

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



PRINCIPLE 1:
Sustainable Lifelong Learning Environment

Develop talent through technology.
Drive IT compliance through the management and distribution of original software while making software licenses affordable

PRINCIPLE 2:
Stakeholder Engagement & Disclosures

Support stakeholder value creation as key to sustainability with continuous efforts to build professional relationships with our employees, Government authorities and agencies, the media, fund managers & analysts and the public at large via planned and targeted programmes and activities.

PRINCIPLE 3:
Commitment to Corporate Responsibilities

Safeguard human rights within our sphere of influence and contribute to community needs.

PRINCIPLE 4:
Engaging Workplace

Create an engaging and supportive work culture, provide knowledge based organisation while supporting gender diversity across the workplace and the Boardroom.

PRINCIPLE 5:
Governance to drive Compliance & Best Practices

Observe and comply with all relevant legislations, regulations and codes of practice while integrating sustainability in the operations through implementing transparent, effective, ethical and sustainable processes across the business supply chain.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



We set about to further progress Prestariang's sustainability key objectives and targets. Suffice to say, our efforts and persistence has paid off.

We were among the 24 Malaysian companies which were included in the inaugural FTSE4Good Bursa Malaysia (Environmental, Social and Governance) Index since December 2014 and remained as a constituent of the index.

At the time of reporting, there are currently a total of 34 Malaysian companies as constituents of the index.

Prestariang has taken various initiatives to promote sustainable practices. The introduction of the Environmental, Social and Governance (ESG) index by Bursa Malaysia was to encourage and support enhanced ESG disclosure and practices for the Malaysian capital market.

The ESG Index is designed to measure the performance of companies demonstrating good ESG practices and is aligned with other leading global ESG frameworks such as the Global Reporting Initiative (GRI) and the Carbon Disclosure Project.

By evaluating our contributions to sustainability, we can improve the management of our business, make our operations more efficient and provide better long term solutions for our clients.

In 2015, our Board of Directors approved the Sustainability Policy which is aligned to the five underpinning Principles. In order to deliver our policy aspirations, a Working Committee has been set-up which is headed by the President/Group CEO who will report directly to the Board of Directors. Our Sustainability Policy is based upon the five Principles that have impacts on the ESG areas which are aligned with:

- Sustainable Lifelong Learning Environment
- Stakeholder Engagement & Disclosures
- Commitment to Corporate Responsibilities
- Engaging Workplace
- Governance to drive Compliance & Best Practices

Each Principle corresponds with the pillars in the FTSE4Good Index and other internationally predominant sustainability reporting protocols for corporate sustainability plans. The data reported apply to our business in a meaningful way and represent ongoing activities related to our business operations.

To track our progress and improvements, we established a current progress estimate for each target. Some metrics are tracked by fiscal year while others are tracked by calendar year. The scores are updated annually to reflect our sustainability progress and achievements.

Reporting Feedback

We appreciate and welcome your feedback. Please contact us at:

Corporate Communications
PRESTARIANG BERHAD

70-73, NeoCyber, Lingkaran Cyber Point Barat, 63000 Cyberjaya, Selangor Darul Ehsan

Email : inquiry@prestariang.com.my Tel: +603 8314 8400 Fax: +603 8318 9280

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



PRINCIPLE 1: SUSTAINABLE LIFELONG LEARNING DEVELOPING TALENT THROUGH TECHNOLOGY



Since inception, Prestariang has always focused on enhancing human potential through lifelong learning while driving IT compliance.

We have not looked back since and to date we have successfully trained and certified over 250,000 individuals, making us the largest ICT training and certification provider in Malaysia.

Prestariang offers over 60 globally recognised certification courses nationwide in partnership with companies including Microsoft, Autodesk, IBM, Oracle, CompTIA, EC-Council, Certiport, Prometric, PearsonVue, Global Knowledge, Quilt Wellington Redwood, Imperial College of London, TWIG and others.

Competition for the best talent is intense especially in the global arena to maintain their competitive advantage.

In responding to these challenges, successful companies recognise the need to recruit and retain a high quality talent pool. Addressing this need, we have invested significantly in developing local talent by bridging gaps of skills set in order to increase talent employability.

Developing talent, raw or matured is one of the most sustainable talent-sourcing options for global organisations. Education and local talent development are two of the most impactful levers for building Malaysia's national competitiveness, an agenda we have fully supported to move our nation forward.

2004 - 2015 TALENT ROLLOUT

19

Universities

24

Polytechnics

30

Community Colleges



>250,000
Trained and certified
individuals



PRINCIPLE 1: SUSTAINABLE LIFELONG LEARNING DRIVING IT COMPLIANCE



The technology for developing talents promotes IT compliance by providing software licences which are affordable. We further promote compliance by providing selected Government Agencies with organisation software review briefings as part of our MLA 2.0 commitment. This exercise helps agencies with annual software reporting to showcase their software licenses.

In the effort to drive IT compliance, Prestariang has invested in R&D over the years and developed home-grown certifications, namely IC CITIZEN for the global market which is designed to produce digitally literate and responsible citizens.

This unique yet universal certification programme aims to impart Acceptable Usage Policy (AUP) that lays down rules of acceptable 'netiquette' or behaviour that should be applied when operating digital devices and using the internet.

It is the world's first certification that promotes appropriate use of technology.

2003 - 2015 SOFTWARE ROLLOUT



5 MILLION
Software Licenses

20

Universities

37

Polytechnics

40

Community Colleges

10,000

Schools



24
Ministries



1,123
Governance Agencies

SUSTAINABLE PRODUCT INNOVATION AT PRESTARIANG



Big Data Competency Centres

This joint initiative between the Ministry of Education (MoE) and Prestariang Group was launched to provide a training platform that cultivates and drives talents towards supporting and strengthening the global growth of the Big Data industry today.

This is a collaborative effort with four universities and one polytechnic in Malaysia - Universiti Utara Malaysia, Kedah (UUM), Universiti Sains Malaysia, Penang (USM), Universiti Malaysia Terengganu, Terengganu (UMT), Universiti Malaysia Sarawak, Sarawak (UNIMAS) and Politeknik Ibrahim Sultan, Johor (PIS).



This will ensure continuous endeavours to identify and grow capable talents within campus grounds to help Malaysia achieve her goal of capacity-building for the big data analytics (BDA) industry and spur potential growth in attracting direct foreign investment in the IT sector.



Autodesk Malaysia Design Competition (AMDC)

Prestariang launched this design competition to help inspire and prepare IPTA and IPTS students for careers in architecture, engineering and the digital arts. The competition is a platform for students to showcase their creativity in design using Autodesk software.

In support of this programme, Prestariang provides attractive prizes worth nearly RM100,000 in the form of cash, tools and hardware as well as vouchers.



OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



A CULTURE OF ENVIRONMENTAL CONSERVATION

At Prestariang, we continuously seek new and improved methods to conserve natural resources at all levels of our operations.

We are aware that as we grow in size and scale, so would our energy consumption. We are driving initiatives internally to create the awareness among our employees to consciously reduce water and energy consumption. With the sharing of best practices and collaboration with our employees, business associations and industry groups, we endeavour to reduce our carbon footprint thus minimising our operations' negative impact on the environment.

We believe that through our responsible actions, we can help mitigate climate change through sustainable management.

To support the sustainability initiative towards the environment, we have developed the Smart Green Fundamentals Training Certificate (SMARTGREEN). SMARTGREEN increases awareness of the need for energy conservation to address the environmental impact of businesses and ICT operations.

SMARTGREEN as an enabler for the 'low-carbon economy' Infostructure of the 21st Century, requires organisations to rethink, redesign business systems and eliminate wasteful practices.

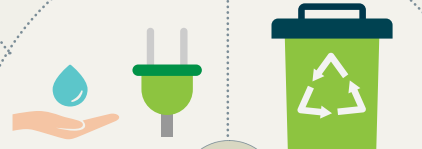


OUR SUSTAINABLE COMMITMENT

Objective

To address the issue of energy and water use and to effectively reduce our carbon footprint.

Monitor access water discharge and electricity usage.



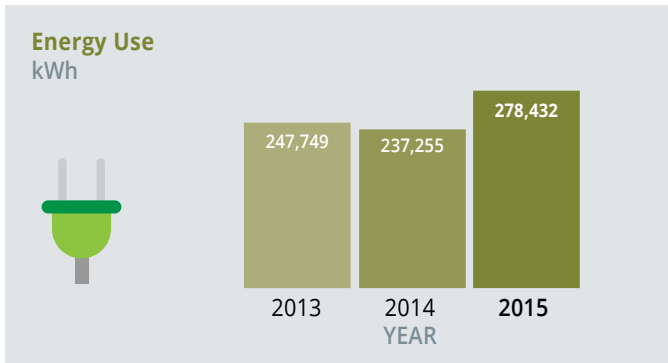
Proactively seek to reuse and recycle by providing recycling bins within the office premise.

Creating awareness and encouraging participation of our employees.



Instilling a culture that supports our diverse workforce.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



Energy Use

In the Information and Communication Technology (ICT) sector, power consumption is high in areas such as data management and server demand. We are aware of the implications of such consumption on climate change. Although our products have a low carbon footprint which has minimal impact on the environment, we understand the importance of this critical area in our ICT operations.

Energy consumption was measured through the electricity bills. A total of 278,432 kWh was utilised in 2015 (237,255 kWh: 2014) which was an increase of approximately 17.35% from the preceding year.

This however, was due to growth in business activities which includes the increase in work space and people. To help counter this increase, we have started to introduce various options for managing power consumption more efficiently by setting computers and other equipment to energy saving mode when they are left idle.

Carbon Footprint

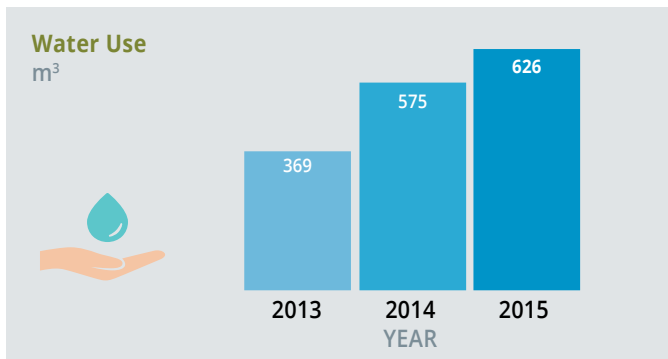
Part of our aim is to identify ways in which ICT can be used as a means to reduce carbon emissions. We are proactively instilling environmental preservation efforts among our employees such as recycling waste and introducing energy saving measures at our workplace.

Paperless physical meetings, video and audio conferencing saves business travel costs on various modes of transport. Internet and digital collaboration tools make off site working easier and obviates the need to commute, thus reducing fuel and energy consumption.

In supporting this initiative, we have been producing our Annual Reports in CD-ROM format for distribution to shareholders and only nominal copies are printed since 2014.



Going paperless as part of our environmental preservation efforts, our Annual Reports are produced in CD-ROMs for circulation to shareholders since 2014.



Water Use

As our operations are mainly confined indoors, we obtain the water supply for our operations from the municipal supply in the vicinity. We do not source water from other water bodies such as rivers, lakes or wells.

We tabulated data for water use at our operations through municipal bills. In 2015, total water usage recorded was 626 m³ (2014: 575 m³).

The bulk of water was used mainly for cleaning our premise and staff usage. The slight increase in water usage as compared to the previous year was basically due to an increase in the number of our employees and expansion of work spaces.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



PRINCIPLE 2: STAKEHOLDER ENGAGEMENT & DISCLOSURES

SUPPORTING STAKEHOLDER VALUE

Guided by our core values of professionalism and integrity we ensure the highest level of business ethics across all levels of our operations and value chain.

Our stakeholder framework addresses the need to disseminate relevant and accurate information with various parties in a timely manner which forms part of maintaining good corporate governance.

Shareholder Base

Prestariang has a shareholder base of 1,845 institutional and retail/private shareholders as at 31 December 2015.

Kumpulan Wang Persaraan (Diperbadankan) and AIA Berhad remained as our substantial shareholders with 11.9% and 9.7% respectively by which together account for 21.6% from the total share capital. Foreign shareholding stood at 6.7%.

Share Performance

Despite the challenging market environment, our share price performed well in 2015. It opened at RM1.44 on 2 January 2015 and closed at RM2.97 on 31 December 2015. This represents a 106% gain.

For Financial Year 2015, Prestariang's shares delivered 109% return to its shareholders. Prestariang's trading volume averaged at 1.7 million shares per day, which is a healthy level of investor interest in Malaysia.



Note:

During Financial Year 2014, the issued and paid up share capital of the company was increased by way of:-

(a) a bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and

(b) a private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.

Engaging the Marketplace

Apart from the planned Investor Relations (IR) activities for our stakeholders, Prestariang participated in various IR engagements locally and abroad. Since listing, Prestariang has participated in the annual Invest Malaysia Conference which is organised by Bursa Malaysia in collaboration with prominent local banks.

We also regularly attended selected business networking events and forums, both locally and overseas. These engagement programmes are ideal platforms for our senior management to meet domestic and international fund managers from various institutions.

Announcement of Quarterly Results

EVENT	DATE
Fourth Quarter FY2014	25 February 2015
First Quarter FY2015	27 May 2015
Second Quarter FY2015	20 August 2015
Third Quarter FY2015	25 November 2015
Fourth Quarter FY2015	25 February 2016

We engage regularly with stock analysts and fund managers where we conduct briefing sessions a day after the announcement date of each Quarterly Financial Results.

Comprehensive presentation slides are prepared for each briefing session to update them on Prestariang's business activities and its overall growth plans. The presentation slides are shared with investors upon request via email while announcements and press releases are also made available to the public via the Group's website at www.prestariang.com.my following the relevant disclosures made to Bursa Malaysia.

Throughout the financial year, the IR team engaged with existing and potential institutional investors, analysts, fund managers and the investment community through various platforms which included one-on-one meetings, group meetings and tele-conferences.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

Return to Shareholders

Over the years, Prestariang has mapped out and implemented strategies which has effectively shaped the Company into a niche player in the ICT industry today. Prestariang's strategy pivots on an axis of a well-executed business model which are inter-related and inter-dependent. The products and services offered to our target markets and the role of innovations as a catalyst to bring about incremental and transformational changes at each level of our operations has enabled us to manage our business with a view to increase its shareholders' value.

For the financial year ended 31 December 2015, the board of Directors has declared a fourth interim single-tier dividend of 1.0 sen per share which was announced in 25 February 2016.



IR Webpage

To promote accessibility of information to all market participants, the Group's website also provides an archive of financial and other corporate information that had been made public.

These include quarterly announcements of the financial results of the Prestariang Group, announcements and disclosures made pursuant to the disclosure requirements of Bursa Malaysia's Main Market Listing Requirements and other corporate information in addition to the quarterly press releases and annual reports

The information is easily obtained at www.prestariang.com.my

Dividend Policy

The Board acknowledges the importance of rewarding shareholders with stable dividend growth over time.

In line with the Board's intention to create value for shareholders through a committed dividend policy, the Board of Directors has resolved and approved in February 2016 that distribution of dividends of minimum 50.00% of PAT. However, such recommendation and payments of dividends will depend upon a number of factors, as follows:-

- Availability of adequate distributable reserves and cash flows;
- Operating cash flow requirement and financial commitments;
- Anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- Any material impact of tax laws and other regulatory requirements.

Actual dividends proposed and declared may vary depending on financial performance and cash flow, and may be waived if the payment of dividends would adversely affect the cash flows and operations of the Group.

We reiterate our dividend commitment through the dividend payment table below:-

	31 Dec 2012	31 Dec 2013	31 Dec 2014	31 Dec 2015
Total gross dividend per share (sen)	10.0	12.0	4.19	3.75
Share price (RM)	1.11	2.88	1.44	2.97
Dividend (RM Mil)	22.0	26.3	19.7	18.1
No. of shares	220,000,000	220,000,000	484,000,000	484,000,000

Note:

During Financial Year 2014, the issued and paid up share capital of the company was increased by way of:-

- a bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and
- a private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



PRINCIPLE 3: COMMITMENT TO CORPORATE RESPONSIBILITIES BUILDING BETTER COMMUNITIES

“ Learning
is the
Evolution
of the
Mind ”



Just as our business has evolved to meet the challenges of the marketplace, so has our commitment and approach to community engagement.

Through carefully planned community engagement programmes, employee participation and selective activities, we have invested in resources and time to help support and build better communities where we operate.

Leveraging on our resources, our focus is on championing the key area of Education. We are committed to helping children and youth especially the underprivileged in our society achieve their potential through educational enrichment. The proverbial saying *Give a man to fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime* rings true to our quest of promoting academic success, independence and socio-economic sustainability.

We respect and endeavour to safeguard human rights within our sphere of influence and it is imperative that our corporate objectives are linked to active community engagement which meet their needs.

As a Shariah Compliance Counter, Prestariang ensures that 2.5% of annual profits are channelled towards charitable causes such as Tahfiz schools, orphanages and nursing homes for the aged, infirmed and underprivileged.



Bridging the Education Gap

In 2015, with the support from our Board of Directors, Prestariang went one step ahead in its CSR initiatives to adopt Sekolah Kebangsaan Sungai Manggis in Banting, Selangor. The main objective for this was to create and enhance the school's learning and teaching environment. The school adoption programme enables us to identify and address any inequalities and inadequacies at this rural school in order to ensure positive learning experiences.

Through planned activities which will be rolled out in 2016, we will establish the concept of a lifelong learning environment with the aim of developing talent through technology for students of this school. This will provide greater opportunities for the youth within the community.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

Yayasan Universiti Malaysia

Prestariang provides much needed financial aid in the form of scholarships to students from the lower income group via Yayasan Universiti Malaysia. The Foundation identifies and supports deserving students to continue their studies in a broad range of IT specialist subjects.

Selected students will have the opportunity to undergo either pre-university, undergraduate or postgraduate studies to essentially pave the way for them to enhance their career paths in the industry.

The Foundation ensures sustainable and quality education to nurture the growth of high calibre IT professionals for the future.



Yayasan Putra Business School

(formerly known as Yayasan Sekolah Pengajian Siswazah Pengurusan)

Prestariang provided financial aid amounting to RM100,000 to Yayasan Putra Business School (formerly known as Yayasan Sekolah Pengajian Siswazah Pengurusan) for the support of education and learning activities of Putra Business School, University Putra Malaysia (UPM) in Serdang, Selangor.

Putra Business School is identified by the MoHE as one of the “top business schools” in Malaysia for this purpose. The overarching mission of the school is to nurture business leaders with a difference, where focus is on ensuring human wellbeing or human governance and corporate governance.



“ Lending
a Helping
Hand ”

Serving Our Community

On 30 January 2015, a group of students from UniMy accompanied Prestariang volunteers to Kg Tersusun Teluk Memali in Kg Gajah, Perak to help clean up the flood stricken village. Prior to this, a donation drive was initiated for the flood victims and items collected were distributed to the villagers.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



OUR PEOPLE

As a knowledge-based organisation, we continuously invest in people and ideas. Our people are equipped with various qualifications and skills to ensure the smooth operations and continuous growth of Prestariang. We have a team of professionals in the following areas of speciality:

- Autodesk AutoCAD 2010 Associates and Professionals
- Autodesk Revit Architecture 2010 Associates and Professionals
- Certified Training Professionals (CTP)
- MCAD, CISCO and CompTIA certified engineers and specialists
- Microsoft Certified Professionals – Licensing Solutions
- Microsoft Certified Technology Specialists
- Project Management Professionals (PMP)
- University Professors and Lecturers (PhD and Masters Degree holders)
- Graphic, Web & Multimedia Designers
- Professional Certified Accountants (MICPA, CA)



PRINCIPLE 4: EMPOWER - ENGAGE - ENHANCE - ENABLE OUR PEOPLE, OUR STRENGTH

Prestariang acknowledges that the commitment of its 142 employees are one of the contributing factors to its success. Our people drive the continuous growth of the Group through a culture of performance innovation from the roll out of its various products, professional services to advocating responsible and sustainable workplace practices.

In our continuous efforts to create an engaging and supportive work culture, we strive to address the social concerns as outlined under the ESG Social Pillar of Labour Standards, and Human Rights & Community.

As a proudly Malaysian entity, it is our priority to recruit local talents and comply with the Labour Laws and Standards of the country.

We are committed to maintain the highest ethical standards for our customers, suppliers, employees, shareholders and the communities, in accordance with applicable laws and our Code of Conduct.

We promote activities which encourage racial integration. We do not interfere with our employees' rights to perform their religious activities. This has improved workforce diversity and equal opportunities while eliminating religious, age, disability and gender discrimination.

Prestariang is committed to encouraging and sustaining a workplace environment which is free from prohibited discrimination and harassment.

The Company prohibits discrimination on the basis of race, colour, religion, national origin, disability, age, sexual orientation, gender identity, sex or genetic information.

Every effort is made in good faith to recruit, employ and promote qualified minority races, women and individuals with disabilities.

We provide a suitable, comfortable and safe workplace and environment to ensure the employees are equipped with the right tools, equipment, safety precautions and facilities to perform their work.

Flexible working hours are allowed to accommodate employee needs and requirements within a specific guidelines. At the same time, we comply with the Malaysian Employment Laws with regards to working hours and public holidays.



01 Compliance with applicable laws which includes the Federal Constitution to uphold freedom of expression/ association. Whistle Blowing Policy to protect whistle blowers in support of the freedom of expression principle.

02 Compliance with Children's Rights as per the Child Act and the Children and Young Persons (Employment) Act.

03 Our Code of Conduct prohibits discriminatory practices and promotes equal opportunities within the organisation.

04 Compliance to labour laws eg Industrial Relations Act on individual cases.

05 Compliance to the right to minimum wage under Minimum Wage Order 2012.

06 Compliance to working hours requirement including overtime and excessive working hours.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

Workforce Diversity

We recognise that our employees are our greatest asset. We aim to retain people with diverse backgrounds, religions, race, gender and age.

We believe in equality of race and gender diversity in the organisation. The Company is committed to foster gender diversity across the workplace and in the Boardroom.

In terms of gender diversity our workforce ratio to gender diversity of male to female is 48:52.

Detailed employment policies are uploaded on the internal employee portal and is accessible by all employees.

Internship Programme

Prestariang's implementation of the internship programme provides the Group with an ongoing pipeline of future talents. The Group accepts undergraduates for industrial training each year, ranging from three to six months.

Hiring interns not only helps students in our community get started in their careers but it also enhances the local workforce as a whole. It is also part of Prestariang's efforts to support students experience, develop skills, network, strengthen their resumes, learn about a field and assess their interest and abilities.

We also provide competitive allowances to our interns to support them with their expenses. Interns are basically trained with the objective of offering them permanent employment with the Company.

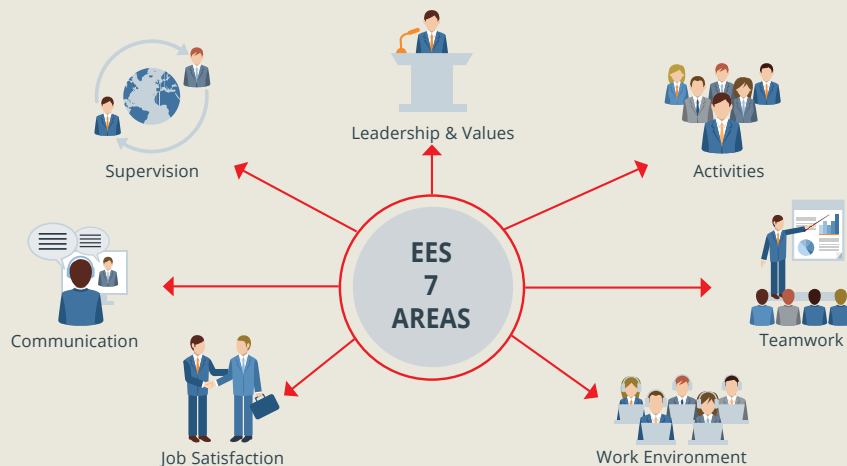
INTERNSHIP POLICY

01 Equal opportunity employment opportunities for the underprivileged groups which include those from deprived backgrounds, poor social status or no formal education or qualifications.

02 Placement programme opportunities for unemployed youths, apprenticeships or graduate placements.

1. Employee Engagement Survey

Prestariang conducted its first Employee Engagement Survey (EES) in August 2015. The EES will be conducted every two years. The purpose of the EES is to enable the Management to measure employee's engagement and understanding current organisation needs and issues. The findings were then discussed and syndicated by the Management in order to address areas for improvement. The results were then disseminated to the respected departments for deployment of appropriate action to be taken. 70.4% of the population participated in the EES and the index result was 69.6%.

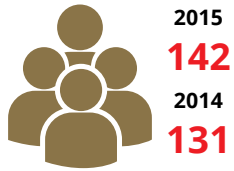


2. Employee Salary Benchmarking Survey

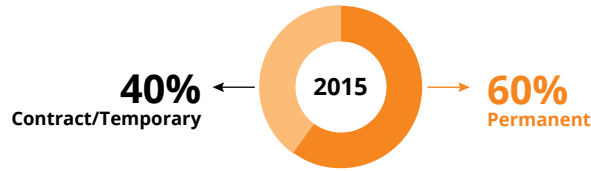
As part of its plan to retain high performance employees and to be competitive in the salary remuneration area, Prestariang has participated in the Mercer's Salary Survey benchmarking in April 2015.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

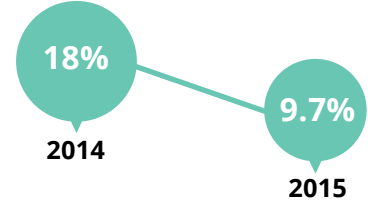
Total Headcount



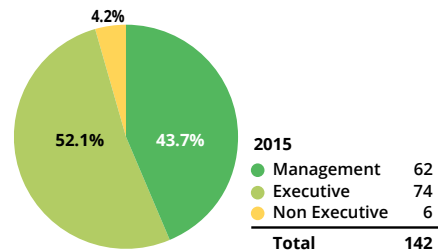
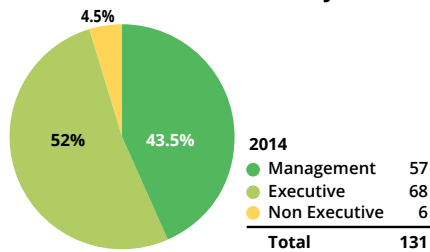
Manpower: Permanent vs Contract



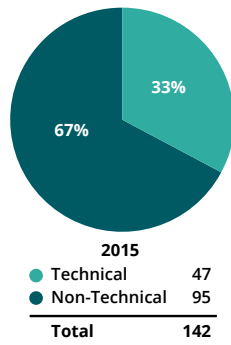
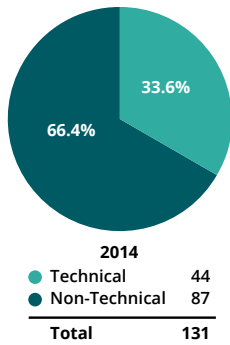
Turnover Rate



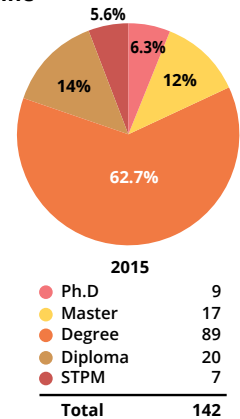
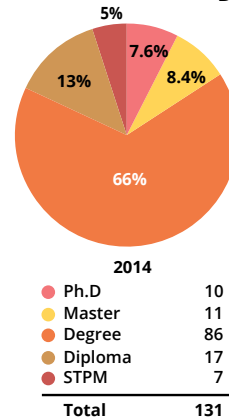
Job Profile



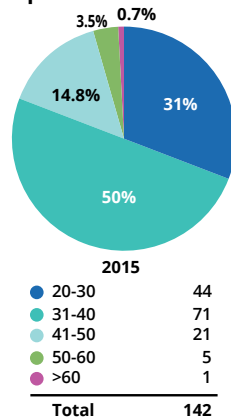
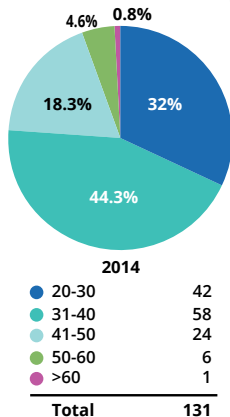
Job Categories



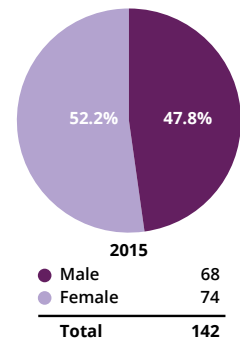
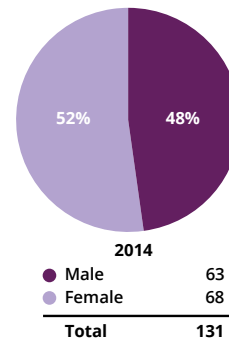
Discipline



Age Group



Gender



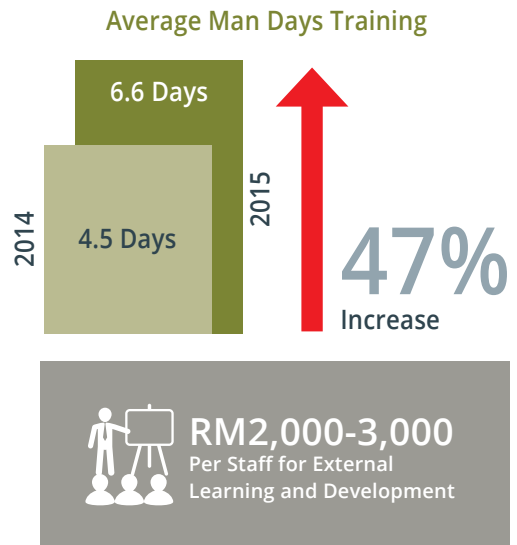
OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

Employees Training & Development

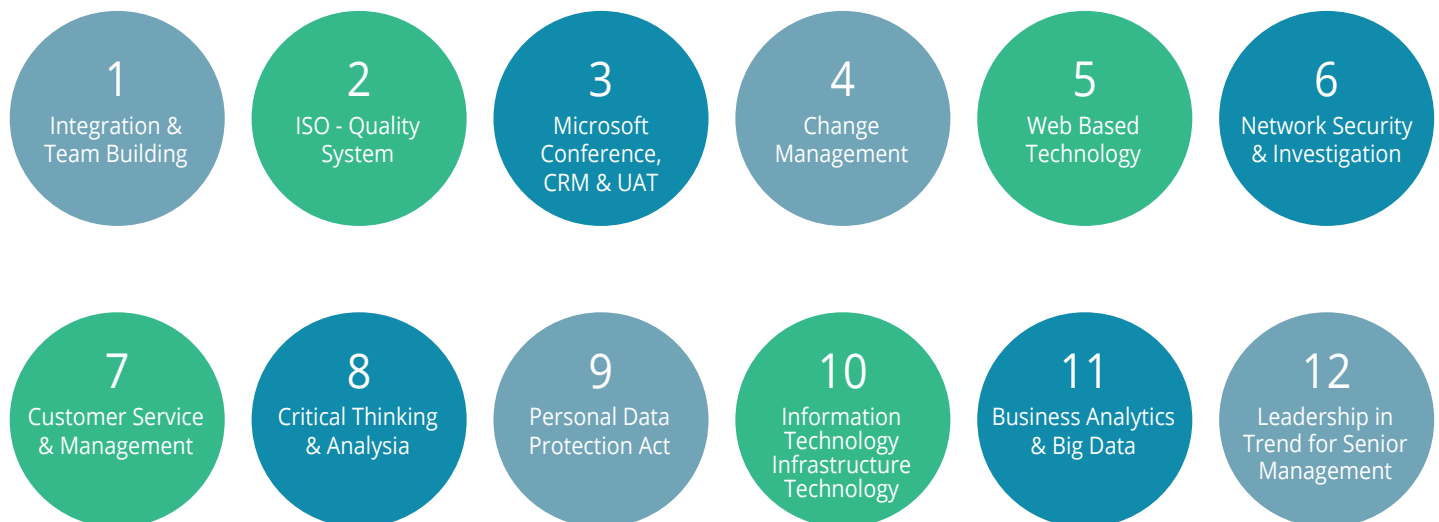
Through the years, Prestariang's emphasis on developing its human capital through identified training programmes has positively impacted the business performance as seen in its bottom line and increased employee morale.

In 2015, Prestariang invested RM255,000.00 in employee training where 50% was spent on Technical Training to enhance and upgrade employees' skills as well as increasing their knowledge to face new challenges in their areas of work. Another 50% was spent on Soft Skills Training to ensure our human capital are equipped with the right behavioural skills and perform ethically at all times.

The Company contributes 1% of total salary into the Human Resource Development Fund (HRDF) for claimable training and also allocates between RM2,000 and RM3,000 per employee for external learning and development annually. In 2015, our employees recorded an average of 6.6 days for in-house training programmes, a 47% increase from 4.5 days in 2014.



MAJOR TRAINING PROGRAMMES 2015



OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES

STAFF ENGAGEMENT ACTIVITIES

**OUR
PEOPLE
OUR
STRENGTH**

2015



29 April 2015

Officers from the Employees Provident Fund conducted a Learning Session for our employees at Prestariang's Office@ Neocyber, Cyberjaya.



5 June 2015

Employees were bowled over at the Prestariang Bowling Competition@IOI City Mall, Putrajaya.

3 July 2015

Hari Raya Potluck at our office premise to celebrate the Muslim month of Syawal.



3 July 2015

The "Sempena Ramadhan" dinner at Prestariang's Office@Neocyber, Cyberjaya. Special guest, Ustaz Ghazali was invited to grace the occasion.



22 October 2015

Prestariang Integration & Teambuilding Session in the great outdoors at Felda Hotsprings, Sungkai, Perak.



6 November 2015

Employees indulged in a Movie Night Out with James Bond@GSC, Alamanda.

19 November 2015

60 Minutes with Ustaz Don Daniyal, a popular speaker on religious values and spirituality.



5 December 2015

Adrenaline pumping, extreme sports day out for our employees at District 21@IOI Mall, Putrajaya.

OUR SUSTAINABILITY JOURNEY: TRANSFORMING LIVES



PRINCIPLE 5: GOVERNANCE DRIVING COMPLIANCE

Prestariang is committed to the highest standards of ethical business practices. Our culture of integrity strengthens our position as a trusted partner, employer of choice and preferred company for investors.

Benchmarked Best Practices

As a company with global partners, we benchmark against our business partners' best practices which is adopted across our entire business operations. We conform to ethical standards by conducting all activities at the highest level of integrity and compliance while ensuring business continuity. This collaboration has paved its foundation for successful business undertakings through responsible and lawful conduct.



Quality

Prestariang targets to implement the ISO 9001-2015 Quality Management System (QMS) by August 2016. The use of this standard will demonstrate our ability to consistently provide products and services that meet customer and regulatory requirements.

The QMS will solidify our strengths to compete more effectively in the marketplace via continuous improvements to ensure the efficiency of our work processes.



The ISO 9001 training for Prestariang's team members was held at the Corus Paradise Resort in Port Dickson, Negeri Sembilan on 20-22 January 2016. The certification will enable us to lock in best practices and using this as a benchmark to further improve our work processes.



Prestariang Recognised by the FTSE4Good Index Series

In December 2014, FTSE and Bursa Malaysia launched the FTSE4Good Bursa Malaysia Index, an Environmental, Social and Governance (ESG) index for the Malaysian market together with ESG Ratings. The FTSE4Good Bursa Malaysia Index is designed to measure the performance of companies demonstrating good ESG practices.

In the same year, Prestariang was among the 24 companies which demonstrated a leading approach within the Malaysian market to address relevant corporate responsibility risks.

Prestariang continues to successfully meet the inclusion criteria and remains a valued member of the FTSE4Good Index.

Process Excellence

At Prestariang, sustainable governance processes are integral to sustainable operations. We adopt best practices and common standards that integrate sustainable practices throughout our business chains to advance transparency within the Group and strengthen ethical processes in order to ensure business continuity.

In order to further uphold integrity, the Company strictly enforces various ethical guidelines as contained in the Company's Code of Conduct. The Code of Conduct includes guidelines on giving and receiving gifts and business amenities, use and dissemination of proprietary and confidential information, and avenues to voice concerns. The Code of Conduct contains the Whistle Blowing Policy, which is designed to enable concerns to be raised internally and at a high level, and to disclose information which the individual believes shows malpractice or impropriety. The Code of Conduct, Whistle Blowing Policy and Personal Data Protection policy are available on Prestariang's website.

Prestariang continues to be classified as a Shariah-Compliant Securities which is listed on Bursa Malaysia.

To maintain total independence in the management of the risk and internal control environment, the Company engaged KPMG Management & Risk Consulting Sdn. Bhd. (KPMG MRC) to manage the Company's internal audit function on an outsourced basis. KPMG MRC reports independently and directly to the Audit Committee in respect of the internal audit function.



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STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Prestariang Berhad (“the Company”) recognises the importance of maintaining the highest standards of corporate governance and best practices in the business and affairs of the Company and the Group.

The Board, Management and employees of the Group affirm their commitment in ensuring that the Group is at the fore front of good governance and in adherence to the Principles and Recommendations encompass in the Malaysian Code on Corporate Governance 2012 (“the Code”). The Code serves as a fundamental guide to the Board in discharging its principal duty to act in the best interest of the Company and the Group, and managing the business and affairs of both the Company and the Group efficiently and effectively while safeguarding and enhancing shareholders’ value.

The Board views the corporate governance as synonymous with the four (4) prerequisites of a responsible corporate citizen, namely transparency, accountability, integrity and corporate performance. In recognition of the Company and Group’s efforts, the Company continues to be listed in FTSE4Good Bursa Malaysia Index which is the Environmental & Social Governance Index (ESG) introduced by Bursa Malaysia to measure listed companies’ responsibility in environmental, social and corporate governance. It is a collaboration with Financial Times Stock Exchange (FTSE) as part of the globally benchmarked FTSE4Good Index Series and is aligned with other leading global Environmental, Social & Governance frameworks such as the Global Reporting Initiative and the Carbon Disclosure Project.

The Board is pleased to share the following statement which indicates the Principles and Recommendations of the Code, in all material respect, have been adhered to and complied by the Company during the financial year ended 31 December 2015.

STATEMENT OF PRINCIPLES

The following sets out the manner in which the Principles and Recommendations of the Code have been applied by the Company.

PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Company recognises the pivotal role play by the Board in the stewardship of its strategic business direction and ultimately in the enhancement of its long-term shareholder value.

The Board remains resolute and upholds its responsibility in governing, guiding and monitoring the direction of the Company with the eventual objective of enhancing long term sustainable value creation aligned with shareholders’ interests whilst taking into account the long-term interests of all stakeholders, including shareholders, employees, customers, business associates and the communities in which the Company and the Group conducts its business.

Based on the Board Charter, the Board’s primary commitment is to lead and oversee the business of the Company and to ensure that the conduct of the Group’s operations promotes business sustainability, integrity and complies with the relevant law, rules and regulations.

The Board’s roles are:-

- a. to represent and serve the interests of shareholders by overseeing and evaluating the Company’s strategies, policies and performance;
- b. to ensure the shareholders are kept informed of the Company’s performance and major developments affecting its state of affairs;
- c. to review, approve and monitor the strategic business plans, goals and key policies proposed by Management to ensure sustainability and optimization of long term returns for the Group;
- d. to identify, continuously assess and manage the principal risks affecting the Group and to ensure the implementation of appropriate systems to manage these risks;
- e. to plan succession, including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group;

STATEMENT ON CORPORATE GOVERNANCE

- f. to develop and implement an investor relations programme or shareholder communications policy for the Company;
- g. to review the adequacy and integrity of the Company's internal control and risk management systems as well as management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- h. to determine the remuneration of Executive Directors and Non-Executive Directors of the Group, with the individuals concerned abstaining from discussions of their own remuneration; and
- i. to ensure that the Company has appropriate corporate structures including standards of ethical behaviour as stated in the Directors' Code of Ethics and promoting a culture of corporate responsibility.

Matters that are reserved for the Board are clearly stated in the Board Charter which is subject to review from time to time. A copy of the Board Charter has been uploaded to the Company's website at www.prestariang.com.my.

The Board members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, in order for the Company to achieve strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to shareholders.

Directors' Code of Ethics

The adopted Directors' Code of Ethics described the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company, including declaration of interests, conduct in meetings and guidelines in accepting gifts.

The Directors have continued to observe the said Directors' Code of Ethics in carrying out their fiduciary duties and responsibilities. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always taken into consideration. The Directors are required to declare their direct and indirect interests in the Company and related companies. It is also the Directors' responsibility to declare to the Board whether they and any person(s) connected to them have any potential or actual conflict of interest in any transaction or in any contract or proposed contract with the Company or any of its related companies. Any Director who has an interest in any related party transaction shall abstain from Board deliberation and voting and shall ensure that he and any person(s) connected to him will also abstain from voting on the resolution before them.

Whistle Blowing Policy

In order to uphold the integrity of the Company in conducting its business, the Company continues to implement the approved Code of Conduct which contains the Whistle Blowing Policy.

The policy is designed to enable employee of the Company to raise concern internally and at a high level and to disclose information which the individual believes shows malpractice or impropriety.

Examples of those concerns include:

- Financial malpractice or impropriety or fraud
- Failure to comply with a legal obligation or Statutes
- Endangerment of an individual's health & safety or the environment
- Criminal activity/offences
- Improper conduct or unethical behaviour
- Corruption, bribery or blackmail
- Miscarriage of justice
- Attempt to conceal of any/or a combination of the above

The approved Code of Conduct and the Whistle Blowing Policy are published in the Company's website.

STATEMENT ON CORPORATE GOVERNANCE

As at the date of this Statement, the Company has not received any complaint under this procedure.

Policy on Sustainability

It is the Board's role to formalise the Company's strategies on promoting sustainability by giving attention to environmental, social and governance aspects of business which underpin sustainability.

The Board has on 20 August 2015 approved the Sustainability Policy which enforces the Group's commitment to its employees, customers, distributors and other stakeholders in promoting good sustainability practices. Details of the sustainability activities are set up on pages 42 to 58 of the Annual Report.

Supply of Information

All members of the Board are supplied with information in a timely manner. Board reports and papers are circulated in advance prior to Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings.

Each Director has access to information pertaining to the Company's and the Group's business and affairs to enable them to discharge their duties. In addition, certain matters are reserved specifically for the Board's decision. These include approval of material acquisitions and disposals of assets, major corporate plans, financial results, and Board appointments.

The Directors also have direct access to the advice of the Company Secretaries, independent professional advisors and internal and external auditors, as and when appropriate, at the Company's expense.

The Board members are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities. The cost of procuring these professional services will be borne by the Company.

Company Secretaries

The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable, on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company Secretaries also serve notice to the Directors and principal Officers to notify them of closed periods for trading in the Company's shares, and timely communication of decisions made and in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 the Bursa Malaysia Main Market Listing Requirements.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

Leadership Development

The Company believes in talent development particularly for key positions successor which is in line with the Leadership Development. The Company's Succession Plan framework was endorsed in 2014 and has been in place ever since with focus on 24 key positions. The key positions grow in tandem with the growth and development of the Company. The President/Group Chief Executive Officer ("President/GCEO") and the relevant Board committees spend a significant amount of time and effort evaluating key potential candidates, including by maintaining a compilation of potential candidates organized by strategic skill set. The Company is particularly focused on identifying individuals whose skills and experiences will contribute to the shaping of our business strategy with diverse and balanced perspectives to the organization. The Company subscribes to diversity in terms of experience, capability, nationality, ethnicity and gender.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 2: STRENGTHEN COMPOSITION

The Executive Directors are responsible for providing strategic leadership and overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities.

The Non-Executive Directors are independent from Management. Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address the matters concerning the management and oversight of the Company's business and operations.

The Board has defined the roles and responsibilities of Non-Executive Directors, which include the following:-

- providing independent and objective views (in the case of Non-Executive Directors who are Independent Non-Executive Directors), assessment and suggestions in deliberations of the Board;
- ensuring effective check and balance in the proceedings of the Board;
- mitigating any possible conflict of interest between the policy-making process and day-to-day management of the Company and the Group; and
- constructively challenging and contributing to the development of the business strategies and direction of the Company and the Group.

To ensure the effectiveness of the Independent Non-Executive Directors on the Board, the independence assessment shall be conducted annually.

The Board Committees report to the Board on their recommendations, while the ultimate responsibility for decision making lies with the Board.

Through the recommendation of the Nomination Committee, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

To strengthen the composition of the Board, during the year, two (2) new directors have been appointed, ie Encik Mohd Arif Bin Ibrahim and Puan Nik Amlizan Binti Mohamed. With the new additions, the Board now consists of seven (7) members, comprising two (2) Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The status of the Directors' directorship is as follows:

Directors	Status
Dato' Mohamed Yunus Ramli Bin Abbas	Independent Non-Executive Chairman
Dr. Abu Hasan Bin Ismail	Non-Independent Executive Director
Dato' Maznah Binti Abdul Jalil	Senior Independent Non-Executive Director
Chan Wan Siew	Independent Non-Executive Director
Ramanathan A/L Sathiamutty	Independent Non-Executive Director
Mohd Arif Bin Ibrahim (Appointed w.e.f 20 August 2015)	Non-Independent Executive Director
Nik Amlizan Binti Mohamed (Appointed w.e.f 25 February 2016)	Non-Independent Non-Executive Director

The Company complies with Bursa Malaysia Main Market Listing Requirements with regards to Board's composition and the required ratio of Independent Directors. The profiles of the Directors are set out on pages 28 to 31 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company.

On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by the Code. With the appointment of Puan Nik Amlizan Binti Mohamed to the Board, the Board now consists of two (2) female directors and complies with the Corporate Governance Blueprint 2011 issued by the Securities Commission on increasing women participation on boards to reach 30% by 2016.

The Directors, with their diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance, information technology and investment.

COMMITTEES ESTABLISHED BY THE BOARD

The Board delegates certain responsibilities to the Board Committees, namely the Audit Committee, Nomination Committee, Risk Management Committee, Remuneration Committee and Finance and Investment Committee in order to enhance business and operational efficiencies as well as efficacies.

All Board Committees have written terms of reference and the Board receives all minutes and reports of their proceedings and deliberations, where relevant. The Chairmen of the various Committees report to the Board on the outcome of the Committee meetings. Such reports are incorporated in the minutes of the full Board meetings.

Audit Committee

The Company's Audit Committee comprises exclusively of Non-Executive Directors, three (3) members are independent and one (1) member is non-independent, and presently chaired by Mr. Chan Wan Siew.

The Terms of Reference of the Audit Committee are set out under the Audit Committee Report on pages 76 to 79 of this Annual Report.

The Audit Committee meets at least four (4) times annually.

During the financial year, the Audit Committee held five (5) meetings and details of attendance of its members are as follows:

Name	No. of meetings attended
Chan Wan Siew - Chairman	4/5
Dato' Maznah Binti Abdul Jalil	5/5
Ramanathan A/L Sathiamutty	5/5
Nik Amlizan Binti Mohamed (Appointed on 24 March 2016)	Not Applicable

The Executive Directors, Chief Financial Officer, Senior Manager Corporate Governance and the internal auditors, have attended the Audit Committee meeting by invitation. Where appropriate, the external auditors are invited to attend and brief the Audit Committee and to provide responses to queries raised by the Audit Committee in respect of the Company's Financial Statements and reporting requirements.

Nomination Committee

The Company's Nomination Committee comprises exclusively of Non-Executive Directors, and majority of the members are independent.

The salient terms of the Terms of Reference of the Nomination Committee are as follows:-

STATEMENT ON CORPORATE GOVERNANCE

- a. to recommend to the Board, new candidates for appointment and re-election for all directorships to be filled by the shareholders or the Board of Directors for any vacancies on the Boards;
- b. to consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability, by any other senior executive or any director or shareholder;
- c. to recommend to the Board of Directors on the establishment of new committees or the dissolution of any existing committees of the Board which no longer serves its purpose;
- d. to recommend to the Board of Directors to fill the seats on any board committees.

In discharging the above responsibilities, the Nomination Committee needs to report the following to the Board of Directors:-

- i. the effectiveness of the present size of the Board of Directors;
- ii. the effectiveness of the composition of the Board of Directors in relation to the mix of independent directors, non-executive directors and executive directors;
- iii. the effectiveness of the composition of the Board of Directors in relation to the mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board, and which should be disclosed in the Annual Report;
- iv. the existence or potential existence of conflict of interests, of any present directors or any new directors who may be nominated, with the businesses of the company;
- v. the contribution of individual directors in relation to the effective decision making of the Board of Directors; and
- vi. to determine a continuous education program for Board members to upgrade their skills in enhancing their effective contribution.

The Nomination Committee shall meet at least once a year or as and when required. The composition of Nomination Committee is set out as below:-

- (i) Dato' Maznah Binti Abdul Jalil (Chairperson)
- (ii) Chan Wan Siew
- (iii) Nik Amlizan Binti Mohamed (Appointed on 24 March 2016)

In accordance with the Terms of Reference of Nomination Committee, the Nomination Committee had via circular resolutions recommended the following for the consideration and approval of the Board during the year:-

- Reviewed and recommended to the Board of Directors, new candidate to be appointed as Director of the Company;
- Reviewed the Directors who are subject to retirement by rotation pursuant to the Company's Articles of Association;
- Assessed the performance of the Board and Board Committees; and
- Assessed the independence of the Independent Directors of the Company.

In considering candidates for directorship, the Nomination Committee takes into account the following:-

- skill, knowledge, expertise, experience;
- professionalism;
- integrity; and
- the ability to discharge such responsibilities and functions as expected from a director.

STATEMENT ON CORPORATE GOVERNANCE

The annual assessments for the performance of Board, individual director and Committees were conducted for the financial year ended 31 December 2015. This exercise is carried out after the end of each financial year. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) are discussed and tabled to the Board.

The Board Charter provides that the tenure of an independent director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. Otherwise, the Board must provide justification and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it retains the director as an independent director. None of the Directors exceeds the nine (9) years' tenure in the Company and subject to the re-designation and/or shareholders' approval, hence there is no resolution on the said matter to be tabled at the forthcoming AGM for shareholders' approval.

Protocol for accepting new directorships and Time Commitment

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman and indicate the amount of time that will be spent on the new appointment. The directors are expected to devote sufficient time to discharge their duties as directors of the Company.

In accordance with the Board Charter, each newly appointed director shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following documents are given:-

- a. Board Charter;
- b. Memorandum & Articles of Association;
- c. Directors' Code of Ethics;
- d. Board Committees' composition and terms of reference;
- e. latest business plans;
- f. latest annual reports and financial statements; and
- g. organization chart.

Remuneration Committee

The Remuneration Committee is made up of two (2) Independent Non-Executive Directors and one (1) Non-Independent Executive Director, and is presently chaired by Mr. Ramanathan A/L Sathiamutty.

The salient terms of the Terms of Reference of the Remuneration Committee are as follows:-

- a. to recommend to the Board competitive compensation and remuneration packages for executive directors and senior management staff (both present and potential future) in order to attract and retain outstanding individuals with the skills and experience needed to manage the Company's business successfully;
- b. to recommend to the Board competitive compensation and remuneration packages for non-executive directors in order to attract and retain outstanding individuals of integrity, calibre, credibility and who have the necessary skills and experience to bring independent judgments to bear on the issues of strategy, performance and resources for the success of the Company; and
- c. to review and recommend the annual compensation and rewards for all individual directors and senior management staff (both present and potential future).
- d. In discharging the above responsibilities, the Remuneration Committee needs to ensure the following:-
 - i) the determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the board as a whole; and
 - ii) all directors should abstain from discussion of their own remuneration.

STATEMENT ON CORPORATE GOVERNANCE

The Remuneration Committee shall meet at least once a year or as and when required. The composition of Remuneration Committee and the number of meetings held are set out as below:-

Name	No. of meeting attended
Ramanathan A/L Sathiamutty (Chairman)	2/2
Chan Wan Siew	2/2
Dr. Abu Hasan Bin Ismail	2/2

The summary of activities of the Remuneration Committee during the financial year under review is as follows:-

- Reviewed and recommended to the Board, the amount of directors' fees for the financial year ended 31 December 2015;
- Reviewed and receipt of reports on of the total compensation package and grading structure for the Company and the Group;
- Reviewed the Balance Scorecard of the CEO and Chief Operating Officer for the year 2015;
- Reviewed and recommended to the Board the remuneration and benefit packages for the President/GCEO; and
- Reviewed and recommended to the Board the appointment and remuneration package for the respective CEOs of business divisions.

DIRECTORS' REMUNERATION

The Remuneration Committee is responsible for recommending the compensation and remuneration packages for the Executive Directors. In formulating the recommended remuneration packages, the Remuneration Committee has taken into consideration the information prepared by Management and independent consultants based on data of comparable companies.

The Remuneration Committee from time to time has evaluated the compensation and remuneration packages for the Non-Executive Directors guided by the market rates and benchmarking of similar companies based on the market capitalisation and industry. The directors' remuneration is further determined at levels which would continue to attract and retain high calibre directors.

The Board, as a whole, determines the remuneration of Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Non-Executive Directors an annual fee which is subject to the approval of the shareholders of the Company at the AGM.

Details of the nature and amount of each major element of the remuneration of Directors of the Company, during the financial year, are as follows:

	EXECUTIVE DIRECTORS (RM)	NON-EXECUTIVE DIRECTORS (RM)	TOTAL (RM)
Emoluments and Allowance	333,648	274,960	608,608
Fees	-	231,290	231,920
Benefit-in-kind	-	-	-
Total	333,648	506,250	839,898

STATEMENT ON CORPORATE GOVERNANCE

The number of Directors whose remuneration fell within the respective bands is as follows:

REMUNERATION BAND (RM)	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
1 – 50,000	1	-
50,001 – 100,000	-	1
100,001 – 150,000	-	3
250,001 – 300,000	1	-

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

Finance and Investment Committee

The Finance and Investment Committee is led by Dato' Maznah Binti Abdul Jalil. The Committee is made up of a majority of Non-Executive Directors.

The Terms of Reference of the Finance and Investment Committee are as follows:-

- a. to develop, review and recommend to the Board the investment policies and strategies;
- b. to perform the duties that are assigned to it by the Board including, without limitation, the review of all investment proposals;
- c. to receive quarterly reports from the management, deliberate and decide on the compliance with the overall investment policies and strategies, and to report the findings to the Board;
- d. at the Initial Project Assessment/pre-qualification/tender bid stage:
 - i. to review and give approval for the Company to proceed with the pre-qualification/tender bid submission or project/investment initiation activities, which meet the pre-determined criteria, and all ventures;and
 - ii. to authorise the Company to enter into any agreements, memorandum of understanding and/or contracts with potential partners for the requalification/tender stage and approve such terms in relation to the said agreement, memorandum of understanding and/or contracts. Notwithstanding the above, any agreement, memorandum of understanding or contracts which may include equity participation of the Company is reserved for deliberation by the Board.
- e. following the Detailed Appraisal/Evaluation or if the tender is successful:
 - i. to review and approve on behalf of the Board the investment proposals, if these fall within the approved authority limits delegated to the Committee by the Board; and
 - ii. to review and recommend to the Board for final decision, the investment proposals, which are beyond the authority limits of the Committee.
- f. to review the terms of reference of the Committee and recommend the relevant changes to the Board as and when deemed fit.
- g. investment matters relating to wholly-owned subsidiaries of the Company would be referred directly to the Committee for review and recommendation to the Board.

STATEMENT ON CORPORATE GOVERNANCE

- h. investment matters relating to non-wholly owned subsidiary companies are submitted to the respective Board of the subsidiary companies for deliberation and approval. In this respect, the Board of the subsidiary companies will then provide an update to the Committee and the Company's Board in which the Committee and the Company's Board would raise the appropriate observations and/or comments as a measure of check and balance.

The Finance and Investment Committee meets as and when required, and at least once a year.

The composition of the Finance and Investment Committee are as follows:

- (i) Dato' Maznah Binti Abdul Jalil (Chairperson)
- (ii) Chan Wan Siew
- (iii) Dr. Abu Hasan Bin Ismail
- (iv) Nik Amlizan Binti Mohamed (Appointed on 24 March 2016)

The Finance and Investment Committee reviewed the investment policy and guidelines, proposals, status of investments during the financial year under review.

PRINCIPLE 3 : REINFORCE INDEPENDENCE

The Company is led and controlled by an effective Board comprising of two (2) Executive Directors, namely Dr. Abu Hasan Bin Ismail, the President/GCEO and Encik Mohd Arif Bin Ibrahim, the CEO of Talent & Software Division together with five (5) Non-Executive Directors drawn from various professional backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Company's business operations.

Recommendation 3.5 of the Code states that the board must comprise a majority of independent directors where the chairman of the board is not an independent director. Dato' Mohamed Yunus Ramli Bin Abbas has been redesignated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman on 24 March 2016 and the majority of the Board is independent directors. The Board had identified Dato' Maznah Binti Abdul Jalil to be the Senior Independent Non-Executive Director to whom concerns may be conveyed to by shareholders and the general public.

Board Oversight of the Management

The roles of the Chairman and the President/GCEO are segregated and clearly defined by their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.

The Board reviews, approves and monitors the strategic business plans, goals and activities proposed by Management from time to time to ensure sustainability and optimization of long term returns for the Group.

The Group undertakes the restructuring of Prestariang Group and its business activities effective from 1 March 2016 (hereinafter referred to as "Group Restructuring"). The purpose of the Group Restructuring are as follows:-

- (i) to realign the business operations and activities;
- (ii) to delegate and re-distribute the roles and responsibilities;
- (iii) to re-designate the position titles of Group Chief Executive Officer and Group Chief Operating Officer in accordance to the revised structure; and
- (iv) to show clear demarcation of deliverables and main Key Performance Indicators ("KPIs") strategically and operationally.

Following the Group Restructuring, Prestariang Group is focused on three (3) business divisions, namely:-

- (i) Talent & Software Division
- (ii) Technology & Services Division
- (iii) Education Division

STATEMENT ON CORPORATE GOVERNANCE

These business divisions will be headed by their respective CEOs, reporting directly to the President/ GCEO.

The President/GCEO and the CEOs of the business divisions shall act in accordance within the powers delegated as per the the limits of authority by the Board from time to time.

The President/GCEO shall be more focused on strategic function and overseeing at macro level while the CEO of the respective business divisions shall be responsible to execute and implement the strategies, operations and activities of the respective business units with a view to achieve their respective goals and targets.

At the onset of each financial year, the Board considers and approves a set of KPIs and expectations on the basis of the Balanced Scorecard for the President/GCEO. This serves as a yardstick against which his performance will be measured and evaluated. These KPIs are cascaded down to the CEO of the respective business divisions as well as the Management.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board are subject to re-election by the shareholders at the annual general meeting held following their appointments. Pursuant to the Article 95 of the Company's Articles of Association, the Directors who are subject to re-election by rotation are Mr. Ramanathan A/L Sathiamutty and Mr. Chan Wan Siew, both of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Encik Mohd Arif Bin Ibrahim and Puan Nik Amlizan Binti Mohamed, who were appointed on 20 August 2015 and 25 February 2016 respectively, are subject to retirement pursuant to Article 97 of the Company's Articles of Association and being eligible, have offered themselves for re-election at this forthcoming AGM.

PRINCIPLE 4: FOSTERING COMMITMENT

Meetings

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and pencil the next year's Board meetings into their respective meeting schedules.

During the financial year ended 31 December 2015, the Board met on seven (7) occasions, deliberating upon and considering a variety of matters including the Company's and Group's financial results, major investments, strategic decisions and the overall direction of the Company and the Group.

Agenda and matters for discussion are prepared and circulated in advance of each meeting. All proceedings from Board meetings are recorded and the minutes are maintained by the Company Secretaries.

Details of Directors attendance at meetings of the Board during the financial year under review are as follows:

Name Of Directors	No. of meetings attended
Dato' Mohamed Yunus Ramli Bin Abbas	7/7
Dato' Maznah Binti Abdul Jalil	7/7
Dr. Abu Hasan Bin Ismail	6/7
Chan Wan Siew	6/7
Ramanathan A/L Sathiamutty	6/7
Mohd Arif Bin Ibrahim (Appointed w.e.f 20 August 2015)	1/2
Nik Amlizan Binti Mohamed (Appointed w.e.f 25 February 2016)	Not Applicable

STATEMENT ON CORPORATE GOVERNANCE

Directors' Training

Amongst others, the training programmes/seminars/forums attended by the Directors during the financial year are as follows:

Name of Directors	Trainings Programmes/Seminars/Forums Attended
Dato' Mohamed Yunus Ramli Bin Abbas	<ul style="list-style-type: none"> • The CAP10 ASEAN Sustainability Symposium organised by Bursa Malaysia Securities Berhad • FORBES Global CEO Conference 2015 organised by FORBES Global, Manilla, Philippines
Dato' Maznah Binti Abdul Jalil	<ul style="list-style-type: none"> • GST and Its Impact On Investment Banking, Commercial Banking and Islamic Banking organised by CHK Consultancy Sdn Bhd • The transformation of Indonesia Forum organised by MIDF Amanah Investment Bank Berhad • Technical Analysis as a Method of Investment Risk Management Organised by CHK Consultancy Sdn Bhd • Invest Malaysia 2015 Forum organised by CIMB Investment Bank with collaboration with Bursa Malaysia Securities Berhad • ESG Seminar for FTSE4Good Bursa Malaysia Index organised by Bursa Malaysia Securities Berhad • Building Trust With Investor in a Digital-Social Age organised by Bursa Malaysia Securities Berhad
Dr. Abu Hasan Bin Ismail	<ul style="list-style-type: none"> • "In the Spotlight" organised by Bursa Malaysia Securities Berhad • Autodesk One Team Conference
Chan Wan Siew	<ul style="list-style-type: none"> • FIDE (Financial Institutes Directors' Education) Financial Services in Turbulent Times • GNDI (Global Network of Director Institutes) Global Cyber Summit 2015 • AICD (Australian Institute of Company Directors) 2015 Conference • Impact of New Accounting Standards on Insurance Companies • Asian World Summit (AWS) – 7th Annual Corporate Governance Summit • ASLI Human Resources 2015 Summit • TIOD (Thai Institute of Directors) Annual Conference • FIDE CG Breakfast Series – Board Response to Rising Shareholders' Engagements • MAICSA Annual Conference 2015 • World Capital Markets Symposium 2015 • The Future of Auditor Reporting • NACD (National Association of Corporate Directors, USA) Global Board Leaders' Summit • MIA (Malaysian Institute of Accountants) Annual National Conference 2015 • UNESCAP (UN Economic & Social Comm. for Asia & Pacific) – Asia Pacific Business Forum • ASLI 20th Malaysian Capital Market Summit • The Boardroom Agenda Conference

STATEMENT ON CORPORATE GOVERNANCE

Ramanathan A/L Sathiamutty	<ul style="list-style-type: none">• Directors' dealing in securities and insider trading – Axiata• Mobile World Congress 2015• TM Forum 2015
Mohd Arif Bin Ibrahim	<ul style="list-style-type: none">• GST Training• MyGov-TECH 2015• Global Sustainability and Impact Investing Forum 2015• Understanding & Implementing ISO 9001:2015 Training• Introduction & Awareness ISO 9001:2015 Training• Global Transformation Forum (Operationalizing Transformation)• Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies

Apart from attending various conferences, seminars and training programmes organised by external/internal organisers during the financial year, the Directors also continuously received briefings and updates on regulatory from the Company Secretaries and industry including information on the Group's businesses and operations, risk management activities and other initiatives undertaken from Management.

The Board, with the assistance of the Nomination Committee would determine a continuous education program for Board members to upgrade their skills in enhancing their effective contribution.

PRINCIPLE 5: UPHOLDING INTEGRITY IN FINANCIAL REPORTING

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide a balance and meaningful assessment of the Company's and the Group's financial performance and prospects through the annual financial statements, quarterly announcements of results to shareholders and the Chairman's Statement in the Annual Report.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the quality of the Company's and Group's annual and interim financial statements. It also reviews the appropriateness of the Company's and Group's accounting standards and regulatory requirements.

Recommendation 5.2 of the Code states that the Audit Committee should have policies and procedures to assess the suitability and independence of external auditors. The Audit Committee had conducted an assessment and obtained confirmation from the External Auditors that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Company has established a transparent arrangement with the Auditors to meet their professional requirement. Key features underlying the relationship of the Audit Committee with the Internal and External Auditors are included in the Audit Committee Report on pages 76 to 79 of this Annual Report.

The Audit Committee has conducted an annual assessment on the External Auditors to ensure the External Auditors continue to be suitable and independent.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Company and the Group is set out on page 85 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 6 : RECOGNISING AND MANAGE RISK

Internal Control

The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Statement on Risk Management and Internal Control furnished on pages 80 to 83 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.

During the reporting year, the Company has embarked into the process to obtain ISO9001:2015 certification. This shall improve the effectiveness of the process outputs and management system.

Internal Audit

During the financial year under review, the internal audit activity continued to be outsourced to KPMG Management and Risk Consulting Sdn Bhd to provide internal audit services for greater independence in internal audit function.

A summary of the activities of the Audit Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 76 to 79 of this Annual Report.

Risk Management Committee

The Risk Management Committee is made up of a majority of Non-Executive Directors and currently chaired by Mr. Ramanathan A/L Sathiamutty.

The salient terms of the Terms of Reference of the Risk Management Committee are as follows:-

- (a) to review existing controls that may reduce the key risk factors of the Company;
- (b) to review and recommend risk management strategies, policies and risk tolerance for the Board's approval;
- (c) to review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- (d) to ensure adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems performs those duties independently of the insurer's risk taking activities; and
- (e) to renew the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

During the financial year, the Risk Management Committee held three (3) meetings and details of attendance of its members are as follows:

Name	No. of meetings attended
Ramanathan A/L Sathiamutty (Chairman)	3/3
Dr. Abu Hasan Bin Ismail	2/3
Chan Wan Siew	3/3

STATEMENT ON CORPORATE GOVERNANCE

PRINCIPLE 7 : ENSURING TIMELY AND HIGH QUALITY DISCLOSURES

Communication

The Company recognises the paramount importance of communicating with its shareholders and other stakeholders as it is a key component to uphold the principles and best practices of corporate governance for the Company and the Group.

The Company executes its Investor Relation (“IR”) programme following the framework as set out in the IR Policy. The Policy provides comprehensive guides, processes and procedures around for which the programme is structured including corporate disclosures. The approved IR Policy is published in the Company’s website.

In maintaining the commitment to effective communication with shareholders and stakeholders, the Company adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders. This practice of disclosure of information is not just established to comply with Bursa Malaysia Main Market Listing Requirements pertaining to continuing disclosure, but it also adopts the best practices as recommended with regards to strengthening engagement and communication with its shareholders. Where possible and applicable, the Company also provides additional disclosure of information on a voluntary basis. The Company believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

PRINCIPLE 8 : STRENGTHENING RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

SHAREHOLDERS AND INVESTORS

Another key avenue of communication with its shareholders is the Company’s AGM, which provides a useful forum for shareholders to engage directly with the Directors and Senior Management.

At the Company’s AGM, the Chairman of the Company presents a comprehensive and concise review of the Group’s financial performance and value created for shareholders. This review is supported by visual and graphical presentation of the Group’s performance.

In addition, the Company makes various announcements through Bursa Malaysia, in particular, the timely release of the quarterly results within two (2) months from the close of a particular quarter. Summaries of the quarterly and full year results together with the full announcements are available at the Company’s website and Bursa Malaysia’s website.

Another important medium is initiating dialogues with the shareholders and stakeholders frequently. Media coverage on the Group is initiated at regular intervals to provide wider publicity and improve the understanding of the Group’s business.

Investor Relations

The annual report is a main channel of communication between the Company and its shareholders and stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Company and the Group during the year under review. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Malaysia Main Market Listing Requirements.

The Company disseminates its annual report, together with an executive summary, to its shareholders either in CD ROM media or hard copy. The executive summary provides highlights of the Company’s and the Group’s key financial and corporate information.

Along with good corporate governance practices, the Company adheres to corporate disclosure policies in providing greater disclosure and transparency through all its communications with its shareholders, investors and the general public. A dedicated section on Corporate Governance which sets out the information on the Company’s announcements to the regulators, financial results, the Board Charter and policies, Directors’ Code of Ethics and the Company’s Annual Reports is available on the Company’s website to effectively disseminate information to all shareholders.

STATEMENT ON CORPORATE GOVERNANCE

The Company strives to promote and encourage bilateral communications with its shareholders through participation at its general meetings and also ensures timely dissemination of any information to investors, analysts and the general public.

The Company and the Group maintain the following website that allows all shareholders and investors access to information about the Company and the Group: www.prestariang.com.my.

Any further information regarding the Company and the Group may also be obtained from the following persons:

Corporate Governance

Telephone : 03-8314 8400

Facsimile : 03-8318 9280

inquiry@prestariang.com.my

A summary of the corporate activities is set out on pages 32 to 37 of this Annual Report.

During the Fifth AGM held last year, the Chairman had reminded the attending shareholders of their right to demand for poll voting. Nonetheless, no request for poll voting was received during the AGM.

The Board acknowledges that a poll vote is necessary for a fair voting process. The Board would consider employing electronic means for poll votes in the future general meetings.

AUDIT COMMITTEE REPORT

The Board of Directors (“Board”) of Prestariang Berhad (“the Company”) is pleased to present the Audit Committee Report for the financial year ended 31 December 2015.

OBJECTIVES

The objectives of the Audit Committee are as follows:-

- reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the company’s policies; and
- ensuring that proper processes and procedures are in place to comply with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

COMPOSITION

The Audit Committee comprises at least three (3) Directors, majority of whom are Independent. The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. The Audit Committee comprises only of Non-Executive Directors.

MEMBERSHIP

The Audit Committee consists of Mr. Chan Wan Siew, the Chairman who is also a member of the Malaysian Institute of Accountant, Dato’ Maznah Binti Abdul Jalil, Mr. Ramanathan A/L Sathiamutty and Puan Nik Amlizan Binti Mohamed.

DUTIES AND RESPONSIBILITIES

- (i) To review the quarterly and annual financial statements of the Company.
- (ii) To review any related party transaction and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of Management integrity.
- (iii) To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximize opportunities.
- (iv) To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.
- (v) To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures including for example, the Company’s Code of Business Conduct.
- (vi) To obtain assurance that proper plans for control have been developed, prior to the commencement of major areas of change within the organisation.
- (vii) To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company.

AUDIT COMMITTEE REPORT

- (viii) To review with the external auditors the nature and scope of their audit plan and report.
- (ix) To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors.
- (x) To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence.
- (xi) To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that the position as auditors are not deemed to be compromised.
- (xii) To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.
- (xiii) To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.
- (xiv) To review with the external auditors the Statement of Risk Management and Internal Controls of the Group for inclusion in the annual report.
- (xv) To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an internal, audit function and summary of the activities of that function for inclusion in the annual report.
- (xvi) To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the annual report.
- (xvii) To review ordinary and extraordinary dividend payments.
- (xviii) To act on any other matters as may be directed by the Board.

RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee is authorised by the Board:-

- (i) to review any activity within the Audit Committee's terms of reference. It is authorised to seek any information it requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Company and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee;
- (ii) to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain the prior approval of the Chairman of the Audit Committee;
- (iii) to review any activity within its Terms of Reference, and where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflicts of interest, or abuse by a significant or controlling shareholder; and

AUDIT COMMITTEE REPORT

- (iv) shall have direct communication channels and be able to convene meetings with the external auditors excluding the attendance of the non-independent members of the Audit Committee, whenever deemed necessary.
- (v) The Head of Internal Audit shall report directly to the Audit Committee and shall have direct access to the Chairman of the Audit Committee on all matters of control and audit. All proposals by Management regarding the appointment, transfer and removal of the Head of Internal Audit of the Company shall require prior approval of the Audit Committee. Any inappropriate restrictions on audit scope are to be reported to the Audit Committee.

MEETINGS

The Audit Committee shall:

- (i) meet at least four (4) times annually. A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting; and
- (ii) report to the Board and its minutes will be tabled to and noted by the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

- (i) Reviewed the unaudited quarterly financial results of the Company and the Group before recommending to the Board for report on consolidated approval and release to Bursa Malaysia Securities Berhad.
- (ii) Reviewed the Audit Planning Memorandum of the Company and the Group for the financial year ended 31 December 2015 with the external auditors.
- (iii) Reviewed the audited financial statements of the Company and the Group, the issues arising from the audit, their resolution and the audit report prior to recommending to the Board for approval.
- (iv) Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for disclosure into Annual Report 2015.
- (v) Conducted an annual evaluation on the suitability and independence of the External Auditors.
- (vi) Reviewed the effectiveness of the External Auditors and the recommendation to the Board of Directors, the re-appointment of the External Auditors.
- (vii) Met with the External Auditors without the presence of the Executive Director and Management twice during the year.
- (viii) Reviewed with the internal auditors, the internal audit findings and recommendations presented and the manner in which the issues raised by the internal auditors are subsequently resolved by Management.
- (ix) Reviewed with the External Auditors and Internal Auditors, other pertinent issues of the Company and the Group that have significant impact on the results of the Company and the Group and the statutory audits

INTERNAL AUDIT FUNCTION

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

To this end, the functions of the internal auditors are to:

- (i) perform audit work in accordance with the pre-approved internal audit plan;
- (ii) carry out reviews on the systems of internal control of the Company and the Group; and
- (iii) review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (iv) provide recommendations, if any, for the improvement of the control policies and procedures.

The Audit Committee and Board are satisfied with the performance of the internal auditors KPMG Management and Risk Consulting Sdn. Bhd., in the provision of outsourced internal audit services to the Company and the Group. The fees incurred for the internal audit function in respect of the financial year ended 31 December 2015 is RM66,000.

During the year under review, the internal auditors completed two (2) audit cycles focused on key controls deployed by the Management in respect of the following processes as approved by the Audit Committee:

Cycle 1 at Prestariang Systems Sdn Bhd
Project management Master Licensing Agreement (“MLA”) 2.0

- Project cost management
- Planning & Scheduling Procedures
- Project execution & monitoring

Cycle 2 at the Group level
Contract management

- Authorisation and approval
- Legal vetting
- Communication on contract terms & conditions
- Monitoring of compliance
- Contract modifications
- Security and safekeeping of document

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 (“Code”) recommends that the Board of Directors (“the Board”) of the listed companies should maintain a sound risk management and internal control framework in order to safeguard shareholders’ investments and the Company’s and Group’s assets. Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements also require the Board of the listed companies to include a statement on the state of their internal controls in their annual reports.

In view of the above, the Board of the Company is pleased to present the following statement that has been prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“SRMIC”) issued by the Bursa Malaysia’s Task Force on Internal Control.

BOARD RESPONSIBILITY

The Board recognises its responsibility in upholding an effective and adequate risk management and internal control system, which contributes a material part in good corporate governance. In line with that, the Board acknowledges its main responsibility in ensuring the principal and significant risks of the Company and of the Group are identified and properly managed by the risk management and internal control system of the Company and of the Group.

The Board has also established an on-going process for identifying, evaluating and managing significant risks faced by the Company and of the Group and to regularly review this process in conjunction with the SRMIC.

Management is assigned with the role of assisting the Board on the implementation of the Board’s policies and procedures on risk management and control by identifying and assessing the various risks that could affect the operation of the Company and of the Group, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

From time to time, the Board received assurance from the President/GCEO and Chief Finance Officer that the risk management and internal control system in place is operating in an adequate and effective manner, and that it is sufficient to safeguard the interest of the Company and of the Group.

The Board acknowledges that a sound risk management and internal control system provides reasonable but not absolute assurance, that the Company and the Group will not be hindered in achieving its business objectives in the ordinary course of business.

CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The day to day operations of the Company and of the Group is overseen by the President/GCEO with the assistance by CEO of the business divisions. This control is exercised through Senior Management in respect of commercial, financial and operational aspects of the Company and of the Group. The President/GCEO, CEO of the business divisions and Senior Management meet regularly to deliberate on such matters.

The Board fully supports the contents of the SRMIC and through the Audit Committee continually reviews the adequacy and effectiveness of the risk management processes in place within the various operating units with the aim of strengthening the risk management functions across the Company and the Group.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal controls and for providing assurance to the Board that it has done so in accordance with the policies adopted by the Board. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating units within the Group. Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Company and of the Group, the decision was taken to outsource the Internal Audit activities to a third party service provider.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

In desiring to maintain total independence in the management of the risk and internal control environment, the Company has appointed KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") to manage the Company's internal audit function on an outsourced basis. The fees incurred for the outsourced internal audit function for the financial year ended 31 December 2015 were RM76,000.

KPMG MRC reports independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with KPMG MRC agree on the scope and planned internal audit activities annually and all audit findings arising therefrom are reported to the Audit Committee.

KPMG MRC is allowed for an unrestricted access to all the documents and records of the Company and of the Group which are deemed necessary for the performance of its function and independently reviews the control processes implemented by Management. It also reviews the internal controls in the key activities of the Company's and of the Group's business based on the discussion with Management as well as with the Audit Committee. In addition, KPMG MRC carries out periodic assignments to ensure the policies and procedures established by the Board are complied with by Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group, KPMG MRC also provides business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

In the year under review, KPMG MRC had completed 2 audit cycles which focused on key controls deployed by Management in respect of the following processes as approved by the Audit committee:

Cycle 1 at Prestariang Systems Sdn Bhd
Project management Master Licensing Agreement ("MLA") 2.0

- Project cost management
- Planning & Scheduling Procedures
- Project execution & monitoring

Cycle 2 at the Group level
Contract management

- Authorisation and approval
- Legal vetting
- Communication on contract terms & conditions
- Monitoring of compliance
- Contract modifications
- Security and safekeeping of document

OTHER KEY RISK MANAGEMENT AND INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee and Finance & Investment Committee.
- Well defined organisational structure with clear lines for the segregation of duties, accountability and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational and financial requirements and performance monitored on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The President/GCEO and the CEOs of the business divisions meet regularly with Senior Management to discuss issues on the financial performance, business initiatives and other management and corporate issues of the Company and of the Group.
- There are regular Board meetings and Board papers distributed in advance to all Board Members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Company and of the Group.
- The Audit Committee reviews the effectiveness of the system of risk management and internal controls of the Company and of the Group on behalf of the Board. The Audit Committee comprises Non-Executive Members of the Board, who are also Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Company and of the Group. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- Review by the Audit Committee of risk management internal control issues identified by the external and internal auditors and action taken by the Management in respect of the findings arising therefrom. The internal audit function reports directly to the Audit Committee. Findings are communicated to the Management and the Audit Committee with recommendations for improvements and follow up to confirm all agreed recommendations are implemented. The internal audit plan is structured on a risk based approach and is reviewed and approved by the Audit Committee.
- The Risk Management Committee was established by the Board to assist the Board in overseeing the overall management of the principal areas of risk of the Company and of the Group including capital management and operational process.
- Review all proposals for material capital and investment opportunities by the Finance & Investment Committee and approval of the same by the Board prior to committing the expenses.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financial and regulatory environment. Management Accounts are prepared in a timely manner and on a monthly basis and are reviewed by the President/GCEO and the CEOs of the business divisions with the Senior Management.

WEAKNESSES IN RISK MANAGEMENT AND INTERNAL CONTROL RESULTING IN MATERIAL LOSS

The Board is of the opinion that there is no significant weakness in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Company and the Group. The Board is also of the opinion that the Company's risk management system and internal control is in place for the financial year under review, and is up to date as at the date of this statement. The Management together with the Board continue to take necessary measures to strengthen the internal control structure and the management of risks.

ASSURANCE FROM THE PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR AND THE CHIEF FINANCIAL OFFICER

The Board has received assurance from the President/GCEO, Executive Director and the Chief Financial Officer that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, Assurance Engagements Other than Audits or Reviews of Historical Financial Information: ISAE 3000 (Revised), and Recommended Practice Guide 5 (Revised 2015): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group.

Based on the limited assurance procedures and review, the external auditors have informed the Board that nothing has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers or that it is factually inaccurate.

OTHER COMPLIANCE INFORMATION

The following information is provided in compliance with Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

a) Utilisation Of Proceeds

As at the end of the financial year ended ("FYE") 31 December 2015, the Company had fully utilised the gross proceeds of RM19.8 million raised from the public issue.

b) Share Buy Back

During the financial year under review, the Company had bought back a total of 655,000 of its issued shares from the open market. The purchase shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The details of the Share Buy Back are disclosed in Note 23 of the financial statements.

c) Related Party Transactions ("RPT")

The details of RPT for the financial year under review are disclosed in Note 37 of the financial statements. The transactions are in the ordinary course of business.

d) Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the FYE 31 December 2015.

e) Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Company for the FYE 31 December 2015 was RM8,000.

f) Imposition of Sanctions and/or Penalties

There were no sanctions or penalties imposed on the Company during the FYE 31 December 2015.

g) Profit Estimates, Forecasts or Projections

There were no significant variances noted between the reported results and the unaudited results announced. The Company did not make any release on the profit estimates, forecasts or projections for the financial year.

h) Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

i) Material Contracts

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

The Board of Directors (“the Board”) of the Company is responsible for ensuring the annual audited financial statements of the Company and the Group are made in accordance with applicable approved accounting standards, and have reflected a true and fair view of the state of affairs of the Group and the Company as at 31 December 2015, and of the results of their operations and cash flows of the Company and the Group at the financial year.

The Board also responsible for ensuring that the annual audited financial statements of the Company and the Group are in compliance with the provisions of the Companies Act, 1965, the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standard Board, the Listing Requirements of Bursa Malaysia Securities Berhad and all other relevant laws and regulations.

The Directors have further responsibility of ensuring that proper, accurate, timely and reliable accounting records are kept. The annual audited financial statements have been prepared based on relevant and appropriate accounting policies and with usage of reasonable and prudent judgement and estimates.

The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In compliance with the various responsibilities of the Directors, the Directors present the financial statements of the Company and the Group for the financial year ended 31 December 2015 as set out on pages 95 to 144 of this Annual Report.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	17,031	15,750
Attributable to:		
Owners of the Company	17,226	15,750
Non-controlling interests	(195)	-
	17,031	15,750

DIVIDENDS

Since the end of the previous financial year, the Company:-

- (a) paid a fourth interim single-tier dividend of 0.5 sen per ordinary share amounting to RM2,420,000 in respect of the financial year ended 31 December 2014 on 26 March 2015;
- (b) paid a first interim single-tier dividend of 0.75 sen per ordinary share amounting to RM3,630,000 in respect of the current financial year on 2 July 2015;
- (c) paid a second interim single-tier dividend of 1.0 sen per ordinary share amounting to RM4,833,450 in respect of the current financial year on 1 October 2015; and
- (d) paid a third interim single-tier dividend of 1.0 sen per ordinary share amounting to RM4,833,450 in respect of the current financial year on 4 January 2016.

On 25 February 2016, the Board of Directors declared a fourth interim single-tier dividend of 1.0 sen per ordinary share amounting to RM4,833,450 in respect of the financial year ended 31 December 2015. The interim dividend shall be paid on 7 April 2016. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorised and issued and paid-up capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company has purchased 655,000 its issued ordinary shares from the open market at prices ranging from RM1.58 to RM2.00 per share in August 2015. The total consideration paid for the purchase was RM1,203,000 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from equity.

As at 31 December 2015, the Company held as treasury shares a total of 655,000 of its 484,000,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM1,203,000. Relevant details on the treasury shares are disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Mohamed Yunus Ramli Bin Abbas
Dr. Abu Hasan Bin Ismail
Chan Wan Siew
Dato' Maznah Binti Abdul Jalil
Ramanathan A/L Sathiamutty
Mohd Arif Bin Ibrahim
Nik Amlizan Binti Mohamed

(Appointed on 20.8.2015)
(Appointed on 25.2.2016)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares of RM0.10 each			At 31.12.2015
	At 1.1.2015	Bought	Sold	
The Company				
Direct Interests:				
Dato' Mohamed Yunus Ramli Bin Abbas	2,200,000	200,000	(400,000)	2,000,000
Chan Wan Siew	590,000	300,000	(440,000)	450,000
Dato' Maznah Binti Abdul Jalil	2,361,000	-	(100,000)	2,261,000
Indirect Interests:				
Dr. Abu Hasan Bin Ismail #1	132,301,400	-	-	132,301,400
Dato' Maznah Binti Abdul Jalil #2	120,000	-	-	120,000
Chan Wan Siew #3	118,000	50,000	(118,000)	50,000

Notes :-

- #1 - Deemed interested by virtue of his substantial shareholdings in Ekohati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. which in turn are substantial shareholders of the Company pursuant to Section 6A of the Companies Act 1965.
- #2 - Deemed interested by virtue of her spouse, Sheikh Abd Aziz Bin S Abod's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.
- #3 - Deemed interested by virtue of his spouse, Ms. Lee Oi Lin's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.

By virtue of his interest in shares in the Company, Dr. Abu Hasan Bin Ismail is deemed to have interest in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 28 and Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 24 March 2016.



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act 1965

We, Dr. Abu Hasan Bin Ismail and Dato' Mohamed Yunus Ramli Bin Abbas, being two of the directors of Prestariang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 95 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 39, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the board in accordance with a resolution of the directors dated 24 March 2016.



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act 1965

I, Abdul Razak Bin Bakrun, I/C No. 680321-04-5245, being the officer primarily responsible for the financial management of Prestariang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 95 to 144 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Abdul Razak Bin Bakrun, I/C No. 680321-04-5245
at Kuala Lumpur in the Federal Territory
on this 24 March 2016.



Before me

Rabin & Associates
C-12-5
Blok C, Ting 12 Unit 5
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 012-3008300



Abdul Razak Bin Bakrun

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTARIANG BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Prestariang Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 95 to 144.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTARIANG BERHAD

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 39 on page 145 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Horwath
Firm No: AF 1018
Chartered Accountants



Chua Wai Hong
Approval No: 2974/09/17(J)
Chartered Accountant

24 March 2016
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Assets					
Non-current assets					
Investments in subsidiaries	5	-	-	40,812	40,302
Property and equipment	6	12,964	13,130	66	102
Deferred tax assets	7	1,154	-	-	-
Development costs	8	5,221	3,383	-	-
		19,339	16,513	40,878	40,404
Current assets					
Inventories	9	1,755	1,012	-	-
Trade receivables	10	31,452	18,490	-	-
Other receivables	11	6,654	6,398	4,881	4,873
Amount owing by contract customer	12	15,747	3,999	-	-
Amount due from subsidiaries	13	-	-	20,148	849
Short-term investments	14	40,977	31,286	-	-
Current tax assets		636	370	636	329
Cash and bank balances	15	87,797	106,431	57,805	88,502
		185,018	167,986	83,470	94,553
Total assets		204,357	184,499	124,348	134,957
Liabilities and equity Current liabilities					
Trade payables	16	15,723	5,498	-	-
Other payables	17	15,925	8,973	5,467	5,398
Amount due to a subsidiary	13	-	-	-	9,508
Borrowings	18	92	274	-	-
Current tax liabilities		1,267	38	-	-
		33,007	14,783	5,467	14,906
Net current assets		152,011	153,203	78,003	79,647
Non-current liabilities					
Borrowings	18	623	763	-	-
Deferred tax liabilities	7	1,173	-	-	-
		1,796	763	-	-
Total liabilities		34,803	15,546	5,467	14,906
Net assets		169,554	168,953	118,881	120,051
Equity					
Share capital	21	48,400	48,400	48,400	48,400
Share premium	22	74,712	74,712	71,300	71,300
Treasury shares	23 (a)	(1,203)	-	(1,203)	-
Merger deficit	23 (b)	(14,212)	(14,212)	-	-
Retained profits		61,562	60,053	384	351
Total equity attributable to owners of the Company		169,259	168,953	118,881	120,051
Non-controlling interest	5	295	-	-	-
Total equity		169,554	168,953	118,881	120,051
Total liabilities and equity		204,357	184,499	124,348	134,957

The annexed notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	24	115,476	78,831	17,017	30,491
Cost of sales		(76,847)	(40,274)	-	-
Gross profit		38,629	38,557	17,017	30,491
Other income	25	6,072	3,114	2,346	1,087
Administrative expenses		44,701	41,671	19,363	31,578
Other expenses		(19,922)	(18,993)	(3,576)	(3,455)
Finance costs	26	(1,998)	(2,204)	(36)	(36)
		(323)	(169)	(1)	(7)
Profit before taxation	27	22,458	20,305	15,750	28,080
Income tax expense	30	(5,427)	(79)	-	-
Profit after taxation		17,031	20,226	15,750	28,080
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		17,031	20,226	15,750	28,080
Profit after taxation attributable to:					
Owners of the Company		17,226	20,226	15,750	28,080
Non-controlling interest		(195)	-	-	-
		17,031	20,226	15,750	28,080
Total comprehensive income attributable to:					
Non-controlling interest		17,226	20,226	15,750	28,080
		(195)	-	-	-
		17,031	20,226	15,750	28,080
Earnings per share attributable to owners of the Company (sen)					
Basic	31	3.56	4.37		
Diluted	31	NA	NA		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	← Non-distributable →		Distributable →		Attributable to owners of the Company		Non- controlling Interest	Total Equity
		Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Mege Deficit RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
The Group									
At 1 January 2014		22,000	21,531	-	(14,212)	67,627	96,946	1	96,947
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	20,226	20,226	-	20,226
Transaction with owners of the Company:									
- Acquisition of a subsidiary		-	-	-	-	(9)	(9)	(1)	(10)
- Bonus issue	21&22	22,000	(18,119)	-	-	(3,881)	-	-	-
- Issuance of shares	21&22	4,400	72,160	-	-	-	76,560	-	76,560
- Shares issuance expenses	22	-	(860)	-	-	-	(860)	-	(860)
- Dividends paid	32	-	-	-	-	(23,910)	(23,910)	-	(23,910)
Total transactions with the owners of the Company		26,400	53,181	-	-	(27,800)	51,781	(1)	51,780
At 31 December 2014/1 January 2015		48,400	74,712	-	(14,212)	60,053	168,953	-	168,953
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	17,226	17,226	(195)	17,031
Transaction with owners of the Company:									
- Purchase of treasury shares	23 (a)	-	-	(1,203)	-	-	(1,203)	-	(1,203)
- Dividends paid	32	-	-	-	-	(15,717)	(15,717)	-	(15,717)
		-	-	(1,203)	-	(15,717)	(16,920)	-	(16,920)
Changes in ownership interest in subsidiary that do not result in loss of control		-	-	-	-	-	-	490	490
Total transactions with the owners of the Company		-	-	(1,203)	-	(15,717)	(16,920)	490	(16,430)
At 31 December 2015		48,400	74,712	(1,203)	(14,212)	61,562	169,259	295	169,554

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		← Non-distributable	→ Distributable			
	Note	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total Equity RM'000
The Company						
At 1 January 2014		22,000	18,119	-	62	40,181
Profit after taxation/Total comprehensive income for the financial year		-	-	-	28,080	28,080
Transaction with owners of the Company:						
- Bonus issue	21&22	22,000	(18,119)	-	(3,881)	-
- Issuance of shares	21&22	4,400	72,160	-	-	76,560
- Shares issuance expenses	22	-	(860)	-	-	(860)
- Dividends paid	32	-	-	-	(23,910)	(23,910)
Total transactions with the owners of the Company		26,400	53,181	-	(27,791)	51,790
At 31 December 2014/1 January 2015		48,400	71,300	-	351	120,051
Profit after taxation/Total comprehensive income for the financial year		-	-	-	15,750	15,750
Transaction with owners of the Company:						
- Purchase of treasury shares	23 (a)	-	-	(1,203)	-	(1,203)
- Dividends paid	32	-	-	-	(15,717)	(15,717)
Total transactions with the owners of the Company		-	-	(1,203)	(15,717)	(16,920)
At 31 December 2015		48,400	71,300	(1,203)	384	118,881

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows generated from operating activities					
Profit before taxation		22,458	20,305	15,750	28,080
Adjustments for:-					
Amortisation of development costs		-	39	-	-
Bad debts written off		179	-	-	-
Depreciation of property and equipment		1,815	1,623	36	36
Fair value gain on short-term investments		(642)	(889)	-	-
Dividend income		(303)	(377)	-	(2)
Gain on disposal of:					
- property and equipment		(75)	-	-	-
- short-term investments		(481)	-	-	-
Interest expense		46	70	-	-
Interest income		(2,348)	(1,087)	(2,346)	(1,085)
Profit income received from deposits					
with licensed Islamic banks		(23)	(44)	-	-
Gain on foreign exchange - unrealised		(843)	(225)	-	-
Operating profit before working capital changes		19,783	19,415	13,440	27,029
(Increase)/Decrease in inventories		(743)	929	-	-
(Increase)/Decrease in trade and other receivables		(17,394)	4,758	(4,848)	(4,758)
Increase/(Decrease) in trade and other payables		17,183	(9,496)	75	(354)
Increase in amount owing by contract customer		(11,748)	(3,999)	-	-
Cash generated from operating activities		7,081	11,607	8,667	21,917
Interest paid		(46)	(70)	-	-
Income tax paid		(4,445)	(122)	(307)	(43)
Net cash generated from operating activities carried forward		2,590	11,415	8,360	21,874

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net cash generated from operating activities brought forward		2,590	11,415	8,360	21,874
Cash flows (used in)/generated from investing activities					
Acquisition of equity interest in a subsidiary by/(from) non-controlling interest		490	(10)	-	-
Acquisition of subsidiaries	5	-	-	-	(2)
Additional investments in existing subsidiaries	5	-	-	(510)	(410)
Development costs paid	8	(1,838)	(735)	-	-
Dividend received		303	377	-	2
Interest received		2,348	1,087	2,346	1,085
Net (placement)/withdrawal of deposits pledged with licensed banks		(83)	304	-	-
Profit income received from deposits with licensed Islamic Banks		23	44	-	-
Proceeds from disposal of:					
- property and equipment		75	-	-	-
- short-term investments		26,932	-	-	-
Purchase of property and equipment	6	(1,649)	(3,185)	-	-
Purchase of short-term investments	14	(35,500)	(4,000)	-	-
Advances to subsidiaries		-	-	(19,299)	(554)
Net cash (used in)/generated from investing activities		(8,899)	(6,118)	(17,463)	121
Cash flows (used in)/generated from financing activities					
Dividends paid		(10,883)	(19,070)	(10,883)	(19,070)
Purchase of treasury shares	23	(1,203)	-	(1,203)	-
Repayment of hire purchase obligations		(149)	(205)	-	-
Repayment of term loans		(173)	(119)	-	-
Repayment to subsidiaries		-	-	(9,508)	(630)
Proceeds from issuance of shares		-	76,560	-	76,560
Share issuance expenses paid		-	(860)	-	(860)
Net cash (used in)/generated from financing activities		(12,408)	56,306	(21,594)	56,000
Net (decrease)/increase in cash and cash equivalents		(18,717)	61,603	(30,697)	77,995
Cash and cash equivalents at beginning of the financial year		103,816	42,213	88,502	10,507
Cash and cash equivalents at end of the financial year	15	85,099	103,816	57,805	88,502

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.

Principal place of business : 70-73, NeoCyber,
Lingkaran Cyber Point Barat,
63000 Cyberjaya,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 March 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial applications.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) *Depreciation of Property and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

(c) *Impairment of Non-Financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) *Amortisation of Development Costs*

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(e) *Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) *Fair Value Estimates for Certain Financial Assets and Financial Liabilities*

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets would affect profit and/or equity.

(h) *Construction Contracts*

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) *Contract Revenue*

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

(ii) *Contract Costs*

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) *Business Combinations*

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

For non-common control business combinations, acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) *Non-Controlling Interests*

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(c) *Changes In Ownership Interests In Subsidiaries Without Change of Control*

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) *Loss of Control*

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Functional and Foreign Currencies

(a) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.4 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of the financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Financial Instruments (Cont'd)

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) *Held-to-maturity Investments*

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) *Available-for-sale Financial Assets*

As at the end of the reporting period, there were no financial assets classified under this category.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Financial Instruments (Cont'd)

(b) *Financial Liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) *Equity Instruments*

Equity Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) *Ordinary Shares*

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) *Treasury Shares*

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are sold, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. When the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

(d) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	50 years
Computer systems and equipment	5 years
Furniture and fittings	10 years
Office equipment	5 - 10 years
Office renovation	5 - 10 years
Motor vehicles	5 years

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (i) its ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its intention to complete and the ability to use or sell the developed asset; and
- (v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.8 Impairment

(a) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment (Cont'd)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Operating Leases

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line method over the lease period.

4.13 Employees Benefits

(a) *Short-term Benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) *Defined Contribution Plans*

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 Income Taxes

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those person having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.16 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.17 Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

4.18 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 Amounts Owning By/To Contract Customers

The amount owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the events or change in circumstances that caused the transfer.

4.21 Revenue and Other Income

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and service tax, returns, cash and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(e) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 January	40,302	39,890
Addition during the financial year	510	412
At 31 December	40,812	40,302

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, which are all incorporated and having principal place of business in Malaysia, are as follows:-

Name of Company	Principal activities	Proportion (%) of Ownership Interest	
		2015	2014
Held by the Company:			
Prestariang Systems Sdn. Bhd. ("PSSB")	Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management.	100	100
Prestariang Education Sdn. Bhd. ("PESB")	Providing personalised ICT education in a diverse and vibrant community.	100	100
Prestariang Talentxchange Sdn. Bhd. ("PTXSB")	Providing best-fit talents to the local, regional and global markets and delivering practical talent management solutions.	100	100
Prestariang O&G Sdn. Bhd. ("POGSB")	Providing training and placement services as well as employment and documentation services for foreign workers.	51	100
Prestariang Technology Sdn. Bhd. ("PTSB")	Dormant.	100	100
Subsidiary of PTSB:			
Total Leap Sdn. Bhd. ("TLSB")	Dormant.	100	100
Subsidiaries of PSSB:			
Logisys Sdn. Bhd. ("LSB")	Providing ICT training and software license distribution and management.	100	100
Prestariang R&D Sdn. Bhd. ("PR&D")	Research and development.	100	100

(a) On 12 January 2015, a wholly-owned subsidiary of the Company, POGSB issued 999,998 new ordinary shares of RM1 each. On the same date, the Company subscribed for 509,998 of the new ordinary shares of RM1 each, representing 51% of the newly issued and paid-up share capital for a total cash consideration of RM509,998. Consequently, the Company's equity interest in POGSB has since diluted from 100% to 51%.

(b) The non-controlling interest at the end of the reporting period comprised the following:-

	Effective Interest		The Group	
	2015 %	2014 %	2015 RM'000	2014 RM'000
POGSB	49	-	295	-

(c) The summarised financial information for the subsidiary that has non-controlling interest is not presented as it is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. PROPERTY AND EQUIPMENT

The Group	Buildings RM'000	Computer systems and equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
At 31 December 2015								
Cost								
At 1 January	5,255	2,392	1,879	1,766	4,705	2,150	-	18,147
Additions	-	463	119	327	439	-	301	1,649
Disposal	-	-	-	-	-	(261)	-	(261)
At 31 December	5,255	2,855	1,998	2,093	5,144	1,889	301	19,535
Accumulated depreciation								
At 1 January	480	1,041	396	540	1,152	1,408	-	5,017
Charge for the year (Note 27)	105	456	202	188	520	344	-	1,815
Disposal	-	-	-	-	-	(261)	-	(261)
At 31 December	585	1,497	598	728	1,672	1,491	-	6,571
Net carrying amount At 31 December	4,670	1,358	1,400	1,365	3,472	398	301	12,964
At 31 December 2014								
Cost								
At 1 January	5,255	1,911	716	1,037	2,271	1,975	1,797	14,962
Additions	-	91	720	327	1,832	175	40	3,185
Reclassification	-	390	443	402	602	-	(1,837)	-
At 31 December	5,255	2,392	1,879	1,766	4,705	2,150	-	18,147
Accumulated depreciation								
At 1 January	375	658	303	329	728	1,001	-	3,394
Charge for the year (Note 27)	105	383	93	211	424	407	-	1,623
At 31 December	480	1,041	396	540	1,152	1,408	-	5,017
Net carrying amount At 31 December	4,775	1,351	1,483	1,226	3,553	742	-	13,130

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. PROPERTY AND EQUIPMENT (CONT'D)

The Company	Buildings RM'000	Computer systems and equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
At 31 December 2015								
Cost								
At 1 January	-	-	-	-	-	180	-	180
Additions	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	78	-	78
Charge for the year (Note 27)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	114	-	114
Net carrying amount								
At 31 December	-	-	-	-	-	66	-	66
At 31 December 2014								
Cost								
At 1 January	-	-	-	-	-	180	-	180
Additions	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	42	-	42
Charge for the year (Note 27)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	78	-	78
Net carrying amount								
At 31 December	-	-	-	-	-	102	-	102

- (a) Included in property and equipment of the Group in the previous financial year were motor vehicles with a total net book value of RM167,000 held under hire purchase arrangements.
- (b) The buildings of the Group at the end of the reporting period have been pledged to a licensed bank as security for banking facility granted to the Group, as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2015 RM'000	2014 RM'000
At 1 January	-	-
Recognised in profit or loss (Note 30)	(19)	-
At 31 December	(19)	-
Presented as follows:-		
Deferred tax assets	1,154	-
Deferred tax liabilities	(1,173)	-
	(19)	-

The Group has recognised the deferred tax assets based on its expected level of operations of a subsidiary and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

The deferred tax assets/(liabilities) recognised at the end of the reporting period and after appropriate offsetting are as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Deferred tax assets:-		
Unutilised tax losses	779	-
Unabsorbed capital allowances	617	1,059
Provisions	385	1,417
	1,781	2,476
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(1,185)	(2,251)
Deductible differences on development cost	(449)	-
Others	(166)	(225)
	(1,800)	(2,476)
	(19)	-

No deferred tax assets is recognised in the statements of financial position on the following items:-

	The Group	
	2015 RM'000	2014 RM'000
Unutilised tax losses	11,739	10,257
Unabsorbed capital allowances	-	394
	11,739	10,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

8. DEVELOPMENT COSTS

	The Group	
	2015 RM'000	2014 RM'000
Cost		
At 1 January	4,773	4,038
Addition during the financial year	1,838	735
At 31 December	6,611	4,773
Accumulated amortisation		
At 1 January	1,390	1,351
Amortisation for the year (Note 27)	-	39
At 31 December	1,390	1,390
	5,221	3,383

- (a) The development costs are in respect of the development of 1 citizen, proficiency in communication ("PEC"), green ICT and programme for international student assessment ("PISA") which belong to the Group's ICT Services and Distribution reportable segment. The amortisation charges are recognised in profit or loss under the "Other Expenses" line item.
- (b) At the end of the reporting period, the development costs for the projects yet to be commercialised amounted to approximately RM5,221,000 (2014: RM3,383,000).
- (c) The Group has assessed the recoverable amounts of development costs and determined that no impairment is required. The recoverable amounts of the development costs are determined using the value in use approach, and this is derived from the present value of the future cash flows from each development costs unit computed based on the projections of financial budgets approved by management covering a period of 2 to 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
PEC	60	22 to 23	-	-	12.67	13.00
Green ICT	50	50	-	-	12.67	13.00
PISA	40	32 to 64	-	-	12.67	13.00

- (i) Budgeted gross margin Average gross margin based on historical averages achieved, adjusted to reflect expected efficiency improvements and cost saving measures.
- (ii) Growth rate Based on the expected projection of each development costs unit.
- (iii) Discount rate (pre-tax) Based on the weighted average cost of capital of the Group, adjusted to specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. INVENTORIES

	The Group	
	2015 RM'000	2014 RM'000
Finished goods	1,755	1,012
Recognised in profit or loss:- Inventories recognised as cost of sales	63,984	28,972

10. TRADE RECEIVABLES

	The Group	
	2015 RM'000	2014 RM'000
Trade receivables	31,751	18,789
Less: Allowance for impairment losses	(299)	(299)
	31,452	18,490

Trade receivables are non-interest bearing and are generally on 30 to 60 days credit terms. They are recognised at their original invoiced amounts less trade discounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables.

	The Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired:-		
1 to 30 days	21,172	17,346
31 to 60 days	2,076	-
	23,248	17,346
Past due but not impaired:-		
61 to 90 days	88	-
More than 90 days	8,116	1,144
	8,204	1,144
	31,452	18,490
Past due and impaired:-		
More than 90 days	299	299
	31,751	18,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. TRADE RECEIVABLES (CONT'D)

Trade receivables that are impaired

The Group's trade receivables that are impaired as at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	The Group Individually impaired	
	2015 RM'000	2014 RM'000
At 1 January	299	299
Addition during the financial year	-	-
At 31 December	299	299

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has been no significant change in the credit quality and the balances are still considered recoverable.

11. OTHER RECEIVABLES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sundry receivables	5,293	5,235	4,878	4,871
Other deposits	556	654	-	-
Prepayments	694	413	3	2
Advances	111	96	-	-
	6,654	6,398	4,881	4,873

Sundry receivables are non-interest bearing. They are recognised at the amounts which represent their fair values on initial recognition.

12. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2015 RM'000	2014 RM'000
Contract costs incurred to date	15,747	3,999

The amount owing by contract customer represents unbilled contract costs incurred relating to activities of a project.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. AMOUNT OWING BY CONTRACT CUSTOMERS (CONT'D)

The contract costs incurred to date included the following charges made during the financial year:

	The Group	
	2015 RM'000	2014 RM'000
Staff costs (Note 28)	2,709	1,097

13. AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from/to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand in cash.

14. SHORT-TERM INVESTMENTS

	The Group	
	2015 RM'000	2014 RM'000
Financial assets at fair value through profit or loss:-		
At 1 January	31,286	26,397
Addition during the financial year	35,500	4,000
Disposal during the financial year	(26,451)	-
	40,335	30,397
Fair value gain	642	889
At 31 December	40,977	31,286
Market value of short-term investments At 31 December	40,977	31,286
Represented by:		
- Equity funds unit trusts in Malaysia	5,265	4,834
- Money market funds in Malaysia	35,712	26,452
	40,977	31,286

15. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	5,206	4,244	20	2,013
Deposits with licensed banks	82,591	102,187	57,785	86,489
	87,797	106,431	57,805	88,502
Less: Deposits pledged with licensed banks	(2,698)	(2,615)	-	-
Cash and cash equivalents	85,099	103,816	57,805	88,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

15. CASH AND CASH EQUIVALENTS (CONT'D)

The deposits with licensed banks of the Group and of the Company bore effective interest rates ranging from 2.80% to 4.7% (2014: 2.75% to 3.4%) per annum. The deposits have maturity periods ranging from 30 to 120 days (2014: 30 to 60 days) at the end of the reporting period.

Included in deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,698,000 (2014: RM2,615,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

16. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 days.

17. OTHER PAYABLES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sundry payables	3,527	776	322	314
Accruals	2,262	2,968	311	244
Advances received from customers	5,302	389	-	-
Dividend payable	4,834	4,840	4,834	4,840
	15,925	8,973	5,467	5,398

18. BORROWINGS

	The Group	
	2015 RM'000	2014 RM'000
Short-Term Borrowings		
Secured		
Hire purchase (Note 19)	-	145
Term loan (Note 20)	92	129
	92	274
Long-Term Borrowings		
Secured		
Hire purchase (Note 19)	-	4
Term loan (Note 20)	623	759
	623	763
Total Borrowings		
Secured		
Hire purchase (Note 19)	-	149
Term loan (Note 20)	715	888
	715	1,037

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

19. HIRE PURCHASE PAYABLES

	The Group	
	2015 RM'000	2014 RM'000
Secured		
Minimum hire purchase payments:		
Not later than 1 year	-	150
Later than 1 year and not later than 2 years	-	4
	-	154
Less: Future finance charges	-	(5)
Present value of hire purchase payables	-	149
Present value of hire purchase payables		
Current:-		
Not later than 1 year (Note 18)	-	145
Non-current:-		
Later than 1 year and not later than 2 years (Note 18)	-	4
	-	149
Analysed as:		
Due within 12 months (Note 18)	-	145
Due after 12 months (Note 18)	-	4
	-	149

In the previous financial year, the hire purchase payables bore effective interest rates ranging from 4.90% to 6.36% per annum at the end of the reporting period. The hire purchase payables of the Group were secured by the Group's motor vehicles under hire purchase.

20. TERM LOAN

	The Group	
	2015 RM'000	2014 RM'000
Secured		
Current		
Not later than 1 year (Note 18)	92	129
Non-current		
Later than 1 year and not later than 2 years	143	136
Later than 2 years and not later than 5 years	311	454
Later than 5 years	169	169
Total non-current portion (Note 18)	623	759
	715	888

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20. TERM LOAN (CONT'D)

The details of the repayment terms are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENT	MONTHLY INSTALMENT RM	DATE OF COMMENCEMENT OF REPAYMENT	THE GROUP OUTSTANDING AMOUNT	
				2015 RM'000	2014 RM'000
1	180	14,333	July 2008	715	888

The term loan bore an effective interest rate of 5.35% (2014: 5.35%) per annum at the end of the reporting period.

The term loan is secured by:-

- a general facility agreement;
- a Deed of Assignment cum Power of Attorney over six units of buildings of the Group; and
- a personal guarantee of a director of the Company for RM1,350,000.

21. SHARE CAPITAL

	The Company			
	Number of Ordinary Shares of RM0.10 Each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised Share Capital				
At 1 January	1,000,000	500,000	100,000	50,000
Created during the financial year	-	500,000	-	50,000
At 31 December	1,000,000	1,000,000	100,000	100,000
Issued and Fully Paid-up				
At 1 January	484,000	220,000	48,400	22,000
Bonus issue	-	220,000	-	22,000
Issuance of new shares through private placement	-	44,000	-	4,400
At 31 December	484,000	484,000	48,400	48,400

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

22. SHARE PREMIUM

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	74,712	21,531	71,300	18,119
Utilisation for bonus issue	-	(18,119)	-	(18,119)
Issuance of new shares	-	72,160	-	72,160
Share issuance expenses	-	(860)	-	(860)
At 31 December	74,712	74,712	71,300	71,300

Included in the share premium of the Group is an amount of RM3,412,000 (2014: RM3,412,000) relating to the share premium in a subsidiary.

The share premium reserve represent the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

23. OTHER RESERVES

(a) Treasury Shares

During the financial year, the Company has purchased 655,000 of its issued ordinary shares from the open market at prices ranging from RM1.58 to RM2.00 per share in August 2015. The total consideration paid for the purchase was RM1,203,000 including transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 484,000,000 issued and fully paid-up ordinary shares at the end of the reporting period, 655,000 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

(b) Merger Deficit

The merger deficit arose from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries acquired under the merger method of accounting.

24. REVENUE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ICT training and certification	18,891	27,320	-	-
Software licence distribution and management	93,974	49,704	-	-
Gross dividend income	-	-	17,017	30,491
Education	2,293	1,807	-	-
Employment services	318	-	-	-
	115,476	78,831	17,017	30,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

25. OTHER INCOME

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Dividend income	303	377	-	2
Fair value gain on short-term investments	642	889	-	-
Foreign exchange gain:				
- realised	1,038	162	-	-
- unrealised	843	225	-	-
Interest income	2,348	1,087	2,346	1,085
Profit income received from deposits with licensed Islamic Banks	23	44	-	-
Rental income	51	-	-	-
Gain on disposal of:				
- property and equipment	75	-	-	-
- short-term investments	481	-	-	-
Others	268	330	-	-
	6,072	3,114	2,346	1,087

26. FINANCE COSTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bank charges	124	33	1	7
Commission charges	153	66	-	-
Interest expense:				
- hire purchase	2	14	-	-
- term loan	44	56	-	-
	46	70	-	-
	323	169	1	7

27. PROFIT BEFORE TAXATION

In addition to those disclosed in Note 25 and Note 26 to the financial statements, profit before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amortisation of development costs (Note 8)	-	39	-	-
Audit fees:				
- for the financial year	103	96	28	25
- (over)/underprovision in the previous financial year	(2)	(7)	-	7
Bad debts written off	179	-	-	-
Depreciation of property and equipment (Note 6)	1,815	1,623	36	36
Rental of equipment	831	836	-	-
Rental of office	1,883	1,291	-	-
Staff costs (Note 28)	12,585	11,134	2,913	2,485

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

28. STAFF COSTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries and other benefits	12,566	10,174	2,399	2,091
Defined contribution plans	1,467	1,105	238	213
Social security costs	76	61	11	12
Other staff related expenses	1,185	891	265	169
	15,294	12,231	2,913	2,485
Less: Include in amount owing by contract customer (Note 12)	(2,709)	(1,097)	-	-
	12,585	11,134	2,913	2,485

Included in the staff costs of the Group and the Company are directors' remuneration amounting to RM1,482,000 and RM840,000 (2014: RM1,259,000 and RM1,209,000) respectively, as further disclosed in Note 29 to the financial statements.

29. KEY MANAGEMENT PERSONAL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<u>Directors of the Company</u>				
<i>Executive Directors:</i>				
Short-term employee benefits:				
- Salaries, bonuses and other benefits	872	669	307	619
Defined contribution benefits	95	99	27	99
	967	768	334	718
<i>Non-executive directors:</i>				
Short-term employee benefits:				
- Fee	240	316	231	316
- Allowance	275	175	275	175
	515	491	506	491
	1,482	1,259	840	1,209
<u>Other Key Management Personnel</u>				
Short-term employee benefits	2,809	2,369	795	515
Defined contribution benefits	327	476	90	114
	3,136	2,845	885	629

The estimated monetary value of benefits-in-kind provided by the Company to its executive director is RM78,000 (2014: RM50,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

29. KEY MANAGEMENT PERSONAL COMPENSATION (CONT'D)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2015	2014	2015	2014
Executive Directors:				
RM1 - RM50,000	-	-	1	-
RM250,001 - RM300,000	1	-	1	-
RM300,001 - RM350,000	-	-	-	-
RM650,001 - RM700,000	1	-	-	-
RM750,001 - RM800,000	-	1	-	1
	2	1	2	1
Non-executive Directors:				
RM1 - RM50,000	-	3	-	3
RM50,001 - RM100,000	-	2	1	2
RM100,001 - RM150,000	4	2	3	2
	6	8	6	8

30. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	5,320	-	-	-
- underprovision in the previous financial year	88	79	-	-
	5,408	79	-	-
Deferred tax expense relating to the origination of temporary differences (Note 7):				
- current financial year	(956)	-	-	-
- underprovision in the previous financial year	975	-	-	-
	19	-	-	-
	5,427	79	-	-

PSSB, a wholly-owned subsidiary of the Company which enjoyed full exemption from income tax on its statutory income from 30 June 2005 to 29 June 2015. The pioneer status expired on 29 June 2015, hence, the provision for current tax has been accounted for with effect from 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

30. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before taxation	22,458	20,305	15,750	28,080
Tax at statutory tax rate of 25% (2014: 25%)	5,614	5,075	3,938	7,020
Tax-exempt income under pioneer status	(1,578)	(7,525)	-	-
Non-taxable income	(1,097)	-	(4,841)	(7,623)
Non-deductible expenses	1,153	1,474	903	603
Deferred tax assets not recognised during the financial year	272	1,495	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	-	(519)	-	-
Underprovision in the previous financial year:				
- current tax	88	79	-	-
- deferred tax	975	-	-	-
Income tax expense for the financial year	5,427	79	-	-

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

31. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, as follows:-

	The Group	
	2015	2014
Profit attributable to owners of the Company (RM'000)	17,226	20,226
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 January	484,000	220,000
Effect of bonus issue	-	220,000
Effect of treasury shares hold	(233)	-
Effect of new ordinary shares issued through private placement	-	22,663
Weighted average number of ordinary shares at 31 December ('000)	483,767	462,663
Basic earnings per share (sen)	3.56	4.37

No disclosure on diluted earnings per share as there were no dilutive potential shares outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

32. DIVIDENDS

	The Group/ The Company	
	2015 RM'000	2014 RM'000
In respect of the financial year ended 31 December 2013:		
- declared a fourth interim single-tier dividend of 3 sen per ordinary share	-	6,600
In respect of the financial year ended 31 December 2014:		
- declared a first interim tax-exempt dividend of approximately 1.25 sen per ordinary share	-	5,500
- declared a second interim tax-exempt dividend of approximately 1.44 per ordinary share	-	6,970
- declared a third interim tax-exempt dividend of approximately 1 sen per ordinary share	-	4,840
- declared a fourth interim tax-exempt dividend of 0.5 sen per ordinary shares	2,420	-
In respect of the financial year ended 31 December 2015:		
- declared a first interim tax-exempt dividend of 0.75 sen per ordinary shares	3,630	-
- declared a second interim tax-exempt dividend of 1 sen per ordinary shares	4,833	-
- declared a third interim tax-exempt dividend of 1 sen per ordinary shares	4,834	-
	15,717	23,910

On 25 February 2016, the Board of Directors declared a fourth interim single-tier dividend of 1.0 sen per ordinary share amounting to RM4,833,450 in respect of the financial year ended 31 December 2015. The interim dividend shall be paid on 7 April 2016. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

33. CAPITAL COMMITMENT

	The Group	
	2015 RM'000	2014 RM'000
Development costs:		
- Authorised but not contracted for	600	1,851
- Authorised and contracted for	6,738	6,549
	7,338	8,400

34. OPERATING LEASE COMMITMENT

LEASES AS LESSEE

The Group leases a number of office buildings for campus and apartments for accommodation of students under non cancellable operating leases. The lease periods range from 1 to 5 years with an option to renew after those dates. Lease payments are increased every 2 years to reflect market rentals and none of the leases includes contingent rentals. The Group is restricted from sub-leasing the leased assets to third parties.

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Not more than one year	2,198	1,550
Later than one year and not later than five years	1,019	2,407
	3,217	3,957

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group financial performance.

35.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar RM'000	The Group Ringgit Malaysia RM'000	Total RM'000
At 31 December 2015			
<u>Financial Assets</u>			
Trade receivables	3,810	27,642	31,452
Other receivables	-	5,960	5,960
Short-term investments	-	40,977	40,977
Cash and bank balances	1,089	86,708	87,797
	4,899	161,287	166,186
<u>Financial Liabilities</u>			
Trade payables	13,091	2,632	15,723
Other payables	-	15,925	15,925
Borrowings	-	715	715
	13,091	19,272	32,363
Net financial (liabilities)/asset	(8,192)	142,015	133,823
Less: Net financial assets denominated in the respective entities' functional currencies	-	(142,015)	(142,015)
Currency exposure	(8,192)	-	(8,192)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar RM'000	The Group Ringgit Malaysia RM'000	Total RM'000
At 31 December 2014			
Financial Assets			
Trade receivables	2,023	16,467	18,490
Other receivables	-	5,985	5,985
Short-term investments	-	31,286	31,286
Cash and bank balances	85	106,346	106,431
	2,108	160,084	162,192
Financial Liabilities			
Trade payables	4,636	862	5,498
Other payables	-	8,973	8,973
Borrowings	-	1,037	1,037
	4,636	10,872	15,508
Net financial (liabilities)/assets	(2,528)	149,212	146,684
Less: Net financial assets denominated in the respective entities' functional currencies	-	(149,212)	(149,212)
Currency exposure	(2,528)	-	(2,528)

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

Foreign Currency Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group 2015 RM'000	2014 RM'000
Effects on Profit After Taxation		
USD/RM - strengthened by 5%	(307)	(95)
- weekend by 5%	307	95

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Interest Rate Risk (Cont'd)

The Group's interest rate profile as monitored by management is set out below:-

	The Group	
	2015 RM'000	2014 RM'000
Fixed rate		
Hire purchase payables	-	149
Floating rate		
Term loan	715	888

Interests on financial instruments which are subjected to floating interest rates are repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks.

Interest Rate Sensitivity Analysis

The following table details the sensitivity analysis to a reasonable possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015 RM'000	2014 RM'000
Effect on Profit After Taxation		
Increase of 100 basis points	(5)	(7)
Decrease of 100 basis points	5	7

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to price risks by maintaining a portfolio of equities with different risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

The Group's equity price profile as monitored by management is set out below:-

	The Group	
	2015	2014
	RM'000	RM'000
- Equity funds unit trusts	5,265	4,834
- Money market funds	35,712	26,452
	40,977	31,286

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015	2014
	RM'000	RM'000
Effect on Profit After Taxation		
Increase of 5%	1,537	1,173
Decrease of 5%	(1,537)	(1,173)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile (Cont'd)

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 36% of its total trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Singapore	3,810	2,023
Malaysia	27,642	16,467
	31,452	18,490

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
At 31 December 2015							
Non-derivative financial liabilities:							
Trade payables	-	15,723	15,723	15,723	-	-	-
Other payables	-	15,925	15,925	15,925	-	-	-
Borrowings	5.35	715	867	173	173	347	174
		32,363	32,515	31,821	173	347	174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The Group	Contractual Interest Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
At 31 December 2014							
Non-derivative Financial liabilities:							
Trade payables	-	5,498	5,498	5,498	-	-	-
Other payables	-	8,973	8,973	8,973	-	-	-
Borrowings	4.90 - 6.36	1,037	1,190	323	178	520	169
		15,508	15,661	14,794	178	520	169
The Company							
At 31 December 2015							
Non-derivative Financial liabilities:							
Other payables	-	5,467	5,467	5,467	-	-	-
At 31 December 2014							
Non-derivative Financial liabilities:							
Other payables	-	5,398	5,398	5,398	-	-	-
Amount due to a subsidiary	-	9,508	9,508	9,508	-	-	-
		14,906	14,906	14,906	-	-	-

35.2 CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) more than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Classification of Financial Instruments

The Group 31 December 2015	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Trade receivables	10	31,452	-	-	31,452
Other receivables	11	5,960	-	-	5,960
Short-term investments	14	-	-	40,977	40,977
Cash and bank balances	15	87,797	-	-	87,797
Total financial assets		125,209	-	40,977	166,186
Total non-financial assets					38,171
Total assets					204,357
Liabilities					
Trade payables	16	-	15,723	-	15,723
Other payables	17	-	15,925	-	15,925
Borrowings	18	-	715	-	715
Total financial liabilities		-	32,363	-	32,363
Total non-financial liabilities					2,440
Total liabilities					34,803

31 December 2014

Assets					
Trade receivables	10	18,490	-	-	18,490
Other receivables	11	5,985	-	-	5,985
Short-term investments	14	-	-	31,286	31,286
Cash and bank balances	15	106,431	-	-	106,431
Total financial assets		130,906	-	31,286	162,192
Total non-financial assets					22,307
Total assets					184,499
Liabilities					
Trade payables	16	-	5,498	-	5,498
Other payables	17	-	8,973	-	8,973
Borrowings	18	-	1,037	-	1,037
Total financial liabilities		-	15,508	-	15,508
Total non-financial liabilities					38
Total liabilities					15,546

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Classification of Financial Instruments (Cont'd)

The Company 31 December 2015	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Other receivables Amount due	11	4,878	-	-	4,878
from subsidiaries	13	20,148	-	-	20,148
Cash and bank balances	15	57,805	-	-	57,805
Total financial assets		82,831	-	-	82,831
Total non-financial assets					41,517
Total assets					124,348
Liabilities					
Other payables	17	-	5,467	-	5,467
Total financial liabilities		-	5,467	-	5,467
Total non-financial liabilities					-
Total liabilities					5,467
31 December 2014					
Assets					
Other receivables Amount due from	11	4,871	-	-	4,871
subsidiaries	13	849	-	-	849
Cash and bank balances	15	88,502	-	-	88,502
Total financial assets		94,222	-	-	94,222
Total non-financial assets					40,735
Total assets					134,957
Liabilities					
Other payables	17	-	5,398	-	5,398
Amount due to a subsidiary	13	-	9,508	-	9,508
Total financial liabilities		-	14,906	-	14,906
Total non-financial liabilities					-
Total liabilities					14,906

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
At 31 December 2015								
<u>Financial Assets</u>								
Short-term investments	40,977	-	-	-	-	-	40,977	40,977
<u>Financial Liabilities</u>								
Term loan	-	-	-	-	715	-	715	715
At 31 December 2014								
<u>Financial Assets</u>								
Short-term investments	31,286	-	-	-	-	-	31,286	31,286
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	149	-	149	149
Term loan	-	-	-	-	888	-	888	888

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- (i) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting period.

There were no transfer between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 Fair Value Information (Cont'd)

(b) Fair Value of Financial Instruments not carried at Fair Value

The fair values above are for disclosure purposes and have been determined using the following basis:-

- (i) The fair values of hire purchase payables and term loan are determined by discounting the relevant cash flow using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2015 %	2014 %
Hire purchase payables	-	4.94
Term loan	5.35	5.35

36. OPERATING SEGMENTS

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

- (a) Information and Communications Technology ("ICT") training and certification and software licence distribution and management (collectively referred to as the "ICT services and distribution") - provision of both basic and professional ICT training and certification encompassing instructor-led courses and certification examination at the end of the course. At the same time distributing and managing the software licences.
- (b) Education - University Malaysia of Computer Science and Engineering (UniMy) is designed to develop talented market-ready computing professionals to meet the challenge of advancing Malaysia's economic success in the next decade. To enhance human knowledge in computer science and engineering and explore the challenge of integrating it with emerging technology in an interdisciplinary environment, while educating outstanding students to become creative, innovative and responsible members of society.
- (c) Employment services - Human resource management services is to provide facilities for foreign workers' recruitment and document services
- (d) Others - The holding company is involved in the activity of investment holding.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. OPERATING SEGMENTS (CONT'D)

(a) Business Segments

The Group	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Others RM'000	Total RM'000
At 31 December 2015					
Revenue					
External revenue	112,865	2,293	318	-	115,476
Inter-segment revenue	-	-	-	17,017	17,017
Segment revenue	112,865	2,293	318	17,017	132,493
Consolidation adjustments					(17,017)
Consolidated revenue					115,476
Results					
Segment profit/(loss) before interest and taxation	31,137	(5,794)	(397)	15,559	40,505
Finance costs					(323)
Consolidation adjustments					(17,724)
Consolidated profit before taxation					22,458
Segment profit/(loss) before interest and taxation include the following:-					
Bad debts written off	-	-	-	179	179
Depreciation and amortisation	1,203	576	-	36	1,815
Fair value gain on short-term investments	642	-	-	-	642
Gain on disposal of:					
- plant and equipment	75	-	-	-	75
- short-term investments	481	-	-	-	481
Interest income	-	2	-	2,346	2,348
Foreign exchange gain:					
- unrealised	843	-	-	-	843
Assets					
Segment assets	129,666	8,817	993	124,227	263,703
Current tax assets	-	-	-	636	636
	129,666	8,817	993	124,863	264,339
Deferred tax assets					1,154
Consolidation adjustments					(61,136)
Consolidated total assets					204,357
Liabilities					
Segment liabilities	40,215	7,464	413	6,240	54,332
Current tax liabilities	1,267	-	-	-	1,267
	41,482	7,464	413	6,240	55,599
Deferred tax liabilities					1,173
Consolidation adjustments					(21,969)
Consolidated total liabilities					34,803
Additions to non-current assets other than financial instruments and deferred tax assets are:					
- property and equipment	1,052	597	-	-	1,649
- development costs	1,838	-	-	-	1,838

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (Cont'd)

The Group	ICT Services and Distribution RM'000	Education RM'000	Others RM'000	Total RM'000
At 31 December 2014				
Revenue				
External revenue	77,024	1,807	-	78,831
Inter-segment revenue	-	-	30,491	30,491
Segment revenue	77,024	1,807	30,491	109,322
Consolidation adjustments				(30,491)
Consolidated revenue				78,831
Results				
Segment profit/(loss) before interest and taxation	29,626	(6,277)	27,616	50,965
Finance costs				(169)
Consolidation adjustments				(30,491)
Consolidated profit before taxation				20,305
Segment profit/(loss) before interest and taxation include the following:-				
Depreciation and amortisation	1,166	460	36	1,662
Fair value gain on short-term investments	889	-	-	889
Interest income	2	-	1,085	1,087
Foreign exchange gain: - unrealised	225	-	-	225
Assets				
Segment assets	94,604	9,145	135,165	238,914
Current tax assets	-	41	329	370
	94,604	9,186	135,494	239,284
Consolidation adjustments				(54,785)
Consolidated total assets				184,499
Liabilities				
Segment liabilities	14,797	2,038	15,506	32,341
Current tax liabilities	38	-	-	38
	14,835	2,038	15,506	32,379
Consolidation adjustments				(16,833)
Consolidated total liabilities				15,546
Additions to non-current assets other than financial instruments and deferred tax assets are:				
- property and equipment	434	2,751	-	3,185
- development costs	735	-	-	735

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. OPERATING SEGMENTS (CONT'D)

(b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

Geographical information

The Group	Malaysia RM'000	Singapore RM'000	Total RM'000
2015 Revenue	109,374	6,102	115,476
2014 Revenue	76,421	2,410	78,831

The Group's non-current assets are located in Malaysia.

Major Customers

The following are major customers with revenue equal to or more than 10% of Group revenue:-

Customer	Business Segment	Revenue	
		2015 RM'000	2014 RM'000
Customer A	ICT services & distribution	10,000	10,000
Customer B	ICT services & distribution	28,489	29,707
Customer C	ICT services & distribution	11,187	-
Customer D	ICT services & distribution	374	8,598
		50,050	48,305

37. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group.

(b) Related Party Transactions

In addition to the transactions detailed elsewhere in the financial statements, the Company had the following significant transaction with related parties during the financial year:-

	The Company	
	2015 RM'000	2014 RM'000
Dividend received from: - PSSB	17,017	30,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The details of the significant events during the financial year are as follows:-

- (a) On 12 January 2015, a wholly-owned subsidiary of the Company, POGSB issued 999,998 new ordinary shares of RM1 each. On the same date, the Company subscribed for 509,998 of the new ordinary shares of RM1 each, representing 51% of the newly issued and paid-up share capital for a total cash consideration of RM509,998. Consequently, the Company's equity interest in POGSB has since diluted from 100% to 51%.
- (b) On 23 January 2015, a wholly-owned subsidiary of the Company, PSSB received a Letter of Award ("LOA") dated 21 January 2015 from the Ministry of Finance ("MOF") to appoint PSSB to be the Microsoft Licensing Solution Partner ("LSP") to provide Microsoft software under the Master Licensing Agreement ("MLA") 2.0 to all Government Agencies in Malaysia. The contract is for a period of three (3) years effective from 1 February 2015 to 31 January 2018.
- (c) On 11 March 2015, a wholly-owned subsidiary of the Company, PSSB received a LOA dated 9 March 2015 from the Ministry of Education ("MOE") to appoint PSSB to supply Microsoft software licences and related services under Education Alliance Agreement ("EAA") to schools and colleges under MOE. The contract is for a period of three (3) years effective from 10 March 2015 to 9 March 2018 at a total contract price of RM24,300,000.
- (d) On 27 March 2015, a wholly-owned subsidiary of the Company, PSSB received a LOA dated 27 March 2015 from Lembaga Hasil Dalam Negeri Malaysia ("LHDNM") to provide Microsoft software licences and value-added services under the MLA 2.0 for a period of three (3) years effective from 1 March 2015 to 28 February 2018 at a total contract price of RM29,989,487.
- (e) On 26 June 2015, a wholly-owned subsidiary of the Company, PSSB received a LOA dated 25 June 2015 from the Ministry of Education ("MOE") for extension of the said Contract for a period of two (2) years from 3 July 2015 to 2 July 2017 at a total value of RM20,000,000.
- (f) On 2 November 2015, a wholly-owned subsidiary of the Company, PSSB received a LOA dated 30 October 2015 from the Ministry of Higher Education ("MOHE") for the supply of Autodesk software services aligned with the Industry Based Certification Program to public universities, polytechnics and community colleges under MOHE ("Supply of Autodesk Software Services"). The total contract price is RM20,000,000 for a period of two (2) years effective from the acceptance of the LOA from 2 November 2015 to 1 November 2017.
- (g) On 20 November 2015, the Company received a confirmation letter of approval in principle from the Government of Malaysia via the Ministry of Home Affairs for the Company to implement 'Sistem Kawalan & Imigresen Nasional' ("SKIN"), a comprehensive and integrated technology platform to modernize the core applications and infrastructure of the national immigration system with the objective to enhance the national border security.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

39. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	57,481	55,988	384	351
- Unrealised	1,639	1,114	-	-
	59,120	57,102	384	351
Add: Consolidation adjustments	2,442	2,951	-	-
	61,562	60,053	384	351

LIST OF PROPERTIES

No.	Location	Registered Owner	Tenure	Built-up Area	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.15 (RM'000)	Date of Acquisition
1.	70-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	7	235	4 Sep 2007
2.	71-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	6	235	4 Sep 2007
3.	72-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	6	235	4 Sep 2007
4.	73-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,847 sq.ft. building	Office	6	283	4 Sep 2007
5.	72-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	6	379	4 Sep 2007
6.	73-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft. building/ Partially training room	Office	6	703	15 Sep 2007
7.	71-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	6	469	1 Jul 2009
8.	70-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	6	469	1 Jul 2009
9.	73A-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft. building	Office	6	1,662	3 Sep 2010

PSSB – Prestariang Systems Sdn Bhd

ANALYSIS OF SHAREHOLDING

AS AT 1 APRIL 2016

SHARE CAPITAL

Authorised share capital	: RM100,000,000.00 divided into 1,000,000,000 Ordinary Shares of RM0.10 each
Issued and paid up share capital	: RM48,400,000.00 divided into 484,000,000 Ordinary Shares of RM0.10 each (including 655,000 treasury shares)
Class of share	: Ordinary Shares of RM0.10 each
Voting rights	: One (1) vote per Ordinary Share on polling One (1) vote per shareholder/proxy on show of hands
Number of shareholders	: 1,814

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%#	No. of Shares	%
1 - 99	14	0.77	200	0.00
100 - 1,000	229	12.62	164,400	0.03
1,001 - 10,000	870	47.96	4,464,200	0.92
10,001 - 100,000	458	25.25	17,072,100	3.53
100,001 - 24,167,249*	240	13.23	258,825,000	53.55
24,167,250 and above **	3	0.17	202,819,100	41.96
Total	1,814	100.00	483,345,000	100.00

Notes :

(*) Less than 5% of issued and paid-up share capital

(**) 5% and above of issued and paid-up share capital

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2016

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dr. Abu Hasan Bin Ismail	-	-	132,301,400 ^(a)	27.37
EkoHati Sdn. Bhd.	100,001,800	20.69	32,299,600 ^(b)	6.68
Anjakan Evolusi Sdn. Bhd.	18,480,000	3.82	113,821,400 ^(c)	23.55
Shahirul Azian Binti Abu Bakar	-	-	132,301,400 ^(d)	27.37
Zubaidah Binti Ismail	-	-	132,301,400 ^(e)	27.37
Kumpulan Wang Persaraan (Diperbadankan)	57,415,700	11.88	1,542,900 ^(f)	0.32
AIA Bhd	45,932,500	9.50	1,167,600 ^(g)	0.24
AIA Group Limited	-	-	47,100,100 ^(h)	9.74
AIA Company Limited	-	-	47,100,100 ^(h)	9.74
Orange Policy Sdn. Bhd.	-	-	47,100,100 ⁽ⁱ⁾	9.74
Premium Policy Berhad	-	-	47,100,100 ⁽ⁱ⁾	9.74
Franklin Resources, INC.	24,739,800	5.12	-	-

ANALYSIS OF SHAREHOLDING AS AT 1 APRIL 2016

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2016 (CONT'D)

Note:-

- (a) Deemed interested by virtue of his interest in EkoHati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 ("the Act")
- (b) Deemed interested by virtue of Dr Abu Hasan Bin Ismail ("Dr Abu") is interests in Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. pursuant to Section 6A of the Act.
- (c) Deemed interested by virtue of Dr. Abu's interests in EkoHati Sdn. Bhd. and Sigma Dedikasi Sdn. Bhd. pursuant to Section 6A of the Act.
- (d) Deemed interested by virtue of the interests 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
- (e) Deemed interested by virtue of the interests 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.
- (f) Deemed interested by virtue of the interest of Kumpulan Wang Persaraan (Diperbadankan)'s Fund Managers pursuant to Section 6A of the Act.
- (g) Deemed interested in shares held by AIA Pension and Asset Management Sdn. Bhd. and AIA PUBLIC Takaful Bhd, pursuant to Section 6A of the Act.
- (h) Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn. Bhd., pursuant to Section 6A of the Act.
- (i) Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn. Bhd., pursuant to Section 6A of the Act.
- (j) Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn. Bhd., pursuant to Section 6A of the Act.

DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2016

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Mohamed Yunus Ramli Bin Abbas	2,000,000	0.41	-	-
Dr. Abu Hasan Bin Ismail	-	-	132,301,400*	27.37
Dato' Maznah Binti Abdul Jalil	2,261,000	0.47	120,000**	0.02
Chan Wan Siew	450,000	0.09	50,000***	0.01
Ramanathan A/L Sathiamutty	-	-	-	-
Mohd Arif bin Ibrahim	-	-	-	-
Nik Amlizan Binti Mohamed	-	-	-	-

Notes:

- (*) 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.
- (**) Deemed interest by virtue of her spouse's shareholdings pursuant to Section 134(12)(c) of the Act.
- (***) Deemed interest by virtue of his spouse's shareholdings pursuant to Section 134(12)(c) of the Act.

ANALYSIS OF SHAREHOLDING AS AT 1 APRIL 2016

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2016

No.	Securities Account Holders	No. of Shares	%
1	EKOHATI SDN BHD	100,001,800	20.69
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	57,415,700	11.88
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	45,401,600	9.39
4	ANJAKAN EVOLUSI SDN BHD	18,480,000	3.82
5	KUMPULAN MODAL PERDANA SDN BHD	15,012,000	3.11
6	SIGMA DEDIKASI SDN BHD	13,819,600	2.86
7	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 9)	12,927,400	2.67
8	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	12,885,000	2.67
9	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR PACIFIC STRAITS HOLDINGS LTD (PB)	10,000,000	2.07
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	8,754,200	1.81
11	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	6,851,300	1.42
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	6,657,200	1.38
13	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	6,020,000	1.25
14	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	5,119,900	1.06
15	PERMODALAN NASIONAL BERHAD	4,192,000	0.87
16	AMANAHRAYA TRUSTEE BERHAD PUBLIC SMALLCAP FUND	4,108,700	0.85
17	YEOH ENG HUA	4,000,000	0.83

ANALYSIS OF SHAREHOLDING AS AT 1 APRIL 2016

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2016 (CONT'D)

No.	Securities Account Holders (Cont'd)	No. of Shares	%
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN NYAP LIOU @ GAN NYAP LIOW	3,929,900	0.81
19	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	3,814,400	0.79
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMISLAMIC)	3,058,200	0.63
21	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE AG (SG-CLT-T-OS PR)	3,006,000	0.62
22	TAYLOR'S EDUCATION SDN BHD	3,000,000	0.62
23	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,790,000	0.58
24	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	2,709,200	0.56
25	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (UL.IFE)	2,646,600	0.55
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	2,593,700	0.54
27	AMANAHRAYA TRUSTEES BERHAD PUBLIC MUTUAL PRS GROWTH FUND	2,562,000	0.53
28	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	2,472,900	0.51
29	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND (4207)	2,247,400	0.46
30	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	2,198,900	0.45
TOTAL		368,675,600	76.28

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting (“6th AGM”) of the Company will be held at Dewan Putra Perdana 1, Putrajaya Shangri-La Hotel, Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 1 June 2016 at 10:00 a.m. for the following purposes :-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note No. 7)**
2. To approve the payment of Directors’ fees for the financial year ended 31 December 2015. **(Resolution 1)**
3. To re-elect Mr. Ramanathan A/L Sathiamutty who is retiring pursuant to Article 95 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 2)**
4. To re-elect Mr. Chan Wan Siew who is retiring pursuant to Article 95 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 3)**
5. To re-elect Encik Mohd Arif Bin Ibrahim, who is retiring pursuant to Article 97 of the Company’s Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**
6. To re-elect Puan Nik Amlizan Binti Mohamed, who is retiring pursuant to Article 97 of the Company’s Articles of Association and being eligible, has offered herself for re-election. **(Resolution 5)**
7. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

8. **ORDINARY RESOLUTION NO. 1** **(Resolution 7)**
- AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

“THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered 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 per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

9. ORDINARY RESOLUTION NO. 2

(Resolution 8)

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

“THAT subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of 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 and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever occurs first;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

NOTICE OF ANNUAL GENERAL MEETING

10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

PAN SENG WEE (MAICSA 7034299)

Company Secretaries

Kuala Lumpur

Dated: 29 April 2016

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 May 2016 ("General Meeting Record of Depositories") shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited 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 Meeting or any adjournment thereof.
7. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

8. Explanatory Note to Special Business :-

(i) **Resolution 7 – Authority pursuant to Section 132D of the Companies Act, 1965**

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the 6th AGM of the Company (hereinafter referred to as the “General Mandate”).

The Company had been granted a general mandate by its shareholders at the Fifth Annual General Meeting (“5th AGM”) of the Company held 15 June 2015. (hereinafter referred to as the “Previous Mandate”).

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

(ii) **Resolution 8 – Proposed Renewal of Authority for the Company to Purchase its own Shares of up to 10% of the Issued and Paid-up Share Capital of the Company (hereinafter referred to as “Proposed Renewal of Share Buy-back Authority”)**

The Proposed Renewal of Share Buy-back Authority is to renew the authority granted by the shareholders of the Company at the 5th AGM of the Company held on 15 June 2015. The proposed renewal will allow the Company to purchase its own shares up to 10% of the total issued and paid-up share capital of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular to Shareholders dated 29 April 2016 for more information.



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

PRESTARIANG®

FORM OF PROXY

CDS Account No.	
Number of ordinary shares	

*I/We, (full name) _____

bearing *NRIC No./Passport No./Company No. _____

of (full address) _____

being a *member/members of Prestariang Berhad ("the Company") hereby appoint:

First Proxy "A"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Full Address			

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Sixth Annual General Meeting of the Company to be held at Dewan Putra Perdana 1, Putrajaya Shangri-La Hotel, Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 1 June 2016 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy _____ (one only) shall vote on *my/our behalf.

My/our proxy/proxies shall vote as follows:

*(Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.)*

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees.	1		
3.	To re-elect Mr. Ramanathan A/L Sathiamutty as Director.	2		
4.	To re-elect Mr. Chan Wan Siew as Director.	3		
5.	To re-elect Encik Mohd Arif Bin Ibrahim as Director.	4		
6.	To re-elect Puan Nik Amlizan Binti Mohamed as Director.	5		
7.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	6		
Special Business				
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	7		
9.	Proposed Renewal of Share buy-back authority.	8		

As witness my/our hand(s) this day _____ of _____ 2016.

*Signature of Member/Common Seal

* Strike out whichever not applicable

Notes :-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 May 2016 shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company and the provisions of Sections 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

fold here

Stamp

To:
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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