

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

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 third quarter ended 30 September 2013 condensed financial statements except for adoption of 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: Employee Benefits (revised)
- MFRS 127: Separate Financial Statements
- MFRS 128: 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 FRs is not expected to have any significant impact to the group.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

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

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 30 SEPTEMBER
2013

A10. DIVIDENDS PAID

	9 months ended	
	30/9/2013	30/9/2012
	RM'000	RM'000
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 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	6,572	-
Total dividends paid	18,620	17,600

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2013

A11. SEGMENTAL INFORMATION

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

By operating segment	RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2013					RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2012						
	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	35,433	97	6,572	(6,572)	35,530	35,345	-	4,400	(4,400)	35,345		
Other Income	169	2	70	-	241	65	-	138	-	203		
Direct costs	(15,459)	(673)	-	-	(16,132)	(20,002)	-	-	-	(20,002)		
Segment profit	20,143	(574)	6,642	(6,572)	19,639	15,408	-	4,538	(4,400)	15,546		
Overheads	(4,892)	(1,379)	(970)	-	(7,241)	(4,690)	-	(995)	-	(5,685)		
Profit before taxation	15,251	(1,953)	5,672	(6,572)	12,398	10,718	-	3,543	(4,400)	9,861		
Income tax expense	(47)	(20)	-	-	(67)	-	-	350	-	350		
Profit for the period	15,204	(1,973)	5,672	(6,572)	12,331	10,718	-	3,893	(4,400)	10,211		
Attributable to:												
- Equity holder of the company	15,204	(1,973)	5,672	(6,572)	12,331	10,718	-	3,893	(4,400)	10,211		
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-		
Profit for the period	15,204	(1,973)	5,672	(6,572)	12,331	10,718	-	3,893	(4,400)	10,211		

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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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:-

By operating segment	RESULTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2013					RESULTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2012						
	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	88,874	97	18,620	(18,620)	88,971	85,874	-	18,800	(18,800)	85,874		
Other Income	636	6	208	-	850	563	-	138	-	701		
Direct costs	(37,247)	(1,316)	-	-	(38,563)	(47,844)	-	-	-	(47,844)		
Segment profit	52,263	(1,213)	18,828	(18,620)	51,258	38,593	-	18,938	(18,800)	38,731		
Overheads	(13,692)	(3,707)	(2,438)	-	(19,837)	(11,124)	-	(2,130)	1,200	(12,054)		
Profit before taxation	38,571	(4,920)	16,390	(18,620)	31,421	27,469	-	16,808	(17,600)	26,677		
Income tax expense	(47)	(20)	-	-	(67)	-	-	210	-	210		
Profit for the period	38,524	(4,940)	16,390	(18,620)	31,354	27,469	-	17,018	(17,600)	26,887		
Attributable to:												
- Equity holder of the company	38,524	(4,940)	16,390	(18,620)	31,354	27,469	-	17,018	(17,600)	26,887		
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-		
Profit for the period	38,524	(4,940)	16,390	(18,620)	31,354	27,469	-	17,018	(17,600)	26,887		

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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

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 30 September 2013 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2013 that have not been reflected in the condensed financial statements except as disclosed below:-

On 14 November 2013, Prestariang O&G Sdn Bhd, a wholly owned subsidiary of the Company, acquired 240,000 ordinary shares of RM1 each representing 80% of the issued and paid-up share capital of Time Out Skills Academy Sdn. Bhd. ("TOS") for a total cash consideration of RM640,000.

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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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

3Q13 vs. 3Q12

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 30/9/2013 RM'000	Preceding Year Quarter 30/9/2012 RM'000	Variance		Current Year To 30/9/2013 RM'000	Preceding Year To 30/9/2012 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
ICT Services and Distribution								
- ICT Training and Certification	17,038	11,224	5,814	52%	48,325	29,279	19,046	65%
- Software License Distribution and Management	18,395	24,121	(5,726)	-24%	40,549	56,595	(16,046)	-28%
	35,433	35,345	88	0%	88,874	85,874	3,000	3%
Education	97	-	97	100%	97	-		
Other	6,572	4,400	2,172	49%	18,620	18,800	(180)	-1%
	42,102	39,745			107,591	104,674		
Inter-segment Elimination	(6,572)	(4,400)			(18,620)	(18,800)		
Group	35,530	35,345	185	1%	88,971	85,874	3,097	4%
<u>Profit Before Taxation</u>								
ICT Services and Distribution	15,251	10,718	4,533	42%	38,571	27,469	11,102	40%
Education	(1,953)	-	(1,953)	100%	(4,920)	-	(4,920)	>100%
Other	5,672	3,543	2,129	60%	16,390	16,808	(418)	-2%
Inter-segment Elimination	(6,572)	(4,400)			(18,620)	(17,600)		
Group	12,398	9,861	2,537	26%	31,421	26,677	4,744	18%

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B1. OPERATING SEGMENTS REVIEW (CONT'D)

3Q13 vs. 3Q12 (cont'd)

The Group's revenue for the current quarter of RM35.53 million was slightly higher than the corresponding quarter last year of RM35.35 million.

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

However, the Group's PBT for the current quarter of RM12.40 million was higher by RM2.54 million or 26% higher as compared to RM9.86 million in the corresponding quarter last year.

YTD13 vs. YTD12

The Group's revenue for YTD13 was RM88.97 million, higher by RM3.10 million or 4% compared to RM85.87 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 RM31.42 million, higher by RM4.74 million or 18% higher from RM26.68 million recorded in YTD12.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

3Q13 vs. 2Q13

	Current Quarter 30/9/2013 RM'000	Immediate Preceding Quarter 30/6/2013 RM'000	Variance	
			RM'000	(%)
<u>Segmental Revenue:</u>				
ICT Services and Distribution				
- ICT Training and Certification	17,038	13,315	3,723	28%
- Software License Distribution and Management	18,395	13,929	4,466	32%
	35,433	27,244	8,189	30%
Education	97	-		
Other	6,572	5,476		
	42,102	32,720		
Inter-segment Elimination	(6,572)	(5,476)		
Group	35,530	27,244	8,286	30%
<u>Profit Before Taxation</u>				
ICT Services and Distribution	15,251	12,226	3,025	25%
Education	(1,953)	(1,561)		
Other	5,672	4,831	841	17%
Inter-segment Elimination	(6,572)	(5,476)		
Group	12,398	10,020	2,378	24%

The Group's revenue for the current quarter of RM35.53 million was 30% or RM8.29 million higher than the preceding quarter of RM27.24 million. The reason mainly due to significant higher number of classes conducted for ICT training and certification for *Program Pentauliahah Profesional (3P)*.

The Group recorded better PBT for the current quarter of RM12.40 million, as compared to RM10.02 million in the preceding quarter. The improved in performance mainly due to higher contribution from the higher gross profit margin from training and certification projects.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B3. PROSPECTS FOR THE CURRENT YEAR ENDING 31 DECEMBER 2013

The Group expects to achieve satisfactory performance for the current financial year 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>	
	Current Year 30/9/2013	Preceding Year 30/9/2012	Current Year To 30/9/2013	Preceding Year To 30/9/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(2)	(139)	(44)	(270)
Other income including investment income	(70)	-	(324)	-
Interest expense	62	46	129	74
Depreciation and amortisation	376	338	1,126	1,009
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 (gain)/loss	(31)	(64)	(71)	(224)
(Gain) or loss on derivatives	(139)	-	(139)	-
Exceptional items	-	-	-	-

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B6. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year To</u>	<u>Preceding Year To</u>
	<u>30/9/2013</u>	<u>30/9/2012</u>	<u>30/9/2013</u>	<u>30/9/2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia tax:				
- for the current year	-	-	-	140
- (Over)/under provision in prior year	67	(350)	67	(350)
	<u>67</u>	<u>(350)</u>	<u>67</u>	<u>(210)</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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B7. STATUS OF CORPORATE PROPOSAL

i. Utilisation Of IPO Proceeds

The status of utilisation of the IPO proceeds as at 30 September 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	2,436	64	2.56	
Reserch and development expenditure	Within 24 months	6,500	2,536	3,964	60.98	2
Working capital	Within 24 months	6,200	6,200	-	-	
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	16,290	3,510		

Note:-

- (1) The gross proceeds arising from the Offer for Sale, net of the relevant fee, shall accrue entirely to the offeror 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 30 SEPTEMBER
2013

B8. GROUP BORROWING AND DEBTS SECURITIES

The Group's borrowing and debts securities as at 30 September 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
<u>Borrowings</u>						
- Hire purchase payables	214	-	214	193	-	193
- Term loans	792	-	792	172	-	172
TOTAL	1,006	-	1,006	365	-	365

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 30/9/2013 RM'000	As at 30/9/2012 RM'000
Total retained profits		
- Realised	67,570	46,131
- Unrealised	-	-
	<u>67,570</u>	<u>40,320</u>
Add : Consolidated adjustments	<u>(2,951)</u>	<u>2,010</u>
Total Group retained earnings as per consolidated accounts	<u><u>64,619</u></u>	<u><u>48,141</u></u>

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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2013

B12. PROPOSED DIVIDEND

On 20 November 2013, The Board of Directors declared a third interim single-tier dividend of 3.5 sen per ordinary share amounting to RM7,666,750 in respect of the financial year ended 31 December 2013.

B13. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter 30/9/2013	Preceding Year 30/9/2012	Current Year To Date 30/9/2013	Preceding Year To Date 30/9/2012
Total comprehensive income attributable to equity holders of the Company (RM'000)	12,331	10,211	31,354	26,887
Weighted average number of ordinary shares in issue ('000)	220,000	220,000	220,000	220,000
Basic earning per share (sen)	5.61	4.64	14.25	12.22

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 November 2013.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)

PAN SENG WEE (MAICSA 7034299)

Secretaries

Kuala Lumpur

20 November 2013