

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

A1. BASIS OF PREPARATION

The unaudited interim financial statements (Report) have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Main Board. This Report also complies with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

A2. CHANGES IN ACCOUNTING POLICIES

Since the previous annual audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence have no material impact on the financial statements of the Group upon their initial application.

The following Amendments to MFRSs, Interpretation Committee (“IC”) Interpretation and Amendments to IC Interpretation have been adopted by the Group during the current period:

MFRSs and IC Interpretations (including the Consequential Amendments)

- Amendments to MFRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendment to MFRS 7: Disclosures – Transfers of Financial Assets
- Amendments to MFRS 112: Recovery of Underlying Assets
- IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement

The adoption of the IC Interpretation and Amendments to MFRSs above did not have any financial impact on the Group as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

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A2. CHANGES IN ACCOUNTING POLICIES (CONT')

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 July 2012

Presentation of Items of Other Comprehensive income (Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2013

- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement
- MFRS 119 Employee Benefits (as amended in June 2011)
- MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)
- MFRS 128 Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)

Effective for annual periods commencing on or after 1 January 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 January 2015

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

IC Interpretation 20 will not have any financial impact to the Group as it is not relevant to the Group's operations. The financial effects of the above MFRSs and Amendments to MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2011 was not qualified.

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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 Pentauliahahan 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*. This programme is based on actual demand.

A5. UNUSUAL NATURE

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

A6. CHANGES IN ESTIMATES

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

A7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

A8. DIVIDENDS PAID

No dividend was paid during the financial quarter ended 31 March 2012.

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A9. SEGMENTAL INFORMATION

The group is organised into the following reporting segments:-

RM'000	ICT Services and Distribution	Others	Inter- Segment Elimination	Consolidated
RESULTS FOR THE QUARTER ENDED 31 MARCH 2012				
Operating revenue	27,062	600	(600)	27,062
Other Income	174	-	-	174
Direct costs	(16,368)	-	-	(16,368)
Segment profit	10,868	600	(600)	10,868
Overheads	(2,831)	(545)	600	(2,776)
Profit before tax	8,037	55	-	8,092

RM'000	ICT Services and Distribution	Others	Inter- Segment Elimination	Consolidated
RESULTS FOR THE QUARTER ENDED 31 MARCH 2011				
Operating revenue	37,042	-	-	37,042
Other Income	372	-	-	372
Direct costs	(23,750)	-	-	(23,750)
Segment profit	13,664	-	-	13,664
Overheads	(2,377)	-	-	(2,377)
Profit before tax	11,287	-	-	11,287

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.

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A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

Except for those disclosed in Note A13, there were no other material events subsequent to 31 March 2012 up to the date of this report.

A13. CHANGES IN COMPOSITION OF THE GROUP

On 21 March 2012, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and paid-up share capital of Prestariang Education Sdn. Bhd. ("PESB") for a consideration of RM2. Consequently, PESB become a wholly-owned subsidiary of the Company.

Further to the announcement made on 21 March 2012, on 4 April 2012, the Company subscribed for the additional 19,999,998 ordinary shares of RM1 each of the issued and paid-up share capital of PESB at par for a total consideration of RM19,999,998 to retain the equity interest of 100%.

Except for those disclosed above, there were no other changes in the composition of the Group during the current financial quarter.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has no significant transactions with the related parties during the periods under review.

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

B1. OPERATING SEGMENTS REVIEW

1Q12 vs. 1Q11

	Current Year Quarter 31 Mar 2012 RM'000	Preceding Year Quarter 31 Mar 2011 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>				
ICT Services and Distribution				
- ICT Training and Certification	6,383	1,040	5,343	514%
- Software Licence Distribution and Management	20,679	36,002	(15,323)	-43%
	<u>27,062</u>	<u>37,042</u>	(9,980)	-27%
Other	600	-	600	>100%
	<u>27,662</u>	<u>37,042</u>		
Elimination	(600)	-		
Group	<u>27,062</u>	<u>37,042</u>	(9,980)	-27%
<u>Profit Before Taxation:</u>				
ICT Services and Distribution	8,037	11,287	(3,250)	-29%
Other	55	-	55	>100%
Group	<u>8,092</u>	<u>11,287</u>	(3,195)	-28%

The Group recorded revenue for the current quarter of RM27.06 million mainly from ongoing multi-year contracts namely Projek 3P (Program Pentauliahan Profesional), IC Citizen and Projek Komputer 1Malaysia. The overall results recorded growth in ICT training and certification business. The current quarter revenue was 27% or RM 10.0 million lower than the corresponding quarter last year of RM37.04 million mainly due to significant demand on software distribution and management from Projek Komputer 1Malaysia in the corresponding quarter last year.

Likewise, the Group's PBT for the current quarter of RM8.09 million was lower by RM3.20 million or 28% as compared to RM11.29 million in the corresponding quarter last year.

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B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

1Q12 vs. 4Q11

	Current Year Quarter 31 Mar 2012 RM'000	Immediate Preceding Quarter 31 Dec 2011 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>				
ICT Services and Distribution				
- ICT Training and Certification	6,383	4,621	1,762	38%
- Software Licence Distribution and Management	20,679	28,007	(7,328)	-26%
Other	600	12,985	(12,385)	-95%
	<u>27,662</u>	<u>45,613</u>		
Elimination	(600)	(12,985)		
Group	<u>27,062</u>	<u>32,628</u>	(5,566)	-17%
<u>Profit Before Taxation:</u>				
ICT Services and Distribution	8,037	10,555	(2,518)	-24%
Other	55	-	55	
Group	<u>8,092</u>	<u>10,555</u>	(2,463)	-23%

The Group's revenue for the current quarter of RM27.06 million was RM5.57 million or 17% lower than the preceding quarter of RM32.62 million. The main reason was lower revenue from ICT Services and Distribution segment namely software distribution and management which was based on seasonal demand. There was higher demand in the preceding quarter namely from Projek Komputer 1Malaysia, Microsoft SELECT and Finishing School programmes. The lower revenue in the software distribution and management was mitigated by higher contribution from ICT training and certification.

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B3. PROSPECTS FOR THE CURRENT YEAR ENDING 31 DECEMBER 2012

The Group expects to achieve satisfactory performance for the current financial year based on the on-going multiyear contracts in hand. The Group will endeavour to expand its business products and market segments. To leverage on its core competencies in ICT training and certification, the Group has developed its own home grown training certification programmes that are tailored made to meet requirements of the market. IC CITIZEN is one of the successful home grown certifications that are able to penetrate larger market including overseas.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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

B5. PROFIT BEFORE TAXATION

Profit before taxation is derived after taking into consideration of the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year Quarter</u>	<u>Year Quarter</u>	<u>Year To Date</u>	<u>Year To Date</u>
	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(96)	(23)	(96)	(23)
Other income including investment income	-	-	-	-
Interest expense	14	19	14	19
Depreciation and amortisation	335	209	335	209
Provision for and write off receivables	-	-	-	-

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B5. PROFIT BEFORE TAXATION (COND'T)

Profit before taxation is derived after taking into consideration of the following (cont'd):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u> <u>Year Quarter</u> <u>31 Mar 2012</u> <u>RM'000</u>	<u>Preceding</u> <u>Year Quarter</u> <u>31 Mar 2011</u> <u>RM'000</u>	<u>Current</u> <u>Year To Date</u> <u>31 Mar 2012</u> <u>RM'000</u>	<u>Preceding</u> <u>Year To Date</u> <u>31 Mar 2011</u> <u>RM'000</u>
Provision for and write off inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	(77)	(281)	(77)	(281)
(Gain) or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B6. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u> <u>Year Quarter</u> <u>31 Mar 2012</u> <u>RM'000</u>	<u>Preceding</u> <u>Year Quarter</u> <u>31 Mar 2011</u> <u>RM'000</u>	<u>Current</u> <u>Year To Date</u> <u>31 Mar 2012</u> <u>RM'000</u>	<u>Preceding</u> <u>Year To Date</u> <u>31 Mar 2011</u> <u>RM'000</u>
Malaysia tax:				
- for the current year	70	-	70	-

The taxation of the Group and of the Company was in respect of interest income and management fee.

Prestariang Systems Sdn. Bhd., 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.

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B7. STATUS OF CORPORATE PROPOSAL

i. Utilisation Of Proceeds

The status of utilisation of the proceed as at 31 March 2012 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	100.00	2
Reserch and development expenditure	Within 24 months	6,500	1,414	5,086	78.25	2
Working capital	Within 24 months	6,200	417	5,783	93.27	2
Repayment of term loan	Within 12 months	1,600	1,690	(90)	(5.63)	
Estimated listing expenses	Immediate	3,000	3,428	(428)	(14.27)	3
Total Gross Proceed		19,800	6,949	12,851		

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.

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B8. GROUP BORROWING AND DEBTS SECURITIES

The Group's borrowing and debts securities as at 31 March 2012 are as follows:

	As at 31 Mar 2012 RM'000
Long-term borrowings	
Secured:	
Hire purchase payables	720
Term loans	963
	<u>1,683</u>
Short-term borrowings	
Secured:	
Hire purchase payables	274
Term loans	203
	<u>477</u>
	<u>2,160</u>

B9. MATERIAL LITIGATION

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

B10. REALISED AND UNREALISED PROFITS

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

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

	As at 31 Mar 2012 RM'000	As at 31 Mar 2011 RM'000
Total retained profits		
- Realised	44,866	31,185
- Unrealised	-	103
	<u>44,866</u>	<u>31,288</u>
Add : Consolidated adjustments	2,010	2,009
Total Group retained earnings as per consolidated accounts	<u><u>46,876</u></u>	<u><u>33,297</u></u>

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B11. DIVIDENDS

In respect of the financial year ended 31 December 2011:

On 15 February 2012, The Board of Directors recommend the payment of a final single-tier dividend of 4.0 sen per share amounting to RM8.80 million which is subject to the approval of the members at the forthcoming Annual General Meeting. This dividend, if approved by the shareholders will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

In respect of the financial year ending 31 December 2012:

On 28 May 2012, The Board of Directors recommend the payment of an interim single-tier dividend of 2.0 sen per share amounting to RM4.40 million.

No dividend was declared in the previous year's corresponding quarter.

B12. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u>	<u>Preceding</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year Quarter</u>	<u>Year Quarter</u>	<u>Year To Date</u>	<u>Year To Date</u>
	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>	<u>31 Mar 2012</u>	<u>31 Mar 2011</u>
Total comprehensive income attributable to equity holders of the Company (RM'000)	8,022	11,287	8022	11,287
Weighted average number of ordinary shares in issue ('000)	220,000	198,000	220,000	198,000
Basic earning per share (sen)	3.65	5.70	3.65	5.70

B13. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2012.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN MEE LIAN (MAICSA 0869665)
 Secretaries
Kuala Lumpur
 28 May 2012