,801
At 31 December	5,255	1,911	716	1,037	2,271	1,975	1,797	14,962
Accumulated depreciation								
At 1 January	270	433	231	253	506	616	-	2,309
Charge for the year (Note 25)	105	225	72	76	222	385	-	1,085
At 31 December	375	658	303	329	728	1,001	-	3,394
Net carrying amount								
At 31 December	4,880	1,253	413	708	1,543	974	1,797	11,568
The Group								
At 31 December 2012								
Cost								
At 1 January	5,255	522	699	548	2,092	1,866	-	10,982
Additions	-	594	12	6	20	597	1,543	2,772
Disposal	-	-	-	-	-	(593)	-	(593)
At 31 December	5,255	1,116	711	554	2,112	1,870	1,543	13,161
Accumulated depreciation								
At 1 January	165	339	160	198	295	500	-	1,657
Charge for the year (Note 25)	105	94	71	55	211	373	-	909
Disposal	-	-	-	-	-	(257)	-	(257)
At 31 December	270	433	231	253	506	616	-	2,309
Net carrying amount								
At 31 December	4,985	683	480	301	1,606	1,254	1,543	10,852

6. PROPERTY AND EQUIPMENT (CONTINUED)

	Buildings RM'000	Computer Systems and Equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
The Company								
At 31 December 2013								
Cost								
At 1 January	-	-	-	-	-	180	-	180
Addition	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	6	-	6
Charge for the year (Note 25)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	42	-	42
Net carrying amount								
At 31 December	-	-	-	-	-	138	-	138
The Company								
At 31 December 2012								
Cost								
At 1 January	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	180	-	180
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	-	-	-
Charge for the year (Note 25)	-	-	-	-	-	6	-	6
At 31 December	-	-	-	-	-	6	-	6
Net carrying amount								
At 31 December	-	-	-	-	-	174	-	174

6. PROPERTY AND EQUIPMENT (CONTINUED)

- (a) Included in property and equipment of the Group are motor vehicles with a total net book value of RM421,000 (2012: RM676,000) held under hire purchase arrangements.
- (b) The buildings of the Group at the end of the reporting period have been pledged to a licensed bank as security for banking facility granted to the Group, as disclosed in Note 18 to the financial statements.

7. DEVELOPMENT COSTS

	The Group	
	2013 RM'000	2012 RM'000
Cost		
At 1 January	3,767	2,830
Additional during the financial year	271	937
At 31 December	4,038	3,767
Accumulated amortisation		
At 1 January	888	425
Amortisation for the year (Note 25)	463	463
At 31 December	1,351	888
Net carrying amount		
As at 31 December	2,687	2,879

The development costs at the end of the reporting period comprised the development of 1 citizen, proficiency in communication and green ICT.

At the end of the reporting period, the development costs for the projects yet to be commercialised is amounted to approximately RM2,648,000 (2012 : RM2,377,000).

8. INVENTORIES

	The Group	
	2013 RM'000	2012 RM'000
At cost:-		
Finished goods	1,941	2,470

None of the inventories is carried at net realisable value.

9. TRADE RECEIVABLES

	The Group	
	2013 RM'000	2012 RM'000
Trade receivables	27,152	21,259
Less: Impairment losses (Note 25)	(299)	-
	26,853	21,259

Trade receivables are non-interest bearing and are generally on 30 to 60 days credit terms. They are recognised at their original invoiced amounts less trade discounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	The Group	
	2013 RM'000	2012 RM'000
Neither past due nor impaired:-		
1 to 30 days	19,159	18,183
31 to 60 days	1,085	73
	20,244	18,256
Past due but not impaired:-		
61 to 90 days	239	-
More than 90 days	6,370	3,003
	6,609	3,003
	26,853	21,259
Past due and Impaired:-		
More than 90 days	299	-
	27,152	21,259

9. TRADE RECEIVABLES (CONTINUED)

Trade receivables that are neither past due nor impaired

Trade receivables that were neither past due nor impaired relate to customers with no recent history of default.

Trade receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has been no significant change in the credit quality and the balances are still considered recoverable.

Trade receivables that are impaired

The Group's trade receivables that are impaired as at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	The Group Individually Impaired	
	2013 RM'000	2012 RM'000
At 1 January	-	219
Addition during the financial year	299	-
Writeback during the financial year	-	(219)
At 31 December	299	-

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

10. OTHER RECEIVABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sundry receivables	1,031	2,129	115	18
Other deposits	617	64	-	-
Prepayments	713	323	-	-
Advances	207	33	-	-
	2,568	2,549	115	18

Sundry receivables are non-interest bearing. They are recognised at the amounts which represent their fair values on initial recognition.

11. AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from/to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash.

12. SHORT-TERM INVESTMENTS

	The Group	
	2013 RM'000	2012 RM'000
Financial assets at fair value through profit or loss:-		
At 1 January	1,271	1,081
Addition during the financial year	25,000	-
Disposal during the financial year	(434)	-
	25,837	1,081
Fair value gain	560	190
At 31 December	26,397	1,271
Market value of short-term investments		
At 31 December	26,397	1,271
Represented by:		
- Equity funds unit trusts	1,034	1,271
- Investments placed with fund managers	25,363	-
	26,397	1,271

13. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and at bank balances	29,166	28,393	460	1,490
Deposits with licensed banks	15,966	32,904	10,047	10,072
	45,132	61,297	10,507	11,562
Less: Deposits pledged with licensed banks	(2,919)	(7,832)	-	-
Cash and cash equivalents	42,213	53,465	10,507	11,562

The deposits with licensed banks of the Group bore effective interest rates ranging from 2.8% to 3.45% (2012: 3.00%) per annum. The deposits have maturity periods ranging from 30 to 60 days (2012: 30 to 60 days) at the end of the reporting period.

Included in deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,919,000 (2012: RM7,832,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

14. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 days.

15. OTHER PAYABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sundry payables	866	885	135	12
Accruals	4,044	2,865	777	536
Advances received from customers	6,467	5,077	-	-
	11,377	8,827	912	548

16. BORROWINGS

	The Group	
	2013 RM'000	2012 RM'000
Short-Term Borrowings		
Secured		
Hire purchase (Note 17)	204	193
Term loan (Note 18)	124	117
	328	310
Long-Term Borrowings		
Secured		
Hire purchase (Note 17)	150	357
Term loan (Note 18)	883	976
	1,033	1,333
Total Borrowings		
Secured		
Hire purchase (Note 17)	354	550
Term loan (Note 18)	1,007	1,093
	1,361	1,643

17. HIRE PURCHASE PAYABLES

	The Group	
	2013 RM'000	2012 RM'000
Minimum hire purchase payments:		
Not later than one year	219	218
Later than one year and not later than two years	150	218
Later than two years and not later than five years	4	156
	373	592
Less: Future finance charges	(19)	(42)
Present value of hire purchase payables	354	550
Present value of hire purchase payables		
Not later than one year (Note 16)	204	193
Non-current		
Later than one year and not later than two years	147	204
Later than two years and not later than five years	3	153
Total non-current portion (Note 16)	150	357
	354	550
Analysed as:		
Due within 12 months (Note 16)	204	193
Due after 12 months (Note 16)	150	357
	354	550

The hire purchase payables bore effective interest rates ranging from 4.90% to 6.36% (2012: 4.90% to 6.36%) per annum at the end of the reporting period.

18. TERM LOAN

	The Group	
	2013 RM'000	2012 RM'000
Secured		
Current		
Not later than one year (Note 16)	124	117
Non-current		
Later than one year and not later than two years	130	123
Later than two years and not later than five years	431	410
Later than five years	322	443
Total non-current portion (Note 16)	883	976
	1,007	1,093

The details of the repayment terms are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENT	MONTHLY INSTALMENT RM	DATE OF COMMENCEMENT OF REPAYMENT	THE GROUP AMOUNT OUTSTANDING	
				2013 RM'000	2012 RM'000
1	180	14,333	July 2008	1,007	1,093

The term loan bore an effective interest rate of 5.10% (2012: 5.10%) per annum at the end of the reporting period.

The term loan is secured by:-

- (a) a general facility agreement;
- (b) a Deed of Assignment cum Power of Attorney over six units of buildings of the Group; and
- (c) a personal guarantee of a director of the Group for RM1,760,000.

19. SHARE CAPITAL

	The Company			
	Number of Ordinary Shares of RM0.10 Each		Amount	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Authorised	500,000	500,000	50,000	50,000
Issued and Fully Paid-up	220,000	220,000	22,000	22,000

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share without restriction at any meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. SHARE PREMIUM

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 January	20,044	20,044	16,632	16,632
Gain arising from the disposal of treasury shares	1,487	-	1,487	-
At 31 December	21,531	20,044	18,119	16,632

During the financial year, the Company purchased 950,000 of its own issued ordinary shares of RM0.10 each from the open market at prices ranging from RM1.02 to RM1.04 per share for a total consideration (including transaction costs) of RM975,035. These shares were subsequently sold to the open market in which the gain from disposal amounted to approximately RM1,487,000 was capitalised to share premium account.

Included in the share premium of the Group is an amount of RM3,412,000 (2012: RM3,412,000) relating to the share premium in a subsidiary.

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60(3) of the Companies Act 1965.

21. OTHER RESERVES

(a) Treasury Shares

During the financial year, the Company purchased 950,000 of its own issued ordinary shares of RM0.10 each from the open market at prices ranging from RM1.02 to RM1.04 per share for a total consideration (including transaction costs) of RM975,035. These shares were subsequently sold to the open market for a total consideration (including transaction costs) of RM2,461,638 in which the gain from disposal amounted to approximately RM1,487,000 was capitalised to share premium account.

(b) Merger Deficit

The merger deficit arose from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries acquired under the pooling interest method of accounting.

(c) Retained Profits

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

22. REVENUE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
ICT training and certification	60,135	34,156	-	-
Software licence distribution and management	59,025	75,930	-	-
Gross dividend income	-	-	30,585	26,700
Education	390	-	-	-
	119,550	110,086	30,585	26,700

23. OTHER INCOME

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Dividend income	416	410	-	-
Fair value gain on short-term investments	560	190	-	-
Foreign exchange gain:				
- realised	947	555	-	-
- unrealised	104	-	-	-
Interest income	280	184	278	182
Profit income received from deposit with a licensed Islamic Bank	71	33	-	-
Writeback of impairment losses on trade receivables (Note 9)	-	219	-	-
Rental income	6	-	-	-
Others	10	4	-	-
	2,394	1,595	278	182

24. FINANCE COSTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Bank charges	67	26	2	2
Commission charges	39	47	3	-
Interest expense:				
- hire purchase	23	50	-	-
- term loan	85	55	-	-
	108	105	-	-
	214	178	5	2

25. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Allowance for impairment loss on trade receivables (Note 9)	299	-	-	-
Amortisation of development costs (Note 7)	463	463	-	-
Audit fees:				
- for the financial year	105	89	19	34
- non-statutory	72	37	72	37
Bad debts written off	-	319	-	-
Depreciation of property and equipment (Note 6)	1,085	909	36	6
Unrealised foreign exchange loss	72	76	-	-
Loss on disposal of property and equipment	-	45	-	-
Rental of equipment	706	224	19	17
Rental of office	638	-	-	-
Staff costs (Note 26)	10,633	6,982	3,230	2,230

26. STAFF COSTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and other benefits	9,149	5,452	2,976	2,069
Defined contribution plans	811	519	225	153
Social security costs	52	34	11	8
Other staff related expenses	621	977	18	-
	10,633	6,982	3,230	2,230

Included in the staff costs of the Group and the Company are directors' remuneration amounting to RM1,383,000 and RM1,327,000 (2012: RM964,000 and RM946,000) respectively, as further disclosed in Note 27 to the financial statements.

27. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive Directors:				
Fees	6	18	-	-
Salaries and other emoluments	811	405	761	405
	817	423	761	405
Non-Executive Directors:				
Fees	566	541	566	541
Total	1,383	964	1,327	946

27. DIRECTORS' REMUNERATION (CONTINUED)

Details of directors' remuneration of the Group and the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors:				
RM400,001 - RM450,000	-	1	-	1
RM750,001 - RM800,000	-	-	1	-
RM800,001 - RM850,000	1	-	-	-
	1	1	1	1
Non-executive directors:				
RM1 - RM50,000	-	1	-	1
RM50,001 - RM100,000	3	1	3	1
RM100,001 - RM150,000	3	4	3	4
	7	7	7	7

28. INCOME TAX EXPENSE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Income tax:				
- for the financial year	6	86	-	-
- under/(over) provision in prior years	103	(715)	42	(359)
	109	(629)	42	(359)

The taxation of the Group and of the Company was in respect of interest income and management fees.

During the current financial year, the statutory tax rate is at 25%.

PSSB, a wholly-owned subsidiary of the Company is not subject to tax as it has been granted the MSC Malaysia Status, which qualifies PSSB for the Pioneer Status incentive under the Promotion of Investments Act 1986. PSSB will enjoy full exemption from income tax on its statutory income from pioneer activities for five years from 30 June 2005 to 29 June 2010. This incentive has been extended for another 5 years to 29 June 2015.

28. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation	42,162	36,602	26,367	23,874
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	10,541	9,151	6,592	5,969
Tax effects of:-				
Tax-exempt income under the pioneer status	(13,806)	(10,598)	-	-
Non-taxable income	-	(56)	(7,646)	(6,675)
Non-deductible expenses	2,060	1,674	1,054	706
Deferred tax liabilities not recognised during the financial year due to pioneer status	-	(98)	-	-
Deferred tax assets not recognised during the financial year	1,211	13	-	-
Under/(Over)provision of current tax in prior years	103	(715)	42	(359)
	109	(629)	42	(359)
The deferred tax assets/(liabilities) recognised in the statements of financial position are as follows:-				
Deferred tax liabilities:-				
Accelerated capital allowances over depreciation	(2,577)	(1,790)	-	-
Others	(229)	-	-	-
	(2,806)	(1,790)	-	-
Deferred tax assets:-				
Provisions	2,511	1,728	-	-
Unabsorbed capital allowances	295	-	-	-
Others	-	62	-	-
	2,806	1,790	-	-
	-	-	-	-

28. INCOME TAX EXPENSE (CONTINUED)

No deferred tax assets/(liability) is recognised in the statements of financial position on the following items:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unutilised tax losses	5,232	571	-	-
Unabsorbed capital allowances	94	-	-	-
Provisions	31	-	-	-
Others	-	(60)	-	-
	5,357	511	-	-

29. BASIC EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Profit attributable to owners of the Company (RM'000)	42,061	37,231
Weighted average number of ordinary shares in issue ('000)	220,000	220,000
Basic earnings per share (sen)	19.12	16.92

The diluted earnings per share was not presented as there is no dilutive potential shares outstanding at the end of the reporting period.

30. DIVIDENDS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
In respect of the financial year ended 31 December 2011:				
- declared as fourth interim single-tier dividend of RM0.04 sen per ordinary share	-	8,800	-	8,800
In respect of the financial year ended 31 December 2012:				
- declared as first interim single-tier dividend of RM0.02 sen per ordinary share	-	4,400	-	4,400
- declared as second interim single-tier dividend of RM0.02 sen per ordinary share	-	4,400	-	4,400
- declared as third interim single-tier dividend of RM0.03 sen per ordinary share	-	6 600	-	6,600
- declared as fourth interim single-tier dividend of RM0.03 sen per ordinary share	6,572	-	6,572	-
In respect of the financial year ended 31 December 2013:				
- declared as first interim single-tier dividend of RM0.025 sen per ordinary share	5,475	-	5,475	-
- declared as second interim single-tier dividend of RM0.03 sen per ordinary share	6,572	-	6,572	-
- declared as third interim single-tier dividend of RM0.035 sen per ordinary share	7,700	-	7,700	-
	26,319	24,200	26,319	24,200

On 20 February 2014, the Board of Directors declared a fourth interim single-tier dividend of 3 sen per ordinary share amounting to RM6,600,000 in respect of the financial year ended 31 December 2013. The interim dividend was paid on 20 March 2014. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

31. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on sales and purchases that are primarily denominated in United States Dollar. Foreign currency risk is monitored closely and managed to an acceptable level. The Group did not enter into any forward currency contracts during the financial year ended 31 December 2013 and 2012 respectively.

Foreign currency exposure

	← United States Dollar RM'000	The Group Ringgit Malaysia RM'000	→ Total RM'000
At 31 December 2013			
Financial assets			
Trade receivables	3,592	23,261	26,853
Other receivables	-	1,855	1,855
Short-term investments	-	26,397	26,397
Cash and bank balances	4,128	41,004	45,132
	7,720	92,517	100,237
Financial liabilities			
Trade payables	6,397	1,353	7,750
Other payables	122	11,255	11,377
Borrowings	-	1,361	1,361
	6,519	13,969	20,488
Net financial assets	1,201	78,548	79,749
Less: Net financial assets denominated in the respective entities' functional currencies	-	(78,548)	(78,548)
Currency Exposure	1,201	-	1,201

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Market risk (Continued)

(j) Foreign Currency Risk (Continued)

Foreign currency exposure (Continued)

	← United States Dollar RM'000	The Group Ringgit Malaysia RM'000	→ Total RM'000
At 31 December 2012			
Financial assets			
Trade receivables	1,382	19,877	21,259
Other receivables	-	2,226	2,226
Short-term investments	-	1,271	1,271
Cash and bank balances	3,062	58,235	61,297
	4,444	81,609	86,053
Financial liabilities			
Trade payables	4,478	8,099	12,577
Other payables	-	8,827	8,827
Borrowings	-	1,643	1,643
	4,478	18,569	23,047
Net financial (liabilities)/assets	(34)	63,040	63,006
Less: Net financial assets denominated in the respective entities' functional currencies	-	(63,040)	(63,040)
Currency Exposure	(34)	-	(34)

The Company does not have any transactions or a balance denominated in foreign currencies and hence is not exposed to foreign currency risk.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Market risk (Continued)

(i) Foreign Currency Risk (Continued)

Foreign currency sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	← The Group →			
	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000	Effect on Profit After Taxation 2012 RM'000	Effect on Equity 2012 RM'000
Increase/(Decrease)				
United States Dollar:				
- strengthened by 5%	45	45	(1)	(1)
- weekend by 5%	(45)	(45)	1	1

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income. Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 31(a)(iii) to financial statements.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Market risk (Continued)

(ii) Interest Rate Risk (Continued)

The Group's interest rate profile as monitored by management is set out below:-

	The Group	
	2013 RM'000	2012 RM'000
Fixed rate		
Hire purchase payables	354	550
Floating rate		
Term loan	1,007	1,093

Interests on financial instruments which are subjected to floating interest rates are repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks.

Interest rate sensitivity analysis

The following table details the sensitivity analysis to a reasonable possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	← The Group →			
	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000	Effect on Profit After Taxation 2012 RM'000	Effect on Equity 2012 RM'000
Increase of 100 basis point (bp)	(8)	(8)	(8)	(8)
Decrease of 100 basis point (bp)	8	8	8	8

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(i) Market risk (Continued)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to price risks by maintaining a portfolio of equities with different risk profiles.

The Group's equity price profile as monitored by management is set out below:-

	The Group	
	2013 RM'000	2012 RM'000
- Equity funds unit trusts	1,034	1,271
- Investments placed with fund managers	25,363	-
	26,397	1,271

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	← The Group →			
	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000	Effect on Profit After Taxation 2012 RM'000	Effect on Equity 2012 RM'000
Increase by 5%	990	990	48	48
Decrease by 5%	(990)	(990)	(48)	(48)

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(ii) Credit Risk

Credit risk is the risk of loss that may arise on the outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group minimises credit risk by dealing exclusively with high credit rating financial institutions.

The Group's objective is to seek continual revenue growth whilst minimising losses incurred due to increased credit risk exposure. The Group's revenue from customers is predominantly on a cash basis. For trade on credit terms, the Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

(i) *Credit risk concentration profile*

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 78% of its total trade receivables at the end of the reporting period.

(ii) *Exposure to credit risk*

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Singapore	3,592	1,382
Malaysia	23,261	19,877
	26,853	21,259

Financial assets that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group as disclosed in Note 9 to the financial statements. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Deposit with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

Information regarding the financial assets that are either past due or impaired is disclosed in Note 9 to the financial statements.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity credit of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period).

The Group

	Weighted Average Effective Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
At 31 December 2013							
Financial liabilities:							
Trade payables	-	7,750	7,750	7,750	-	-	-
Other payables	-	11,377	11,377	11,377	-	-	-
Borrowings	4.90% - 6.36%	1,361	1,560	390	322	521	327
		20,488	20,687	19,517	322	521	327

31. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(iii) Liquidity Risk (Continued)

The Group

	Weighted Average Effective Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
At 31 December 2012							
Financial liabilities:							
Trade payables	-	12,577	12,577	12,577	-	-	-
Other payables	-	8,827	8,827	8,827	-	-	-
Borrowings	4.90% - 6.36%	1,643	1,918	391	391	670	466
		23,047	23,322	21,795	391	670	466

The Company

At 31 December 2013

Financial liabilities:							
Other payables	-	912	912	912	-	-	-
Amount due to a subsidiary	-	10,138	10,138	10,138	-	-	-
		11,050	11,050	11,050	-	-	-

At 31 December 2012

Financial liabilities:							
Other payables	-	548	548	548	-	-	-
Amount due to a subsidiary	-	12,946	12,946	12,946	-	-	-
		13,494	13,494	13,494	-	-	-

31. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic condition. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders. There were no changes in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

(c) Fair Value Measurements

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
The Group								
2013								
<u>Financial Assets</u>								
Short-term investments	26,397	-	-	-	-	-	26,397	26,397
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	357	-	357	354
Term loan	-	-	-	-	991	-	991	1,007

31. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair Value Measurements (Continued)

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level * RM'000	RM'000	RM'000
2012						
<u>Financial Assets</u>						
Short-term investments	1,271	-	-	-	1,271	1,271
<u>Financial Liabilities</u>						
Hire purchase payables	-	-	-	553	553	550
Term loan	-	-	-	1,115	1,115	1,093

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

The fair values of level 1 and 2 above have been determined using the following basis:-

- (i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair values of hire purchase payables and term loan are determined by discounting the relevant cash flow using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follow:-

	The Group	
	2013 %	2012 %
Hire purchase payables	4.94	4.94
Term loan	4.50	4.50

There were no transfer between level 1 and level 2 during the financial year.

31. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Classification of Financial Instruments

The Group At 31 December 2013	Note	Loan and receivables financial assets RM'000	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Assets					
Trade receivables	9	26,853	-	-	26,853
Other receivables	10	1,855	-	-	1,855
Short-term investments	12	-	-	26,397	26,397
Cash and bank balances	13	45,132	-	-	45,132
Total financial assets		73,840	-	26,397	100,237
Total non-financial assets					17,236
Total assets					117,473
Liabilities					
Trade payables	14	-	7,750	-	7,750
Other payables	15	-	11,377	-	11,377
Borrowings	16	-	1,361	-	1,361
Total financial liabilities		-	20,488	-	20,488
Total non-financial liabilities					38
Total liabilities					20,526

31. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Classification of Financial Instruments (Continued)

The Group At 31 December 2012	Note	Loan and receivables financial assets RM'000	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Assets					
Trade receivables	9	21,259	-	-	21,259
Other receivables	10	2,226	-	-	2,226
Short-term investments	12	-	-	1,271	1,271
Cash and cash balances	13	61,297	-	-	61,297
Total financial assets		84,782	-	1,271	86,053
Total non-financial assets					16,758
Total assets					102,811
Liabilities					
Trade payables	14	-	12,577	-	12,577
Other payables	15	-	8,827	-	8,827
Borrowings	16	-	1,643	-	1,643
Total financial liabilities		-	23,047	-	23,047
Total non-financial liabilities					38
Total liabilities					23,085

31. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Classification of Financial Instruments (Continued)

The Company At 31 December 2013	Note	Loan and receivables financial assets RM'000	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Assets					
Other receivables	10	115	-	-	115
Amount due from subsidiaries	11	295	-	-	295
Cash and bank balances	13	10,507	-	-	10,507
Total financial assets		10,917	-	-	10,917
Total non-financial assets					40,314
Total assets					51,231
Liabilities					
Other payables	15	-	912	-	912
Amount due to a subsidiary	11	-	10,138	-	10,138
Total financial liabilities		-	11,050	-	11,050
Total non-financial liabilities					-
Total liabilities					11,050

31. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Classification of Financial Instruments (Continued)

The Company At 31 December 2012	Note	Loan and receivables financial assets RM'000	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Assets					
Other receivables	10	18	-	-	18
Amount due from subsidiaries	11	304	-	-	304
Cash and bank balances	13	11,562	-	-	11,562
Total financial assets		11,884	-	-	11,884
Total non-financial assets					40,298
Total assets					52,182
Liabilities					
Other payables	15	-	548	-	548
Amount due to a subsidiary	11	-	12,946	-	12,946
Total financial liabilities		-	13,494	-	13,494
Total non-financial liabilities					-
Total liabilities					13,494

32. SEGMENTAL INFORMATION

The Group's business segments can be organised into the following segments reflecting the Group's internal reporting structure:

- (a) Information and communications technology ("ICT") training and certification and software licence distribution and management (collectively referred to as the "ICT services and distribution") - provision of both basic and professional ICT training and certification encompassing instructor-led courses and certification examination at the end of the course. At the same time distributing and managing the software licences.
- (b) Education - University Malaysia of Computer Science and Engineering (UniMy) is designed to develop talented market-ready computing professionals to meet the challenge of advancing Malaysia's economic success in the next decade. To enhance human knowledge in computer science and engineering and explore the challenge of integrating it with emerging technology in an interdisciplinary environment, while educating outstanding students to become creative, innovative and responsible members of society.
- (c) Other - The holding company is involved in activity of investment holding.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

32. SEGMENTAL INFORMATION (CONTINUED)

(a) Business Segments

	ICT Services and Distribution RM'000	Education RM'000	Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
The Group At 31 December 2013					
Revenue					
External revenue	119,160	390	-	-	119,550
Inter-segment revenue	-	-	30,585	(30,585)	-
Segment revenue	119,160	390	30,585	(30,585)	119,550
Results					
Segment results	53,226	(6,551)	26,286	(30,585)	42,376
Finance costs					(214)
Profit before taxation					42,162
Income tax expense					(109)
Profit after taxation					42,053
Assets					
Segment assets	103,413	2,870	10,863	-	117,146
Tax recoverable	-	41	286	-	327
	103,413	2,911	11,149	-	117,473
Liabilities					
Segment liabilities	19,139	432	917	-	20,488
Provision for taxation	38	-	-	-	38
	19,177	432	917	-	20,526
Other information					
Depreciation and amortisation	1,411	101	36	-	1,548
Capital expenditure: - Property and equipment	352	1,449	-	-	1,801

32. SEGMENTAL INFORMATION (CONTINUED)

(a) Business Segments (Continued)

	ICT Services and Distribution RM'000	Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
The Group				
At 31 December 2012				
Revenue				
External revenue	110,086	-	-	110,086
Inter-segment revenue	-	26,700	(26,700)	-
Segment revenue	110,086	26,700	(26,700)	110,086
Results				
Segment results	39,591	23,889	(26,700)	36,780
Finance costs				(178)
Profit before taxation				36,602
Income tax expense				629
Profit after taxation				37,231
Assets				
Segment assets	90,125	12,452	-	102,577
Tax recoverable	-	234	-	234
	90,125	12,686	-	102,811
Liabilities				
Segment liabilities	22,487	560	-	23,047
Provision for taxation	38	-	-	38
	22,525	560	-	23,085
Other information				
Depreciation and amortisation	1,366	6	-	1,372
Capital expenditure: - Property and equipment	2,589	183	-	2,772

32. SEGMENTAL INFORMATION (CONTINUED)

(b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

Geographical information

	Malaysia RM'000	Export RM'000	Total RM'000
The Group			
2013			
Revenue	116,430	3,120	119,550
2012			
Revenue	107,046	3,040	110,086

The Group's assets are mainly located in Malaysia and the costs to acquire property and equipment are in Malaysia.

Major Customers

Revenue from two major customers, with revenue equal to or more than 61% of the Group revenue, amounted to RM72,766,350 (2012: RM47,338,000) arising from sales by the ICT services and distribution segment.

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the financial year:-

	The Company	
	2013 RM'000	2012 RM'000
Dividend received from:		
- PSSB	30,585	26,700

33. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director of that entity.

The remuneration of directors and other members of key management during the year was as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term employees benefits	4,381	1,842	2,331	1,211
Post-employments benefits:				
- Defined contribution plan	356	154	148	82
	4,737	1,996	2,479	1,293

Included in the total key management personnel compensation are:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors' remuneration (Note 27)	1,383	964	1,327	946

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The details of the significant events during the financial year are as follows:-

- (a) On 10 January 2013, the Minister of Higher Education granted its approval to PESB, a wholly-owned subsidiary of the Company, to establish a private higher educational institution to be known as Universiti Malaysia of Computer Science And Engineering (“UniMy”).
- (b) On 15 July 2013, the Company acquired 2 ordinary shares of RM1 each of the issued and paid-up share capital of Prestariang O&G Sdn. Bhd. (“POGSB”) for a consideration of RM2. Consequently, POGSB became a wholly-owned subsidiary of the Company.
- (c) On 14 November 2013, POGSB entered into a Sale and Purchase of Shares Agreement to acquire 240,000 ordinary shares of RM1 each representing 80% of the issued and paid-up share capital of Time Out Skills Academy Sdn. Bhd. (“TSA”) for a total cash consideration of RM640,000. On 1 April 2014, POGSB sent a letter of termination to the vendor of TSA namely, Badrinna Binti Suhaili, Lokman Bin Ab Majid and Iryan Bin Suhaili to terminate the Sale and Purchase of Shares Agreement dated 14 November 2013 for the acquisition of Prestariang Academy Sdn. Bhd. (Formerly known as TSA) due to the delay in fulfillment of certain conditions precedent. The management assessed that there is no liquidated damage to be incurred on this termination.

35. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The details of the significant events subsequent to the end of the reporting period are as follows:-

- (a) On 13 February 2014, the Company acquired 2 ordinary shares of RM1 each of the issued and paid-up share capital of Prestariang Technology Sdn. Bhd. (“PTSB”) for a consideration of RM2. Consequently, PTSB became a wholly-owned subsidiary of the Company.
- (b) On 20 February 2014, the Company proposed to undertake a bonus issue of 220,000,000 bonus shares to be credited as fully paid-up, on the basis of one(1) bonus share for every one(1) existing Company share held by the entitled shareholders on the entitlement date to be determined and announced later.

Subsequently, the Company’s shareholders have approved the said proposal in an Extraordinary General Meeting held on 16 April 2014. The entitlement date for the bonus issue is determined to be 5 May 2014.

- (c) PTSB a wholly-owned subsidiary of Prestariang had on 27 March 2014 entered into a Memorandum of Understanding (“MOU”) with YPJ Holdings Sdn. Bhd. (“YPJH”), an investment arm of the Johor Education Foundation, to set up Petroleum Academy Malaysia (“the Academy”) in the state of Johor Darul Takzim.
- (d) On 16 April 2014, the Company has proposed to increase its authorised share capital. The shareholders’ approval will be obtained at the forthcoming Annual General Meeting of the Company which will be determined and announced later.

36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statement of Cash Flows (Extract):-		
Cash flows used in investing activities	(2,899)	(2,782)
Cash and cash equivalents at beginning of the financial year	39,260	46,975
Cash and cash equivalents at end of the financial year	53,465	61,297

37. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and 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 Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits:				
- Realised	64,075	48,820	62	56
- Unrealised	592	114	-	-
	64,667	48,934	62	56
Add: Consolidated adjustments	2,960	2,951	-	-
Retained profits	67,627	51,885	62	56

No.	Location	Registered Owner	Tenure	Built-up Area	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.13 (RM'000)	Date of Acquisition
1.	70-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	5	245	4 Sep 2007
2.	71-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	5	245	4 Sep 2007
3.	72-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	5	245	4 Sep 2007
4.	73-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,847 sq.ft.	Office building	5	295	4 Sep 2007
5.	72-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	443	4 Sep 2007
6.	73-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft.	Office building/Partially training room	5	735	15 Sep 2007
7.	71-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	489	1 Jul 2009
8.	70-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	489	1 Jul 2009
9.	73-A, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft.	Office building	5	1,694	3 Sep 2010

Analysis of Shareholdings as at 5 May 2014

SHARE CAPITAL

Authorised share capital	: RM50,000,000.00 divided into 500,000,000 Ordinary Shares of RM0.10 each
Issued and paid up share capital	: RM44,000,000.00 divided into 440,000,000 Ordinary Shares of RM0.10 each
Class of share	: Ordinary Shares of RM0.10 each
Voting rights	: One (1) vote per Ordinary Share
Number of shareholders	: 2,666

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 99	5	0.19	72	0.00
100 - 1,000	118	4.43	77,960	0.02
1,001 - 10,000	1,403	52.62	7,151,600	1.62
10,001 - 100,000	866	32.48	28,731,200	6.53
100,001 - 21,999,999*	273	10.24	304,037,368	69.10
22,000,000 and above **	1	0.04	100,001,800	22.73
Total	2,666	100.00	440,000,000	100.00

Notes :

(*) Less than 5% of issued and paid-up share capital

(**) 5% and above of issued and paid-up share capital

SUBSTANTIAL SHAREHOLDERS AS AT 5 MAY 2014

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Share Held	%	No. of Shares Held	%
Dr. Abu Hasan Bin Ismail	-	-	132,301,400 ^(a)	30.07
EkoHati Sdn. Bhd.	100,001,800	22.73	32,299,600 ^(b)	7.34
Sigma Dedikasi Sdn. Bhd.	13,819,600	3.14	118,481,800 ^(c)	26.93
Anjakan Evolusi Sdn. Bhd.	18,480,000	4.20	113,821,400 ^(d)	25.87
Shahirul Azian Binti Abu Bakar	-	-	132,301,400 ^(e)	30.07
Zubaidah Binti Ismail	-	-	132,301,400 ^(f)	30.07
Kumpulan Wang Persaraan (Diperbadankan)	19,051,400	4.32	3,670,000 ^(g)	0.83

SUBSTANTIAL SHAREHOLDERS AS AT 5 MAY 2014 (continued)

Note:-

- (a) Deemed interest by virtue of his interest in EkoHati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 (“the Act”)
- (b) Deemed interest by virtue of Dr Abu Hasan Bin Ismail (“Dr Abu”) interest in Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act.
- (c) Deemed interest by virtue of Dr Abu’s interest in EkoHati Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act.
- (d) Deemed interest by virtue of Dr. Abu’s interest in EkoHati Sdn. Bhd. and Sigma Dedikasi Sdn. Bhd. pursuant to Section 6A of the Act.
- (e) Deemed interest by virtue of the interest of her spouse, Dr Abu in EkoHati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act
- (f) Deemed interest by virtue of the interest of her sibling, Dr Abu in EkoHati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act.
- (g) Deemed interest by virtue of the interest of Kumpulan Wang Persaraan (Diperbadankan)’s Fund Managers pursuant to Section 6A of the Act.

DIRECTORS’ SHAREHOLDINGS AS AT 5 MAY 2014

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato’ Mohamed Yunus Ramli Bin Abbas	500,000	0.11	-	-
Dato’ Loy Teik Ngan	236,000	0.05	3,000,000*	0.68
Chan Wan Siew	250,000	0.06	-	-
Dato’ Maznah Binti Abdul Jalil	2,262,000	0.52	120,000**	0.03
Dr. Abu Hasan Bin Ismail	-	-	132,301,400***	30.07

Note :

- (*) Deemed interest by virtue of his interest in Taylor’s Education Sdn. Bhd. pursuant to Section 6A of the Act.
- (**) Deemed interest by virtue of her spouse’s shareholdings pursuant to Section 134(12)(c) of the Act.
- (***) Deemed interest by virtue of his interest in EkoHati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act.

Analysis of Shareholdings
as at 5 May 2014
(continued)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 5 MAY 2014

No.	Securities Account Holders	No. of Shares	%
1	EKOHATI SDN. BHD.	100,001,800	22.73
2	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR AIA SDN. BHD.</i>	19,195,400	4.36
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	19,015,400	4.32
4	ANJAKAN EVOLUSI SDN. BHD.	18,480,000	4.20
5	KUMPULAN MODAL PERDANA SDN. BHD.	17,712,000	4.03
6	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR ARECA CAPITAL SDN. BHD.</i>	14,090,000	3.20
7	SIGMA DEDIKASI SDN. BHD.	13,819,600	3.14
8	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>EMPLOYEES PROVIDENT FUND BOARD (NOMURA)</i>	11,000,000	2.50
9	AMANAHRAYA TRUSTEES BERHAD <i>SKIM AMANAH SAHAM BUMIPUTERA</i>	10,000,000	2.27
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)</i>	8,504,600	1.93
11	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. <i>STATE STREET LUXEMBOURG FUND DW37 FOR DWS INVEST ASIAN SMALL/MID CAP (DWS INVST SICAV)</i>	8,230,600	1.87
12	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)</i>	7,598,800	1.73
13	HSBC NOMINEES (ASING) SDN. BHD. <i>BBH AND CO BOSTON FOR DAIWA RISING ASEAN EQUITY FUND (JTSB SMTB)</i>	4,585,600	1.04
14	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR EASTPRING INVESTMENT BERHAD</i>	4,572,000	1.04
15	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC ISLAMIC OPPORTUNITIES FUND</i>	4,452,600	1.01
16	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR GAN NYAP LIOW @ GAN NYAP LIOW</i>	4,440,000	1.01

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 5 MAY 2014 (continued)

No.	Securities Account Holders (continued)	No. of Shares	%
17	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. <i>SSBT FUBD 62L2 FOR USAA EMERGING MARKETS FUND</i>	4,001,000	0.91
18	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)</i>	3,670,000	0.83
19	HSBC NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)</i>	3,600,000	0.82
20	TAYLOR'S EDUCATION SDN. BHD.	3,000,000	0.68
21	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. <i>AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY THEME FUND</i>	2,799,400	0.64
22	HLIB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA</i>	2,715,800	0.62
23	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)</i>	2,331,400	0.53
24	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND</i>	2,281,000	0.52
25	PM NOMINEES (TEMPATAN) SDN. BHD. <i>FOR BANK KERJASAMA RAKYAT MALAYSIA BERHAD</i>	2,279,400	0.52
26	HLB NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO</i>	2,184,000	0.50
27	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	2,126,000	0.48
28	CITIGROUP NOMINEES (ASING) SDN. BHD. <i>CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES</i>	2,107,600	0.48
29	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR CHAN HIOK KHIANG (PB)</i>	2,000,000	0.45
30	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. <i>SSBT FUND 59DQ FOR OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM</i>	1,964,800	0.45
TOTAL		302,758,800	68.81

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting (“4th AGM”) of the Company will be held at Cindai 1, Cyberview Resort & Spa, Persiaran Multimedia 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 June 2014 at 10:00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note No. 7)**
2. To approve the payment of Directors’ fees for the financial year ended 31 December 2013. **(Resolution 1)**
3. To re-elect Mr. Chan Wan Siew, who is retiring pursuant to Article 95 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 2)**
4. To re-elect Dato’ Mohamed Yunus Ramli bin Abbas, who is retiring pursuant to Article 95 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 3)**
5. To re-elect Mr. Pang Yee Beng, who is retiring pursuant to Article 97 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**
6. To re-elect Mr. Ramanathan A/L Sathiamutty, who is retiring pursuant to Article 97 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 5)**
7. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:-

8. **ORDINARY RESOLUTION NO. 1**
- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Resolution 7)**

“**THAT** subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

9. **ORDINARY RESOLUTION NO. 2:
- PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

(Resolution 8)

“**THAT** the authorised share capital of the Company be and is hereby increased from RM50,000,000/- divided into 500,000,000 ordinary shares of RM0.10 each to RM100,000,000/- divided into 1,000,000,000 ordinary shares of RM0.10 each by the creation of 500,000,000 new ordinary shares of RM0.10 each and such new ordinary shares when issued shall rank pari passu in all respects with the existing ordinary shares in the capital of the Company.”

10. **SPECIAL RESOLUTION
- PROPOSED AMENDMENT OF MEMORANDUM OF THE ASSOCIATION OF THE COMPANY**

(Resolution9)

“**THAT** contingent upon the passing of the Ordinary Resolution 2 above, the Memorandum of Association of the Company be altered by deleting the existing Clause 6 in its entirety and substituting with the following new Clause 6:-

Clause	Existing Clause	Proposed New Clause
6	The capital of the Company is Ringgit Malaysia Fifty Million only (RM50,000,000/-) divided into 500,000,000 shares of RM0.10 each with power for the Company to increase or reduce the said capital, and to vary or abrogate the rights attached to any class of shares in the Company and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege, or subject to any postponement or rights or to any conditions, or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise, shall be subject to the powers hereinbefore contained.	The authorised capital of the Company is Ringgit Malaysia One Hundred Million (RM100,000,000/-) divided into One Billion (1,000,000,000) ordinary shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

AND THAT the Directors and Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments of the Company’s Memorandum of Association.”

11. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

**CHUA SIEW CHUAN (MAICSA 0777689)
PAN SENG WEE (MAICSA 7034299)**

Company Secretaries

Kuala Lumpur
Dated: 3 June 2014

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2014 (“General Meeting Record of Depositories”) shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”) which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, 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.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company’s Share Registrar, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, 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.
7. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
8. Explanatory Note to Special Business :-
 - (i) **Resolution 7 – Authority pursuant to Section 132D of the Companies Act, 1965**

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the 4th AGM of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a general mandate by its shareholders at the Third Annual General Meeting (“3rd AGM”) of the Company held on 12 June 2013. (hereinafter referred to as the “Previous Mandate”)

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.
 - (ii) **Resolutions 8 and 9 – Proposed Increase in Authorised Share Capital and Proposed Amendment of Memorandum of Association of the Company (hereinafter referred to as “Proposed Increase and Proposed Amendment”)**

The Proposed Increase and Proposed Amendment are to provide greater flexibility and enable the Directors of the Company to issue and allot shares without breaching the authorised share capital of the Company. The Proposed Amendment is conditional upon the Proposed Increase.



PRESTARIANG BERHAD
(Company No. 922260-K)
(Incorporated in Malaysia)

PRESTARIANG*

Form of Proxy

CDS Account No.	
Number of ordinary shares	

*I/We, (full name), _____

bearing *NRIC No./Passport No./Company No. _____

of (full address) _____

being a *member/members of Prestariang Berhad ("the Company") hereby appoint:

First Proxy "A"

Full Name	NRIC/ Passport No.		
Full Address	Proportion of Shareholdings		
	No. of Shares	%	

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.		
Full Address	Proportion of Shareholdings		
	No. of Shares	%	

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fourth Annual General Meeting of the Company to be held at Cindai 1, Cyberview Resort & Spa, Persiaran Multimedia 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 June 2014 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy _____ (one only) shall vote on *my/our behalf.

My/our proxy/proxies shall vote as follows:

(Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.)

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees.	1		
3.	To re-elect Mr. Chan Wan Siew as Director.	2		
4.	To re-elect Dato' Mohamed Yunus Ramli bin Abbas as Director.	3		
5.	To re-elect Mr. Pang Yee Beng as Director.	4		
6.	To re-elect Mr. Ramanathan A/L Sathiamutty as Director.	5		
7.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	6		
Special Business				
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	7		
9.	Proposed increase in authorised share capital.	8		
10.	Proposed Amendment of Memorandum of Association.	9		

As witness my/our hand(s) this day _____ of _____, 2014.

*Signature of Member/Common Seal

* Strike out whichever not applicable

Notes :-

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STAMP

PRESTARANG BERHAD
Symphony Share Registrars Sdn Bhd

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Fold here



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BERHAD
(922260-K)

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63000 Cyberjaya, Selangor Darul Ehsan

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