

**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 2012. 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 2012.

**A2. CHANGES IN ACCOUNTING POLICIES**

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2012 have been adopted in the preparation of the fourth quarter ended 31 December 2013 condensed financial statements. The Group has adopted the following new and revised MFRS, IC Interpretations and Amendments to MFRS and IC Interpretations which are effective for financial periods beginning or after 1 January 2013:-

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: (2011) Employee Benefits
- MFRS 127: (2011) Separate Financial Statements
- MFRS 128: (2011) Investment in Associates and Joint Ventures
- Amendments to MFRS 1: Government Loans
- Amendments to MFRS 7: Disclosure – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements
- Amendments to MFRS 11: Joint arrangements
- Amendments to MFRS 12: Disclosure of Interest in Other Entities
- Amendments to MFRS 101: Presentation of Item of Other Comprehensive Income
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRSs Annual Improvements 2009 – 2011 Cycle
- IC Interpretation 20 stripping Costs in the Production Phase of a Surface Mine
- Mandatory Effective date of MFRS 9 and Transition Disclosures MFRS 9 Financial Instruments.

The adoption of the above new/revised/amendment to MFRSs is not expected to have any significant impact to the group.

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

**A4. SEASONAL OR CYCLICAL FACTORS**

ICT training and certification under the *Program Pentauliahahan Profesional (3P)* or Industrial Based Certification and IC CITIZEN program for participating Malaysia public higher institutions. The execution of the programmes depends 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**

The number of treasury shares brought forward from immediate preceding quarter ended 30 September 2013 was 950,000 ordinary shares of RM0.10 each at total cost of RM975,035. During the current financial quarter, the Company has sold all its treasury shares at the average price of RM2.60 per share.

Except for the above, 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.

**PRESTARIANG BERHAD (922260-K)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013****A10. DIVIDENDS PAID**

	<b>12 months ended</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of the financial year ended 31 December 2011:		
- declared as final interim tax-exempt dividend of 4 sen per ordinary share	-	8,800
In respect of the financial year ended 31 December 2012:		
- declared as first interim tax-exempt dividend of 2 sen per ordinary share	-	4,400
- declared as second interim tax-exempt dividend of 2 sen per ordinary share	-	4,400
- declared as third interim tax-exempt dividend of 3 sen per ordinary share	-	6,600
- 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	-
Total dividends paid	<u>26,319</u>	<u>24,200</u>

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**A11. SEGMENTAL INFORMATION**

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

	RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2013					RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2012				
	ICT Services and Distribution RM'000	Education RM'000	Other* RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000	ICT Services and Distribution RM'000	Education RM'000	Other* RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
<b>By operating segment</b>										
Operating revenue	30,119	293	11,965	(11,965)	30,412	24,232	-	7,900	(7,900)	24,232
Other Income	1,457	1	70	-	1,528	643	-	44	-	687
Direct costs	(12,980)	(669)	-	-	(13,649)	(10,359)	-	-	-	(10,359)
Segment profit	18,596	(375)	12,035	(11,965)	18,291	14,516	-	7,944	(7,900)	14,560
Overheads	(4,209)	(1,265)	(2,045)	-	(7,519)	(3,733)	-	(868)	-	(4,601)
Profit before taxation	14,387	(1,640)	9,990	(11,965)	10,772	10,783	-	7,076	(7,900)	9,959
Income tax expense	-	-	(42)	-	(42)	269	-	150	-	419
Profit for the period	14,387	(1,640)	9,948	(11,965)	10,730	11,052	-	7,226	(7,900)	10,378
Attributable to:										
- Equity holder of the company	14,395	(1,640)	9,948	(11,965)	10,738	11,052	-	7,226	(7,900)	10,378
- Non-controlling interest	(8)	-	-	-	(8)	-	-	-	-	-
Profit for the period	14,387	(1,640)	9,948	(11,965)	10,730	11,052	-	7,226	(7,900)	10,378

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**A11. SEGMENTAL INFORMATION (CONT'D)**

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

	RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2013					RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2012				
	ICT Services and Distribution RM'000	Education RM'000	Other* RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000	ICT Services and Distribution RM'000	Education RM'000	Other* RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
<b>By operating segment</b>										
Operating revenue	118,993	390	30,585	(30,585)	119,383	110,106	-	26,700	(26,700)	110,106
Other Income	2,093	7	278	-	2,378	1,206	-	182	-	1,388
Direct costs	(50,227)	(1,985)	-	-	(52,212)	(58,203)	-	-	-	(58,203)
Segment profit	70,859	(1,588)	30,863	(30,585)	69,549	53,109	-	26,882	(26,700)	53,291
Overheads	(17,900)	(4,972)	(4,484)	-	(27,356)	(13,657)	-	(2,998)	-	(16,655)
Profit before taxation	52,959	(6,560)	26,379	(30,585)	42,193	39,452	-	23,884	(26,700)	36,636
Income tax expense	(47)	(20)	(42)	-	(109)	269	-	360	-	629
Profit for the period	52,912	(6,580)	26,337	(30,585)	42,084	39,721	-	24,244	(26,700)	37,265
Attributable to:										
- Equity holder of the company	52,920	(6,580)	26,337	(30,585)	42,092	39,721	-	24,244	(26,700)	37,265
- Non-controlling interest	(8)	-	-	-	(8)	-	-	-	-	-
Profit for the period	52,912	(6,580)	26,337	(30,585)	42,084	39,721	-	24,244	(26,700)	37,265

Note:- \* The holding company is involved in activity of investment holding. The revenue of the Company was in respect of dividend income and management fees.

**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 2013 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 2013 that have not been reflected in the condensed financial statements.

**A13. CHANGES IN COMPOSITION OF THE GROUP**

Subsequent to 31 December 2013, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of Prestariang Technology Sdn. Bhd. ("PTSB") for a total cash consideration of RM2. Consequently, PTSB became a wholly-owned subsidiary of the Company.

Except for the above, 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.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**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**

**4Q13 vs. 4Q12**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 31/12/2013 RM'000	Preceding Year Quarter 31/12/2012 RM'000	Variance		Current Year To Date 31/12/2013 RM'000	Preceding Year To Date 31/12/2012 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<b><u>Segmental Revenue:</u></b>								
ICT Services and Distribution								
- ICT Training and Certification	11,643	4,829	6,814	141%	59,968	34,108	25,860	76%
- Software License Distribution and Management	18,476	19,403	(927)	-5%	59,025	75,998	(16,973)	-22%
	30,119	24,232	5,887	24%	118,993	110,106	8,887	8%
Education	293	-	293	100%	390	-	390	100%
Other	11,965	7,900			30,585	26,700		
	42,377	32,132			149,968	136,806		
Inter-segment Elimination	(11,965)	(7,900)			(30,585)	(26,700)		
<b>Group</b>	<b>30,412</b>	<b>24,232</b>	<b>6,180</b>	<b>26%</b>	<b>119,383</b>	<b>110,106</b>	<b>9,277</b>	<b>8%</b>
<b><u>Profit Before Taxation</u></b>								
ICT Services and Distribution	14,387	11,812	2,575	22%	52,959	39,281	13,678	35%
Education	(1,640)	-	(1,640)	-100%	(6,560)	-	(6,560)	-100%
Other	9,990	6,047	3,943	65%	26,379	24,055	2,324	10%
Inter-segment Elimination	(11,965)	(7,900)			(30,585)	(26,700)		
<b>Group</b>	<b>10,772</b>	<b>9,959</b>	<b>813</b>	<b>8%</b>	<b>42,193</b>	<b>36,636</b>	<b>5,557</b>	<b>15%</b>

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B1. OPERATING SEGMENTS REVIEW (CONT'D)**

**4Q13 vs. 4Q12 (cont'd)**

The Group's revenue for the current quarter of RM30.41 million was 26% or RM6.18 million higher than the corresponding quarter last year of RM24.23 million.

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

The Group's PBT for the current quarter of RM10.77 million was higher by RM0.81 million or 8% as compared to RM9.96 million in the corresponding quarter last year.

**YTD13 vs. YTD12**

The Group's revenue for YTD13 was RM119.38 million, higher by RM9.28 million or 8% compared to RM110.11 million in YTD12. The revenue was higher mainly due to higher number of classes conducted for ICT training and certification for IC Citizen, which offset lower revenue from Software License Distribution and Management.

Likewise, the Group's PBT recorded for YTD13 was RM42.19 million, higher by 15% or RM5.56 million from RM36.64 million recorded in YTD12.



**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

**4Q13 vs. 3Q13**

	Current Quarter 31/12/2013 RM'000	Immediate Preceding Quarter 30/9/2013 RM'000	Variance RM'000 (%)	
<b><u>Segmental Revenue:</u></b>				
ICT Services and Distribution				
- ICT Training and Certification	11,643	17,038	(5,395)	-32%
- Software License Distribution and Management	18,476	18,395	81	0%
	<u>30,119</u>	<u>35,433</u>	(5,314)	-15%
Education	293	97	196	100%
Other	11,965	6,572		
	<u>42,377</u>	<u>42,102</u>		
Inter-segment Elimination	<u>(11,965)</u>	<u>(6,572)</u>		
<b>Group</b>	<u>30,412</u>	<u>35,530</u>	(5,118)	-14%
<b><u>Profit Before Taxation</u></b>				
ICT Services and Distribution	14,387	15,251	(864)	-6%
Education	(1,640)	(1,953)	313	-16%
Other	9,990	5,672	4,318	76%
Inter-segment Elimination	<u>(11,965)</u>	<u>(6,572)</u>		
<b>Group</b>	<u>10,772</u>	<u>12,398</u>	(1,626)	-13%

The Group's revenue for the current quarter of RM30.41 million was 14% or RM5.12 million lower than the preceding quarter of RM35.53 million. The reason mainly due to significant lower number of classes conducted for ICT training and certification for *Program Pentauliahah Profesional (3P)*, it has been fully delivered in the preceding quarter.

The Group recorded lower PBT for the current quarter of RM10.77 million, as compared to RM12.40 million in the preceding quarter. The decline in PBT mainly due to flow through from lower revenue recognised as explained above.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B3. PROSPECTS**

In year 2014, the Group expects to achieve satisfactory performance based on the on-going business in hand.

**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>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
	RM'000	RM'000	RM'000	RM'000
Interest income	(26)	(357)	(70)	(627)
Other income including investment income	(319)	-	(643)	-
Interest expense	21	31	108	105
Depreciation and amortisation	421	363	1,547	1,372
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investment or properties	-	45	-	45
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	(536)	(269)	(557)	(493)
(Gain) or loss on derivatives	(58)	-	(197)	(189)
Exceptional items	-	-	-	-

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B6. TAXATION**

	<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>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
	RM'000	RM'000	RM'000	RM'000
Interest income	(26)	(357)	(70)	(627)
Other income including investment income	(319)	-	(643)	-
Interest expense	21	31	108	105
Depreciation and amortisation	421	363	1,547	1,372
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investment or properties	-	45	-	45
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	(536)	(269)	(557)	(493)
(Gain) or loss on derivatives	(58)	-	(197)	(189)
Exceptional items	-	-	-	-

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.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B7. STATUS OF CORPORATE PROPOSAL**

**i. Utilisation Of IPO Proceeds**

The status of utilisation of the IPO proceeds as at 31 December 2013 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	
Reserch and development expenditure	Within 24 months	6,500	2,648	3,852	59.26	<b>2</b>
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)	<b>3</b>
<b>Total Gross Proceed</b>		<b>19,800</b>	<b>15,761</b>	<b>4,039</b>		

**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) IPO proceeds will be utilised within the estimate timeframe. The Group does not expect any material deviation on allocation as at the date of this report.
- (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.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**B7. STATUS OF CORPORATE PROPOSAL (CONT'D)**

**ii. Proposed Bonus Issue**

On 20 February 2014, subject to shareholders and other relevant authorities' approval, the Board of Directors approved to undertake a bonus issue of 220,000,000 new ordinary shares of RM0.10 each in Prestariang Berhad ("Prestariang") on the basis of one (1) bonus share for every one (1) existing Prestariang share held.

**B8. GROUP BORROWING AND DEBTS SECURITIES**

The Group's borrowing and debts securities as at 31 December 2013 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
<b><u>Borrowings</u></b>						
- Hire purchase payables	150	-	150	204	-	204
- Term loan	917	-	917	89	-	89
<b>TOTAL</b>	<b>1,067</b>	<b>-</b>	<b>1,067</b>	<b>293</b>	<b>-</b>	<b>293</b>

**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 31/12/2013 RM'000	As at 31/12/2012 RM'000
Total retained profits		
- Realised	70,713	49,971
- Unrealised	(104)	(62)
	70,609	49,909
Add : Consolidated adjustments	(2,951)	2,010
Total Group retained earnings as per consolidated accounts	67,658	51,919

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013**

**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 20 November 2013, The Board of Directors declared a fourth interim single-tier dividend of 3.0 sen per ordinary share amounting to RM6,600,000 in respect of the financial year ended 31 December 2013.

**B13. EARNINGS PER SHARE**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter</b> 31/12/2013	<b>Preceding Year Quarter</b> 31/12/2012	<b>Current Year To Date</b> 31/12/2013	<b>Preceding Year To Date</b> 31/12/2012
Total comprehensive income attributable to equity holders of the Company (RM'000)	10,738	10,378	42,092	37,265
Weighted average number of ordinary shares in issue ('000)	220,000	220,000	220,000	220,000
Basic earning per share (sen)	4.88	4.72	19.13	16.94

**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 20 February 2014.

**BY ORDER OF THE BOARD**

**CHUA SIEW CHUAN (MAICSA 0777689)**  
**PAN SENG WEE (MAICSA 7034299)**  
 Secretaries  
**Kuala Lumpur**  
 20 February 2014