

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

In line with Practice Note 18 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements on Perusal of Draft Circulars and Other Documents, Bursa Securities did not peruse the contents of this Circular as this Circular do not require the perusal of Bursa Securities prior to its issuance.

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

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Share Buy-Back as set out herein.



PRESTARIANG™

PRESTARIANG BERHAD

(Company No. 922260-K)
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED AUTHORITY FOR
THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF
THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY
("PROPOSED SHARE BUY-BACK")**

The above Proposed Share Buy-Back will be tabled as Special Business at Prestariang Berhad's Second Annual General Meeting ("AGM") to be held at Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 20 June 2012 at 10:00 a.m. The Notice of the Second AGM together with the Form of Proxy are set out in the Annual Report of Prestariang Berhad for the year ended 31 December 2011.

If you are unable to attend and vote at the Second AGM, you may complete the Form of Proxy and deposit it 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 later than forty-eight (48) hours before the time set for holding the Second AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the Second AGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy..... : Monday, 18 June 2012 at 10:00 a.m.

Date and time of the AGM : Wednesday, 20 June 2012 at 10:00 a.m.

This Circular is dated 28 May 2012

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	Companies Act, 1965
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of PRESBHD
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Code”	:	Malaysian Code on Take-Overs and Mergers, 2010
“PRESBHD” or “Company”	:	Prestariang Berhad
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including any amendment that may be made from time to time
“LPD”	:	16 May, 2012, being the Latest Practicable Date prior to the printing of this Circular.
“NA”	:	Net assets
“PRESBHD Share(s)” or “Share(s)”	:	Ordinary share(s) of RM0.10 each in PRESBHD
“PRESBHD Group” or “Group”	:	PRESBHD and its subsidiary companies as defined in Section 5 of the Act
“Proposed Share Buy-Back”	:	Proposed authority for PRESBHD to purchase its own shares of up to ten percent (10%) of its issued and paid-up share capital at any point in time.
“PSSB”	:	Prestariang Systems Sdn Bhd, a wholly-owned subsidiary of PRESBHD
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“EPS”	:	Earnings per share
“Market Day(s)”	:	Any day on which Bursa Securities is open for trading of securities
“Purchased Shares”	:	PRESBHD shares that have been purchased pursuant to the Proposed Share Buy-Back

Words incorporate the singular shall, where applicable, include the plural and vice versa and words incorporate the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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PRESTARIANG BERHAD

(Company No. 922260-K)
(Incorporated in Malaysia)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

28 May 2012

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' Jaffar Indot (*Independent Non-Executive Director*)

Dato' Loy Teik Ngan (*Independent Non-Executive Director*)

Mr Paul Chan Wan Siew (*Independent Non-Executive Director*)

Dato' Gan Nyap Liou @ Gan Nyap Liow (*Independent Non-Executive Director*)

To: The Shareholders of PRESBHD

Dear Sir/Madam,

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

1. INTRODUCTION

The Board had on 9 May 2012, announced that the Company is proposing to seek approval from its shareholders on the Proposed Share Buy-Back at the forthcoming 2nd AGM.

The purpose of this Circular is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back under the agenda of Special Business as set out in the Annual Report of PRESBHD for the financial year ended 31 December 2011 to be tabled at the forthcoming 2nd AGM. The Notice of the 2nd AGM together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial year ended 31 December 2011.

SHAREHOLDERS OF PRESBHD ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK AT THE FORTHCOMING 2ND AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board proposes to seek approval from shareholders of the Company to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company at any point of time, within the time period stated in Section 2.2 below subject to compliance with Section 67A of the Act, the Listing Requirements and any prevailing laws, rules and regulations, orders, guidelines and other requirements issued by the relevant authorities ("Prevailing Laws").

2.1 Maximum Limit

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any point in time. As at the LPD, the issued and paid-up ordinary share capital of the Company is RM22,000,000 comprising 220,000,000 PRESBHD Shares. The Proposed Share Buy-Back will enable the Company to purchase up to 22,000,000 PRESBHD Shares.

The actual number of PRESBHD Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the retained profits, share premium and financial resources available to the Company at the time of the purchase(s). The Proposed Share Buy-Back shall only be effected on the open market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The Proposed Share Buy-Back shall be transacted through the Company's appointed stockbroker(s) as approved by Bursa Securities and appointed at a later date.

2.2 Time Period

The Proposed Share Buy-Back, if approved, shall be effective upon the passing of the resolution at the forthcoming 2nd AGM of PRESBHD until:-

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The approval of the shareholders on the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. However, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.3 Funding

The Proposed Share Buy-Back may be funded through internally-generated funds and/or bank borrowings as long as the purchase is backed by an equivalent amount of retained profits and/or share premium of the Company, subject to compliance with the Prevailing Laws.

As at the LPD, the Company has not determined the source of funding for the Proposed Share Buy-Back. The actual amount of funds to be utilized for the Proposed Share Buy-Back will only be determined later depending on the actual number of PRESBHD Shares to be purchased, availability of funds at the time of purchase(s) and other relevant cost factors.

The Proposed Share Buy-Back, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of the Company. In the event the Proposed Share Buy-Back is to be financed by bank borrowings, the Board will ensure that the Company has the capability to repay such borrowings and that such repayment will not have a material effect on the cash flow of the Company.

The maximum amount of funds to be allocated for the Proposed 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 of the Company for the financial year ended 31 December 2011 and the latest unaudited financial statements of the Company for the three (3) months period ended 31 March 2012, the retained profits and share premium of the Company are as follows :-

	As at 31 December 2011 (RM'000)	As at 31 March 2012 (RM'000)
Retained Profits	23	6
Share Premium	16,632	16,632

2.4 Treatment of Purchased Shares

Pursuant to Section 67A of the Act, the Board may deal with the Purchased Shares in either of the following manner :-

- (a) to cancel all or part of the Purchased Shares; and/or
- (b) to retain all or part of the Purchased Shares as treasury shares; and/or
- (c) to distribute all or part of the treasury shares as share dividends to the shareholders of the Company; and/or
- (d) to resell all or part of the treasury shares on Bursa Securities.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of shareholders.

As at the date of this Circular, the Board has yet to make a decision with regard to the treatment of the Purchased Shares and will take into consideration the effect of such treatment to the Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares purchased pursuant to the Proposed Share Buy-Back.

2.5 Purchase Price

Pursuant to the provisions of Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price of PRESBHD Shares for the five (5) Market Days immediately before the date of the purchase(s).

Pursuant to the provisions of Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as treasury shares on Bursa Securities at:-

- (a) a price which is not less than the weighted average market price of PRESBHD Shares for the five (5) Market Days immediately before the date of resale(s); or

- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of PRESBHD Shares for the five (5) Market Days immediately before the resale provided that :-
 - (i) the resale takes place not earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of PRESBHD Shares being resold.

2.6 Public Shareholding Spread

The Proposed Share Buy-Back will be undertaken in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The public shareholding spread of the Company as at the LPD is approximately 47.59% held by public shareholders. The Company will not make any purchase of PRESBHD shares if that will result in breach of Paragraph 8.02(1) of the Listing Requirements, which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares (excluding treasury shares) or such lower percentage of shareholding spread as may be allowed by Bursa Securities in the hands of public shareholders. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of PRESBHD Shares by the Company.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The implementation of the Proposed Share Buy-Back is envisaged to benefit the Company and its shareholders as follows:

- (a) The Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the PRESBHD Shares traded on Bursa Securities and thereby support its fundamental value.
- (b) the EPS of Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base.
- (c) the Purchased Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company.
- (d) the Purchased Shares retained as treasury shares can be distributed as share dividends to shareholders as a reward.

The financial resources of the Company will increase if the Purchased Shares held as treasury shares are resold at prices higher than the purchase price.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

4.1 Potential Advantages

The potential advantages of the Proposed Share Buy-Back are as follows:

- (a) The Proposed Share Buy-Back would enable the Company to utilize its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Share Buy-Back will also provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are

resold at prices higher than their cost of purchase.

- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Share Buy-Back may also stabilise the supply and demand of PRESBHD Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of PRESBHD Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

4.2 Potential Disadvantages

The potential disadvantages of the Proposed Share Buy-Back are as follows :

- (a) The Proposed Share Buy-Back if implemented is expected to temporarily reduce the immediate financial resources of PRESBHD Group.
- (b) The Proposed Share Buy-Back may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds, such as deposit in interest bearing instruments.
- (c) The Proposed Share Buy-Back may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and the shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the Proposed Share Buy-Back.

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Issued and Paid-up Share Capital

The effect of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company will depend on whether the PRESBHD Shares purchased are cancelled or retained as treasury shares.

In the event that all the PRESBHD Shares purchased are cancelled and on the assumption that the Proposed Share Buy-Back is exercised in full, the proforma effects of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company as at the LPD are as follows:

	No. of PRESBHD Shares	RM
Issued and paid-up capital as at the LPD	220,000,000	22,000,000
Cancellation of PRESBHD Shares purchased pursuant to the Proposed Share Buy-Back	(22,000,000)	2,200,000
After the Proposed Share Buy-Back	198,000,000	19,800,000

However, the Proposed Share Buy-Back will have no effect on the issued and paid-up share capital of the Company if all the PRESBHD Shares are retained as treasury shares, resold or distributed to the shareholders of the Company.

5.2 NA

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of PRESBHD Group will decrease if the cost per Share purchased exceeds the NA per Share of PRESBHD Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of PRESBHD Group at the relevant point in time, the NA per Share of PRESBHD Group will increase.

In the case where the Purchased Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of PRESBHD Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of PRESBHD Group will decrease by the cost of the treasury shares at the point of purchase.

5.3 Working Capital

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cash flow of PRESBHD Group, the quantum of which depends on, amongst others, the purchase price of the PRESBHD Shares and the number of PRESBHD Shares that would be purchased.

For Purchased Shares which are kept as treasury shares, upon resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

5.4 Earnings

The effects of the Proposed Share Buy-Back on the earnings of PRESBHD Group are dependent on the number of PRESBHD Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to PRESBHD Group if internally generated funds are utilised. Further, the purchase of the PRESBHD Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

5.5 Dividends

Barring any unforeseen circumstances, the Proposed Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of PRESBHD. As stated in Sections 3 and 4.1 above, the Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

5.6 Gearing

The effect of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowings utilized to fund any purchase of PRESBHD Shares. At this juncture, the Company has not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back.

5.7 Shareholdings of Directors and Substantial Shareholders

Based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings as at the LPD and assuming that the Proposed Share Buy-Back is implemented in full (up to 10% of the issued and paid-up share capital) and that the Purchased Shares are from shareholders other than the existing Directors and substantial shareholders of PRESBHD, the effect of the Proposed Share Buy-Back on the shareholdings of the existing Directors and substantial shareholders of PRESBHD by virtue of Section 67A(3C) of the Act are as follows :-

	Shareholdings as at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Dato' Mohamed Yunus Ramli Bin Abbas	250,000	0.11	-	-	250,000	0.13	-	-
Dr Abu Hasan Bin Ismail	-	-	90,650,700 ^(a)	41.20	-	-	90,650,700 ^(a)	45.78
Dato' Jaffar Indot	320,000	0.15	130,000 ^(b)	0.06	320,000	0.16	130,000 ^(b)	0.06
Dato' Gan Nyap Liou @ Gan Nyap Liow	1,893,000	0.86	-	-	1,893,000	0.96	-	-
Dato' Loy Teik Ngan	275,000	0.13	500,000 ^(c)	0.23	275,000	0.14	500,000 ^(c)	0.25
Chan Wan Siew	250,000	0.11	-	-	250,000	0.13	-	-
Substantial Shareholders								
Dr Abu Hasan Ismail	-	-	90,650,700 ^(a)	41.20	-	-	90,650,700 ^(a)	45.78
EkoHati Sdn Bhd	50,000,900	22.73	40,649,800 ^(d)	18.47	50,000,900	25.25	40,649,800 ^(d)	20.53
Sigma Dedikasi Sdn Bhd	31,409,800	14.27	59,240,900 ^(e)	26.93	31,409,800	15.86	59,240,900 ^(e)	29.92
Anjakan Evolusi Sdn Bhd	9,240,000	4.20	81,410,700 ^(f)	37.00	9,240,000	4.67	81,410,700 ^(f)	41.12
Kumpulan Modal Perdana Sdn Bhd	20,849,300	9.48	-	-	20,849,300	10.53	-	-
Minister of Finance, Incorporated	-	-	20,849,300 ^(g)	9.48	-	-	20,849,300 ^(g)	10.53
Datuk Ir Dr Ahmad Fikri Bin Hussein	-	-	31,409,800 ^(h)	14.27	-	-	31,409,800 ^(h)	15.86
Shahirul Azian Binti Abu Bakar	-	-	90,650,700 ⁽ⁱ⁾	41.20	-	-	90,650,700 ⁽ⁱ⁾	45.78
Zubaidah Binti Ismail	-	-	90,650,700 ^(j)	41.20	-	-	90,650,700 ^(j)	45.78

- (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 Act.
- (b) Interest of his spouse by virtue of Section 134(12)(c) of the Act.
- (c) Deemed interest by virtue of his interest in Taylor's Education Sdn Bhd pursuant to Section 6A of the Act.
- (d) 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.
- (e) Deemed interest by virtue of Dr Abu's interest in EkoHati Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 6A of the Act.
- (f) 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.
- (g) Deemed interest by virtue of its interest in Kumpulan Modal Perdana Sdn Bhd pursuant to Section 6A of the Act.
- (h) Deemed interest by virtue of his interest in Sigma Dedikasi Sdn Bhd pursuant to Section 6A of the Act.
- (i) 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.
- (j) 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.

6. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK IN RELATION TO THE CODE

If as a result of the Proposed Share Buy-Back, (i) a shareholder who holds less than 33% of the voting shares of PRESBHD has inadvertently increased his shareholding to more than 33%; or (ii) a shareholder who holds more than 33% but less than 50% of the voting shares of PRESBHD has inadvertently increased his shareholdings by 2% within a six-months period, the said shareholder will be obliged under Part II of the Code to make a Mandatory General Offer ("MGO") for the remaining PRESBHD Shares not held by him. Notwithstanding the above, the said shareholder is allowed to make an application to the Securities Commission for a waiver from implementing an MGO under Practice Note 9.24.1 of the Code.

It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake an MGO under the Code and the Company will be mindful of the above implications of the Code in making any purchase of its own shares under the Proposed Share Buy-Back.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest closing prices of PRESBHD Shares as traded on Bursa Securities for the past twelve (12) months are as follows :-

	HIGH (RM)	LOW (RM)
2011		
May	- (#)	- (#)
June	- (#)	- (#)
July	0.90	0.70
August	0.87	0.51
September	0.56	0.47
October	0.81	0.52
November	0.84	0.72
December	0.75	0.69
2012		
January	0.88	0.71
February	1.04	0.80
March	1.06	0.82
April	1.03	0.82

PRESBHD Shares were listed on Bursa Securities on 27 July 2011.

The last transacted market price of PRESBHD Shares on 8 May 2012 (being the date prior to the announcement of the Proposed Share Buy-Back) was RM1.04 per Share.

The last transacted market price of PRESBHD Shares on the LPD (being the LPD prior to the printing of this Circular) was RM0.93 per Share.

(Source : The Star)

8. PREVIOUS PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES

As this is the first Proposed Share Buy-Back, the Company has not made any purchase of its Shares or resale of its treasury shares in the previous twelve (12) months preceding the date of this Circular and therefore, no resale of the Purchased Shares or cancellation thereof has occurred during the same period.

9. APPROVAL REQUIRED

The Proposed Share Buy-Back is conditional upon the shareholders' approval at the forthcoming 2nd AGM.

10. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of Shares or resale of treasury shares, if any, in the future.

11. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Share Buy-Back is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interests of the Company and accordingly recommend that you vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the 2nd AGM.

12. 2ND AGM

The 2nd AGM will be held at Banquet Hall, Level 1, Main Lobby, Kuala Lumpur Golf & Country Club (KLGCC), No. 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 20 June 2012 at 10.00 a.m. for the purpose of considering and if thought fit, passing the Ordinary Resolution on the Proposed Share Buy-Back under Special Business, Agenda No. 8 of the Notice of 2nd AGM which is enclosed in the Annual Report of the Company for the financial year ended 31 December 2011 accompanying this Circular.

If you are unable to attend and vote in person at the 2nd AGM, you are requested to complete, sign and return the enclosed Form of Proxy attached to the Annual Report of the Company for the financial year ended 31 December 2011 in accordance with the instructions printed thereon as soon as possible, so as to arrive 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 2nd AGM. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the forthcoming 2nd AGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
PRESTARIANG BERHAD

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

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

2. MATERIAL CONTRACTS

Save as disclosed below, neither PRESBHD nor any of its subsidiaries has entered into any material contracts within the two (2) years preceding the LPD, other than contracts entered into in the ordinary course of business :-

- (i) On 3 September 2010, Raasi Creations Sdn Bhd and PSSB entered into a sale and purchase agreement whereby Raasi Creations Sdn Bhd has agreed to sell and PSSB has agreed to purchase a parcel of strata shop-office known as Unit No. 73A-G, within storey no. Ground Floor together with accessory parcel no. 73A-Ga within storey no. Ground Floor, Biz Avenue II, NeoCyber at Cyberjaya measuring approximately 2,440 square feet in area comprised in that piece of freehold land held under master title for a consideration of RM1,020,300.

Then by a deed of assignment dated 11 March 2011 entered into between Raasi Creations Sdn Bhd and PSSB, Raasi Creations Sdn Bhd as the beneficial owner of the aforesaid property assigned absolutely all its rights, title, benefit and interest in the aforesaid property and under the principal sale and purchase agreement to PSSB.

- (ii) On 3 September 2010, Raasi Creations Sdn Bhd and PSSB entered into a sale and purchase agreement whereby Raasi Creations Sdn Bhd has agreed to sell and PSSB has agreed to purchase a parcel of strata shop-office known as unit no. 73A-1 within storey no. First Floor, Biz Avenue II, NeoCyber at Cyberjaya measuring approximately 1,847 square feet in area comprised in that piece of freehold land held under master title for a consideration of RM772,200.

Then by a deed of assignment dated 11 March 2011 entered into between Raasi Creations Sdn Bhd and PSSB, Raasi Creations Sdn Bhd as the beneficial owner of the aforesaid property assigned absolutely all its rights, title, benefit and interest in the aforesaid property and under the principal sale and purchase agreement to PSSB.

- (iii) On 16 December 2010, the Company and Dr Abu Hasan bin Ismail ("Dr Abu") and Kumpulan Modal Perdana Sdn Bhd ("KMP") has entered into a share purchase agreement whereby Dr Abu and KMP has agreed to sell and the Company has agreed to acquire the entire issued and fully paid-up share capital of PSSB comprising 5,588,465 ordinary shares (after conversion of the 2,000,000 redeemable convertible preference shares into 325,307 ordinary shares of RM1.00 in PSSB) by the Company for a purchase consideration of RM19,799,998 satisfied by the issuance of 197,999,980 new PRESBHD Shares as fully paid-up.

- (iv) On 8 June 2011, the Company and Dr Abu entered into a service agreement with respect to the appointment of Dr Abu as the Group's Chief Executive Officer for a period of three (3) years and thereafter automatically renewed on an annual basis based on the same terms and conditions of the service agreement or mutually to be agreed upon by the parties.

- (v) On 13 June 2011, the Company and AmInvestment Bank Berhad has entered into an underwriting agreement whereby AmInvestment Bank Berhad has agreed to underwrite up to 37,000,000 of the Initial Public Offering ("IPO") Shares of PRESBHD (comprising of 22,000,000 public issued shares and 15,000,000 offer shares), for an underwriting commission at the rate of 2.00% of the amount equal to the IPO Price of RM0.90 multiplied by the underwritten IPO Shares.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither PRESBHD nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of PRESBHD and/or its subsidiaries and the Directors are not aware of any proceedings, pending or threatened against PRESBHD and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may materially affect the financial position of PRESBHD and/or its subsidiaries.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of the 2nd AGM:

- (a) Memorandum and Articles of Association of PRESBHD;
- (b) The audited consolidated financial statements of PRESBHD for the past two (2) financial years ended 31 December 2010 and 31 December 2011;
- (c) The latest unaudited consolidated results of PRESBHD for the three (3) months period ended 31 March 2012; and
- (d) Material contracts referred to in Section 2 of this Appendix.