



PRESTARIANG®



Transforming Talent and Technology

Annual Report **2014**

Transforming Talent and Technology

Prestariang is standing at the edge of a new era in which it is shaping the future of human resource through technology. Through innovative channels of educating and training, Prestariang is set on putting forth change-driven, high-potential employees to develop skills in business and technology, in particular the Information, Communications Technology (ICT) industry. Driven by the passion to excel, our remarkable and dedicated team are soaring to greater heights in expanding their expertise in technology, product development, leadership and strategy to meet market demand for a quality workforce.

5th Annual General Meeting

Date

15 June 2015, Monday

Time

10.00 a.m.

Venue

*Songket, Cyberview Resort & Spa
Persiaran Multimedia
63000 Cyberjaya
Selangor Darul Ehsan*

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AT A GLANCE

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HUMAN TALENT

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DEDICATED EMPLOYEES

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45

AWARDS & RECOGNITION SINCE 2004



TRANSFORMING TALENT AND TECHNOLOGY

OUR VISION

To develop local talents for the global market

OUR PURPOSE AND MISSION

To enhance human potential through lifelong learning

TWO CORE BUSINESS

TALENT

- Academy
- Education
- Talent Acquisition & Talent Management

TECHNOLOGY

- Software
- Services
- Technology

ABOUT US

Prestariang Berhad (Prestariang or the Group) was founded in 2003 and was listed in July 2011 on the Main Market of Bursa Malaysia Securities Berhad. Headquartered in Cyberjaya, a key location of the Multimedia Super Corridor in Malaysia, Prestariang has evolved since its inception and is today one of Malaysia's Talent & Technology service providers.

The Group's foray in the industry started with the provision of ICT Training & Certification and Software License Distribution & Management. Since then, it has emerged to become a niche Talent and Technology solutions player in Malaysia.

Prestariang's total market capitalisation has surpassed the RM1 billion mark to reach RM1.3 billion in April 2015. On 24 December 2014, Prestariang was included in the FTSE4Good Bursa Malaysia Index, which highlights companies that demonstrate a leading approach to addressing environmental, social and governance (ESG) risks.

Prestariang was also included in the FTSE Bursa Malaysia Fledging Index on 19 December 2011 and was listed as one of Forbes Asia 200 "Best Under A Billion" for the year 2013/2014. Prestariang was also awarded the winner for Anugerah Kecemerlangan Industri 2014 (ICT Services Category) from the Ministry of International Trade & Industry (MITI) and was included in the Minority Shareholder Watchdog Group's (MSWG) Top 100 ASEAN Corporate Governance Scorecard for 2014.

As one of Malaysia's premier Talent and Technology players within the ICT industry, Prestariang remains in the forefront of the industry by leveraging on its expertise and experience gained over the years.



Prestariang is at the forefront of efforts to develop the next generation workforce, a key component towards Malaysia's march towards a developed nation status.

As part of the Group's strategic direction and expansion plans, focus is now on the two core business areas, namely **Talent** and **Technology**.

TALENT

The phenomenal rise of digital media and its increasing popularity has inadvertently shaped the industry and the marketplace in recent years. The need for credible recruitment of human resource is now becoming more crucial to satisfy the demand for talent in the industry.

Seeing the need to meet the demands of the industry, Prestariang has proactively embarked on finding and engaging the best talents via a unique value chain solution in a strategic expansion of its core businesses.

ABOUT US



Creating a skilled workforce to meet industry demands.

Thus, accentuating on **Talent Solutions** is timely to build the necessary skills critical to achieve a competitive advantage in the industry.

The Group provides tertiary education in Computer Science, Engineering and ICT foundation to post degree studies via its wholly-owned boutique university, University Malaysia of Computer Science & Engineering (UniMy).

This initiative addresses the needs to find the right calibre of candidates and matching skillset in order to assess their suitability from both a technical and cultural fit to an organisation within the industry.

Through its in-house Academy, the Group specialises in providing ICT training and certifications as well as skilling and upskilling training and certifications for graduates and tradesmen in the Oil and Gas (O&G) sector.

The Group offers over 60 globally recognised certification courses nationwide in partnership with companies, which include Microsoft, Autodesk, IBM, Oracle, CompTIA, EC-Council, Certiport, Prometric, PearsonVue, Global Knowledge, Quilt Wellington Redwood, Tekla and Unisys.

The Group's unique homegrown IP certifications, which include IC CITIZEN, Proficiency in Enterprise Communication (PEC) and SMARTGREEN Fundamentals also form part of the courses offered.

The Group extends its business value through TalentXchange.my, which provides talent acquisition and placement services. Prestariang's **Talent Solutions** is vastly distinguished by its focus on providing a unique value chain solution; from talent acquisition, training & certification and education to talent management for employability.

TECHNOLOGY

The Group provides software licence distribution and management services to:

- streamline the process of software inventory,
- upgrade and licence management to increase efficiency, and
- improve the ability to promote compliance throughout its client base.

Prestariang is recognised as one of Malaysia's major technology service providers and has won various awards from Microsoft, EC Council, CompTIA, Autodesk and many more highly recognised partners.

Working in partnership with global IT partners, the Group provides globally recognised subscription based IT services and maintenance services, as well as other related IT services.

The Group recently included Unisys in its list of global partnership to provide world class technology support solutions and related services in Malaysia. Unisys is a global information technology company that applies innovative modern approaches and technologies to mission critical IT operations for many of the world's largest companies and government organisations.



OUR BUSINESS

In meeting the specialised demands, especially of the ICT industry, Prestariang has evolved from being a leading ICT Training & Certification and Software License Distribution & Management to focus on becoming a niche Talent and Technology Solutions company in Malaysia.

In Talent Solutions, Prestariang is focused on providing unique value chain solutions through its Academy, Education and Talent Acquisition & Talent Management divisions.

Malaysia's transformation to achieve a developed nation embraces economic and social factors. Thus, increased investment in continuous building and strengthening of educational systems and infrastructure is integral to economic growth. As the push towards a knowledge-based society becomes increasingly important, Prestariang plays a central role in Malaysia's march towards achieving this developed status.

The rapidly evolving technological landscape demands a labour force, which is expanding and matured to ensure that the nation's potential for growth will be correspondingly greater.

OUR BUSINESS

ACADEMY

The Academy business is focused on providing Information Communications Technology (ICT) training and certifications, as well as integrated technical and vocational education with globally benchmarked certifications for the Oil and Gas (O&G) sector.

Since inception, Prestariang has trained and certified over 250,000 individuals making it the largest training and certification provider in Malaysia.

The Group offers over 60 globally recognised certification courses nationwide in partnership with companies, which include Microsoft, Autodesk, IBM, Oracle, CompTIA, EC-Council, Certiport, Prometric, PearsonVue, Global Knowledge, Quilt Wellington Redwood, Imperial College of London, TWIG and others.

As a market leader in providing ICT training and certifications, the Group has invested in R&D over the years and developed three home-grown certification programmes, which include IC CITIZEN, Proficiency in Enterprise Communication (PEC) and SMARTGREEN Fundamentals for the global market.

The IC CITIZEN Certification is the first certification programme in the world specifically designed to produce digitally literate and responsible citizens that was launched in 2010. The programme is globally marketed in partnership with US-based Certiport Inc. to a network of approximately 10,000 centres in 152 countries.



Minister of Education II, YB Dato' Seri Idris Bin Jusoh officiates the award ceremony of the 1CITIZEN Programme participated by over 80,000 students

IC CITIZEN has successfully been implemented in the United Arab Emirates and Brunei. In Malaysia, the programme was implemented under the 1CITIZEN programme for the Ministry of Education (MoE), training over 80,000 students in 20 public institutions as well as for the Ministry of Information, Communications and Culture, training over 40,000 participants.

In June 2014, Prestariang established **Petroleum Academy Malaysia (PAM)**, which provides skilling and upskilling of graduates and tradesmen in the O&G sector. PAM focuses on integrating technical and vocational education with globally benchmarked certification for school leavers, graduates and professionals. To date, the Group has trained over 1,000 individuals.

Prestariang was appointed as a corporate education partner of Tekla in Malaysia since October 2014 and has expanded its course offering to include civil and structural engineering education and development. Tekla is one of the leading global providers of the Building Information Modeling (BIM) software for the engineering and construction markets.



UniMy offers higher education qualification in computer science and software engineering, which offers graduates increased earning potential, a wider range of opportunities and a more rewarding career.

EDUCATION



The Education division provides tertiary education in Computer Science, Engineering and ICT ranging from the foundation level, undergraduate to postgraduate, which includes PhD via its wholly-owned boutique university, **University Malaysia of Computer Science & Engineering** (UniMy or the University).

Launched in January 2013, UniMy is the first and one-of-a-kind boutique university devoted to provide specialised computer science and software engineering education. It was established under an innovative private-public initiative to produce market-ready computing professionals and talents in the country.

UniMy has established an academic collaboration with Australia's No.1 University, the University of Melbourne through its Melbourne School of Engineering, to adopt the same level of quality assurance and quality control in academic board processes and external examination.

OUR BUSINESS



UniMy and industry partners award Malaysia's brightest students with UniMy Global Industry Partners Scholarships (GIPS).



UniMy's Inaugural Graduation Ceremony to honour the pioneering batch of Foundation students.

In its effort to provide academic par excellence, UniMy has also established collaborations with other prominent universities in the United Kingdom, the United States of America, Australia and Japan to:

- establish academic transfer programmes;
- conduct joint research projects and student exchange programmes; and
- adopt the quality assurance and quality control in academic board processes and external examinations.

In addition, UniMy has also established strategic partnerships and collaborations with leading global IT players such as Microsoft, IBM, EC-Council, Huawei, Dell, Unisys and Autodesk. These global IT partners will collaborate with UniMy in student development activities, which range from curriculum design, teaching & learning technology, student projects, internships to career placements.

As part of its expansion strategy into the education market, Prestariang is also focused on identifying suitable acquisition opportunities to drive its future growth.

TALENT ACQUISITION AND TALENT MANAGEMENT

The Group's value proposition is extended through its **Talent Acquisition** and **Talent Management** division known as **TalentXchange.my**, which provides talent placement services for employment.

In December 2014, Prestariang entered into a Joint Venture (JV) Agreement with MIE Corporate Holdings Sdn Bhd (MIEC) to jointly undertake the setting-up, operations and management of a business entity to source, acquire, train and supply skilled workers (local and foreign) throughout the nation. This JV was initiated in relation to the Refinery and Petrochemicals Integrated Development (RAPID) project in Pengerang, Johor, and also to related industries in general.

In **Technology Solutions**, the Group provides three synergistic components to the Talent division: **Software, Services** and **Technology**.

SOFTWARE

In partnership with global IT partners, Prestariang has distributed and managed more than 5 million 3rd party software licences of various global brands since 2006. The Group has won various awards and achievements from Microsoft, EC-Council, CompTIA, Autodesk and many more highly recognised partners.

Following its recent announcement in January 2015, Prestariang was appointed by the Ministry of Finance as the sole Microsoft Licensing Solutions Partner (LSP) to provide Microsoft software licenses under the Master Licensing Agreement (MLA) 2.0 to all the government agencies in Malaysia. Prestariang is also the sole academic distributor for Autodesk and Tekla software licenses in Malaysia.

SERVICES

The Group offers a holistic chain of software services by packaging a total solution with value added services such as training and certification, software asset management, compliance and governance of the end users.

TECHNOLOGY

The Group recently added Unisys, one of the world's leading information technology companies, to its list of global partners. This marks as another milestone for Prestariang to help strengthen its position as a prominent technology player in Malaysia. The combined expertise will prove useful to enhance an organisation's competency and productivity as well as transform the business and public sectors' landscape.



Dr. Abu Hasan Bin Ismail, Chief Executive Officer of Prestariang Berhad seals the deal with Scott Whyman, Vice President Unisys Asia Pacific and Japan. Members of Prestariang Board of Directors were present during the signing of the agreement on 26 March 2015.

This agreement combines Prestariang's capability to implement scalable nationwide training and certification in the Malaysian market with Unisys' advanced technology support solutions and systems integration and managed service expertise and experience.

OUR HOME GROWN INTELLECTUAL PROPERTIES



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 programme 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 programme 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.



SMARTGREEN Certification

- A programme 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.



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.



Training & Learning Management Systems

- TLMS is a web based course components management system, which provides flexible courses/programme 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.

OUR MAJOR PROJECTS



- A programme, which provides professional ICT Training & Certification to final year students of ICT and ICT related fields in public higher education institutions in Malaysia.
- Over 40,000 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.



- Appointed by Microsoft (Malaysia) Sdn. Bhd. to provide ICT literacy to civil servants in Malaysia.
- Over 12,000 civil servants have been trained since 2009.



- A special training programme, 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 programme that provides relevant knowledge, skills and competencies under the National Broadband Initiative (NBI) for the Netbook recipients community.



- Appointed by the Ministry of Finance (MoF) as a Microsoft Licensing Solution Partner (LSP) to provide Microsoft software licenses under the Master Licensing Agreement (MLA) 2.0 to all Government Agencies in Malaysia. The contract is over the course of three years effective from 1 February 2015 until 31 January 2018.



A special training programme 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 Ministry of Finance (MoF) to run "Professional Skill Set for Oil & Gas industry" programme for 360 polytechnic graduates.
- The programme 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 & upskill training certification in the O&G industry for Welders, Scaffolders & Pipefitters under Peneraju Skil Jurukimpal and Peneraju Tunas Iltizam Program

- MLA is an initiative by the MoF that is aligned to the strategic ICT thrust of the Government. The focus of MLA 2.0 is to provide a licensing framework to better manage the procurement and utilisation of software license, streamlined administration and the budgeting of software procurement. The outcome is to enable a Standard Operating Environment (SOE) to be adopted, which facilitates Microsoft software procurement, usage, maintenance, support and management by all government agencies.



**FOCUSSING ON
QUALITY
SERVICES**

We leverage on our expertise, experience and strength to help make a positive impact in the communities where we operate. We support continuous education for lifelong learning.



“ On the whole, 2014 should be viewed as an investment year for Prestariang as we unfurled the various strands of our DNA to capitalise on opportunities for human capital development in information and communication technologies. ”

Dato' Mohamed Yunus Ramli Bin Abbas
Chairman

Dear Esteemed Shareholders,

Prestariang Berhad (Prestariang or the Group) continued to generate healthy returns in 2014 even as we focused efforts on securing sustainable growth for the future by strengthening our building blocks for recurring income.

Although we did not match the stellar performance of the previous year, nevertheless, Prestariang achieved positive results for the year under review to ensure a respectable return-on-investment (RoI) for our shareholders.

Indeed, investor confidence in Prestariang remains buoyant judging from the market response to our current direction and future prospects. Since the start of 2015, the Group's share price has trended upwards to reach an all-time high of RM2.71 in early April, 2015 (from RM1.44 on Dec 31, 2014); in the process, raising Prestariang's market capitalisation above the RM1.3 billion milestone.

CHAIRMAN'S **STATEMENT**

On the whole, 2014 should be viewed as an investment year for Prestariang as we unfurled the various strands of our DNA to capitalise on opportunities for human capital development in information and communication technologies (ICT).

It should be pointed out that ICT talent is now at a premium given the concerted national and global momentum towards the materialisation of a pervasive and comprehensive digital world.

On this score, Prestariang is in a unique and advantageous position as the leading and also exclusive purveyor of lifelong learning across the entire value chain of human resource development; principally for the ICT field, but also for other technical sectors such as Oil & Gas (O&G).

With this, it is my honour and privilege to present on behalf of the Board of Directors the financial results of Prestariang Berhad for the year ended 31 December, 2014 (FY2014).

FINANCIAL RESULTS

In 2014, Prestariang invested RM4.5 million on new projects to provide a renewed platform for future sustainable growth aligned to our redefined core focus as a talent and technology company.

It should be noted that FY2014 was the first-ever year-on-year dip in the top and bottom lines of our financial results since our listing in 2011. The Group posted lower revenue mainly due to the drop in contribution from both segments; Software & Services and Academy, due to the timing of the delay in renewal as well as appointment of new contracts.

The Group posted lower Revenue of RM78.8 million in FY2014, representing a negative growth of 34.1% compared with RM119.6 million achieved the year before. This resulted in a reduced Profit After Tax (PAT) of RM20.2 million against RM42.1 million in FY2013. Respectively, Earnings Per Share (EPS) recorded a lower ratio of 4.37 sen compared with 9.56 sen recorded in the previous year.

The Academy business segment that provides ICT training & certification as well as the new portfolio of O&G training returned revenue of RM27.3 million, RM32.8 million lower than a year ago. This had a knock-on effect on the complementary Software & Services business segment involved in the distribution and management of software licensing, which registered RM49.7 million in revenue compared to RM59.0 million in the previous year. The Group's education arm, the University Malaysia of Computer Science & Engineering (UniMy), on the other hand, saw an improved performance with revenue increased to RM1.8 million from RM0.4 million in FY2013.

Overall, FY2014 remained a profitable year for us and we have managed to lower our operating cost by RM6.2 million or 22.5% compared to the previous year. Our PAT margin remains strong at 25.7%.

The Group continues to have a strong cash position with the addition of RM61.3 million (representing a year-on-year growth of 135.8%) to the Shareholders' Funds, bringing it to a total of RM169.0 million in FY2014. Likewise, Total Assets grew by 53.0%, accumulating to RM179.7 million.

DIVIDEND

Prestariang remains steadfast in the commitment to share profit with our shareholders. It is worth noting that since Prestariang's listing, we have declared and paid out RM85.7 million, or 64.4% of our cumulative PAT.

We have taken this one step further in FY2014. To reward the trust, confidence and loyalty shown by our shareholders, the Board of Directors issued a dividend of 4.19 sen per share amounting to a payout of RM19.7 million, an amount that represents 97.4% of our PAT. The payout ratio is significantly higher than any of the previous financial years, easily surpassing the 62.5% quantum in FY2013 (RM26.3 million from a PAT of RM42.1 million).

We remain committed to our shareholders and will continue with our dividend policy of distributing at least 50% of the Group's PAT in the foreseeable future.

CHAIRMAN'S STATEMENT

BUSINESS SEGMENTS

Investing to Grow a Stronger Foundation

Over the past two years, Prestariang has focused efforts on broadening its synergistic business offerings while at the same time strengthening the capacity within its business segments to generate recurring income.

Our business activities fall under three primary categories:

- Education, offered through UniMy;
- Academy, providing training & certification in ICT, and O&G; and
- Software & Services, involving the distribution and management of software licenses.

Two other nascent business activities, Talent Acquisition and Talent Management, complete the entire value chain of human capital development business offerings provided by the Group.

Education – UniMy

Despite a soft beginning, UniMy is gaining momentum to be on track in becoming a core business activity for the Group in the years ahead as Malaysia's only boutique university offering pure computer studies.

These aspirations received a boost in late 2014 when MARA announced plans to acquire a 30% stake in UniMy with the intention to funnel students into the university's Foundation, Degree and Postgraduate programmes.

With MARA's equity participation in the university coupled with new programme offerings, we are confident that UniMy will soon be in the black after two consecutive years of pure investment to par the course for any new private university venture.

The university continues to operate on a low asset business model from its temporary campus with a capacity to expand in tandem with growth in the student population. Plans are also underway for UniMy to have a purpose-built campus capable of housing up to 3,000 students in the near future.

Academy – Training & Certification

This business segment suffered a setback in FY2014 as a result of the deferment of the homegrown IC Citizen programme to produce digitally-literate and responsible citizens. This project accounted for a sizeable contribution of Group Revenue in FY2013.

For 3P, we succeeded in training 5,348 participants in FY2014, in the process generating RM20.0 million to Group Revenue. Meanwhile, the Academy's O&G segment is already gaining momentum although we only started the vocational training programmes the previous year.

Firstly, we are on track to offer new courses for Welding, Scaffolding, Pipefitting, Rigging, AutoCAD and Instrumentation.

Secondly, we have signed a Joint Venture (JV) Agreement with MIE Corporate Holdings Sdn. Bhd. (MIEC) to form Prestariang O&G Sdn. Bhd., which will focus on the sourcing and managing of skilled manpower for the Refinery & Petrochemicals Intergrated Development (RAPID) project in Pengerang, Johor. The JV has effectively diversified our services beyond training & certification for O&G to also cover the acquisition and management of human resources, particularly foreign workers, in the industry.

With these initiatives in place, we are confident that this segment will surge ahead in the next few years.

Software & Services – Distribution & Management of Software Lsicensing

This business segment grew in financial importance in FY2014 in the wake of challenges faced by the Academy. Software & Services was impacted by the completion of Komputer 1Malaysia Digital Literacy, a programme, which had successfully delivered more than 1.6 million software licenses up to FY2013. However, FY2014 saw the growth of Autodesk licenses following our appointment as the sole distributor for the education market in Malaysia.

The Autodesk license contributed RM23.6 million or 48% to Software & Services' revenue in FY2014, an increase of more than 100% over the previous year. It is pertinent to point out that our customer base from the private sector has also been expanded.



The outlook for this business segment is highly promising following Prestariang's appointment by the Ministry of Finance (MoF) as the sole supplier of Microsoft software to all government agencies, which come into effect from February 2015. The three-year contract, which is potentially worth RM150 million a year is set to drive growth for the Group.

Our team continues to work tirelessly in our efforts to beef-up all areas of business. We now have the ability to replicate our success in the ICT training and certification business into other sectors including O&G, construction and education.

We have also brought in new top talents to the Group to enhance the competencies and strengthen the management team.

We will continue to stay focused on strategic business performance and continue to deliver value to our shareholders. I am confident that FY2015 will be a better year for the Group.

OUTLOOK **Capitalising on The Digital Economy**

Malaysia's digital economy with ICT as a critical enabler is expected to contribute at least 17% of the nation's Gross Domestic Product (GDP) by 2020. Efforts are now being put in place to develop niche industries in Big Data Analytics, cloud computing, the Internet of Things and e-commerce.

The development of Malaysia's digital economy under the brand name Digital Malaysia is generating job opportunities across the entire ICT industry with the demand for ICT professionals and ICT-enabled talents growing year by year.

Against this backdrop, Prestariang is well placed to capitalise on the national need to produce an assembly line of innovative human capital who have the mindset and skillset to adapt to the shifting parameters of the global digital economy.

In addition, Prestariang signed a teaming agreement with UniSys to provide world class technology support solutions and related services in Malaysia. This is another advantage for Prestariang to combine its capabilities with advanced global technology partners.

Under the agreement, we will oversee the management of programmes and provide end-user training while drawing on UniSys' technology solutions. UniSys is a global information technology company that applies innovative modern approaches and technologies to mission critical IT operations for many of the world's largest companies and government organisations.

APPRECIATION

I would like to express my profound gratitude to my fellow Board members for their wise counsel, which has greatly contributed to the success and achievements of Prestariang over the past few years. Let me also congratulate the Group's Chief Executive Officer, Dr. Abu Hasan Bin Ismail for his astute and visionary leadership in ensuring the Group continues to reap the harvest of opportunities in a challenging environment.

Let me also take this opportunity to thank all our stakeholders, partners and vendors for their invaluable support.

Together, we can forge ahead and carve out a brighter future.

DATO' MOHAMED YUNUS RAMLI BIN ABBAS
Chairman

“ Since our inception, Prestariang has produced more than 250,000 talents equipped with the mindset and skillset to contribute to the nation’s aspirations as a digital economy. ”

Dr. Abu Hasan bin Ismail
Chief Executive Officer

Dear Valued Shareholders,

As a company built and developed with the DNA of information & communication technologies (ICT), Prestariang Berhad (Prestariang or the Group) is by nature an organic entity that is evolving alongside market and technological forces, which shape the local as well as global business landscapes.

CHIEF EXECUTIVE OFFICER

REVIEW OF OPERATIONS



INDEED, PRESTARIANG IS TODAY SYNONYMOUS WITH THE CONCEPT OF LIFELONG LEARNING AND THE CULTURE OF SKILLING AND UPSKILLING IN ORDER TO CAPITALISE ON THE OPPORTUNITIES OF A DIGITAL FUTURE.

The ability to change according to market demands while accommodating the rapid emergence of new technologies has been our hallmark and the reason why Prestariang has achieved so much in so little time. After all, we are relatively young with Financial Year 2014 (FY2014) being only our 3rd full year as a public-listed company.

Already, the Group has attained the proud record of turning over a profit in each financial year since our debut on Bursa Securities in 2011. That we have done so while fulfilling the critical national mission of developing future generations of ICT-enabled and empowered knowledge workers is all the more satisfying.

Since our inception, Prestariang has produced more than 250,000 talents equipped with the mindset and skillset to contribute to the nation's aspirations as a digital economy. At the same time, we have also distributed and managed over five million software licences to support the adoption of ICT in every aspect of our lives and work.

Indeed, Prestariang is today synonymous with the concept of lifelong learning and the culture of skilling and upskilling in order to capitalise on the opportunities of a digital future and the growing demand for highly skilled talents. It is through such a corporate philosophy that we have pegged our ambitions of achieving long-term business sustainability and operational relevance.

PRESTARIANG 3.0: NEXT STEP IN OUR EVOLUTION

An organisation whose raison d'être is to champion the continuous acquisition of knowledge and skills must also practice what it preaches. In this regard, Prestariang is an advocate as well as adherent of this principle.

We continue to learn and in doing so, improve on our business model year after year. To date, we have developed and enhanced three iterations of our approach to generating recurring business.

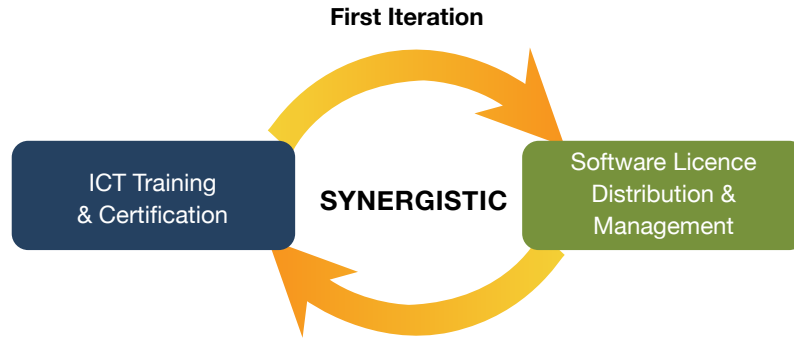


The delegates of Malaysian Technical Cooperation Programme (MTCP), English Language Teaching Centre, which attended the IC CITIZEN Certification.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

Prestariang 1.0

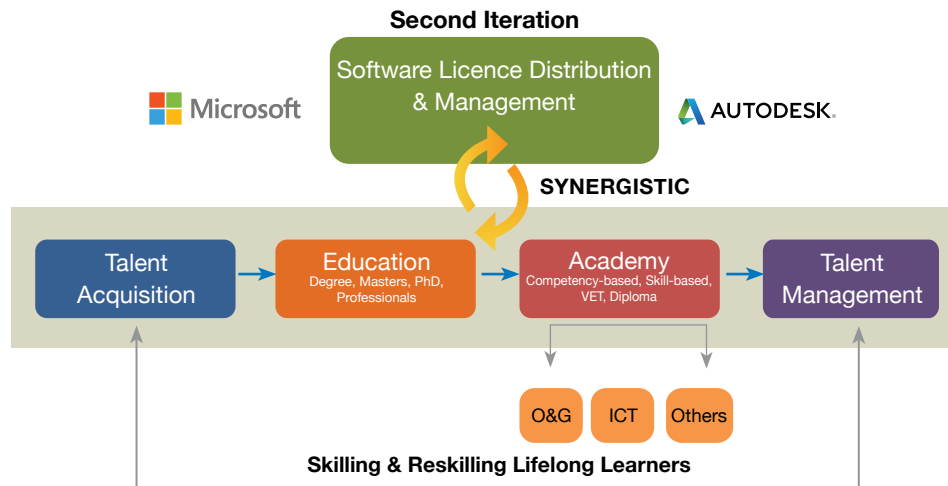
Prior to listing, the Group created an original synergy around the complementary businesses of ICT training & certification, and the distribution and management of software licences. This ensured that activities carried out in one business would invariably lead to spin-off revenue from the other and vice versa; as shown by the graphic below:



Provision of ICT training and certification bundled with supply of licences for software

Prestariang 2.0

As the Group expanded after listing, the next version was to put together the components of lifelong learning to build an end-to-end value chain comprising Talent Acquisition, Education, the Academy, Software Licence Distribution & Management, and Talent Management to encompass the entire lifecycle of human talent; as shown in the graphic below:



Prestariang 3.0

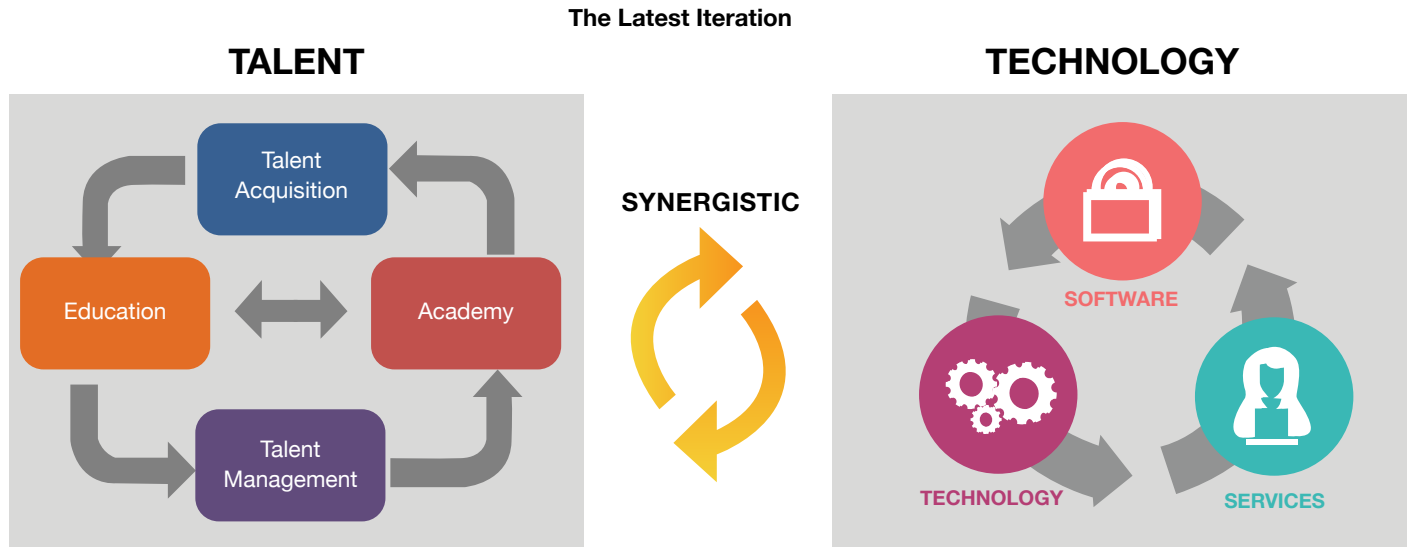
In planning forward, the Group's latest rendition recognises the separate but inter-related forces of Talent and Technology, with each in turn generating demand and supply for one another. We have grouped under Talent our business offerings of:

- Education – foundation, undergraduate and postgraduate programmes provided by our University Malaysia of Computer Science & Engineering (UniMy);
- Academy – offering ICT training & certification, and technical & vocational training & certification for both ICT and Oil & Gas (O&G); and
- Talent Acquisition/Talent Management – entailing human resource recruitment, human capital development and talent placement.

Meanwhile, the Technology business cluster includes:

- Software – providing the distribution and management of software licences from established software brands;
- Services – offering globally-recognised subscription-based services and maintenance as well as related services; and
- Technology – a new business activity involving the development of tech services in collaboration with our global ICT partners to cater to the specific needs of our customers.

Prestariang 3.0 is depicted in the graphic below:



CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

The Group will continue to enhance its business model according to prevailing demands amid technological advancements in the years ahead in order to strengthen its financial sustainability and bolster its brand positioning.

BUSINESS SEGMENTS

UniMy: Addressing the Talent Needs of a Digital Future

UniMy was established in early 2013 with one overriding aim and that is to produce ICT talents and professionals who could thrive in an age when digital technologies come and go at progressively shorter lifespans.

UniMy represents an urgent and critical undertaking to support the national agenda of creating and cultivating a new generation of knowledgeable and innovative talents who can contribute to the growth of the ICT industry as well as the adoption of ICTs to transform all other industries for the better.

For Prestariang, UniMy is a long-term investment positioned to drive business growth and generate financial sustainability in the future.

As mentioned by the Chairman, the financial results achieved by UniMy over the past two years were to be expected for a new private university in which the third year of operations is the nominal break-even point.

Broadening young students' minds, paving the way for them toward achieving their professional ambitions.



Instead, it is noteworthy that despite its infancy, UniMy continues to forge numerous strategic alliances and secured various collaborations with renowned international institutions of higher learning, industry bodies and global IT partners.

In addition to our current expansive list of alliances, we are now in collaboration with the University of Hertfordshire and Teesside University from UK whereby they have recognised our Foundation Programme in Computing and Engineering in meeting the entry requirements to their undergraduate programmes in engineering, computer science and information technology. We are working on a similar scheme with the University of South Australia and University of Hawaii, USA.

As such, the academic programmes offered by UniMy are tailored to provide its undergraduates with the technological knowledge and industry skills required to compete on an advanced global platform.

2015 will be an important year for us to go beyond the local market. We plan to recruit international students mainly from the ASEAN countries.

Our main focus this year is to increase the number academic programmes offered. Last year we offered only 3 academic programmes. Now we can offer a PhD programme and a Master's degree, both by research and course work. By the end of 2015, we hope to offer 2 more new undergraduate degree programmes in Computer Engineering and Management Information Systems.

We also hope to start five new programmes at the Diploma level to cater to specific areas of demand from the industry such as game development, digital and cyber security, creative media and animation, internet and computing technology, and business computing.

By having these new programmes, we hope to increase our student population this year.

The current focus is on emerging technologies and digital trends such as big data analytics, cloud computing, micro and impact sourcing, and the internet-of-things.

Exactly what will become prominent next is a matter of conjecture. Therefore, on the R&D initiative, we are looking at Big Data and Cyber Security as our niche areas.

To date, UniMy has 100 students enrolled in the foundation programme and undergraduates who are pursuing their respective degree programmes.

UniMy is currently focused on the delivery of computer studies to its students with programmes in five strategic computer domains:

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

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

Since its launch in 2013, UniMy has championed many firsts, including a one-of-a-kind boutique university, which is devoted to provide specialised computer science and software engineering education.

Most recently in April 2015, it was appointed the first global training centre for Japanese firm Anet's web-based videoconferencing system called Fresh Voice. UniMy became its first-ever global training centre outside of Japan.

Skilling and Upskilling to Meet Industry Demands

Whereas the main thrust of UniMy is to generate an assembly line of ICT-empowered talents for the nation's digital future, the Academy is focused on skilling and upskilling current professionals with the requisite knowledge and skills according to prevailing industry needs.

By training more than 250,000 individuals in ICT and ICT-related disciplines, Prestariang has earned the reputation as the leading and largest provider of ICT training & certification in the country. We have successfully leveraged on this achievement to extend our portfolio to the O&G industry.



We are fulfilling the need to build specialist skills to meet future skills demand for the complex O&G sector.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

In June 2014, we established the Petroleum Academy Malaysia (PAM) to offer skilling and upskilling to graduates and tradesmen in O&G by integrating technical and vocational learning with globally-benchmarked certification.

As at end 2014, PAM has trained over 1,000 school leavers, graduates and professionals in various skillsets including scaffolding, pipefitting, rigging, welding and Autocad design.

As mentioned by the Chairman, the Group also formed a joint venture company with MIE Corporate Holdings Sdn Bhd (MIEC) to supply skilled manpower to the O&G industry. This joint venture is poised to channel human resources to the Refinery & Petrochemicals Intergrated Development (RAPID) project in Pengerang, Johor, where demand for workers is forecasted to reach 70,000 workers when the project reaches its peak.

It is worth noting that the demand for O&G talents remains relatively high despite the recent fall in oil prices.

The Academy has included a new sector in civil and structural engineering education and development following our appointment as a corporate education partner of Tekla in Malaysia last October. Tekla is one of the leading global providers of Building Information Modeling (BIM) software to the engineering and construction markets.

Completing the Talent Ecosystem

The Group's value proposition is extended through our Talent Acquisition and Talent Management division known as TalentXchange.my, which provides talent placement services for employment. In the case of our joint venture with MIEC, we undertake the setting-up, operations and management of a business entity to source, acquire, train and supply skilled workers (local and foreign) throughout the nation.

Broadening Global Technology, Widening Local Platform

Software & Services emerged as the main revenue generator in FY2014, accounting for almost 63% of Group revenue.

In FY2014, we completed the Komputer 1Malaysia Digital Literacy programme, successfully delivering over 1.6 million Microsoft software licences in total.

This business segment was significantly boosted by our appointment as the sole distributor of Autodesk licences to the education market, covering both public and private institutions.

The Software & Services business segment is set to grow further in 2015 with our appointment by the Ministry of Finance (MoF) as the sole supplier of Microsoft software to all government agencies beginning February of this year.

This, coupled with the recent contract award of RM24.3 million by the Ministry of Education (MoE) to supply licensed Microsoft software to schools and colleges under the Ministry over the next three years, I believe Software & Services will be a major catalyst of growth for the Group in 2015.

Moving forward in Technology Solutions, the group provides three synergistic components to the Talent division: Software, Services and Technology.

The Group's latest global partnership includes Unisys, a global information technology company that solves complex IT challenges at the intersection of modern and mission critical.

As mentioned by the Chairman, our teaming up with Unisys is part of a growth strategy to align to our new core focus as a talent and technology company.

We find synergies in this teaming effort as it combines Prestariang's capability to implement scalable nationwide training and certification in the Malaysian market with Unisys' advanced technology support solutions and systems integration and managed service expertise and experience.

This represents Prestariang's first foray into this growing business segment.

LOCAL & GLOBAL RECOGNITION

2014 was a bumper year for Prestariang in terms of achieving recognition from both local and international bodies. They included:

- **Amongst 24 Malaysian Companies on the List of the FTSE4Good Bursa Malaysia Index**

The FTSE4Good Bursa Malaysia Index identifies Malaysian companies with recognised corporate responsibility standards.

- **Forbes Asia's 200 Best Under A Billion**

Forbes screened 17,000 publicly-traded companies in the Asia-Pacific region. No specific ranking was provided.

- **Top 100 ranking on the ASEAN Corporate Governance Scorecard by the Minority Shareholder Watchdog Group ("MSWG") for good disclosure**

The scorecard takes into account such areas as:

- Rights of shareholders
- Equitable treatment of shareholders
- Role of shareholders
- Disclosure & transparency
- Responsibilities of the Board

- **Autodesk Authorized Training Centre 2014**

- **Microsoft Authorized Education Reseller 2014 Gold Partner**

- **Anugerah Kecemerlangan Industri (Industry Excellence Award) 2014 by the Ministry of International Trade & Industry Malaysia**

LOOKING AHEAD

In 2015, Malaysia's digital economy is estimated to contribute approximately 16% to national gross domestic product (GDP) on the back of growth in e-commerce and digital services despite the downtrend in the manufacture of ICT and related digital components.

In addition, Malaysia is putting in place the foundation to capitalise on the myriad of opportunities offered by such emerging technologies as Big Data Analytics, which has been incorporated into the 11th Malaysia Plan for the next five years leading to 2020.

The drive to transform our nation will raise the bar in the local ICT industry while also connecting the industry to all other aspects of the national economic and social landscape.

What remains is for us all to produce the human capital so critical to such efforts as well as to extend our business offerings to tap such opportunities.

Indeed, Prestariang is placed to capitalise on these opportunities as the leading hub of lifelong learning in ICT and as a growing player in other technology-related fields.

Since listing, Prestariang has focussed on driving a sustainable and profitable business model.

The Group continues to introduce innovative and hybrid business ideas that are aimed at transforming the Group's business to new heights with long-term growth prospects.

ACKNOWLEDGEMENT

None of our success would have been possible without the support of our stakeholders.

As such, I would like to take this opportunity to thank the Board members, employees, business partners, vendors and shareholders.

Together, there is no limit to what we can achieve.

DR. ABU HASAN BIN ISMAIL

Chief Executive Officer

INNOVATION AND RESEARCH & DEVELOPMENT

From the outset, Prestariang has pegged its future on innovation based on the understanding that it is an essential step towards product and service innovation, which in turn generates business sustainability.

Beyond the improvement to productivity and enhancement to quality, it is through innovation that we can stand out from the crowd and differentiate our products from competitors both local and international.

During FY2014, our dedicated research and development (R&D) team introduced a range of innovations and innovative practices, which have gone a long way to augment our offerings.

PISA Acceleration Project (PAP)

Prestariang collaborated with Twig World Ltd. and Imperial College of London to develop a sustainable approach to teaching and learning with the aim of improving the PISA (Programme for International Student Assessment) levels of local students. The tripartite collaboration produced a host of student-teacher resources and materials under a pilot called the PISA Acceleration Project (PAP). Since its introduction in March, PAP has effectively raised the level of engagement between students and teachers through the use of digital resources.

Activities under PAP, including PISA Teacher Training, Pre-Test, and Teaching using materials aligned to PISA in classroom, Post-Test and Performance Analysis, were conducted in nine secondary schools selected by the Ministry of Education (MoE) with a total of 60 teachers and 1,579 Form Two students taking part. PAP proved to be successful in enhancing student performance with improvements particularly apparent in rural schools.



PAP Train of Trainer at Pullman Putrajaya.

Development and Adoption of Effective Teaching Models Framework for Vocational Teaching and Learning

As part of our vocational training for tradesmen in the oil & gas (O&G) industry offered through the Petroleum Academy Malaysia (PAM), Prestariang's R&D Department developed a comprehensive set of training modules for skills such as rigging, scaffolding, mathematics, English as well as health, safety and environment (HSE). Unveiled in March 2014, the training modules provided an effective teaching framework to assist school leavers, graduates and working adults in gaining the necessary certification to qualify.

Teaching and Learning Management System (TLMS) 2.0

- **New Architecture**
Prestariang also created a new structure for our TLMS. Our enhanced TLMS is more flexible and can be applied to multiple projects at the same time.
- **Exam Engine Upgrade**
This engine offers an upgrade of the existing TLMS to manage the IC CITIZEN test-items running on the Certiport platform. It runs synchronously with the Protest Exam Browser to ensure the security of the exam during the session.

Payment Gateway

Another innovation we put into place in 2014 was a new payment gateway that enables us to sell vouchers, e-books and other services directly to our clients. The payment gateway is currently utilising PayPal and MOLpay.



Our foresight to enhance the education system provides the next generation a better chance to excel in the future.

ProTest (Professional Testing engine) Lockdown Browser

The ProTest lockdown browser is a new innovation arising from efforts to develop our own online test engine. A critical component of a full-blown online test engine, the Lockdown feature enables the online test engine to isolate online test takers from accessing the internet while taking online tests. The ProTest engine is expected to be completed soon and this will be an independent product that can be marketed as an individual test engine or as a subscription-based service for external clients.

Employee Engagement & Travel Application Engine

To improve the Human Resource (HR) internal process, Prestariang also conducted surveys to evaluate the environment, supervisor, company, employees' opinion and job satisfaction levels. Apart from that, the application engine has been developed to facilitate the capture of staff travel records.

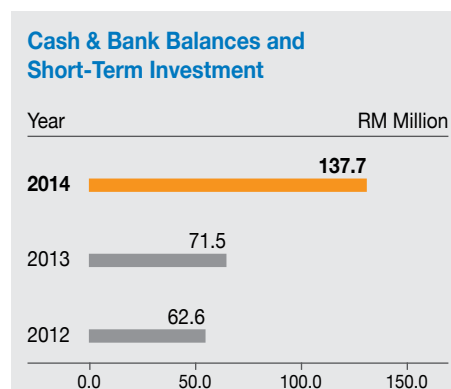
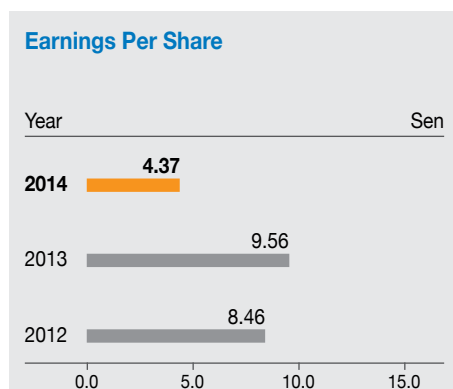
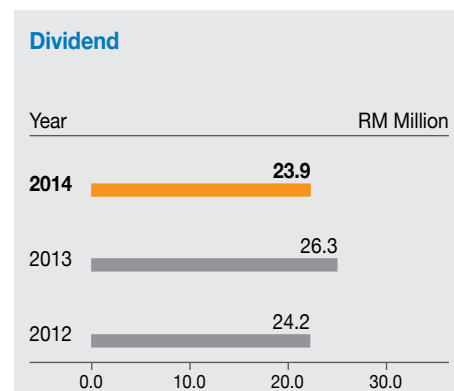
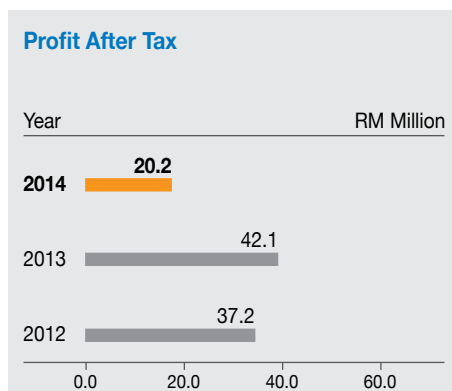
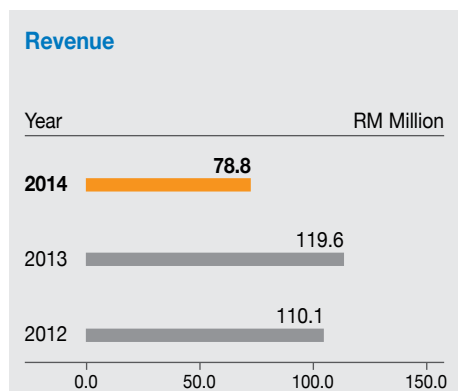


IMPROVING TECHNOLOGY

We challenge our people to think creatively, to challenge the status quo while keeping our operations running smoothly. We encourage open communications at all levels in the organisation as this contributes towards improvement in work processes.

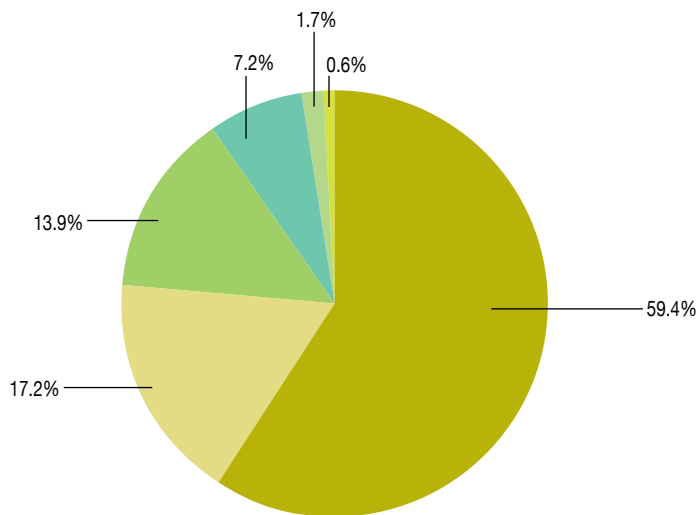
Innovation is the catalyst to growth, which leads to higher efficiency, improved productivity and better quality.

FINANCIAL HIGHLIGHTS



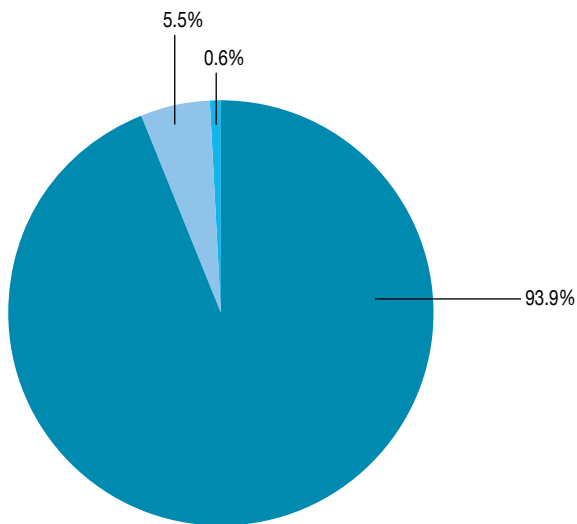
Financial Year ended 31 December	2014	2013	2012
Revenue (RM mil)	78.8	119.6	110.1
Profit After Tax (RM mil)	20.2	42.1	37.2
Dividend (RM mil)	23.9	26.3	24.2
Cash & Bank Balances and Short-Term Investments (RM mil)	137.7	71.5	62.6
Earnings Per Share (Sen)	4.37	9.56	8.46

Financial Positions as at 31 December 2014



Total assets: RM180 million

- Cash & Bank Balances: RM107 million
- Short-term investments: RM31 million
- Trade & Other Receivables: RM25 million
- Fixed Assets: RM13 million
- Inventories: RM1 million
- Development costs: RM3 million

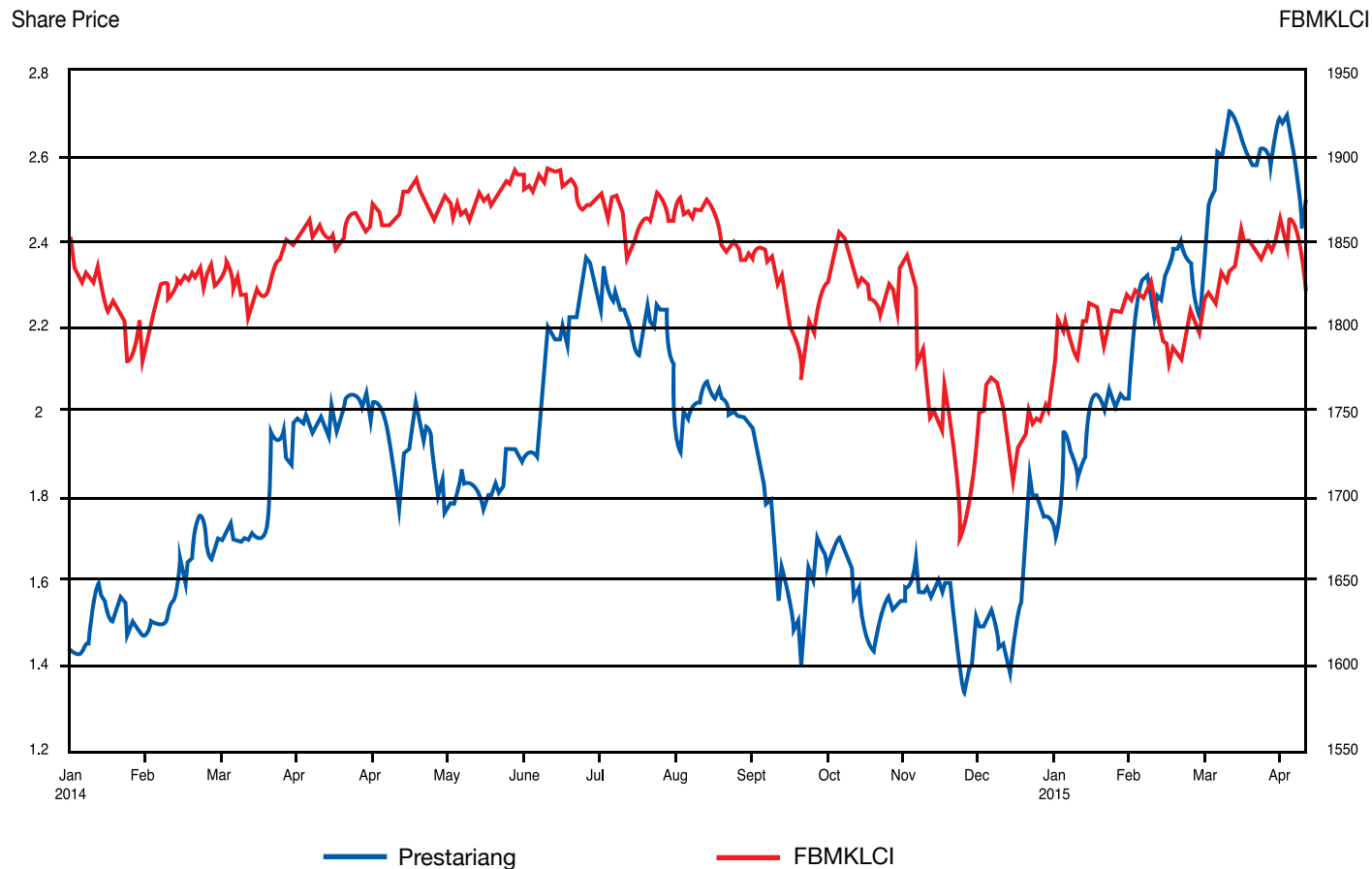


Total equity and liabilities: RM180 million

- Shareholders' Funds: RM169 million
- Trade and Other Payables: RM10 million
- Borrowings: RM1 million

SHARE PERFORMANCE CHART

SHARE PRICE MOVEMENT FOR THE PERIOD FROM 2 JANUARY 2014 TO 30 APRIL 2015



(Source: ShareInvestor)

Average daily volume traded within 2014: **1.5 million** shares.

Price	2014	Date
Highest	2.41	22 July 2014
Lowest	1.31	17 December 2014

2014

20 February 2014

Board of Directors' meeting

- Unaudited consolidated fourth quarter results ended 31 December 2013.
- Declaration of Interim Single-Tier Dividend of 3.0 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

Board of Directors' meeting

- Audited Consolidated Accounts for the Financial Year Ended 31 December 2013.

Extraordinary General Meeting

- Proposed Bonus Issue of 220.0 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

Board of Directors' meeting

- Unaudited consolidated first quarter results ended 31 March 2014.
- Declaration of 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

25 June 2014

4th Annual General Meeting

27 August 2014

Board of Directors' meeting

- Unaudited consolidated second quarter results ended 30 June 2014.
- Declaration of Interim Single-Tier Dividend of 1.44 sen for the financial year ended 31 December 2014

Announcement Date : 27 August 2014
Entitlement Date : 12 September 2014
Payment Date : 25 September 2014

3 November 2014

Extraordinary General Meeting

- Proposed authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

26 November 2014

- Unaudited consolidated third quarter results ended 30 September 2014.
- Declaration of Interim Single-Tier Dividend of 1.0 sen for the financial year ended 31 December 2014.

Announcement Date : 26 November 2014
Entitlement Date : 11 December 2014
Payment Date : 2 January 2015

2015

25 February 2015

Board of Directors' meeting

- Unaudited consolidated fourth quarter results ended 31 December 2014.
- Declaration of Interim Single-Tier Dividend of 0.5 sen for the financial year ended 31 December 2014.

Announcement Date : 25 February 2015
Entitlement Date : 12 March 2015
Payment Date : 26 March 2015

22 April 2015

Board of Directors' meeting.

- Audited Consolidated Accounts for the Financial Year Ended 31 December 2014.

22 May 2015

Notice of the 5th Annual General Meeting
 Issuance of 2014 Annual Report to Shareholders

15 June 2015

5th Annual General Meeting



AN HADIAH
DO TERBAIK
TIZEN

ACHIEVING ASPIRATIONS

We have enjoyed enduring success because of our strong core values and core purpose that remain fixed while business strategies and practices endlessly adapt to the rapid changes in the industry we are involved in. The focus on strengthening our technical knowledge, human capital development, improving our processes and supporting social and environmental causes are what drives our growth.

CORPORATE INFORMATION

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

Ramanathan A/L Sathiamutty
Independent Non-Executive Director

BOARD OF COMMITTEES

Audit Committee
Paul Chan Wan Siew (Chairman)
Dato' Maznah Binti Abdul Jalil
Ramanathan A/L Sathiamutty

Nomination Committee
Dato' Maznah Binti Abdul Jalil (Chairperson)
Paul Chan Wan Siew

Remuneration Committee
Ramanathan A/L Sathiamutty (Chairman)
Paul Chan Wan Siew
Dr. Abu Hasan Bin Ismail

Risk Management Committee
Ramanathan A/L Sathiamutty (Chairman)
Dr. Abu Hasan Bin Ismail
Paul Chan Wan Siew

Finance and Investment Committee
Dato' Maznah Binti Abdul Jalil (Chairperson)
Paul Chan Wan Siew
Dr. Abu Hasan Bin Ismail

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)

Pan Seng Wee
(MAICSA 7034299)

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

AUDITORS

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

SOLICITORS

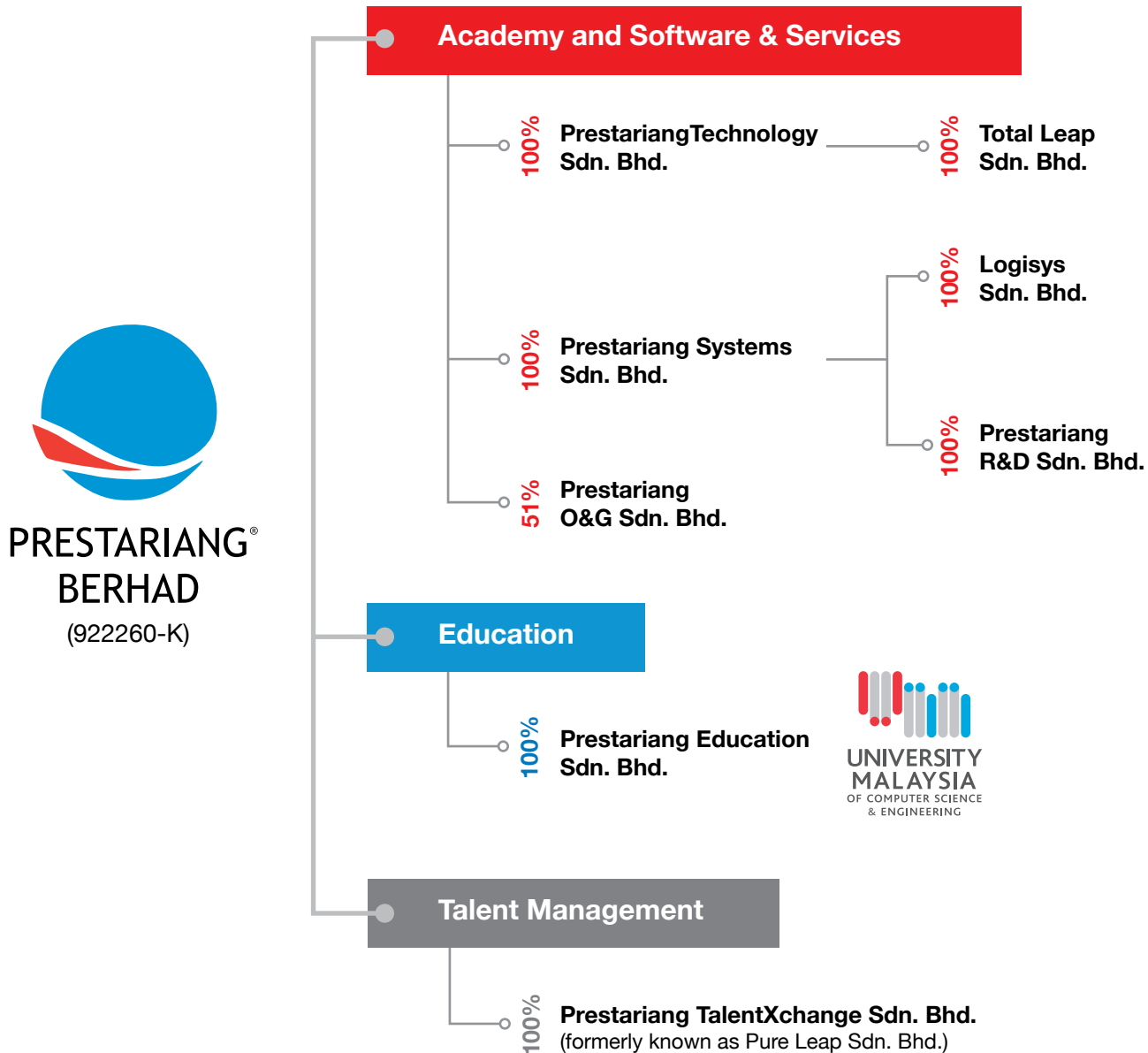
Messrs. Albar & Partners
6th Floor, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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

CORPORATE STRUCTURE

As at 22 May 2015



ORGANISATION STRUCTURE



From left to right:

- **Ramanathan A/L Sathiamutty** (*Independent Non-Executive Director*)
- **Dato' Maznah Binti Abdul Jalil** (*Senior Independent Non-Executive Director*)
- **Dr. Abu Hasan Bin Ismail** (*Chief Executive Officer, Non-Independent Executive Director*)
- **Dato' Mohamed Yunus Ramli Bin Abbas** (*Chairman, Non-Independent Non-Executive Director*)
- **Paul Chan Wan Siew** (*Independent Non-Executive Director*)



BOARD OF DIRECTORS

DATO' MOHAMED YUNUS RAMLI BIN ABBAS

Age 66, Malaysian

Non-Independent Non-Executive Chairman

Date of Appointment

18 November 2010

Membership of Board Committees

None

Qualifications

- 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

- 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

6/6





DR. ABU HASAN BIN ISMAIL

Age 54, Malaysian

Chief Executive Officer, Non-Independent Executive Director

Date of Appointment

18 November 2010

Membership of Board Committees

- Member of the Remuneration Committee, Risk Management Committee and Finance and Investment Committee.

Qualifications

- 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

- 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

- 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

Institute Sultan Iskandar of Urban Habitat and High Rise.

No of Board Meetings Attended for the Financial Year

5/6

DATO' MAZNAH BINTI ABDUL JALIL

Age 62, Malaysian

Senior Independent Non-Executive Director

Date of Appointment

02 July 2012

Membership of Board Committees

- Chairman of the Finance and Investment Committee and Nomination Committee.
- Member of the Audit Committee.

Qualifications

- 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

- Trustee of Malaysian Aids Foundation.
- Life Member of the Women's Institute of Management.
- Member of Asian Strategy and Leadership Institute (ASLI) and Member of Corporate Malaysian Roundtable, ASLI.

Working Experience and Occupation

- 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 : Chairman of SCS Global Advisory (M) Sdn. Bhd. (formerly known as Moore Stephens AC Advisory Sdn. Bhd.)
- 2012-Present : Executive Director/Chief Financial Officer, Sona Petroleum Berhad.

Directorships of other Public Companies

- Board Member of Pavillion Real Estate Investment Trust, Sona Petroleum Berhad, Universiti Teknologi Mara and Malaysia Aids Foundation.

No of Board Meetings Attended for the Financial Year

5/6





PAUL CHAN WAN SIEW

Age 63, Malaysian

Independent Non-Executive Director

Date of Appointment

18 November 2010

Membership of Board Committees

- Chairman of the Audit Committee.
- Member of the Nomination Committee, Risk Management Committee, Remuneration Committee and the Finance and Investment Committee.

Qualifications

- 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

- 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 Board Member and 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

- 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

- Board Member of Integrax Berhad, Luxchem Corporation Berhad, Prudential Assurance Malaysia Berhad, Federation of Public Listed Companies and Malaysian Alliance of Corporate Directors and Malaysian Institute of Corporate Governance.

No of Board Meetings Attended for the Financial Year

6/6

RAMANATHAN A/L SATHIAMUTTY

Age 51, Malaysian

Independent Non-Executive Director

Date of Appointment

16 April 2014

Membership of Board Committees

- Chairman of the Risk Management Committee and Remuneration Committee.
- Member of the Audit Committee.

Qualifications

- 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

- 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 Computer Science and Engineering.

Working Experience and Occupation

- 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

5/5

Notes:

- 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.
- None of the Directors has any conviction for offences, other than traffic offences, within the past 10 years.
- Except as disclosed above, none of the Directors holds any directorship in other public companies.
- The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of this Annual Report.





TOWARDS INNOVATION

We keep abreast with the rapid changes in technology and provide our people with the professional development resources needed to deliver world-class technical expertise, value-added and quality services, and innovative solutions.

CALENDAR OF EVENTS



21 FEBRUARY 2014

Prestariang held its first Analysts and Investors Briefing for Quarter 4, 2013 unaudited results at the Westin Hotel in Kuala Lumpur.



25 FEBRUARY 2014

The Minister of Education II, YB Dato' Seri Idris Bin Jusoh officiated the award ceremony for the 1CITIZEN Programme best portfolio. The ceremony was organised by the Ministry of Education (MoE) in collaboration with Prestariang to foster national unity via appropriate use of technology in Malaysia.

The nine categories of portfolio winners were Creative Writing, Audio/Song, Photo, Slide Show, Blog Activity, Poster, Video/Animation, Facebook Page and/or any other Creative Format (Open Category)



27 MARCH 2014

Prestariang signed a Memorandum of Understanding (MoU) with Yayasan Pelajaran Johor Holdings at Pejabat Menteri Besar Johor in Nusajaya. The signing ceremony was witnessed by YAB Dato' Seri Mohamed Khaled Nordin, Menteri Besar of Johor.



16 APRIL 2014

Extraordinary General Meeting for the proposed bonus issue of 220,000,000 new ordinary shares of RM0.10 each in Prestariang Berhad (Prestariang shares) to be credited as fully paid-up, on the basis of one (1) bonus share for every one (1) existing Prestariang share held by the entitled shareholders.



29 MAY 2014

Prestariang held its second Analysts and Investors Briefing for Quarter 1, 2014 unaudited results at the Ritz Carlton in Kuala Lumpur.



10 JUNE 2014

The Minister of Education II, YB Dato' Seri Idris Bin Jusoh launched the 2014 Autodesk Malaysia Design Competition & UniMy Global Industry Partners Scholarship (GIPS) Award Ceremony at the MoE in Putrajaya.

The event was jointly organised by Prestariang Group and Autodesk Malaysia in collaboration with the MoE and Institute of Sultan Iskandar, Universiti Teknologi Malaysia (ISI, UTM).



11 - 10 JUNE

Prestariang Berhad won second place for the Commercial Potential Award of the latest certification product, the Proficiency in Enterprise Communication (PEC). PEC was judged at the International Research, Invention and Innovation Exhibition (IRIE) 2014 held at Cultural Activity Centre (CAC), International Islamic University Malaysia (IIUM) on 11 to 13 June 2014.

PEC is a trusted and reliable English test for the Telecommunication Technology & Media Industry that assesses candidate's language competency for occupational purposes. PEC showcases how Internet Based Testing (IBT) has changed the acceptance of language competency certification, making it easier and relevant to the industry.

CALENDAR OF EVENTS



25 JUNE 2014

The 4th Annual General Meeting (AGM) was held at the Cyberview Resort & Spa in Cyberjaya. The AGM is an important platform for shareholders to meet and raise any concerns they may have directly with the Board of Directors and Management Team.



23 – 30 AUGUST 2014

Working visit on Visa Waiver Programme with the Ministry of Home Affairs to Washington DC, USA.



28 AUGUST 2014

The third Analysts and Investors Briefing for Quarter 2, 2014 unaudited results was held at the Ritz Carlton in Kuala Lumpur.



18 SEPTEMBER 2014

The Autodesk Educator Special Interest Group Workshop was conducted at the Faculty of Design and Architecture, Universiti Putra Malaysia. This workshop, in collaboration with the MoE, showcased the advantages of integrating Autodesk courseware with teaching tools that is relevant to the courses, which are offered at the university.

These include Architecture, Civil, Construction, Manufacturing, Mechanical, Chemical, Art & Design and Film. The parallel session focused on three main verticals, namely AEC (Architecture, Engineering, and Construction), MFG (Manufacturing) and M&E (Media & Entertainment).



25 SEPTEMBER - 03 OCTOBER 2014

Working visit with Datuk Seri Dr Ahmad Zahid Hamidi, Minister of Home Affairs and delegates to Washington DC, USA.

15 OCTOBER 2014

Prestariang signed a Memorandum of Agreement (MoA) with Tekla (SWA Pte Ltd) on Building Information Modeling (BIM) Education in Malaysia at Prestariang's Head Office in Cyberjaya.

Under the MoA, Prestariang will be the exclusive education partner to all Institutes of Higher Learning (IPTA), which includes universities, polytechnics and community colleges in Malaysia. The MoA also identified Prestariang as the authorised Training Centre in Malaysia.



CALENDAR OF EVENTS



3 NOVEMBER 2014

Prestariang signed an MoU with MIE Corporate Holdings Sdn. Bhd. (MIEC) with the intention to form a joint venture company for the supply of manpower to the Oil & Gas Industry. The MoU includes the supply of manpower to the Refinery and Petrochemicals Integrated Development (RAPID) Project in Pengerang, Johor.



3 NOVEMBER 2014

Extraordinary General Meeting for the proposed authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

13 NOVEMBER 2014

YB Dato' Seri Idris Jusoh, Minister of Education II launched the first phase of the Big Data Competency Centres in Malaysia across four universities and one polytechnic in Malaysia. It is a joint initiative between the MoE and Prestariang to provide a training platform for cultivating and driving talents in support of and strengthening the global growth of the Big Data industry. The event was held at the Ministry of Education in Putrajaya.





16 NOVEMBER 2014

Prestariang signed an MoU with CIDB Holdings Sdn. Bhd. and Autodesk Asia Pte. Ltd. in Kuching, Sarawak to provide wide and comprehensive training of the Autodesk softwares in Building Information Modeling (BIM) for the building and construction industries.



27 NOVEMBER 2014

Prestariang organised its fourth Analysts and Investors Briefing, for Quarter 3, 2014 unaudited results at the Ritz Carlton in Kuala Lumpur.



9 DECEMBER 2014

Prestariang received an award from Forbes for being one of Forbes Asia's "Best Under A Billion" Companies at its Award Ceremony and Dinner held in Bangkok, Thailand.



2 APRIL 2015

Prestariang received an award from the Ministry of International Trade and Industry (MITI) as the winner under the Services Sector: Category 4 (Information and Communication Technology) at the Anugerah Kecemerlangan Industri (AKI) 2014 Award Ceremony. Dato' Ramli Abbas, Chairman of Prestariang Berhad received the industry accolade during the award ceremony, which was held on 2 April 2015 at the JW Marriott Hotel, Kuala Lumpur.

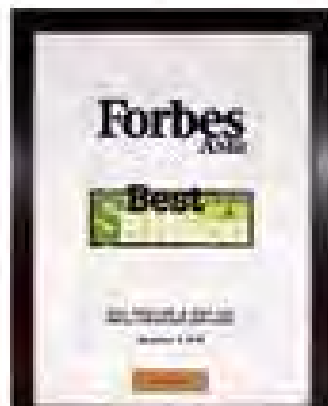
AWARDS AND ACCOLADES



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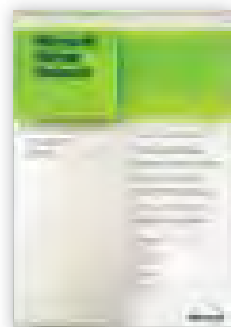


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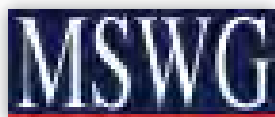


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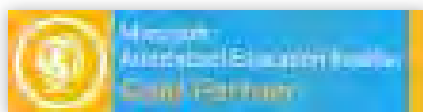
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2014

1. Anugerah Kecemerlangan Industri 2014 from MITI Services Sector: ICT Category Award
2. Forbes: Asia's 200 Best Under A Billion 2013/2014
3. Autodesk Authorized Training Centre 2014
4. A Member of FTSE4Good Bursa Malaysia Index 2014
5. Inclusion in the Minority Shareholder Watchdog Group (MSWG) Top 100 ASEAN Corporate Governance Scorecard for 2014
6. Microsoft Partner Network 2014 (Gold Partner)
7. Microsoft Authorised Education Reseller 2014 (Gold Partner)
8. EC-Council Training Centre of The Year Award (Enterprise) 2014

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
- Certiport 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

- Best of e-Inclusion & e-Community MSC Malaysia APICTA 2013
- Autodesk Best Performing Reseller in Asia Pacific 2013 Deal of the Year
- 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
- Invention, Innovation & Design Expo - IIDEX 2013 PEC won the Diamond Award (Invention) & Gold Medal
- IC CITIZEN Outstanding Performance - Global Partner Summit 2013
- APAC Partner Performance Awards 2013 - IC3 Exam Growth Rate Exceptional Performance for IC CITIZEN
- EC-Council Circle of Excellence Authorised Training Centre 2013
- Microsoft Partner Network 2013 (Gold Learning, Silver Volume Licensing)
- CompTIA Excellence Award 2013

Prestarlang increases services in O&G sector

Prestarlang
(Axi A, RM1.45)

Malacca "neutral" with lower target price of RM1.10, announced on Monday that it had issued a main tender awarding (M&A) with M&A Group Holdings into its joint venture company for the supply of compressor rack & gas (M&C) industry, particularly for the Petrobar and local Integrated Development (IAD) project in Prang.

We found the move as it will not only create career of its O&G downstream students, it will also help grow its base for the group in the future.

We reduce our target price (TP) from RM1.45 to RM1.10, adjusting for our lowered financial year 2014 to 2014 earnings forecasts by 10%-15% due to the delay in implementing contracts and the longer period taken to test

供應國內外油氣人力
柏斯達亮能企業



PRESTARLANG GROUP HOLDINGS BERHAD (Axi A, RM1.45) has issued a main tender awarding (M&A) with M&A Group Holdings into its joint venture company for the supply of compressor rack & gas (M&C) industry, particularly for the Petrobar and local Integrated Development (IAD) project in Prang.

Analyst Prestarlang

Analyst Prestarlang... (text partially obscured)

Only 15 but off to uni



Addressing IT industry needs

Addressing IT industry needs... (text partially obscured)

Prestarlang market cap

Market cap... (text partially obscured)

Building the base for creative industry



Building the base for creative industry... (text partially obscured)

UniMy tawar program Asasi Komputer dan Kejuruteraan

UniMy tawar program Asasi Komputer dan Kejuruteraan... (text partially obscured)



Akademi Petroleum ditubuhkan

Akademi Petroleum ditubuhkan... (text partially obscured)

UniMy star students get GIPS

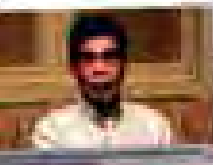
UniMy star students get GIPS... (text partially obscured)

**Analysts bullish on
Prestariang O&G
rising business**

Analysts are bullish on Prestariang O&G rising business. The company's revenue is expected to grow significantly over the next few years. The oil and gas industry is projected to remain strong, providing a solid foundation for the company's growth.



**Company seeks to almost double
revenue to RM1.5b by 2017**



The company is targeting a revenue of RM1.5 billion by 2017. This ambitious goal is supported by a strategic focus on expanding operations and increasing production efficiency.

**Graduan UniMy
JULUS
menentang**

A group of graduates in formal attire standing together, holding certificates or diplomas. They are smiling and appear to be at a graduation ceremony.

**UTM
SERVISYU
PENGALAMAN**

A portrait of a woman, likely a student or staff member, with short dark hair, looking towards the camera.

A group of people in formal attire standing together, possibly at a formal event or ceremony. They are dressed in suits and dresses.

**必达星
BIDASTAR**

An image of a truck or vehicle, possibly related to the Bidastar brand. The truck is white with blue accents.

**LINIMY STUDENTS TAKE HOME CASH PRIZES IN
DEWAL SAHARA & PUTRAMAS BOOK REVIEW CONTEST**

Linimy students have won cash prizes in the Dewal Sahara & Putramas Book Review Contest. The contest was held to promote reading and literary appreciation among students.

Carimin石油 股票 6680

Carimin Oil stock is listed on the exchange with the code 6680. The company is a leading player in the oil and gas sector.

A group of people holding certificates, likely winners of an award or competition. They are standing in a row and smiling.

**Prestariang,
MIEC to jointly
review JV firm**

Prestariang and MIEC are collaborating to review the feasibility of a joint venture (JV) company. This partnership aims to enhance the supply of local and foreign equipment in the oil and gas industry, including the field of exploration and production.

**MEDIA
HIGHLIGHTS**

OUR SUSTAINABILITY JOURNEY

Corporate Social Responsibility (CSR) is a key area, which underlines the responsible and sustainable delivery of our business strategies and as such is an integral part of achieving our overall business objectives. We are embarking on our Sustainability journey and are reporting on how we benchmarked our progress against the economics of our business and our undertakings as a corporate citizen towards the environment, our workforce and our immediate communities.

In our efforts to continuously strive to improve our reporting, we endeavour to improve our data collection process and procedures to ensure alignment with international reporting standards, such as the Global Reporting Initiative (GRI).

We believe responsible, forward-looking actions will lead to continued long-term success for Prestariang. As a responsible corporate citizen, we will focus on understanding and meeting our stakeholders' needs, operating our business with excellence and adapting to the rapidly evolving industries in which we operate.

Reporting Period and Scope

- **Reporting Scope:** To cover all relevant aspects of our operations.
- **Materiality:** The scope covers the major concerns that are deemed important by our internal and external stakeholders.
- **Data collection and publication:** We aim for accuracy in the collection of all relevant data and aim to be as transparent as commercial restrictions allow in publishing such data.
- **Subsidiaries/joint ventures:** Covers the operations of Prestariang in Malaysia.
- **Reporting Period:** This report describes activities and achievements from January to December 2014.

Reporting Feedback

We appreciate and welcome your feedback.

Please contact us at:

Corporate Communications

Prestariang Berhad

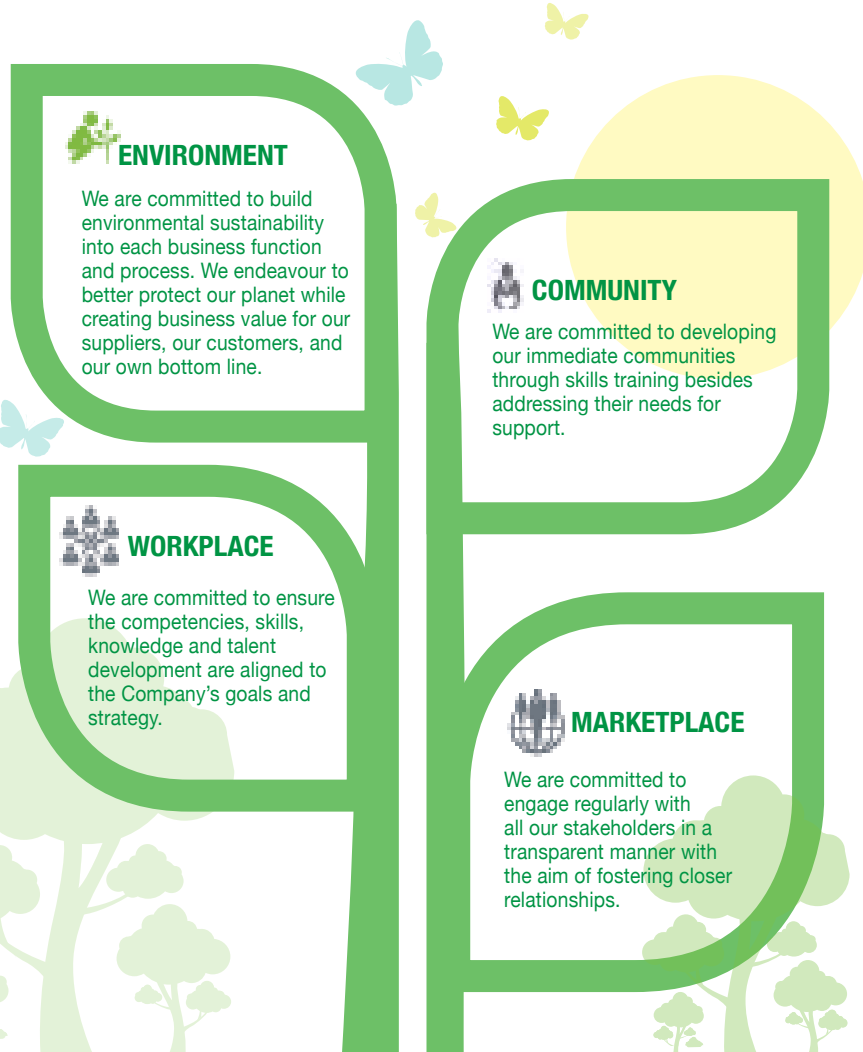
70-73, NeoCyber, Lingkaran Cyber Point Barat

63000 Cyberjaya, Selangor Darul Ehsan

Email: inquiry@prestariang.com.my

Tel : +603 8314 8400

Fax : +603 8318 9280



At Prestariang, we view CSR as an integral part of our overall strategies to fundamentally strengthen our business while contributing to society at the same time. In view of the rising trend and being a socially conscious organisation, we are making CSR a priority, embedding it into our operations and using it to attract and retain talents. Over the years, we have continued to refine our approach to CSR. We are firmly focused on our vision to develop local talents for the global market, which is underpinned by our purpose and mission that is to enhance human potential through lifelong learning. Hence, our theme for the 2014 Annual Report: **Transforming Talent and Technology** - aptly reinforces our positioning as being a niche Talent and Technology solutions player in Malaysia. In a nutshell, Prestariang's CSR objectives is about building the skills of employees, the community and the government to support the nation's progress. As we expand our existing business and enter new phases of growth, we will continue to be economically, socially and environmentally responsible by managing all aspects of our business for sustainable performance.

Topics	Achievements
Certifications & Recognitions	<ul style="list-style-type: none"> • One of Forbes' Asia's 200 Best Under A Billion 2013/2014. • Received Anugerah Kecemerlangan Industri 2014 (ICT Services Category) from the Ministry of International Trade & Industry (MITI).
Corporate Citizenship	<ul style="list-style-type: none"> • Shariah Compliance Counter. • A member of the FTSE4Good Bursa Malaysia (FTSE4Good) Index for 2014 • Inclusion in the Minority Shareholder Watchdog Group's (MSWG) Top 100 ASEAN Corporate Governance Scorecard for 2014
Environment	<ul style="list-style-type: none"> • Developed a home-grown certification, SMARTGREEN Fundamentals, which offers individuals a 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. • We strongly advocate paperless internal communications at all levels in our operations. Circulation of Board Meeting papers are also distributed electronically, before each meeting. We embrace the concept of recycling whereby employees are encouraged to reuse non-confidential papers and shredded papers are sent to recycling centres. • In supporting this initiative, the 2014 Annual Report was produced in cd-rom format for distribution to shareholders and only nominal copies were printed.
Supply Chain	<ul style="list-style-type: none"> • Working with strategic global partners, Prestariang provides software licence distribution and management synergistically with our ICT Training & Certification business activity. The Group has won various awards and achievements from Microsoft, EC Council, CompTIA, Autodesk and many more highly recognised partners. We believe by partnering with esteemed strategic partners, we can deliver better solutions and services. • Continuous engagement with dedicated and highly qualified external trainers to conduct training.
Governance	<ul style="list-style-type: none"> • The software and services segment offers software license management services to streamline the process of software inventory, upgrade and license management to increase efficiency and improve the ability to promote IT governance through software IP compliance.
Employee Well-being and Diversity	<ul style="list-style-type: none"> • Provides continuous training and development for our employees. We believe employees would be able to enhance their skills and competency levels with the training programme provided. • Prestariang contributes 1% of the total salary into Human Resource Development Fund (HRDF) for claimable training. • In addition, Prestariang also allocates RM2,000 per employee for external learning and development annually, and has a yearly training plan for in-house training programmes. • Prestariang also emphasises on leadership development programmes specifically for potential successors to ensure future leaders are well equipped with the leadership management and are ready to take over the key positions within the organisation.

OUR SUSTAINABILITY JOURNEY

Topics	Achievements
Anti-Corruption	<ul style="list-style-type: none"> • Prestariang has embarked on corporate policies for enhanced disclosure on transparency. We adhere strict practice on anti-corruption, which are stated out in the Code of Conduct and the Whistle Blowing Policy, which is available on Prestariang's website.
Communities	<ul style="list-style-type: none"> • As a Shariah Compliance Counter, Prestariang ensures that 2.5% of annual profits are channelled towards charitable cases such as orphanages and other homes for the aged, infirmed and underprivileged. • Prestariang supports Yayasan Universiti Malaysia with the aim of providing students from the lower income group with opportunities to further their studies, which are focused on IT and related fields. • Prestariang was one of the sponsors of the MSC Malaysia Asia Pacific ICT Awards (MSC Malaysia APICTA) 2014.
Stakeholders	<ul style="list-style-type: none"> • We actively build on our existing professional relationships with our employees, Government authorities and agencies, the media, fund managers & analysts and the public at large via planned and targeted programmes and activities throughout the year. • For our shareholders, investors and the financial community the framework for the Investor Relations Policy (IR) has been implemented to notify them about our financial performance and corporate developments. Periodical updates of the Group's performance, both financial and operational are available through fund managers & analysts briefings, regular updates on our website and announcements to Bursa Securities. • We also conduct regular briefing sessions for fund managers & analysts and the media to update them on the Group's financial and business including the latest business developments. • The Annual General Meeting (AGM) serves as a platform for Prestariang to communicate directly with shareholders and encourage their participation in the Group's strategic direction.
Innovation and R&D	<ul style="list-style-type: none"> • Prestariang has invested in R&D over the years and developed three home-grown certifications, which are IC CITIZEN, Proficiency in Enterprise Communication (PEC) and SMARTGREEN Fundamentals for the global market. <p>Both the IC CITIZEN and PEC certifications are catered for the public and employees from both the Government and private sectors. IC CITIZEN was created with the main purpose of helping communities understand the importance of proper and responsible communications via the internet while PEC assists to master the English language. The SMARTGREEN Fundamentals on the other hand is a certification, which is tailored for professionals who are responsible for green environment management.</p> <p>These three products fittingly describe our CSR initiatives as they are focused on developing the skillsets of our communities via education and also addresses our focus on environment preservation.</p> a. IC CITIZEN Certification was developed with the aim of fostering national unity via appropriate use of technology. It is specially developed and designed to produce digitally literate and responsible citizens. It further promotes the concept of 1Malaysia digitally by instilling the positive values in using technology appropriately, especially useful in a multi-ethnic society such as ours.

Topics	Achievements
<p>Innovation and R&D (continued)</p>	<p>This is the first certification in the world, which is specially developed and designed to produce digitally literate and responsible citizens. This unique yet universal certification aims to impart Acceptable Usage Policy (AUP) that lays down rules of acceptable ‘netiquette’ or behavior that should be applied when operating digital devices and using the internet.</p> <p>b. PEC is an industry-based business English certification, which has the potential to enhance employability of graduates in the ICT industry. The programme certifies English competency and understanding of the following components: Speaking, Listening, Language & Reading and Writing. This is to address the growing concern regarding the widening gap between the communication skills in English of entry-level job applicants and the English language competency required for entry-level employment.</p> <p>c. SMARTGREEN Fundamentals is a certification, which provides candidates with a general overview of the key concepts and best practice principles of Green IT. It offers professionals the ability to develop the necessary expertise to evaluate the environmental impact of IT and support an organisation in implementing and managing a Green IT programme.</p>
<p>Education</p>	<ul style="list-style-type: none"> • Big Data Competency Centres - Prestariang developed a joint initiative with the MoE to launch the first phase of Big Data Competency Centres in Malaysia. This is a collaborative effort with four universities and one polytechnic in Malaysia - Universiti Utara Malaysia, Kedah (UUM), Universiti Sains Malaysia, Penang (USM), Universiti Malaysia Terengganu, Terengganu (UMT), Universiti Malaysia Sarawak, Sarawak (UNIMAS) and Politeknik Ibrahim Sultan, Johor (PIS). This will ensure continuous endeavours to identify and grow capable talents within campus grounds to help Malaysia achieve her goal of capacity-building for the big data analytics (BDA) industry and spur potential growth in attracting direct foreign investment in the IT sector. • Program Pentauliahhan Profesional (3P) - This programme in collaboration with the MoE is an industry-based certification, which offers approximately 60 certification courses from various vendors such as Microsoft, IBM, Oracle, CompTIA and others. Prestariang trains final year students from ICT and ICT related fields in public higher education institutions in Malaysia to essentially bridge the knowledge gap between technology and skillsets in today’s competitive job market. • 1CITIZEN - Implemented for the MoE with the objective of training over 80,000 students in 20 public institutions as well as for over 40,000 participants from the Ministry of Information, Communications and Culture via IC CITIZEN Certification. • University Malaysia of Computer Science & Engineering (UniMy) - Launched in January 2013, UniMy is the first ICT focussed boutique university in Malaysia, which offers the latest programmes in Computer Science & Engineering. UniMy is committed to produce specially trained and market-ready IT professionals and talents. • Petroleum Academy Malaysia (PAM) - PAM was established in June 2014 to provide training, which is focussed on skilling and upskilling graduates and tradesmen in the O&G sector. PAM focuses on integrating technical and vocational education with globally benchmarked certification for school leavers, graduates and professionals. To date, the Group has trained over 1,000 individuals at PAM.

WORKPLACE

Our People

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 Prestariang. We have a team of professionals in the following areas of specialty:

- Autodesk AutoCAD 2010 Associates and Professionals
- Autodesk Revit Architecture 2010 Associates and Professionals
- Certified Training Professionals (CTP)
- MCAD, CISCO and CompTIA certified engineers and specialists
- Microsoft Certified Professionals – Licensing Solutions
- Microsoft Certified Technology Specialists
- Project Management Professionals (PMP)
- University Professors and Lecturers (PhD and Masters Degree holders)
- Graphic, Web & Multimedia Designers



Human Capital Development

As the workforce is Prestariang’s greatest asset, the human capital development and management is crucial to the entire organisation, especially in increasing productivity to achieve the Group’s target.

To develop a competitive advantage, it is important that Prestariang truly leverages on its workforce to compete effectively in the marketplace. Prestariang has started in improving workforce productivity to drive higher value for the organisation.

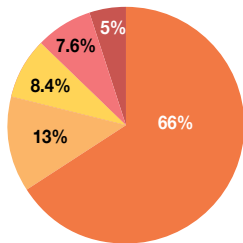
This is achieved via various action plans, which include getting the right people with the right skills and in ensuring that its employees have the relevant training and competencies. To accomplish this undertaking, Prestariang has invested sufficient resources to ensure that employees have the knowledge, skills, and competencies they need to work effectively in a rapidly changing and complex environment.



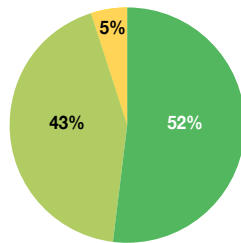
Prestariang also evaluates employees remuneration packages from time to time and ensures that the wellbeing of its employees are taken care of. Prestariang’s Employee Benefits Package includes hospitalisation, surgery and maternity packages, insurance packages, travelling allowance packages for both local and overseas work-related trips, and accomodation and subsistence expenses.

In response to the changes, we have embraced the notion of human capital has a good competitive advantage that will enhance higher performance. Human capital development becomes a part of an overall effort to achieve cost-effectiveness and a high performance culture.

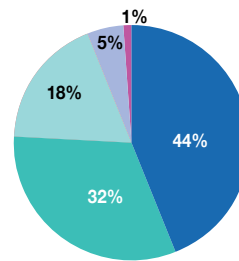
BREAKDOWN OF EMPLOYEES



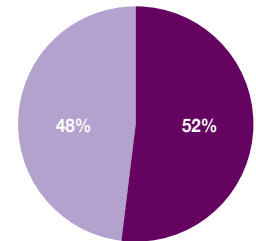
Discipline	Total
PhD	10
Master	11
Degree	86
Diploma	17
STPM	7
Total	131



Job Profile	Total
Management	57
Executive	68
Non-Executive	6
Total	131



Age Group	Total
20-30	42
31-40	58
41-50	24
50-60	6
>60	1
Total	131



Gender	Total
Male	63
Female	68
Total	131

OUR SUSTAINABILITY JOURNEY



The Introduction to Coaching programme was conducted by Mr. Pang Yee Beng, former director of Prestariang on 11 June 2014 at Cyberview Lodge & Resort. The training was specifically organised for the heads of department of Prestariang.

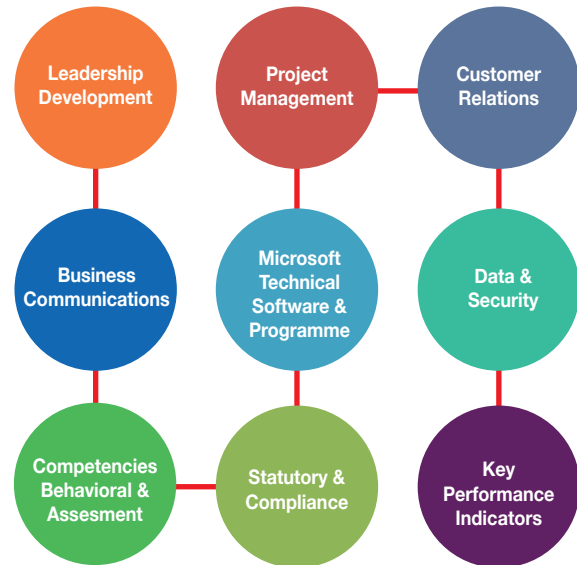
Employees Training and Development

Recognising the importance of employees as valuable assets, the Group provides continuous training and development for its employees. We believe employees would be able to enhance their skills and competency level with the development training programmes provided.

We contribute 1% of the total salary into the HRDF for claimable training. In addition, the Group also allocates RM2,000 per employee for external learning and development annually, and coordinates in-house training programmes for all employees.

The Group also emphasised on leadership programmes specifically for potential successors to ensure future leaders are well equipped with the leadership management and are ready to take over the key positions within the organisation. In 2014, 60% of the Group's workforce attended various training and courses.

KEY TRAINING FOCUS AREAS



EMPLOYEES TRAINING PROGRAMMES

Training Programme	Date	Venue
Personal Data Protection Act 2010	7 March 2014	Prestariang HQ
Introduction to Coaching	11 June 2014	Cyberview Lodge & Resort
Leadership & Communication Skills	8-9 September 2014	Alan Turing Room, UniMy, Putrajaya
Discovering Functional Leadership	15-16 December 2014	Alan Turing Room, UniMy, Putrajaya

Internship

Prestariang's implementation of the internship programme provides the Group with an ongoing pipeline of future fulltime employees. The Group accepts undergraduates for industrial training each year, ranging from three to six months.

Hiring interns not only helps students in our community get started in their careers but it also enhances the local workforce as a whole. It is also part of Prestariang's efforts to support students experience, develop skills, network, strengthen their resumes, learn about a field, and assess their interest and abilities.

Employee Engagement

Engaging employees is a common practice in Prestariang's workplace. The Group encourages a two-way communication between management and employees as a way to promote openness, understanding and harmony among all levels of employees.

These are prominently done through scheduled yearly social events and gatherings such as the Annual Company Overseas Trip, Annual "Makan-Makan", *Majlis Berbuka Puasa* (breaking fast) in the Ramadhan month and the ever-popular Durian Party Fest.

Quality

Prestariang endeavours to maintain the highest standards of quality and best practices throughout the Group.

Currently, we are in the midst of preparing a framework for excellence, which will enable us to implement, develop and improve our business management systems. We are embarking to obtain the ISO 9001 Quality Management Certification, which demonstrates our commitment to quality and industry best practice. Gaining this internationally recognised standard will be a tremendous boost for Prestariang by motivating and encouraging productivity, with proven effective processes.



Prestariang's Employees Annual Trip to Dubai and Abu Dhabi.

QUALITY STATEMENT

“Our concept of quality encompasses the quality of our products and the quality of the services which we provide for our customers. This quality concept includes excellent professional services, uniformly high level of quality, flexible and punctual delivery and outstanding process capability for our products and services.

This quality concept is implemented by the systematic alignment of the company on the quality policy within the framework of a quality management system.

We support and promote the awareness of quality and responsibility in all our employees through a combination of strategic measures directed towards training and motivation. All our employees are encouraged to play a continuous and constructive role in improving and developing our Quality Management system.”

Mohd Arif Ibrahim
Chief Operating Officer

OUR SUSTAINABILITY JOURNEY



EDUCATION

Big Data Competency Centres

On 13 November 2014, YB Dato' Seri Idris Jusoh, Minister of Education II launched the first phase of the Big Data Competency Centres in Malaysia across four universities and one polytechnic in Malaysia - Universiti Utara Malaysia, Kedah (UUM), Universiti Sains Malaysia, Penang (USM), Universiti Malaysia Terengganu, Terengganu (UMT), Universiti Malaysia Sarawak, Sarawak (UNIMAS) and Politeknik Ibrahim Sultan, Johor (PIS). The event took place at Putrajaya.

The Big Data Competency Centres is a joint initiative by the MoE and Prestariang Group to provide a training platform to cultivate and drive talents towards supporting and strengthening the global growth of the Big Data industry today.

This initiative was to heed the Prime Minister Dato' Seri Najib Tun Razak's call for the development of more data scientists in Malaysia to spearhead the country's development towards a data-driven economy.

The Big Data Competency Centres will offer immediate industry partnerships with renowned global Information Technology (IT) players such as Oracle, IBM, EMC, Microsoft, SAS and Unisys where seven unique courses will be offered.

These courses combined with Prestariang's renowned training and certification services as well as state-of-the-art computers complete with Big Data analytics software and solutions within the universities' and polytechnic's premises cement the centres as the certified test and certification centre for the courses, while providing optimum learning experience for the students.

UniMy - Towards Building a World Class Workforce

As universities play a major role in the growth of the national economy, Prestariang is set to break new grounds via its wholly-owned boutique university, UniMy, which was established under an innovative private-public initiative to produce market-ready IT professionals and talents in the country.

UniMy brings our CSR to life as it is directly aligned with our mission to provide access to education within our community, in tandem with the New Economic Model and Higher Education Transformation Programme. UniMy aims to bridge the gap between the demand for highly skilled IT personnel and professionally trained graduates in the next 10 years.

Leveraging on the Group's strength, UniMy continues to work in collaboration with major IT players to ensure graduates remain relevant, to become the technology leaders of tomorrow.

MARKETPLACE



MSC Malaysia Asia Pacific ICT Awards (MSC Malaysia APICTA) 2014

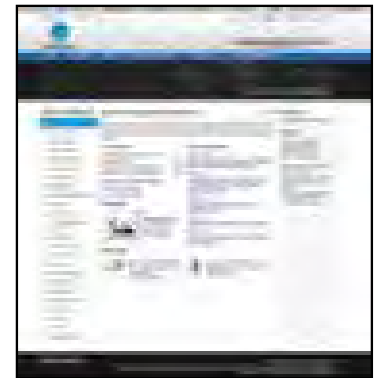
Prestariang was one of the sponsors for the MSC Malaysia Asia Pacific ICT Awards (MSC Malaysia APICTA) 2014. APICTA is an international Awards Programme initiated by the Multimedia Development Corporation (MDeC) to provide a platform for innovators and entrepreneurs in the regional ICT sector, to benchmark their products globally and to network.

The objective of the programme is also to stimulate economic and trade relations, and promote technology transfer in order to provide companies with business matching opportunities and exposure to venture capitalists and investors. It also contributes towards increasing community awareness in ICT.

Engaging Our Stakeholders

At Prestariang, we have a clearly identified stakeholder framework to engage with various interest groups in a transparent and accountable manner. We understand the growing importance of stakeholder relations as a discipline in order to build long-term relationships with our shareholders and the wider community.

Our corporate progress greatly depends on engaging effectively with our diverse stakeholders. Given this perception, Prestariang employs various strategies, methodologies and investment dimensions when interacting with our stakeholders.



Our website features the Investor Relations section for regular and timely updates of the Company's announcements and activities.

OUR SUSTAINABILITY JOURNEY



Prestariang employees together with UniMy students generously contributed to help alleviate the suffering of the flood victims.



COMMUNITY

We are mindful of our community stakeholders and heed the call for assistance to help address some of our nation's challenges, including those concerning economic development and the environment. Wherever we operate, we are expected and obligated to conduct our business practices responsibly, and respect the communities in which we serve.

As a shariah compliance counter, Prestariang ensures that 2.5% of annual profits are channelled towards charitable cases such as Tahfiz schools, orphanages and other homes for the aged, infirmed and underprivileged. Throughout the year, we continued to reach out and assist underserved and underdeveloped communities. We encourage our people to be actively involved in all CSR efforts, to nurture the spirit of volunteerism among them. This provides our employees opportunities to have direct engagement and interaction with our community partners.

Donation Drive for Flood Victims

In response to the recent massive floods that hit the Malaysian East Coast, Prestariang's employees and UniMy students initiated the donation drive for the unfortunate victims. The donations were mainly distributed to employees' immediate family members, residing in the north-eastern states of Malaysia – in particular, Pahang, Kelantan and Terengganu as these areas were the worst affected by the floods in the country since 2004. Volunteers also assisted with the clean-up operations.



As a caring corporate citizen, Prestariang approaches CSR through championing the key area of Education. The Yayasan Universiti Malaysia was set-up to primarily provide financial aid to students from the lower income group. The Foundation identifies and supports deserving students to continue their studies in a broad range of IT specialist subjects.

Selected students will have the opportunity to undergo either pre-university, undergraduate or postgraduate studies to essentially pave the way for them to enhance their career paths in the industry.

The Foundation ensures sustainable and quality education to nurture the growth of high calibre IT professionals for the future.



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STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Prestariang Berhad (“the Company”) believes strongly in the importance of embedding the highest standards of corporate governance best practices in the business and affairs of the Company and the Group.

To this end, the Board, Management and employees of the Group affirm their commitment in ensuring that the Group is in the forefront of good governance. In recognition of the Company and Group’s efforts, the Company is listed in FTSE4Good Bursa Malaysia Index which is the Environmental & Social Governance Index (ESG) introduced by Bursa Malaysia to measure listed companies’ responsibility in environmental, social and corporate governance. It is a collaboration with Financial Times Stock Exchange (FTSE) as part of the globally benchmarked FTSE4Good Index Series and is aligned with other leading global Environmental, Social & Governance frameworks such as the Global Reporting Initiative and the Carbon Disclosure Project.

The Board has been resolute in 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 2014.

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 four (4) 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 has 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 as 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 play 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 promote 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 shareholders.

The CEO/ED shall act in accordance with the authorities delegated to him by the Board. He together with the Management 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 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The Board has defined the roles and responsibilities of Non-Executive Directors, which include the following:-

- providing independent and objective views (in the case of Non-Executive Directors who are Independent Non-Executive Directors), 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 Independent Non-Executive Directors on the Board, including newly appointed Independent Non-Executive Directors, the independence assessment shall be conducted annually.

Through the recommendation of the Nomination Committee, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

Board Composition and Balance

Presently, the Board consists of a total of five (5) Directors and the status of their directorship is as follows:

Directors	Status
Dato' Mohamed Yunus Ramli Bin Abbas	Non-Independent Non-Executive Chairman
Dr. Abu Hasan Bin Ismail	Non-Independent Executive Director
Dato' Maznah Binti Abdul Jalil	Senior Independent Non-Executive Director
Chan Wan Siew	Independent Non-Executive Director
Ramanathan A/L Sathiamutty	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 41 to 45 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The CEO/ED is responsible for the day-to-day management of the business as well as the implementation of Board policies and decisions. At the onset of each financial year, the Board considers and approves a set of Key Performance Indicators and expectations on the basis of the Balanced Scorecard for the CEO/ED. This serves as a yardstick against which his performance will be measured and evaluated.

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 as the need arises if there are suitable candidates.

Directors' Code of Ethics

The adopted Directors' Code of Ethics described 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.

During the financial year under review, we have uploaded the approved Code of Conduct which contains the Whistle-Blowing Policy in the Company's website.

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. The Board reviews, approves and monitors the strategic business plans, goals and key policies proposed by Management from time to time 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 Dr. Abu Hasan Bin Ismail and Dato' Maznah Binti Abdul Jalil. Both Dr. Abu Hasan Bin Ismail and Dato' Maznah Binti Abdul Jalil being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

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 2014, the Board met on six (6) 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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	6/6
Dato' Maznah Binti Abdul Jalil	5/6
Dr. Abu Hasan Bin Ismail	5/6
Chan Wan Siew	6/6
Ramanathan A/L Sathiamutty	5/5
Dato' Loy Teik Ngan (Resigned on 25 June 2014)	1/3
Pang Yee Beng (Resigned on 8 August 2014)	2/3

From 6-8 June 2014, the Company held the Board of Directors and the Management Strategic Meeting to align Board Members and Management team's focus on the strategies needed to maintain and improve the successes secured thus far.

The Company held Extraordinary General Meeting on two (2) occasions as follows:-

- (a) On 16 April 2014 for the proposed bonus issue of 220,000,000 new ordinary shares of RM0.10 each in Prestariang Berhad ("Prestariang shares") to be credited as fully paid-up, on the basis of one (1) bonus share for every one (1) existing Prestariang share held by the entitled shareholders; and
- (b) On 3 November 2014 for the proposed authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

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 Non-Executive Directors 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:-

- Negotiating Across Cultures with Fons Trompenaars Organised by RHB Investment Bank
- An Exclusive Afternoon with Ybhg Tun Daim Zainuddin Organised by MIDF Research
- Directors Breakfast Series: Great Companies Deserve Great Boards with Beverly A. Behan, Organised by Bursa Malaysia
- C-Suite Tax Briefing, Organised by Ernst & Young
- An Exclusive Talk with Dr. Mark Mobius, Organised by MIDF Investment.
- Success Stock Trading-The Journey by the Chartist, Organised by CHK Consultancy Sdn Bhd
- PIDM Annual Report 2013 and Annual Dialogue
- Recovery and Resolution Plan (RRP) in Financial Institution: Board Leading the Way
- A Comprehensive Talent-based Approach to Board Recruitment
- Risks: From Whereof? Managing a Strategic Risk of a Financial Institution
- NACD C-Suite to Board Seat (Beverly Hills, California)
- Corporate Governance Forum (NACD Southern California Chapter)
- NACD Board Leadership Conference 2014 (National Harbor, MD)
- MIA Annual National Conference 2014
- Bursa Malaysia: Role of Board Chairman
- ACI (Audit Committee Institute) Roundtable – The Impact of Cyber Security at Board Levels

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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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. 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 Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Non-Executive Directors 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	718,272	175,268	893,540
Fees	-	315,457	315,457
Benefit-in-kind	-	-	-
Total	718,272	490,725	1,208,997

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

REMUNERATION BAND (RM)	EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTORS
1 – 50,000	-	3
50,001 – 100,000	-	2
100,001 – 150,000	-	2
750,000 – 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 85 to 88 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' Maznah Binti Abdul Jalil	4/5
Ramanathan A/L Sathiamutty	3/3
Dato' Loy Teik Ngan (Resigned on 25 June 2014)	1/3

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:-

- 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;
- 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;
- 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; and
- To recommend to the Board of Directors to fill the seats on any board committees.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 two (2) meeting and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato' Maznah Binti Abdul Jalil (Chairperson)	2/2
Chan Wan Siew	2/2
Pang Yee Beng (Resigned on 8 August 2014)	Not Applicable

Summary of Activities of the Nomination Committee during the Financial Year under review

- Reviewed and recommended to the Board of Directors new candidates to be appointed as Directors of the Company;
- Reviewed 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;
- Assessed the performance of the Board and Board Committees; and
- Assessed the independence of the Independent Directors of the Company.

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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Protocol for accepting new directorships and Time Commitment

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman and indicate the amount of time that will be spent on the new appointment. The directors are expected to devote sufficient time to discharge their duties as directors of the Company.

Remuneration Committee

The Remuneration Committee is made up of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, and is presently chaired by Mr. Ramanathan A/L Sathiamutty.

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

- a. 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;
- b. 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;
- c. to review and recommend the annual compensation and rewards for all individual directors and senior management staff (both present and potential future); and
- d. 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 shall meet at least once a year or as and when required. The composition of Remuneration Committee is set out as below:-

Ramanathan A/L Sathiamutty (Chairman) (Appointed on 7 October 2014)

Chan Wan Siew

Dr. Abu Hasan Bin Ismail

Pang Yee Beng (Resigned on 8 August 2014)

Dato' Loy Teik Ngan (Chairman) (Resigned on 25 June 2014)

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

In accordance with the Terms of Reference of the Remuneration Committee, the Remuneration Committee had via circular resolutions recommended the following for the consideration and approval of the Board:-

- Reviewed and recommended to the Board, the amount of directors' fees for the financial year ended 31 December 2014;
- Reviewed and receipt of reports on of the total compensation package and grading structure for the Company and the Group;
- Reviewed and recommended to the Board the remuneration and benefit packages for the Chief Executive Officer / Executive Director; and
- Reviewed and recommended to the Board the appointment and remuneration package for the Chief Operating Officer.

Risk Management Committee

The Risk Management Committee is made up of a majority of Non-Executive Directors and currently chaired by Mr. Ramanathan A/L Sathiamutty.

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

- To review existing controls that may reduce the key risk factors of the Company;
- To review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
- To review and assess 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;
- To ensure 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 insurer's risk taking activities; and
- To renew 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
Ramanathan A/L Sathiamutty (Chairman)	3/3
Dr. Abu Hasan Bin Ismail	2/3
Chan Wan Siew	3/3
Dato' Loy Teik Ngan (Chairman) (Resigned on 25 June 2014)	Not Applicable

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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, and all ventures.
 - ii. To authorise the Company to enter into any agreements, memorandum of understanding and/or contracts with potential partners for the pre-qualification/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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 two (2) meetings and details of attendance of its members are as follows:

Name	No. of Meetings Attended
Dato' Maznah Binti Abdul Jalil (Chairperson)	2/2
Chan Wan Siew	2/2
Dr. Abu Hasan Bin Ismail	2/2

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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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, Directors' Code of Ethics and Code of Conduct are 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 Email : inquiry@prestariang.com.my
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During the Fourth 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.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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 95 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 89 to 92 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 85 to 88 of 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 85 to 88 of this Annual Report.

AUDIT COMMITTEE 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 2014.

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’ Maznah Binti Abdul Jalil
Ramanathan A/L Sathiamutty

DUTIES AND RESPONSIBILITIES

- (i) To review the quarterly and annual financial statements of the Company.
- (ii) 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.
- (iii) 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.
- (iv) To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.

AUDIT COMMITTEE REPORT (CONT'D)

- (v) 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.
- (vi) To obtain assurance that proper plans for control have been developed, prior to the commencement of major areas of change within the organisation.
- (vii) 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;

AUDIT COMMITTEE REPORT (CONT'D)

- (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;
- (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; and
- (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 2014 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 2014.
- (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.

AUDIT COMMITTEE REPORT (CONT'D)

- (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;
- (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 2014 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 at UniMy

- Admission
- Research
- Partner Institution
- Licensing Requirement
- Facility Management
- Financial Management

Cycle 2 at the Group level

- General
- Document Control
- Confidential Information
- Archive Management
- Personal Data Protection Act 2010

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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” (SRMIC) 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 SRMIC.

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 SRMIC 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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. (KPMG MRC) 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 2014 were RM60,000.

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

KPMG MRC 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 MRC 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 MRC 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 MRC 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 at UniMy

- Admission
- Research
- Partner Institution
- Licensing Requirement
- Facility Management
- Financial Management

Cycle 2 at the Group level

- General
- Document Control
- Confidential Information
- Archive Management
- Personal Data Protection Act 2010

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 SRMIC for inclusion in the Annual Report of the Company for the financial year ended 31 December 2014 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 SRMIC 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 SRMIC 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

The Public Issue raised gross proceeds of RM19.8 million which is accrued to the Company. As at the end of the financial year ended (“FYE”) 31 December 2014, the status of actual utilisation of the proceeds as compared to the proposed utilisation are as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation	Actual utilisation	Variance		Note
		(RM'000)	(RM'000)	(RM'000)	(%)	
Capital expenditure	Within 12 months	2,500	2,223	277	11.08	1
Research and development expenditure	Within 24 months	6,500	2,648	3,852	59.26	2
Working capital	Within 24 months	6,200	5,772	428	6.90	2
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]	7
Total Gross Proceed		19,800	15,761	4,039		

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

Note:-

- (1) The variance of RM0.28 million will be utilised under working capital.
- (2) On 26 November 2014, the Board of Directors approved to vary and re-allocate the balance of RM3.852 million from research dan development expenses to working capital.
- (3) 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 variance of RM0.43 million from the estimated listing expenses will be funded from working capital.

OTHER COMPLIANCE INFORMATION (CONT'D)

b) Share Buy Back

During the financial year under review, the Company did not enter into any share buy-back transaction.

c) Related Party Transactions (RPT)

The details of RPT for the financial year under review are disclosed in Note 36 of the financial statements. The transactions are in the ordinary course of business.

d) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the FYE 31 December 2014.

e) Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Company for the FYE 31 December 2014 was NIL.

f) Imposition of Sanctions and/or Penalties

There were no sanctions or penalties imposed on the Company during the FYE 31 December 2014.

g) Profit Estimates, Forecasts or Projections

There were no significant variances noted between the reported results and the unaudited results announced. The Company did not make any release on the profit estimates, forecasts or projections for the financial year.

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 2014, 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 relevant 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 2014 as set out on pages 105 to 170 of this annual report.



FINANCIAL STATEMENTS

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- 108** Statements of Changes in Equity
- 110** Statements of Cash Flows
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DIRECTORS' REPORT

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 2014.

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	20,226	28,080
Attributable to: Owners of the Company	20,226	28,080

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 RM6,600,000 in respect of the financial year ended 31 December 2013 on 20 March 2014;
- (b) paid a first interim single-tier dividend of 1.25 sen per ordinary share amounting to RM5,500,000 in respect of the current financial year on 26 June 2014;
- (c) paid a second interim single-tier dividend of 1.44 sen per ordinary share amounting to RM6,969,600 in respect of the current financial year on 25 September 2014; and
- (d) paid a third interim single-tier dividend of 1 sen per ordinary share amounting to RM4,840,000 in respect of the current financial year on 2 January 2015.

On 25 February 2015, the Board of Directors declared a fourth interim single-tier dividend of 0.5 sen per ordinary share amounting to RM2,420,000 in respect of the financial year ended 31 December 2014. The interim dividend was paid on 26 March 2015. 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 2015.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) the Company increased its authorised share capital from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each;
- (b) the Company increased its issued and paid-up share capital from RM22,000,000 to RM48,400,000 by the issuance of 264,000,000 new ordinary shares pursuant to the following exercises:-
 - (i) bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and
 - (ii) private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company; and

- (c) 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 their 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' MAZNAH BINTI ABDUL JALIL

RAMANATHAN A/L SATHIAMUTTY

DATO' LOY TEIK NGAN

(RESIGNED ON 25.6.2014)

PANG YEE BENG

(RESIGNED ON 8.8.2014)

DIRECTORS' REPORT (CONT'D)

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 31.12.2014
	At 1.1.2014	Bonus issue	Bought	Sold	
The Company					
Direct Interests:					
Dato' Mohamed Yunus Ramli Bin Abbas	250,000	250,000	1,700,000	-	2,200,000
Chan Wan Siew	125,000	125,000	340,000	-	590,000
Dato' Maznah Binti Abdul Jalil	1,131,000	1,131,000	99,000	-	2,361,000
Indirect Interests:					
Dr. Abu Hasan Bin Ismail #1	89,150,700	66,150,700	-	(23,000,000)	132,301,400
Dato' Maznah Binti Abdul Jalil #2	60,000	60,000	-	-	120,000
Chan Wan Siew #3	-	-	118,000	-	118,000

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 her spouse, Sheikh Abd Aziz Bin S Abod's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.
- #3 - Deemed interested by virtue of his spouse, Ms. Lee Oi Lin's shareholdings in the Company pursuant to Section 134(12)(c) 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.

The other director holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

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 27 and Note 28 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 37 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 38 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 22 APRIL 2015.



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

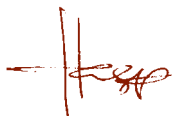
STATEMENT BY DIRECTORS

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 105 to 170 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 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 39, 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 22 APRIL 2015.



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 105 to 170 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 22 April 2015.



Before me



Abdul Razak Bin Bakrun

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PESTARIANG BERHAD

Report on the Financial Statements

We have audited the financial statements of Prestariang Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the 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 105 to 170.

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 2014 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESTARIANG BERHAD (CONT'D)

Report on Other Legal and Regulatory Requirements (Cont'd)

- (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) The 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 39 on page 170 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



Chua Wai Hong
Approval No: 2974/09/15(J)
Chartered Accountant

22 April 2015
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Assets					
Non-current assets					
Investments in subsidiaries	5	-	-	40,302	39,890
Property and equipment	6	13,130	11,568	102	138
Development costs	7	3,383	2,687	-	-
		16,513	14,255	40,404	40,028
Current assets					
Inventories	8	1,012	1,941	-	-
Trade receivables	9	18,490	26,853	-	-
Other receivables	10	1,558	2,568	33	115
Amount owing by contract customer	11	3,999	-	-	-
Amount due from subsidiaries	12	-	-	849	295
Short-term investments	13	31,286	26,397	-	-
Tax recoverable		370	327	329	286
Cash and bank balances	14	106,431	45,132	88,502	10,507
		163,146	103,218	89,713	11,203
Total assets		179,659	117,473	130,117	51,231
Liabilities and equity					
Current liabilities					
Trade payables	15	5,498	7,750	-	-
Other payables	16	4,133	11,377	558	912
Amount due to a subsidiary	12	-	-	9,508	10,138
Borrowings	17	274	328	-	-
Provision for taxation		38	38	-	-
		9,943	19,493	10,066	11,050
Net current assets		153,203	83,725	79,647	153

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

STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2014 (CONT'D)

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current liabilities					
Borrowings	17	763	1,033	-	-
Total liabilities		10,706	20,526	10,066	11,050
Net assets		168,953	96,947	120,051	40,181
Equity					
Share capital	20	48,400	22,000	48,400	22,000
Share premium	21	74,712	21,531	71,300	18,119
Merger deficit	22 (b)	(14,212)	(14,212)	-	-
Retained profits	22 (c)	60,053	67,627	351	62
Total equity attributable to owners of the Company		168,953	96,946	120,051	40,181
Non-controlling interest	5	-	1	-	-
Total equity		168,953	96,947	120,051	40,181
Total liabilities and equity		179,659	117,473	130,117	51,231

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 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	23	78,831	119,550	30,491	30,585
Cost of sales		(40,274)	(52,212)	-	-
Gross profit		38,557	67,338	30,491	30,585
Other income	24	3,114	2,394	1,087	278
Administrative expenses		41,671	69,732	31,578	30,863
Other expenses		(18,993)	(24,949)	(3,455)	(4,455)
Finance costs	25	(2,204)	(2,407)	(36)	(36)
		(169)	(214)	(7)	(5)
Profit before taxation	26	20,305	42,162	28,080	26,367
Income tax expense	29	(79)	(109)	-	(42)
Profit after taxation		20,226	42,053	28,080	26,325
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		20,226	42,053	28,080	26,325
Profit after taxation attributable to:					
Owners of the Company		20,226	42,061	28,080	26,325
Non-controlling interest		-	(8)	-	-
		20,226	42,053	28,080	26,325
Total comprehensive income attributable to:					
Owners of the Company		20,226	42,061	28,080	26,325
Non-controlling interest		-	(8)	-	-
		20,226	42,053	28,080	26,325
Earning per share attributable to owners of the Company (sen)					
Basic	30	4.37	9.56		
Diluted	30	NA	NA		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Note	Non-distributable			Distributable		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	Retained Profits RM'000			
The Group								
At 1 January 2013	22,000	20,044	-	(14,212)	51,885	79,717	9	79,726
Profit after taxation/Total comprehensive income for the financial year	-	-	-	-	42,061	42,061	(8)	42,053
Transaction with owners of the Company:								
- Purchase of treasury shares	22 (a)	-	(975)	-	-	(975)	-	(975)
- Disposal of treasury shares	22 (a)	-	975	-	-	2,462	-	2,462
- Dividends paid	31	-	-	-	(26,319)	(26,319)	-	(26,319)
Total transactions with the owners of the Company		1,487	-	-	(26,319)	(24,832)	-	(24,832)
At 31 December 2013/ 1 January 2014	22,000	21,531	-	(14,212)	67,627	96,946	1	96,947
Profit after taxation/Total comprehensive income for the financial year	-	-	-	-	20,226	20,226	-	20,226
Transaction with owners of the Company:								
- Acquisition of a subsidiary		-	-	-	(9)	(9)	(1)	(10)
- Bonus issue	20&21	22,000	(18,119)	-	(3,881)	-	-	-
- Issuance of shares	20&21	4,400	72,160	-	-	76,560	-	76,560
- Share issuance expenses	21	-	(860)	-	-	(860)	-	(860)
- Dividends paid	31	-	-	-	(23,910)	(23,910)	-	(23,910)
Total transactions with the owners of the Company		26,400	53,181	-	(27,800)	51,781	(1)	51,780
At 31 December 2014	48,400	74,712	-	(14,212)	60,053	168,953	-	168,953

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 2013	22,000	16,632	-	56	38,688
Profit after taxation/Total comprehensive income for the financial year	-	-	-	26,325	26,325
Transactions with owners of the Company:					
- Purchase of treasury shares	22 (a)	-	(975)	-	(975)
- Disposal of treasury shares	22 (a)	1,487	975	-	2,462
- Dividends paid	31	-	-	(26,319)	(26,319)
Total transactions with the owners of the Company	-	1,487	-	(26,319)	(24,832)
At 31 December 2013/ 1 January 2014	22,000	18,119	-	62	40,181
Profit after taxation/Total comprehensive income for the financial year	-	-	-	28,080	28,080
Transactions with owners of the Company:					
- Bonus issue	20&21	22,000	(18,119)	(3,881)	-
- Issuance of shares	20&21	4,400	72,160	-	76,560
- Share issuance expenses	21	-	(860)	-	(860)
- Dividends paid	31	-	-	(23,910)	(23,910)
Total transactions with the owners of the Company		26,400	53,181	(27,791)	51,790
At 31 December 2014	48,400	71,300	-	351	120,051

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows generated from operating activities					
Profit before taxation		20,305	42,162	28,080	26,367
Adjustments for:-					
Allowance for impairment loss on trade receivables		-	299	-	-
Amortisation of development costs		39	463	-	-
Depreciation of property and equipment		1,623	1,085	36	36
Dividend income		(377)	(416)	(2)	-
Fair value gain on short term investments		(889)	(560)	-	-
Interest expense		70	108	-	-
Interest income		(1,087)	(280)	(1,085)	(278)
Profit income received from deposit with licensed Islamic Banks		(44)	(71)	-	-
Unrealised gain on foreign exchange		(225)	(32)	-	-
Operating profit before working capital changes		19,415	42,758	27,029	26,125
Decrease in inventories		929	529	-	-
Decrease/(Increase) in trade and other receivables		9,598	(5,912)	82	(97)
(Decrease)/Increase in trade and other payables		(9,496)	(2,245)	(354)	364
Increase in amount owing by contract customer		(3,999)	-	-	-
Cash generated from operating activities		16,447	35,130	26,757	26,392
Interest paid		(70)	(108)	-	-
Income tax paid		(122)	(202)	(43)	(94)
Net cash generated from operating activities carried forward		16,255	34,820	26,714	26,298

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net cash generated from operating activities brought forward		16,255	34,820	26,714	26,298
Cash flows (used in)/generated from investing activities					
Acquisition of equity interest in a subsidiary from non-controlling interest		(10)	-	-	-
Acquisition of subsidiaries	5	-	-	(2)	-
Additional investments in subsidiaries	5	-	-	(410)	-
Development costs paid	7	(735)	(271)	-	-
Dividend received		377	416	2	-
Interest received		1,087	280	1,085	278
Net withdrawal of deposits pledged with licensed banks		304	4,913	-	-
Profit income received from deposits with licensed Islamic Banks		44	71	-	-
Proceeds from disposal of short-term investments		-	434	-	-
Purchase of property and equipment		(3,185)	(1,801)	-	-
Purchase of short-term investments		(4,000)	(25,000)	-	-
(Advances to)/Repayment from subsidiaries		-	-	(554)	9
Net cash (used in)/generated from investing activities		(6,118)	(20,958)	121	287
Cash flows generated from/(used in) financing activities					
Dividends paid	31	(23,910)	(26,319)	(23,910)	(26,319)
Proceeds from disposal of treasury shares		-	2,462	-	2,462
Purchase of treasury shares		-	(975)	-	(975)
Repayment of hire purchase obligations		(205)	(196)	-	-
Repayment of term loans		(119)	(86)	-	-
Repayment to subsidiaries		-	-	(630)	(2,808)
Proceeds from issuance of shares	21	76,560	-	76,560	-
Share issuance expenses paid	21	(860)	-	(860)	-
Net cash generated from/(used in) financing activities		51,466	(25,114)	51,160	(27,640)
Net increase/(decrease) in cash and cash equivalents		61,603	(11,252)	77,995	(1,055)
Cash and cash equivalents at beginning of the financial year		42,213	53,465	10,507	11,562
Cash and cash equivalents at end of the financial year	14	103,816	42,213	88,502	10,507

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 22 April 2015.

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)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

3. BASIS OF PREPARATION (CONT'D)

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.

- (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 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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

- (i) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.
- (ii) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- (iii) 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.
- (iv) Annual Improvements to MFRSs 2011 - 2013 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
- (v) Annual Improvements to MFRSs 2012 - 2014 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(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.

(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 would affect profit and/or equity.

(viii) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

- *Contract Revenue*

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(viii) Construction Contracts (Cont'd)

- *Contract Costs*

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(i) Business Combinations (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

- *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.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

- *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.

Loans and receivables financial assets are classified as current assets as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

- *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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) *Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets (Cont'd)*

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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(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.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property and Equipment (Cont'd)

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 (CONT'D)

(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.

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.

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.

(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.

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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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, 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Operating Leases

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line method over the lease period.

(r) 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) Interest Income

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

(iv) Dividend Income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue and Other Income (Cont'd)

(v) Rental Income

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

(s) Amounts Owing By/(To) Contract Customers

The amounts owing by/(to) contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues 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 decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 January	39,890	39,890
Addition during the financial year	412	^^
At 31 December	40,302	39,890

Note :-

^^ -RM2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Principal activities	Proportion (%) of Ownership Interest	
		2014	2013
Held by the Company:			
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
Prestariang Talentxchange Sdn. Bhd. (formerly known as Pure Leap Sdn. Bhd.) ("PTXSB")	Providing best-fit talents to the local, regional & global markets and delivering practical talent management solutions.	100	90
Prestariang O&G Sdn. Bhd. ("POGSB")	Dormant	100	100
Prestariang Technology Sdn. Bhd. ("PTSB")	Dormant	100	-
Subsidiary of PTSB:			
Total Leap Sdn. Bhd. ("TLSB")	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 13 February 2014, the Company acquired 2,500 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of PTSB for a total cash consideration of RM 2,500. Consequently, PTSB became a wholly-owned subsidiary of the Company.
- (b) On 9 May 2014, the Company acquired an additional 10,000 ordinary shares of RM1 each representing 10% of the issued and paid-up share capital of PTXSB for a total cash consideration of RM10,000. Consequently, PTXSB became a wholly-owned subsidiary of the Company.

On 26 June 2014, the Company further subscribed for an additional 400,000 ordinary shares of RM1 each representing 100% of the newly issued and paid-up share capital of PTXSB for a total cash consideration of RM400,000 to retain its 100% equity interest.

- (c) On 22 May 2014, PTSB acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of TLSB for a total cash consideration of RM2. Consequently, TLSB became a wholly-owned subsidiary of PTSB, a subsidiary of the Company.
- (d) The non-controlling interest at the end of the reporting period comprised the following:-

	Effective Interest		The Group	
	2014 %	2013 %	2014 RM'000	2013 RM'000
PTXSB	100	90	-	1

- (e) The summarised financial information for subsidiary that has non-controlling interest is not presented as it is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 2014								
Cost								
At 1 January	5,255	1,911	716	1,037	2,271	1,975	1,797	14,962
Additions	-	91	720	327	1,832	175	40	3,185
Reclassifications	-	390	443	402	602	-	(1,837)	-
At 31 December	5,255	2,392	1,879	1,766	4,705	2,150	-	18,147
Accumulated depreciation								
At 1 January	375	658	303	329	728	1,001	-	3,394
Charge for the year (Note 26)	105	383	93	211	424	407	-	1,623
At 31 December	480	1,041	396	540	1,152	1,408	-	5,017
Net carrying amount								
At 31 December	4,775	1,351	1,483	1,226	3,553	742	-	13,130

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 26)	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

6. PROPERTY AND EQUIPMENT (CONT'D)

	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 2014								
Cost								
At 1 January	-	-	-	-	-	180	-	180
Addition	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	42	-	42
Charge for the year (Note 26)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	78	-	78
Net carrying amount At 31 December	-	-	-	-	-	102	-	102

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 26)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	42	-	42

Net carrying amount
At 31 December

	-	-	-	-	-	138	-	138
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- (a) Included in property and equipment of the Group are motor vehicles with a total net book value of RM167,000 (2013: RM421,000) 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 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

7. DEVELOPMENT COSTS

	The Group	
	2014 RM'000	2013 RM'000
Cost		
At 1 January	4,038	3,767
Addition during the financial year	735	271
At 31 December	4,773	4,038
Accumulated amortisation		
At 1 January	1,351	888
Amortisation for the year (Note 26)	39	463
At 31 December	1,390	1,351
Net carrying amount		
As at 31 December	3,383	2,687

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

At the end of the reporting period, the development costs for the projects yet to be commercialised amounted to approximately RM3,383,000 (2013 : RM2,648,000).

8. INVENTORIES

	The Group	
	2014 RM'000	2013 RM'000
At cost:-		
Finished goods	1,012	1,941
Recognised in profit or loss :-		
Inventories recognised as cost of sales	28,972	35,212

9. TRADE RECEIVABLES

	The Group	
	2014 RM'000	2013 RM'000
Trade receivables	18,789	27,152
Less: Allowance for impairment losses	(299)	(299)
	18,490	26,853

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

9. TRADE RECEIVABLES (CONT'D)

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	
	2014 RM'000	2013 RM'000
Neither past due nor impaired:-		
1 to 30 days	17,346	19,159
31 to 60 days	-	1,085
	17,346	20,244
Past due but not impaired:-		
61 to 90 days	-	239
More than 90 days	1,144	6,370
	1,144	6,609
	18,490	26,853
Past due and impaired:-		
More than 90 days	299	299
	18,789	27,152

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:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

9. TRADE RECEIVABLES (CONT'D)

Trade receivables that are impaired (Cont'd)

	The Group Individually impaired	
	2014 RM'000	2013 RM'000
At 1 January	299	-
Addition during the financial year	-	299
At 31 December	299	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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sundry receivables	395	1,031	31	115
Other deposits	654	617	-	-
Prepayments	413	713	2	-
Advances	96	207	-	-
	1,558	2,568	33	115

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

11. AMOUNT OWING BY CONTRACT CUSTOMER

	The Group	
	2014 RM'000	2013 RM'000
Contract costs incurred to date	3,999	-

The amount owing by contract customer represents unbilled contract costs incurred relating to activities of a project.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

12. 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.

13. SHORT-TERM INVESTMENTS

	The Group	
	2014 RM'000	2013 RM'000
Financial assets at fair value through profit or loss:-		
At 1 January	26,397	1,271
Addition during the financial year	4,000	25,000
Disposal during the financial year	-	(434)
	30,397	25,837
Fair value gain	889	560
At 31 December	31,286	26,397
Market value of short-term investments At 31 December	31,286	26,397
Represented by:-		
- Equity funds unit trusts	4,834	1,034
- Investments placed with fund managers	26,452	25,363
	31,286	26,397

14. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	4,244	29,166	2,013	460
Deposits with licensed banks	102,187	15,966	86,489	10,047
	106,431	45,132	88,502	10,507
Less: Deposits pledged with licensed banks	(2,615)	(2,919)	-	-
Cash and cash equivalents	103,816	42,213	88,502	10,507

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

14. CASH AND CASH EQUIVALENTS (CONT'D)

The deposits with licensed banks of the Group and of the Company bore effective interest rates ranging from 2.75% to 3.4% (2013: 2.8% to 3.45%) per annum. The deposits have maturity periods ranging from 30 to 60 days (2013: 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 RM2,615,000 (2013: RM2,919,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

15. TRADE PAYABLES

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

16. OTHER PAYABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sundry payables	776	866	314	135
Accruals	2,968	4,044	244	777
Advances received from customers	389	6,467	-	-
	4,133	11,377	558	912

17. BORROWINGS

	The Group	
	2014 RM'000	2013 RM'000
Short-Term Borrowings		
Secured		
Hire purchase (Note 18)	145	204
Term loan (Note 19)	129	124
	274	328
Long-Term Borrowings		
Secured		
Hire purchase (Note 18)	4	150
Term loan (Note 19)	759	883
	763	1,033
Total Borrowings		
Secured		
Hire purchase (Note 18)	149	354
Term loan (Note 19)	888	1,007
	1,037	1,361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

18. HIRE PURCHASE PAYABLES

	The Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:		
Not later than one year	150	219
Later than one year and not later than two years	4	150
Later than two years and not later than five years	-	4
	154	373
Less: Future finance charges	(5)	(19)
Present value of hire purchase payables	149	354
Present value of hire purchase payables		
Not later than one year (Note 17)	145	204
Non-current:		
Later than one year and not later than two years	4	147
Later than two years and not later than five years	-	3
Total non-current portion (Note 17)	4	150
	149	354
Analysed as:		
Due within 12 months (Note 17)	145	204
Due after 12 months (Note 17)	4	150
	149	354

The hire purchase payables bore effective interest rates ranging from 4.90% to 6.36% (2013: 4.90% to 6.36%) per annum at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

19. TERM LOAN

	The Group	
	2014 RM'000	2013 RM'000
Secured		
Current		
Not later than one year (Note 17)	129	124
Non-current		
Later than one year and not later than two years	136	130
Later than two years and not later than five years	454	431
Later than five years	169	322
Total non-current portion (Note 17)	759	883
	888	1,007

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	
				2014 RM'000	2013 RM'000
1	180	14,333	July 2008	888	1,007

The term loan bore an effective interest rate of 5.35% (2013: 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 RM1,350,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

20. SHARE CAPITAL

	The Company			
	Number of Ordinary Shares of RM0.10 Each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Authorised Share Capital				
At 1 January	500,000	500,000	50,000	50,000
Created during the financial year	500,000	-	50,000	-
At 31 December	1,000,000	500,000	100,000	50,000
Issued and Fully Paid-up				
At 1 January	220,000	220,000	22,000	22,000
Bonus issue	220,000	-	22,000	-
Issuance of new shares through private placement	44,000	-	4,400	-
At 31 December	484,000	220,000	48,400	22,000

The authorised share capital of the Company 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 pari passu in all respects with the existing ordinary shares in the capital of the Company.

During the financial year, the issued and paid-up share capital of the Company was increased by way of:-

- (a) a bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and
- (b) a private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

21. SHARE PREMIUM

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	21,531	20,044	18,119	16,632
Gain arising from the disposal of treasury shares	-	1,487	-	1,487
Utilisation from bonus issue	(18,119)	-	(18,119)	-
Issuance of new shares	72,160	-	72,160	-
Share issuance expenses	(860)	-	(860)	-
At 31 December	74,712	21,531	71,300	18,119

In the previous 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.

During the financial year:

- (a) the Company issued 220,000,000 bonus shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue. The bonus shares were issued by way of utilisation of share premium and retained profits of approximately RM18,119,000 and RM3,881,000, respectively.
- (b) the Company issued 44,000,000 new ordinary shares at RM1.74 per share through a private placement for a total consideration of approximately RM76,560,000. The premium from the shares issued amounted to RM72,160,000 net of share issuance expenses amounted to RM860,000 was capitalised to the share premium account.

Included in the share premium of the Group is an amount of RM3,412,000 (2013: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

22. OTHER RESERVES

(a) Treasury Shares

In the previous 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.

23. REVENUE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
ICT training and certification	27,320	60,135	-	-
Software license distribution and management	49,704	59,025	-	-
Gross dividend income	-	-	30,491	30,585
Education	1,807	390	-	-
	78,831	119,550	30,491	30,585

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

24. OTHER INCOME

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Dividend income	377	416	2	-
Fair value gain on short-term investments	889	560	-	-
Foreign exchange gain:				
- realised	162	947	-	-
- unrealised	225	104	-	-
Interest income	1,087	280	1,085	278
Profit income received from deposits with licensed Islamic Banks	44	71	-	-
Rental income	-	6	-	-
Others	330	10	-	-
	3,114	2,394	1,087	278

25. FINANCE COSTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Bank charges	33	67	7	2
Commission charges	66	39	-	3
Interest expense:				
- hire purchase	14	23	-	-
- term loan	56	85	-	-
	70	108	-	-
	169	214	7	5

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

26. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/ (crediting):-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Allowance for impairment loss on trade receivables (Note 9)	-	299	-	-
Amortisation of development costs (Note 7)	39	463	-	-
Audit fees:				
- for the financial year	96	105	25	19
- (over)/ underprovision in the previous financial year	(7)	-	7	-
- non-statutory	-	72	-	72
Depreciation of property and equipment (Note 6)	1,623	1,085	36	36
Unrealised foreign exchange loss	-	72	-	-
Rental of equipment	836	706	-	19
Rental of office	1,291	638	-	-
Staff costs (Note 27)	11,134	10,633	2,485	3,230

27. STAFF COSTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries and other benefits	9,158	9,149	2,091	2,976
Defined contribution plans	1,040	811	213	225
Social security costs	61	52	12	11
Other staff related expenses	875	621	169	18
	11,134	10,633	2,485	3,230

Included in the staff costs of the Group and the Company are directors' remuneration amounting to RM1,259,000 and RM1,209,000 (2013: RM1,383,000 and RM1,327,000) respectively, as further disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

28. DIRECTORS' REMUNERATION

- (a) 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors Of The Company:				
Executive directors:				
- Non-fee emoluments	768	811	718	761
Non-executive directors:				
- Fee	316	360	316	360
- Allowance	175	206	175	206
	1,259	1,377	1,209	1,327
Directors Of The Subsidiaries:				
Executive director:				
- Fee	-	6	-	-
	1,259	1,383	1,209	1,327

The estimated monetary value of benefits-in-kind provided by the Company to its executive director is RM50,000 (2013 - RM50,000).

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Executive directors:				
RM750,001 - RM800,000	1	-	1	1
RM800,001 - RM850,000	-	1	-	-
	1	1	1	1
Non-executive directors:				
RM1 - RM50,000	3	-	3	-
RM50,001 - RM100,000	2	3	2	3
RM100,001 - RM150,000	2	3	2	3
	8	7	8	7

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

29. INCOME TAX EXPENSE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense:				
- for the financial year	-	6	-	-
- underprovision in prior years	79	103	-	42
	79	109	-	42

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.

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	20,305	42,162	28,080	26,367
Tax at statutory tax rate of 25% (2013: 25%)	5,075	10,541	7,020	6,592
Tax-exempt income under pioneer status	(7,525)	(13,806)	-	-
Non-taxable income	-	-	(7,623)	(7,646)
Non-deductible expenses	1,474	2,060	603	1,054
Deferred tax assets not recognised during the financial year	1,495	1,211	-	-
Underprovision of current tax in prior years	79	103	-	42
Income tax expense for the financial year	79	109	-	42

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

29. INCOME TAX EXPENSE (CONT'D)

The deferred tax assets/(liabilities) recognised in the statements of financial position are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deferred tax liability:-				
Accelerated capital allowances over depreciation	(2,251)	(3,266)	-	-
Others	(225)	(32)	-	-
	(2,476)	(3,298)	-	-
Deferred tax assets:-				
Provisions	1,417	2,373	-	-
Unabsorbed capital allowances	1,059	925	-	-
	2,476	3,298	-	-
	-	-	-	-

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	9,432	3,887	-	-
Unabsorbed capital allowances	394	95	-	-
Provisions	-	1,118	-	-
	9,826	5,100	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

30. 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	
	2014	2013
Profit attributable to owners of the Company (RM'000)	20,226	42,061
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 January	220,000	220,000
Effect of bonus issue	220,000	220,000
Effect of new ordinary shares issued through private placement	22,663	-
Weighted average number of ordinary shares at 31 December ('000)	462,663	440,000
Basic earnings per share (sen)	4.37	9.56

The previous financial year's basic earnings per share has been restated based on the weighted average number of shares of 440,000,000 ordinary shares in issue during the previous financial year after taking into consideration the effect of the bonus issue of 220,000,000 ordinary shares of RM0.10 each during the financial year.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

31. DIVIDENDS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
In respect of the financial year ended 31 December 2012:				
- declared a fourth interim single-tier dividend of RM0.03 per ordinary share	-	6,572	-	6,572
In respect of the financial year ended 31 December 2013:				
- declared a first interim single-tier dividend of RM0.025 per ordinary share	-	5,475	-	5,475
- declared a second interim single-tier dividend of RM0.03 per ordinary share	-	6,572	-	6,572
- declared a third interim single-tier dividend of RM0.035 per ordinary share	-	7,700	-	7,700
- declared a fourth interim single-tier dividend of RM0.03 per ordinary share	6,600	-	6,600	-
In respect of the financial year ended 31 December 2014:				
- declared a first interim single-tier dividend of RM0.0125 per ordinary share	5,500	-	5,500	-
- declared a second interim single-tier dividend of RM0.0144 per ordinary share	6,970	-	6,970	-
- declared a third interim single-tier dividend of RM0.01 per ordinary share	4,840	-	4,840	-
	23,910	26,319	23,910	26,319

On 25 February 2015, the Board of Directors declared a fourth interim single-tier dividend of 0.5 sen per ordinary share amounting to RM2,420,000 in respect of the financial year ended 31 December 2014. The interim dividend was paid on 26 March 2015. 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 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

32. CAPITAL COMMITMENT

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Development costs:-				
- Authorised but not contracted for	1,851	-	-	-
- Authorised and contracted for	6,549	-	-	-
	8,400	-	-	-

33. OPERATING LEASE COMMITMENT

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Not more than one year	1,550	1,255
Later than one year and not later than five years	2,407	3,957
	3,957	5,212

34. 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

(j) 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 2014 and 2013 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(j) Foreign Currency Risk (Cont'd)

Foreign currency exposure

	← United States Dollar RM'000	The Group Ringgit Malaysia RM'000	→ Total RM'000
At 31 December 2014			
<u>Financial Assets</u>			
Trade receivables	2,023	16,467	18,490
Other receivables	-	1,145	1,145
Short-term investments	-	31,286	31,286
Cash and bank balances	85	106,346	106,431
	2,108	155,244	157,352
<u>Financial Liabilities</u>			
Trade payables	4,636	862	5,498
Other payables	-	4,133	4,133
Borrowings	-	1,037	1,037
	4,636	6,032	10,668
Net financial (liabilities)/ assets	(2,528)	149,212	146,684
Less: Net financial assets denominated in the respective entities' functional currencies	-	(149,212)	(149,212)
Currency exposure	(2,528)	-	(2,528)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

- (j) *Foreign Currency Risk (Cont'd)*
Foreign currency exposure (Cont'd)

	←	The Group	→
	United States Dollar RM'000	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 asset	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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(j) Foreign Currency Risk (Cont'd)

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 2014 RM'000	Effect on Equity 2014 RM'000	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000
Increase/(Decrease)				
United States Dollar:				
- strengthened by 5%	(95)	(95)	45	45
- weekend by 5%	95	95	(45)	(45)

(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 34(a)(iii) to financial statements.

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

	The Group	
	2014 RM'000	2013 RM'000
Fixed rate		
Hire purchase payables	149	354
Floating rate		
Term loan	888	1,007

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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 2014 RM'000	Effect on Equity 2014 RM'000	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000
Increase of 100 basis points	(7)	(7)	(8)	(8)
Decrease of 100 basis points	7	7	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.

(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:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

	The Group	
	2014 RM'000	2013 RM'000
- Equity funds unit trusts	4,834	1,034
- Investments placed with fund managers	26,452	25,363
	31,286	26,397

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 2014 RM'000	Effect on Equity 2014 RM'000	Effect on Profit After Taxation 2013 RM'000	Effect on Equity 2013 RM'000
Increase by 5%	1,173	1,173	990	990
Decrease by 5%	(1,173)	(1,173)	(990)	(990)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 57% 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	
	2014	2013
	RM'000	RM'000
Singapore	188	3,592
Malaysia	18,302	23,261
	18,490	26,853

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

(ii) Exposure to credit risk (Cont'd)

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.

(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 profile 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 2014							
Financial liabilities:							
Trade payables	-	5,498	5,498	5,498	-	-	-
Other payables	-	4,133	4,133	4,133	-	-	-
Borrowings	4.90% - 6.36%	1,037	1,190	323	178	520	169
		10,668	10,821	9,954	178	520	169

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) **Financial Risk Management Policies (Cont'd)**

(iii) **Liquidity Risk (Cont'd)**

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

The Company

At 31 December 2014

Financial liabilities:							
Other payables	-	558	558	558	-	-	-
Amount due to a subsidiary	-	9,508	9,508	9,508	-	-	-
		10,066	10,066	10,066	-	-	-

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	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(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 Values Information

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.

The Group	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		
At 31 December 2014								
<u>Financial Assets</u>								
Short-term investments	31,286	-	-	-	-	-	31,286	31,286
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	149	-	149	149
Term loan	-	-	-	-	888	-	888	888

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Information (Cont'd)

The Group	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		
At 31 December 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

The fair values above are for disclosure purposes and 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	
	2014 %	2013 %
Hire purchase payables	4.94	4.94
Term loan	5.35	5.10

In regards to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(d) Classification of Financial Instruments

The Group 31 December 2014	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	18,490	-	-	18,490
Other receivables	10	1,145	-	-	1,145
Short-term investments	13	-	-	31,286	31,286
Cash and bank balances	14	106,431	-	-	106,431
Total financial assets		126,066	-	31,286	157,352
Total non-financial assets					22,307
Total assets					179,659
Liabilities					
Trade payables	15	-	5,498	-	5,498
Other payables	16	-	4,133	-	4,133
Borrowings	17	-	1,037	-	1,037
Total financial liabilities		-	10,668	-	10,668
Total non-financial liabilities					38
Total liabilities					10,706

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(d) Classification of Financial Instruments (Cont'd)

The Group 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	13	-	-	26,397	26,397
Cash and bank balances	14	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	15	-	7,750	-	7,750
Other payables	16	-	11,377	-	11,377
Borrowings	17	-	1,361	-	1,361
Total financial liabilities		-	20,488	-	20,488
Total non-financial liabilities					38
Total liabilities					20,526

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(d) Classification of Financial Instruments (Cont'd)

The Company 31 December 2014	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	31	-	-	31
Amount due from subsidiaries	12	849	-	-	849
Cash and bank balances	14	88,502	-	-	88,502
Total financial assets		89,382	-	-	89,382
Total non-financial assets					40,735
Total assets					130,117
Liabilities					
Other payables	16	-	558	-	558
Amount due to a subsidiary	12	-	9,508	-	9,508
Total financial liabilities		-	10,066	-	10,066
Total non-financial liabilities					-
Total liabilities					10,066

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(d) Classification of Financial Instruments (Cont'd)

The Company		Loan and receivables financial assets	Other financial liabilities	Fair value through profit or loss	Total
31 December 2013	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Other receivables	10	115	-	-	115
Amount due from subsidiaries	12	295	-	-	295
Cash and bank balances	14	10,507	-	-	10,507
Total financial assets		10,917	-	-	10,917
Total non-financial assets					40,314
Total assets					51,231
Liabilities					
Other payables	16	-	912	-	912
Amount due to a subsidiary	12	-	10,138	-	10,138
Total financial liabilities		-	11,050	-	11,050
Total non-financial liabilities					-
Total liabilities					11,050

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

35. OPERATING SEGMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

(a) Business Segments

	ICT Services and Distribution RM'000	Education RM'000	Other RM'000	Inter- Segment Elimination RM'000	Total RM'000
The Group At 31 December 2014					
Revenue					
External revenue	77,024	1,807	-	-	78,831
Inter-segment revenue	-	-	30,491	(30,491)	-
Segment revenue	77,024	1,807	30,491	(30,491)	78,831
Results					
Segment results	29,626	(6,277)	27,616	(30,491)	20,474
Finance costs					(169)
Profit before taxation					20,305
Income tax expense					(79)
Profit after taxation					20,226
Assets					
Segment assets	84,780	5,364	89,145	-	179,289
Tax recoverable	-	41	329	-	370
	84,780	5,405	89,474	-	179,659
Liabilities					
Segment liabilities	8,067	2,038	563	-	10,668
Provision for taxation	38	-	-	-	38
	8,105	2,038	563	-	10,706
Other information					
Depreciation and amortisation	1,166	460	36	-	1,662
Additions to non-current assets other than financial instruments:					
- property and equipment	434	2,751	-	-	3,185
- development costs	735	-	-	-	735

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (Cont'd)

	ICT Services and Distribution RM'000	Education RM'000	Other 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
Additions to non-current assets other than financial instruments:					
- property and equipment	352	1,449	-	-	1,801
- development costs	271	-	-	-	271

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

(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			
2014			
Revenue	76,421	2,410	78,831
2013			
Revenue	116,430	3,120	119,550

The Group's assets are mainly located in Malaysia.

Major Customers

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	Revenue		Segment
	2014 RM'000	2013 RM'000	
Customer A	10,000	59,869	ICT services and distribution
Customer B	-	12,897	ICT services and distribution
Customer C	29,707	-	ICT services and distribution
Customer D	8,598	-	ICT services and distribution
	48,305	72,766	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

36. 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.

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

	The Company	
	2014	2013
	RM'000	RM'000
Dividend received from:		
- PSSB	30,491	30,585

(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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short-term employees benefits	3,534	4,381	1,626	2,331
Post-employments benefits:				
- defined contribution plan	570	356	212	148
	4,104	4,737	1,838	2,479

Included in the total key management personnel compensation are:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 28)	1,259	1,383	1,209	1,327

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

- (a) On 13 February 2014, the Company acquired 2,500 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of PTSB for a total cash consideration of RM2,500. 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 was 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 1 April 2014, POGSB sent a letter of termination to the vendor of Prestariang Academy Sdn Bhd ("PASB") to terminate the Sales and Purchase of Shares Agreement dated 14 November 2013 for the acquisition of PASB 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.
- (e) On 9 May 2014, the Company acquired an additional 10,000 ordinary shares of RM1 each representing 10% of the issued and paid-up share capital of PTXSB for a total cash consideration of RM10,000. Consequently, PTXSB became a wholly-owned subsidiary of the Company.

On 26 June 2014, the Company further subscribed for an additional 400,000 ordinary shares of RM1 each representing 100% of the newly issued and paid-up share capital of PTXSB for a total cash consideration of RM400,000 to retain its 100% equity interest.
- (f) On 22 May 2014, PTSB acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of TLSB for a total cash consideration of RM2. Consequently, TLSB became a wholly-owned subsidiary of PTSB, a subsidiary of the Company.

38. 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 23 January 2015, PSSB had received a Letter of Award ("LOA") dated 21 January 2015 from the Ministry of Finance ("MOF") to appoint PSSB to be the Microsoft Licensing Solution Partner ("LSP") to provide Microsoft software under the Master Licensing Agreement ("MLA") 2.0 to all Government Agencies in Malaysia. The contract is over the course of three (3) years effective from 1 February 2015 until 31 January 2018.
- (b) On 11 March 2015, PSSB had received a LOA dated 9 March 2015 from the Ministry of Education ("MOE") to appoint PSSB for the supply Microsoft software licences and related services under Education Alliance Agreement ("EAA") to schools and colleges under MOE. The contract is over the course of three (3) years effective from 10 March 2015 until 9 March 2018 at a total contract price of RM24,300,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

38. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT'D)

- (c) On 27 March 2015, PSSB had received a LOA dated 27 March 2015 from Lembaga Hasil Dalam Negeri Malaysia (“LHDNM”) to provide Microsoft software licenses and value-added services under the MLA 2.0 for a period of three (3) years effective from 1 March 2015 to 28 February 2018 at a total contract price of RM29,989,487.

39. 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	55,988	64,075	351	62
- Unrealised	1,114	592	-	-
	57,102	64,667	351	62
Add: Consolidation adjustments	2,951	2,960	-	-
	60,053	67,627	351	62

LIST OF PROPERTIES

No.	Location	Registered Owner	Tenure	Built-up Area	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.14 (RM'000)	Date of Acquisition
1.	70-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	6	240	4 Sep 2007
2.	71-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	5	240	4 Sep 2007
3.	72-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft.	Office building	5	240	4 Sep 2007
4.	73-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,847 sq.ft.	Office building	5	289	4 Sep 2007
5.	72-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	411	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	719	15 Sep 2007
7.	71-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	479	1 Jul 2009
8.	70-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft.	Office building	5	479	1 Jul 2009
9.	73-A, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft.	Office building	5	1,678	3 Sep 2010

PSSB – Prestariang Systems Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

AS AT 17 APRIL 2015

SHARE CAPITAL

Authorised share capital	:	RM100,000,000.00 divided into 1,000,000,000 Ordinary Shares of RM0.10 each
Issued and paid up share capital	:	RM48,400,000.00 divided into 484,000,000 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	:	2,498

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 99	5	0.20	49	0.00
100 – 1,000	278	11.13	206,051	0.04
1,001 - 10,000	1,333	53.36	6,914,300	1.43
10,001 – 100,000	651	26.06	23,239,600	4.80
100,001 – 21,999,999*	228	9.13	258,164,000	53.34
22,000,000 and above **	3	0.12	195,476,000	40.39
Total	2,498	100.00	484,000,000	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 17 APRIL 2015

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dr. Abu Hasan Bin Ismail	-	-	132,301,400 ^(a)	27.34
EkoHati Sdn. Bhd.	100,001,800	20.66	32,299,600 ^(b)	6.67
Anjakan Evolusi Sdn. Bhd.	18,480,000	3.82	113,821,400 ^(c)	23.52
Shahirul Azian Binti Abu Bakar	-	-	132,301,400 ^(d)	27.34
Zubaidah Binti Ismail	-	-	132,301,400 ^(e)	27.34
Kumpulan Wang Persaraan (Diperbadankan)	54,694,400	11.30	1,993,000 ^(f)	0.41
AIA Bhd.	39,897,900	8.24	1,185,800 ^(g)	0.25
AIA Group Limited	-	-	41,083,700 ^(h)	8.49
AIA Company Limited	-	-	41,083,700 ^(h)	8.49
Orange Policy Sdn. Bhd.	-	-	41,083,700 ⁽ⁱ⁾	8.49
Premium Policy Berhad	-	-	41,083,700 ⁽ⁱ⁾	8.49

SUBSTANTIAL SHAREHOLDERS AS AT 17 APRIL 2015 (CONT'D)

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 Sigma Dedikasi Sdn. Bhd. pursuant to Section 6A of the Act.*
- (d) *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*
- (e) *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.*
- (f) *Deemed interest by virtue of the interest of Kumpulan Wang Persaraan (Diperbadankan)’s Fund Managers pursuant to Section 6A of the Act.*
- (g) *Deemed interested by virtue of Section 6A of the Act. AIA Bhd. is deemed interested in shares held by AIA Pension and Asset Management Sdn. Bhd. and AIA PUBLIC Takaful Bhd.*
- (h) *Deemed interested by virtue of Section 6A of the Act, via AIA Bhd, the substantial shareholder of Prestariang Berhad.*
- (i) *Orange Policy Sdn. Bhd. is deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd., and AIA Pension and Asset Management Sdn. Bhd., pursuant to Section 6A of the Act.*
- (j) *Premium Policy Berhad is deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd., and AIA Pension and Asset Management Sdn. Bhd., pursuant to Section 6A of the Act.*

ANALYSIS OF SHAREHOLDINGS AS AT 17 APRIL 2015 (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 17 APRIL 2015

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Mohamed Yunus Ramli Bin Abbas	1,800,000	0.37	-	-
Dr. Abu Hasan Bin Ismail	-	-	132,301,400*	27.34
Dato' Maznah Binti Abdul Jalil	2,261,000	0.47	120,000**	0.025
Chan Wan Siew	690,000	0.14	118,000***	0.024
Ramanathan A/L Sathiamutty	-	-	-	-

Notes:

(*) Deemed interest by virtue of his substantial shareholdings interest 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 Company Act 1965.

(**) Deemed interest by virtue of her spouse, Sheikh Abd Aziz bin S Abadis, shareholdings pursuant to Section 134(12)(c) of the Company Act 1965.

(***) Deemed interest by virtue of his spouse, Ms Lee Oi Lin's, shareholdings pursuant to Section 134(12)(c) of the Act Company Act 1965.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 17 APRIL 2015

No.	Securities Account Holders	No. of Shares	%
1	EKOHATI SDN BHD	100,001,800	20.66
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	54,694,400	11.30
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	40,779,800	8.43
4	ANJAKAN EVOLUSI SDN BHD	18,480,000	3.82
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	17,972,000	3.71
6	KUMPULAN MODAL PERDANA SDN BHD	17,567,900	3.63

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 17 APRIL 2015 (CONT'D)

No.	Securities Account Holders (Cont'd)	No. of Shares	%
7	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	14,291,400	2.95
8	SIGMA DEDIKASI SDN BHD	13,819,600	2.86
9	AMANAHRAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA	8,205,000	1.70
10	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL 2	7,308,900	1.51
11	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 9)	6,669,700	1.38
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR YEOH ENG HUA	6,091,200	1.26
13	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	5,769,700	1.19
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	5,556,100	1.15
15	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL 3 IMBANG	5,476,900	1.13
16	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR GAN NYAP LIOU @ GAN NYAP LIOW	5,000,000	1.03
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	4,877,500	1.01
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND (4207)	4,412,000	0.91
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	4,114,800	0.85

ANALYSIS OF SHAREHOLDINGS

AS AT 17 APRIL 2015 (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 17 APRIL 2015 (CONT'D)

No.	Securities Account Holders (Cont'd)	No. of Shares	%
20	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)	3,930,000	0.81
21	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE AG (SG-CLT-T-OS PR)	3,350,000	0.69
22	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND 62L2 FOR USAA EMERGING MARKETS FUND	3,172,300	0.66
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG GROWTH FUND	3,092,000	0.64
24	TAYLOR'S EDUCATION SDN. BHD.	3,000,000	0.62
25	HLB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,975,000	0.61
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD CORSTON-SMITH ASSET MANAGEMENT SDN BHD FOR CORSTON-SMITH ASEAN CORPORATE GOVERNANCE FUND	2,950,000	0.61
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,400,000	0.50
28	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDII	2,372,300	0.49
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND	2,345,000	0.48
30	HSBC NOMINEES (ASING) SDN BHD HSBC-FS I FOR JPMORGAN MALAYSIA FUND	2,284,900	0.47
TOTAL		372,960,200	77.06

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting (5th AGM) of the Company will be held at Songket, Cyberview Resort & Spa, Persiaran Multimedia 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia on Monday, 15 June 2015 at 10:00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 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 2014. **(Resolution 1)**
3. To re-elect Dr. Abu Hasan bin Ismail 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' Maznah binti Abdul Jalil, who is retiring pursuant to Article 95 of the Company's Articles of Association and being eligible, has offered herself for re-election. **(Resolution 3)**
5. 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 4)**

As Special Business

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

6. **ORDINARY RESOLUTION NO. 1**
- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Resolution 5)**

"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."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. ORDINARY RESOLUTION NO. 2:

(Resolution 6)

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY

“**THAT** subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits and/or share premium of the Company, based on the latest audited financial statements and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting, whichever occurs first;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. 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: 22 May 2015

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2015 ("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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 5 – Authority to issue shares 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 5th AGM of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a general mandate by its shareholders at the Fourth Annual General Meeting (4th AGM) of the Company held on 25 June 2014. (hereinafter referred to as the “Previous Mandate”).

As at the date of this notice, the Company had placed out 44,000,000 new ordinary shares to investors which raised a total proceed of RM176,560,000. As at the date of this notice, the Company has not utilised the above proceeds raised.

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) **Resolution 6 – Proposed Renewal of Authority for the Company to Purchase its own Shares of up to 10% of the Issued and Paid-up Share Capital of the Company (hereinafter referred to as “Proposed Renewal of Share Buy-back Authority”)**

The Proposed Renewal of Share Buy-back Authority is to renew the authority granted by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 3 November 2014. The proposed renewal will allow the Company to purchase its own shares up to 10% of the total issued and paid-up share capital of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular to Shareholders dated 22 May 2015 for more information.



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.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

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 Fifth Annual General Meeting of the Company to be held at Songket, Cyberview Resort & Spa, Persiaran Multimedia 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia on Monday, 15 June 2015 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 2014 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees.	1		
3.	To re-elect Dr. Abu Hasan bin Ismail as Director.	2		
4.	To re-elect Dato' Maznah binti Abdul Jalil as Director.	3		
5.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	4		
Special Business				
6.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	5		
7.	Proposed renewal of share buy-back authority.	6		

As witness my/our hand(s) this day _____ of _____, 2015.

*Signature of Member/Common Seal

* Strike out whichever not applicable

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Stamp

To:
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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