

PRESTARIANG BERHAD (“PRESTARIANG” OR “COMPANY”)

PROPOSED PRIVATE PLACEMENT OF UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PRESTARIANG

1. INTRODUCTION

On behalf of the Board of Directors of Prestariang (“**Board**”), CIMB Investment Bank Berhad (“**CIMB**”) is pleased to announce that the Company proposes to undertake a proposed private placement of new ordinary shares of RM0.10 each in the Company (“**Prestariang Shares**” or “**Shares**”) (“**Placement Shares**”) of up to 44,000,000 Placement Shares, representing up to ten percent (10%) of the issued and paid-up share capital of the Company (“**Proposed Private Placement**”).

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Size of the Proposed Private Placement

The size of the Proposed Private Placement will be up to 44,000,000 Prestariang Shares, representing up to ten percent (10%) of the issued and paid-up share capital of the Company.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Section 132D of the Companies Act, 1965 (“**Act**”) obtained from the shareholders of Prestariang in its annual general meeting (“**AGM**”) convened on 25 June 2014.

As at 23 June 2014, being the latest practicable date prior to this announcement (“**LPD**”), the issued and paid-up share capital of Prestariang is RM44,000,000 comprising 440,000,000 Prestariang Shares.

2.2 Placement Arrangement

The Placement Shares will be placed to third party investors to be identified later in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). For clarification purposes, the Placement Shares will not be placed to the following parties:

- (i) a director, major shareholder or chief executive of Prestariang or a holding company of Prestariang (“**Interested Person**”); or
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In addition, the Proposed Private Placement will not be implemented in tranches.

2.3 Basis of Pricing

The issue price of the Placement Shares shall be determined and fixed by the Board at a later date (“**Price Fixing Date**”).

The Placement Shares will not be priced at more than 10% discount to the volume weighted average market price (“**VWAP**”) of Prestariang Shares for the five (5) market days immediately before the Price Fixing Date.

For illustrative purposes only, the five (5)-day VWAP of the Prestariang Shares up to and including the LPD is approximately RM1.8752.

2.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issue, rank *pari passu* in all respect with the existing Prestariang Shares save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and the issue of the Placement Shares.

2.5 Listing of and Quotation for the Placement Shares

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

2.6 Utilisation of Proceeds

For illustrative purposes only, based on the issue price of RM1.68, representing approximately 10% discount to the five (5)-day VWAP of the Prestariang Shares up to and including LPD of RM1.8752 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM73.92 million.

The proceeds to be raised from the Proposed Private Placement (net of expenses relating to the Proposed Private Placement) are expected to be utilised for the development and expansion of Prestariang’s existing business and working capital purposes. For illustration purpose, details of the utilisation of the proceeds from the Proposed Private Placement are as follows:

Details of utilisation of proceeds	Amount (up to) (RM'000)	Estimated timeframe for utilisation from completion of the Proposed Private Placement
Development and expansion of existing business	72,420 ⁽¹⁾	Within 9 months
Estimated expenses in relation to the Proposed Private Placement	1,500 ⁽²⁾	Within 3 months
Total	73,920 ⁽³⁾	

Notes:

- (1) *Prestariang is still in the midst of exploring various business expansion opportunities which will be announced if and as when Prestariang enters into any arrangement. However, in the event such business expansion opportunities do not crystallise within the expected timeframe, Prestariang is expected to utilise the proceeds raised for working capital purposes.*
- (2) *The estimated expenses consist of professional fees, fees payable to authorities and other expenses relating to the Proposed Private Placement. Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds to be utilised as disclosed in (1) above.*
- (3) *In the event that a smaller amount of proceeds is raised from the Proposed Private Placement, the proposed utilisation will be reduced correspondingly.*

The actual proceeds to be raised from the Proposed Private Placement will be dependent on the issue price and actual number of Placement Shares to be issued.

The proceeds are expected to be utilised within 9 months from the date of completion of the Proposed Private Placement.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will facilitate the Company to have ready funds for its business development and expansion plans. As at the date of this announcement, Prestariang has not finalised any specific business development and expansion opportunity. The Proposed Private Placement will also allow Prestariang to strengthen its financial position.

The Board believes that raising funds by way of the Proposed Private Placement is an expeditious way to finance its business expansion.

4. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

4.1 Share Capital

The effects of the Proposed Private Placement on the issued and paid-up share capital of the Company as at the LPD are set out as follows:

	<u>No. of Shares</u>	<u>RM</u>
Existing as at the LPD	440,000,000	44,000,000
To be issued pursuant to the Proposed Private Placement ⁽¹⁾	<u>44,000,000</u>	<u>4,400,000</u>
Enlarged issued and paid-up share capital after the Proposed Private Placement	<u>484,000,000</u>	<u>48,400,000</u>

Note:

(1) Represents up to ten percent (10%) of the Company's issued and paid-up share capital

4.2 Earnings and Earnings Per Share ("EPS")

The Proposed Private Placement is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2014.

The EPS shall be correspondingly diluted as a result of the increase in the number of issued and paid-up Shares pursuant to the Proposed Private Placement. However, the Proposed Private Placement is expected to contribute positively to the Group's earnings thereafter through the utilisation of the proceeds to fund the Company's business expansion which should translate to an improvement to the Group's earnings over time, barring any unforeseen circumstances.

4.3 Net Assets (“NA”) and Gearing

The proforma effects of the Proposed Private Placement on the NA and gearing of the Group are illustrated as below:

	Audited as at 31 Dec 2013	(I) Subsequent Event ⁽¹⁾	After (I) and Proposed Private Placement
	RM 000	RM 000	RM 000
Share capital	22,000	44,000	48,400
Share premium	21,531	-	69,520 ⁽²⁾
Merger deficit	(14,212)	(14,212)	(14,212)
Retained profits	67,627	67,158	65,658 ⁽³⁾
NA attributable to owners of the Company	96,946	96,946	169,366
No. of Shares in issue (000)	220,000	440,000	484,000
NA per Share (RM) ⁽⁴⁾	0.44	0.22	0.35
Total borrowings (RM 000)	1,361	1,361	1,361
Gearing (times) ⁽⁵⁾	0.01	0.01	0.01

Notes:

- (1) Subsequent event refers to the completion of a bonus issue exercise on 6 May 2014.
- (2) Assuming 44,000,000 Placement Shares are placed out at RM1.68 per Placement Share.
- (3) After deducting estimated expenses incidental to the Proposed Private Placement of RM1,500,000.
- (4) Calculated as NA attributable to owners of the Company divided by the number of Prestariang Shares in issue.
- (5) Calculated as total borrowings divided by NA attributable to the owners of the Company.

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4.4 Substantial shareholders' shareholdings

The effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of the Company based on its Register of Depositors as at the LPD are as follows:

	Shareholdings as at the LPD				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	%	No. of Shares	%
Dr. Abu Hasan bin Ismail	-	-	132,301,400 ⁽²⁾	30.07	-	-	132,301,400 ⁽²⁾	27.34
Employees Provident Fund Board	26,991,700	6.13	-	-	26,991,700	5.58	-	-
Kumpulan Wang Persaraan (Diperbadankan)	19,015,400	4.32	3,049,900 ⁽³⁾	0.69	19,015,400	3.93	3,049,900 ⁽³⁾	0.63
EkoHati Sdn Bhd	100,001,800	22.73	32,299,600 ⁽⁴⁾	7.34	100,001,800	20.66	32,299,600 ⁽⁴⁾	6.67
Sigma Dedikasi Sdn Bhd	13,819,600	3.14	118,481,800 ⁽⁵⁾	26.93	13,819,600	2.86	118,481,800 ⁽⁵⁾	24.48
Anjakan Evolusi Sdn Bhd	18,480,000	4.20	113,821,400 ⁽⁶⁾	25.87	18,480,000	3.82	113,821,400 ⁽⁶⁾	23.52
Shahirul Azian binti Abu Bakar	-	-	132,301,400 ⁽⁷⁾	30.07	-	-	132,301,400 ⁽⁷⁾	27.34
Zubaidah binti Ismail	-	-	132,301,400 ⁽⁸⁾	30.07	-	-	132,301,400 ⁽⁸⁾	27.34

Notes:

- (1) Based on the issued and paid-up share capital of Prestariang Berhad of 440,000,000 Prestariang Berhad Shares as at the LPD.
- (2) 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.
- (3) Deemed interest by virtue of Kumpulan Wang Persaraan (Diperbadankan)'s Fund Managers pursuant to Section 6A of the Act.
- (4) Deemed interest by virtue of Dr. Abu Hasan bin Ismail's ("Dr. Abu") interest in Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 6A of the Act.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.

4.5 Convertible Securities

As at the LPD, Prestariang does not have any convertible securities.

5. APPROVALS REQUIRED

The Proposed Private Placement is conditional upon the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities; and
- (ii) Any other relevant authorities (where applicable).

The Company had obtained the approval of its shareholders at its AGM convened on 25 June 2014 pursuant to Section 132D of the Act, that empowers the Directors of the Company (“**Directors**”), subject to approvals of the relevant governmental/regulatory authorities, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being and that the approval shall continue in force until the conclusion of the next AGM of the Company.

The Proposed Private Placement is not conditional upon any other corporate exercise of Prestariang.

6. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders or persons connected with them has any interest, direct or indirect, in the Proposed Private Placement in view that the Placement Shares will be placed to third party investors as detailed in section 2.2 above.

7. DIRECTORS’ STATEMENT

The Board, having considered all aspects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

8. APPLICATIONS TO THE RELEVANT AUTHORITIES

Applications to the relevant authorities for the Proposed Private Placement are expected to be submitted within one (1) month from the date of this announcement.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approval of the relevant authority being obtained, the Board expects the Proposed Private Placement to be completed by third quarter of 2014.

10. ADVISER AND PLACEMENT AGENT

CIMB has been appointed as the Principal Adviser and the sole Placement Agent in relation to the Proposed Private Placement.

This announcement is dated 25 June 2014.