

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

A1. BASIS OF PREPARATION

The unaudited interim financial statements (Report) have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Board. This Report also complies with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2013, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2014.

2.1 Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014.

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

2.2 Standard issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

Description		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)	To be announce by Malaysian Accounting Standards Boards (MASB)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9	Financial instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced by MASB
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB
Amendments to MFRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
	Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
	Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for MFRS 9 *Financial Instruments*. The Group will assess the financial implications of MFRS 9 *Financial Instruments* when full standard is issued.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The Academy segment in particular *Program Pentauliahan Profesional (3P)* and Roles Based Training Civil Servant on ICT (RBTCS) for participating Malaysia public higher institutions and civil servants respectively. The delivery of the programmes in particular 3P was based on the pre agreed schedules of the participating institutions and may experience high in activities during the semester breaks.

A5. UNUSUAL NATURE

There were no material unusual items or events that affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter.

A6. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial quarter.

A7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

A8. VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation of the property and equipment in the current financial quarter.

A9. CAPITAL COMMITMENTS

The Group does not have any significant capital commitments as at the date of this announcement.

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A10. DIVIDENDS PAID

	12 months ended	
	31/12/2014	31/12/2013
	RM'000	RM'000
In respect of the financial year ended 31 December 2012:		
- declared as fourth interim tax-exempt dividend of 3 sen per ordinary share	-	6,572
In respect of the financial year ended 31 December 2013:		
- declared as first interim tax-exempt dividend of 2.5 sen per ordinary share	-	5,476
- declared as second interim tax-exempt dividend of 3 sen per ordinary share	-	6,571
- declared as third interim tax-exempt dividend of 3.5 sen per ordinary share	-	7,700
- declared as fourth interim tax-exempt dividend of 3 sen per ordinary share	6,600	-
In respect of the financial year ended 31 December 2014:		
- declared as first interim tax-exempt dividend of 1.25 sen per ordinary share	5,500	-
- declared as second interim tax-exempt dividend of 1.44 sen per ordinary share	6,970	-
- declared as third interim tax-exempt dividend of 1.0 sen per ordinary share	4,840	-
Total dividends paid	<u>23,910</u>	<u>26,319</u>

A11. SEGMENTAL INFORMATION

The Group's business segments are reflecting the Group's internal reporting structure as follow:

- a) Software & Services and Academy - distribution and managing the software licensing and providing the ICT and O&G training and certification.
- b) Education – devoted to provide specialised computer science and engineering education. It offers computer studies ranges from foundation, degree and post graduate masters and PHD.
- c) Other - The holding company is involved in activity of investment holding.

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A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2014					RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2013				
	Software & Services and Academy RM'000	Education RM'000	Other RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000	Software & Services and Academy RM'000	Education RM'000	Other RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
By operating segment										
Operating revenue	11,866	498	9,337	(9,337)	12,364	30,119	293	11,965	(11,965)	30,412
Other Income	342	4	583	-	929	1,457	1	70	-	1,528
Direct costs	(5,070)	(849)	-	-	(5,919)	(12,980)	(669)	-	-	(13,649)
Segment profit	7,138	(347)	9,920	(9,337)	7,374	18,596	(375)	12,035	(11,965)	18,291
Overheads	(3,633)	(975)	(939)	-	(5,547)	(4,209)	(1,265)	(2,045)	-	(7,519)
Profit before taxation	3,505	(1,322)	8,981	(9,337)	1,827	14,387	(1,640)	9,990	(11,965)	10,772
Income tax expense	-	-	-	-	-	-	-	(42)	-	(42)
Profit for the period	3,505	(1,322)	8,981	(9,337)	1,827	14,387	(1,640)	9,948	(11,965)	10,730
Attributable to:										
- Equity holder of the company	3,505	(1,322)	8,981	(9,337)	1,827	14,387	(1,640)	9,948	(11,965)	10,730
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Profit for the period	3,505	(1,322)	8,981	(9,337)	1,827	14,387	(1,640)	9,948	(11,965)	10,730

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A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2014					RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2013				
	Software & Services and Academy RM'000	Education RM'000	Other RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000	Software & Services and Academy RM'000	Education RM'000	Other RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
By operating segment										
Operating revenue	77,047	1,807	30,490	(30,490)	78,854	118,993	390	30,585	(30,585)	119,383
Other Income	1,995	9	1,087	-	3,091	2,093	7	278	-	2,378
Direct costs	(37,050)	(3,179)	-	-	(40,229)	(50,227)	(1,985)	-	-	(52,212)
Segment profit	41,992	(1,363)	31,577	(30,490)	41,716	70,859	(1,588)	30,863	(30,585)	69,549
Overheads	(12,912)	(4,929)	(3,497)	-	(21,338)	(17,900)	(4,972)	(4,484)	-	(27,356)
Profit before taxation	29,080	(6,292)	28,080	(30,490)	20,378	52,959	(6,560)	26,379	(30,585)	42,193
Income tax expense	(75)	(1)	-	-	(76)	(47)	(20)	(42)	-	(109)
Profit for the period	29,005	(6,293)	28,080	(30,490)	20,302	52,912	(6,580)	26,337	(30,585)	42,084
Attributable to:										
- Equity holder of the company	29,005	(6,293)	28,080	(30,490)	20,302	52,920	(6,580)	26,337	(30,585)	42,092
- Non-controlling interest	-	-	-	-	-	(8)	-	-	-	(8)
Profit for the period	29,005	(6,293)	28,080	(30,490)	20,302	52,912	(6,580)	26,337	(30,585)	42,084

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

In the opinion of the Board of Directors, there were no items, transactions or events of a material and unusual nature that have arisen since 31 December 2014 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended that have not been reflected in the condensed financial statements.

A13. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial quarter.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has no significant transactions with the related parties during the periods under review.

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PART B – ADDITIONAL INFORMATION AS REQUIRED BY MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. OPERATING SEGMENTS REVIEW

4Q14 vs. 4Q13

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 31/12/2014 RM'000	Preceding Year Quarter 31/12/2013 RM'000	Variance		Current Year To Date 31/12/2014 RM'000	Preceding Year To Date 31/12/2013 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
Software & Services and Academy								
- Software & Services	10,787	11,643	(856)	-7%	49,539	59,968	(10,429)	-17%
- Academy	1,079	18,476	(17,397)	-94%	27,508	59,025	(31,517)	-53%
	<u>11,866</u>	<u>30,119</u>	<u>(18,253)</u>	<u>-61%</u>	<u>77,047</u>	<u>118,993</u>	<u>(41,946)</u>	<u>-35%</u>
Education	498	293	205	70%	1,807	390	1,417	363%
Other	9,337	11,965			30,490	30,585		
	<u>21,701</u>	<u>42,377</u>			<u>109,344</u>	<u>149,968</u>		
Inter-segment Elimination	<u>(9,337)</u>	<u>(11,965)</u>			<u>(30,490)</u>	<u>(30,585)</u>		
Group	<u>12,364</u>	<u>30,412</u>	<u>(18,048)</u>	<u>-59%</u>	<u>78,854</u>	<u>119,383</u>	<u>(40,529)</u>	<u>-34%</u>
<u>Profit Before Taxation</u>								
Software & Services and Academy	3,505	14,387	(10,882)	-76%	29,080	52,959	(23,879)	-45%
Education	(1,322)	(1,640)	318	19%	(6,292)	(6,560)	268	4%
Other	8,981	9,990	(1,009)	-10%	28,080	26,379	1,701	6%
Inter-segment Elimination	<u>(9,337)</u>	<u>(11,965)</u>			<u>(30,490)</u>	<u>(30,585)</u>		
Group	<u>1,827</u>	<u>10,772</u>	<u>(8,945)</u>	<u>-83%</u>	<u>20,378</u>	<u>42,193</u>	<u>(21,815)</u>	<u>-52%</u>

B1. OPERATING SEGMENTS REVIEW (CONT'D)

4Q14 vs. 4Q13 (cont'd)

The Group's revenue for the current quarter of RM12.4 million was 59% or RM18.0 million lower than the corresponding quarter last year of RM30.4 million. Lower revenue was mainly due to lower training conducted for Academy.

Other revenue is dividend income received from an operating subsidiary company which is eliminated at the group level.

The Group's PBT for the current quarter of RM1.8 million was lower by RM8.9 million or 83% as compared to RM10.7 million in the corresponding quarter last year.

YTD14 vs. YTD13

The Group's revenue for YTD14 was RM78.9 million, lower by RM40.5 million or 34% compared to RM119.4 million in YTD13. The revenue for YTD14 was lower mainly due to lower contribution for Software & Services and Academy segments.

Likewise, the Group's PBT recorded for YTD14 was RM20.4 million, lower by RM21.8 million or 52% lower from RM42.2 million recorded in YTD13. Lower PBT was mainly due to flow through from lower revenue contributed from Software & Services and Academy segments.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

4Q14 vs. 3Q14

	Current Quarter 31/12/2014 RM'000	Immediate Preceding Quarter 30/9/2014 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services and Academy				
- Software & Services	10,787	5,232	5,555	106%
- Academy	1,079	11,164	(10,085)	-90%
	<u>11,866</u>	<u>16,396</u>	<u>(4,530)</u>	<u>-28%</u>
Education	498	454	44	10%
Other	9,337	9,053		
	<u>21,701</u>	<u>25,903</u>		
Inter-segment Elimination	<u>(9,337)</u>	<u>(9,053)</u>		
Group	<u>12,364</u>	<u>16,850</u>	<u>(4,486)</u>	<u>-27%</u>
<u>Profit Before Taxation</u>				
Software & Services and Academy	3,505	6,938	(3,433)	-49%
Education	(1,322)	(1,558)	236	15%
Other	8,981	8,781	200	2%
Inter-segment Elimination	<u>(9,337)</u>	<u>(9,053)</u>		
Group	<u>1,827</u>	<u>5,108</u>	<u>(3,281)</u>	<u>-64%</u>

The Group's revenue for the current quarter of RM12.4 million was 27% or RM4.5 million lower than the preceding quarter of RM16.9 million. The lower number of training classes conducted by Academy segment contributed to overall decrease of the total revenue, mitigated by higher sales of software licenses by Software & Services.

The Group recorded lower PBT for the current quarter of RM1.8 million, 64% lower than the preceding quarter. The decrease in PBT was mainly due to flow through from overall lower revenue recorded as explained above.

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B3. PROSPECTS

For the financial year ending 2015, the Group expects to remain positive. 2014 was an investment year where the Company invested RM4.5 million on strategic development of new projects. This investment includes bringing in top talents to enhance the competencies that will set a new platform for future sustainable growth, aligned to our new core focus as a talent and technology company.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. PROFIT BEFORE TAXATION

Profit before taxation is derived after taking into consideration of the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(10)	(26)	(34)	(70)
Other income including investment income	(390)	(319)	(1,976)	(643)
Interest expense	3	21	14	108
Depreciation and amortisation	455	421	1,654	1,547
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	(130)	(536)	(387)	(557)
(Gain) or loss on derivatives	-	(58)	-	(197)
Exceptional items	-	-	-	-

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	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year</u>	<u>Year</u>	<u>Year To</u>	<u>Year To</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Date</u>	<u>Date</u>
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia tax:				
- Under provision in prior year	-	42	76	109
	<u>-</u>	<u>42</u>	<u>76</u>	<u>109</u>

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

Prestariang Systems Sdn. Bhd., the main subsidiary of the Group, has been granted the Multimedia Super Corridor Malaysia Status ("MSC 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.

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B7. STATUS OF CORPORATE PROPOSAL

i. Utilisation Of IPO Proceeds

The status of utilisation of the IPO proceeds as at 31 December 2014 is as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Deviation		Note
				(RM'000)	(%)	
Capital expenditure	Within 12 months	2,500	2,223	277	11.08	
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	
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)	3
Total Gross Proceed		19,800	15,761	4,039		

Note:-

- (1) The gross proceeds arising from the Offer for Sale, net of the relevant fee, shall accrue entirely to the offer or and no part of the proceeds will be received by the Company.
- (2) On 26 Nov 2014, the Board of Directors approved to vary and re-allocate the balance of RM3.852 million from Research and developments 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 deviation of RM0.43 million from the estimated listing expenses have been funded from working capital.

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B7. STATUS OF CORPORATE PROPOSAL (CONT'D)

ii. Transfer of 30 Percent Shares in Prestariang Education Sdn Bhd ("PESB")

On 19 November 2014, Prestariang had accepted the terms of Letter of Intent ("LOI") from Majlis Amanah Rakyat ("MARA") expressing MARA's intention to acquire thirty percent (30%) interest in Prestariang Education Sdn Bhd, a wholly owned subsidiary of Prestariang Berhad, the entity that established University Malaysia of Computer Science & Engineering ("UniMy"). The Company is currently in the midst of negotiation on the terms and conditions for the said exercise.

B8. GROUP BORROWING AND DEBTS SECURITIES

The Group's borrowing and debts securities as at 31 December 2014 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Borrowings</u>						
- Hire purchase payables	4	-	4	145	-	145
- Term loan	759	-	759	129	-	129
TOTAL	763	-	763	274	-	274

B9. MATERIAL LITIGATION

There was no material litigation as at the date of issuance of this quarterly report.

B10. REALISED AND UNREALISED PROFITS

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits below is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities.

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Total retained profits		
- Realised	57,181	49,971
- Unrealised	-	(62)
	57,181	49,909
Add : Consolidated adjustments	2,960	2,010
Total Group retained earnings as per consolidated accounts	60,141	51,919

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B11. FAIR VALUE HIERARCHY

There was no transfers between any levels of the fair value hierarchy took place during the current quarter and the comparative period. There was also no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

B12. PROPOSED DIVIDEND

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

B13. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31/12/2014	Preceding Year Quarter 31/12/2013	Current Year To Date 31/12/2014	Preceding Year To Date 31/12/2013
Total comprehensive income attributable to equity holders of the Company (RM'000)	1,827	10,730	20,302	42,094
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	0.38	2.22	4.19	8.70

B14. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2014.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)

PAN SENG WEE (MAICSA 7034299)

Secretaries

Kuala Lumpur

25 February 2014