

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

NOTES TO THE REPORT

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS (“FRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis Of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B Part A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). This is the first interim financial report on the consolidated results for the third quarter period announced by the Company in compliance with the Main Market Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the proforma consolidated financial statements for the financial year ended 31 December 2010 as disclosed in Prospectus of the Company dated 28 June 2011 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim unaudited consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

A2. Changes In Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) effective for annual period beginning on or after 1 January 2011 as disclosed below:-

FRSs and IC Interpretations (including the Consequential Amendments)

- Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendment to FRS 1 (Revised): Additional Exemptions for First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
- IC Interpretation 18 Transfers of Assets from Customers
- Annual Improvements to FRSs (2010)

The adoption of the new / revised FRSs and its amendments does not have any material effect on the financial performance or position of the Group.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

A2. Changes In Accounting Policies (Cont'd)

As at the date of this quarterly report, the Group has not applied in advance the following revised FRS, IC Interpretations and Amendments to IC Interpretation that have been issued by MASB but are not effective for the current financial period:-

FRSs and IC Interpretations (including the Consequential Amendments)

	Effective date
• FRS 124 (Revised): Related Party Disclosures	1 January 2012
• Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
• IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
• IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

A3. Auditors' Report On Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2010.

A4. Seasonal Or Cyclical Factors

The business operations of the Group during the current financial quarter were not significantly affected by any seasonal or cyclical factor except for the following:-

- i) ICT training and certification under the "Program Pentauliahah Profesional" or "Industry-Based Certification" programme ("3P Programme"). This programme experiences a peak in activities during the semester breaks for public higher education institutions in Malaysia and it commonly falls during the third quarter and fourth quarter; and
- ii) Supply and manage Microsoft software licenses for participating netbook suppliers for the *Projek Komputer 1Malaysia Fasa 3* by *Suruhanjaya Komunikasi and Multimedia Malaysia*.

A5. Item Of Unusual Nature

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

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

A6. Material Changes In Estimates

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

A7. Changes In Debt And Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

Date of allotment	Number of allotted	Par value (RM)	Consideration	Cumulative no of issued and paid up shares	Cumulative issued and paid up share capital (RM)
22.7.2011	22,000,000	0.10	Share issued pursuant to the Public Issue	220,000,000	22,000,000

A8. Dividends

The Board of Directors recommend the payment of an interim single-tier dividend of 4.0 sen per share amounting to RM8.8 million in respect of the financial year ended 31 December 2011.

A9. Segmental Information

The group is organised into the following reporting segments:-

	Information and Communications Technology ("ICT") Training and Certification RM'000	Software Licence Distribution and Management RM'000	Elimination RM'000	Proforma consolidated RM'000
Revenue				
External revenue	19,323	59,800	-	79,123
Inter-segment revenue	-	-	-	-
Total Revenue	<u>19,323</u>	<u>59,800</u>	<u>-</u>	<u>79,123</u>

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

A9. Segmental Information (Cont'd)

	Information and Communications Technology ("ICT") Training and Certification	Software Licence Distribution and Management	Elimination	Proforma consolidated
	RM'000	RM'000	RM'000	RM'000
RESULTS				
Segmental results	9,800	23,106	-	32,906
Other operating income				1,218
Administrative expenses				(9,450)
Other expenses				(1,229)
Finance costs				(388)
Profit before tax				<u>23,057</u>
Income tax expense				-
Total Comprehensive Income				<u>23,057</u>

A10. Valuation Of Property And Equipment

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

A11. Capital Commitments

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

A12. Material Events Subsequent To The End Of Interim Period

On 31 October 2011, Prestariang Systems Sdn. Bhd., the wholly owned subsidiary of the Company, had made a full settlement on its term loan amounting to RM1.69 million. The payment was funded via proceed received from Public Issue as described in section B8 (v).

Saved as disclosed above, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report.

A13. Changes In Composition Of The Group

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

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

A14. Contingent Liabilities Or Contingent Assets

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

A15. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the periods:-

Company	Relationship
Plug & Play Technology Holdings Sdn. Bhd. ("PPTHSB")	A Company in which a director, Dato' Mohamed Yunus Ramli bin Abbas, has interest.
AmInvestment Bank Berhad ("ABB")	A Company in which a director, Dato' Gan Nyap Liou @ Gan Nyap Liow, has interest.

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	Current Year Quarter 30 Sept 2011	Preceding Year Quarter 30 Sept 2010	Current Year To Date 30 Sept 2011	Preceding Year To Date 30 Sept 2010
Rental of office from:				
- PPTHSB	4	N/A	10	N/A
Initial Public Offering (IPO) expenses				
- ABB	793	N/A	1,194	N/A

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

NOTES TO THE REPORT

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

B1. Review Of Performance Of The Group

The Group generated revenue of RM33.13 million and profit before tax of RM10.07 million for the third quarter ended 30 September 2011.

The Group profit and revenue were mainly in Information and Communications Technology (“ICT”) Training and Certification and Software License Distribution and Management from the following:

- a) 3P Programme.
- b) Role Based Training for Civil Servants.
- c) Supply and manage Microsoft software licences for participating netbook suppliers for the *Projek Komputer 1Malaysia Fasa 3* by *Suruhanjaya Komunikasi dan Multimedia Malaysia*.
- d) Supply and manage Microsoft software licences for the Ministry of Education.
- e) Supply and manage Microsoft software licences for the Ministry of Higher Education.

B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter

The Group generated revenue of RM33.13 million represents an increase of 270.00% as compared to the immediate preceding quarter of RM8.95 million. The Group PBT of RM10.07 million for the current quarter under review represents an increase of 494.00% as compared to RM1.70 million in the immediate preceding quarter.

The significant increase in revenue and PBT is mainly driven by the higher sales of 3P programme amounting to RM12.62 million and RM6.30 million from supplying and managing the Microsoft software license for participating netbook suppliers for the *Projek Komputer 1Malaysia Fasa 3* by *Suruhanjaya Komunikasi dan Multimedia Malaysia*.

B3. Current Year Prospects

Barring any unforeseen circumstances, the Board of Directors is confident that the Group will be able to achieve satisfactory performance for the year based on the multi year contracts in hand.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

B4. Profit Forecast And Profit Estimate

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

B5. Taxation

There was no taxation for the current financial quarter.

PSSB, the main subsidiary of the Group, has been granted the Multimedia Super Corridor Malaysia Status, which qualifies PSSB for the Pioneer Status incentive under the Promotion of Investments Act 1986. PSSB will enjoy full exemption from income tax on its statutory income from pioneer activities for five years, from 30 June 2005 to 29 June 2010. This incentive has been extended for another 5 years to 29 June 2015.

B6. Profit On Sale Of Unquoted Investments And/Or Properties

There were no sales of unquoted investments and/or properties during the current financial quarter.

B7. Profit Or Disposal Of Quoted Securities

There was no purchase or disposal of quoted securities for the current financial quarter.

B8. Status Of Corporate Proposals

In conjunction with, and as an integral part of our Listing, we undertook the following Listing Scheme, which involves the following:

i. Dividend Payment

Prior to the Acquisitions, PSSB had, on 13 May 2011, declared to their shareholders a final tax-exempt dividend of RM8.0 million as part of the listing scheme, which were paid on 13 May 2011 in respect of the financial year ended 31 December 2010.

ii. Acquisition

Prestariang Berhad acquired the entire issued and paid-up share capital of PSSB comprising 5,588,465 ordinary shares of RM1.00 each ("PSSB Shares") (after conversion of the 2,000,000 redeemable convertible preference shares of RM0.10 each in PSSB ("RCPS") held by Kumpulan Modal Perdana Sdn. Bhd. ("KMP") into 325,307 new PSSB Shares) for a purchase consideration of RM19,799,998 which was wholly satisfied by the issuance of 197,999,980 new ordinary shares of RM0.10 each in Prestariang ("Shares"). The acquisition was completed on 2 June 2011 (hereinafter referred to as the "Acquisition").

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

B8. Status Of Corporate Proposals (Cont'd)

ii. Acquisition (Cont'd)

The purchase consideration of RM19,799,998 was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

	As at 31 Dec 2009 (RM'000)	As at 30 Sept 2010 (RM'000)
Audited consolidated net assets of PSSB and its subsidiaries ("PSSB Group")	17,896	26,945
Additional share capital and share premium arising from the conversion of RCPS	2,000	2,000
Less: Dividend Payment	-	(8,000)
Adjusted consolidated net assets of the PSSB Group	19,896	20,945
Discount of purchase consideration from the adjusted consolidated net assets of the PSSB Group (%)	0.48	5.47

The vendors and their respective equity interests in PSSB acquired by the Company together with the number of new Shares issued to them and their nominees as consideration are as follow:

Name	Shareholding In PSSB		No. Of New Shares Issued As Consideration
	No. Of PSSB Shares Held	% Held	
Dr Abu Hasan Bin Ismail	5,000,000	89.47	77,000,000
EkoHati Sdn Bhd	-	-	50,000,880
Sigma Dedikasi Sdn Bhd	-	-	31,409,800
Anjakan Evolusi Sdn Bhd	-	-	9,240,000
Loet Holding Inc	-	-	9,500,000
KMP	588,465	10.53	20,849,300
Total	5,588,465	100.00	197,999,980

All the new Shares issued pursuant to the Acquisition rank pari passu in all respects with one another and with the existing Shares and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

The Acquisition was completed on 2 June 2011.

iii. Initial Public Offering ("IPO")

a. Public Issue

The Company is undertaking the Public Issue of 22 million Shares at an issue price of RM0.90 per Shares.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

B8. Status Of Corporate Proposals (Cont'd)

iii. Initial Public Offering ("IPO") (Cont'd)

b. Offer For Sale

Dr Abu Hasan Bin Ismail ("Offeror") is undertaking the Offer For Sales of 77 million Shares at an offer price of RM0.90 per Shares.

The Company issued its prospectus for its IPO on 28 June 2011.

iv. Listing

Subsequent to the Public Issue and Offer For Sale, the Company proposes to seek the listing of and quotation for its entire enlarged issued and paid-up share capital comprising of 220 million Shares on the Main Market of Bursa Securities.

The admission to the official list and the listing of and quotation for the 220 million Shares on the Main Market of Bursa Securities was completed on 22 July 2011.

v. Utilisation Of Proceeds

The Public Issue is expected to raise gross proceeds of RM19.8 million which will accrue to the Company. The status of utilisation of the proceed as at 30 September 2011 is as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Deviation		Note
				(RM'000)	(%)	
Capital expenditure	Within 12 months	2,500	-	2,500	100%	2
Research and development expenditure	Within 24 months	6,500	-	6,500	100%	2
Working capital	Within 24 months	6,200	417	5,783	93.27%	2
Repayment of term loan	Within 12 months	1,600	-	1,600	100%	2
Estimated listing expenses	Immediate	3,000	3,428	(428)	(14.27%)	3
Total Gross Proceed		19,800	3,845	15,955		

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

B8. Status Of Corporate Proposals (Cont'd)

v. Utilisation Of Proceeds (Cont'd)

Note:-

- (1) The gross proceeds arising from the Offer for Sale, net of the relevant fee, shall accrue entirely to the Offeror and no part of the proceeds will be received by the Company.
- (2) IPO proceeds will be utilised within the estimate timeframe. The Group does not expect any material deviation as at the date of this report.
- (3) The total listing expenses was RM3.43 million of which RM0.97 million was offset against share premium as these transaction costs were directly attributed to the issuance of new shares of the IPO exercise. The deviation of RM0.43 million from the estimated listing expenses will be funded from working capital.

B9. Group Borrowing And Debts Securities

The Group's borrowing and debts securities as at 30 September 2011 are as follows:

	As at
	30 Sept
	2011
	RM'000
Long-term borrowings	
Secured:	
Hire purchase payables	859
Term loans	<u>2,720</u>
	<u>3,579</u>
Short-term borrowings	
Secured:	
Hire purchase payables	266
Term loans	<u>201</u>
	<u>467</u>
	<u>4,046</u>

B10. Off Statement Of Financial Position Financial Instruments

There were no off statements of financial position financial instruments as at the date of this quarterly report.

B11. Material Litigation

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

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER
2011

B12. Realised And Unrealised Profits

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

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

	As at 30 Sept 2011 RM'000	As at 30 Sept 2010 RM'000
Total retained earnings		
- Realised	35,182	N/A
- Unrealised	(125)	N/A
	<u>35,057</u>	<u>N/A</u>
Add : Consolidated adjustments	2,010	N/A
Total Group retained earnings as per consolidated accounts	<u>37,067</u>	<u>N/A</u>

B13. Dividends

No interim dividends have been declared during the current quarter under review.

B14. Earnings Per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	Current Year Quarter 30 Sept 2011	Preceding Year Quarter 30 Sept 2010	Current Year To Date 30 Sept 2011	Preceding Year To Date 30 Sept 2010
BASIC EARNINGS PER SHARE				
Total comprehensive income attributable to equity holders of the Company (RM'000)	10,072	N/A	23,057	N/A
Weighted average number of ordinary shares in issue ('000)	214,978	N/A	93,480	N/A
Basic earning per share (sen)	4.69	N/A	24.67	N/A