

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

NOTES TO THE INTERIM FINANCIAL REPORT

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

A1. BASIS OF PREPARATION

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

A2. CHANGES IN ACCOUNTING POLICIES

The same accounting policies and methods of computation as disclosed in the audited accounts for the year ended 31 December 2012 have been adopted in the preparation of the second quarter ended 30 June 2013 condensed financial statements except for adoption of the following new and revised MFRS, IC Interpretations and Amendments to MFRS and IC Interpretations which are effective for financial periods beginning or after 1 January 2013:-

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits (revised)
- MFRS 127: Separate Financial Statements
- MFRS 128: Investment in Associates and Joint Ventures
- Amendments to MFRS 1: Government Loans
- Amendments to MFRS 7: Disclosure – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements
- Amendments to MFRS 11: Joint arrangements
- Amendments to MFRS 12: Disclosure of Interest in Other Entities
- Amendments to MFRS 101: Presentation of Item of Other Comprehensive Income
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRSs Annual Improvements 2009 – 2011 Cycle
- IC Interpretation 20 stripping Costs in the Production Phase of a Surface Mine
- Mandatory Effective date of MFRS 9 and Transition Disclosures MFRS 9 Financial Instruments.

The adoption of the above new/revised/amendment to FRSS is not expected to have any significant impact to the group.

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

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

ICT training and certification under the *Program Pentauliahhan Profesional (3P)* or Industrial Based Certification and IC CITIZEN program for participating Malaysia public higher institutions. The execution of the programmes depends on the pre agreed schedules of the participating institutions and may experience high in activities during the semester breaks.

A5. UNUSUAL NATURE

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

A6. CHANGES IN ESTIMATES

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

A7. CHANGES IN DEBT AND EQUITY SECURITIES

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

A8. VALUATION OF PROPERTY AND EQUIPMENT

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

A9. CAPITAL COMMITMENTS

Capital commitments for the purchase of property and equipment not provided for in the condensed report as at the end of the financial period were as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Office Renovation	206	-
Computer Systems and Equipment	-	672
Motor Vehicles	-	106
Total Capital Commitments	206	778

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

A10. DIVIDENDS PAID

	6 months ended	
	30/6/2013	30/6/2012
	RM'000	RM'000
In respect of the financial year ended 31 December 2011:		
- declared as final interim tax-exempt dividend of 4 sen per ordinary share	-	8,800
In respect of the financial year ended 31 December 2012:		
- declared as first interim tax-exempt dividend of 2 sen per ordinary share	-	4,400
- declared as fourth interim tax-exempt dividend of 3 sen per ordinary share	6,572	-
In respect of the financial year ended 31 December 2013:		
- declared as first interim tax-exempt dividend of 2.5 sen per ordinary share	5,476	-
Total dividends paid	12,048	13,200

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

A11. SEGMENTAL INFORMATION

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

By operating segment	RESULTS FOR 3 MONTHS ENDED 30 JUNE 2013					RESULTS FOR 3 MONTHS ENDED 30 JUNE 2012						
	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	27,244	-	5,476	(5,476)	27,244	23,467	-	5,000	(5,000)	23,467		
Other Income	440	2	133	-	575	247	-	-	-	247		
Direct costs	(10,523)	(643)	-	-	(11,166)	(11,473)	-	-	-	(11,473)		
Segment profit	17,161	(641)	5,609	(5,476)	16,653	12,241	-	5,000	(5,000)	12,241		
Overheads	(4,935)	(920)	(778)	-	(6,633)	(3,423)	-	(694)	600	(3,517)		
Profit before taxation	12,226	(1,561)	4,831	(5,476)	10,020	8,818	-	4,306	(4,400)	8,724		
Income tax expense	-	-	-	-	-	(70)	-	-	-	(70)		
Profit for the period	12,226	(1,561)	4,831	(5,476)	10,020	8,748	-	4,306	(4,400)	8,654		
Attributable to:												
- Equity holder of the company	12,226	(1,561)	4,831	(5,476)	10,020	8,748	-	4,306	(4,400)	8,654		
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-		
Profit for the period	12,226	(1,561)	4,831	(5,476)	10,020	8,748	-	4,306	(4,400)	8,654		

Note:- * The holding company is involved in activity of investment holding. The revenue of the Company was in respect of dividend income and management fees.

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

A11. SEGMENTAL INFORMATION (CONT'D)

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

By operating segment	RESULTS FOR 6 MONTHS ENDED 30 JUNE 2013					RESULTS FOR 6 MONTHS ENDED 30 JUNE 2012						
	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated	ICT Services and Distribution		Education	Other*	Inter- Segment Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	53,441	-	12,048	(12,048)	53,441	50,529	-	14,400	(14,400)	50,529		
Other Income	467	4	138	-	609	421	-	-	-	421		
Direct costs	(21,788)	(643)	-	-	(22,431)	(27,842)	-	-	-	(27,842)		
Segment profit	32,120	(639)	12,186	(12,048)	31,619	23,108	-	14,400	(14,400)	23,108		
Overheads	(8,800)	(2,328)	(1,469)	-	(12,597)	(6,254)	-	(1,238)	1,200	(6,292)		
Profit before taxation	23,320	(2,967)	10,717	(12,048)	19,022	16,854	-	13,162	(13,200)	16,816		
Income tax expense	-	-	-	-	-	(140)	-	-	-	(140)		
Profit for the period	23,320	(2,967)	10,717	(12,048)	19,022	16,714	-	13,162	(13,200)	16,676		
Attributable to:												
- Equity holder of the company	23,320	(2,967)	10,717	(12,048)	19,022	16,714	-	13,162	(13,200)	16,676		
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-		
Profit for the period	23,320	(2,967)	10,717	(12,048)	19,022	16,714	-	13,162	(13,200)	16,676		

Note:- * The holding company is involved in activity of investment holding. The revenue of the Company was in respect of dividend income and management fees.

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

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

In the opinion of the Board of Directors, there were no items, transactions or events of a material and unusual nature that have arisen since 30 June 2013 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2013 that have not been reflected in the condensed financial statements except as disclosed below:-

On 15 July 2013, the Company acquired 2 ordinary shares of RM1 each of the issued and paid-up share capital of Prestariang O&G Sdn. Bhd. ("POGSB") for a consideration of RM2. Consequently, POGSB become a wholly-owned subsidiary of the Company.

A13. CHANGES IN COMPOSITION OF THE GROUP

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

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

NOTES TO THE INTERIM FINANCIAL REPORT

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

B1. OPERATING SEGMENTS REVIEW

2Q13 vs. 2Q12

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 30/6/2013 RM'000	Preceding Year Quarter 30/6/2012 RM'000	Variance		Current Year To 30/6/2013 RM'000	Preceding Year To 30/6/2012 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
ICT Services and Distribution								
- ICT Training and Certification	13,315	10,904	2,411	22%	31,313	17,287	14,026	81%
- Software License Distribution and Management	13,929	12,563	1,366	11%	22,128	33,242	(11,114)	-33%
	<u>27,244</u>	<u>23,467</u>	<u>3,777</u>	<u>16%</u>	<u>53,441</u>	<u>50,529</u>	<u>2,912</u>	<u>6%</u>
Education	-	-						
Other	5,476	5,000	476	10%	12,048	14,400	(2,352)	-16%
	<u>32,720</u>	<u>28,467</u>			<u>65,489</u>	<u>64,929</u>		
Inter-segment Elimination	<u>(5,476)</u>	<u>(5,000)</u>			<u>(12,048)</u>	<u>(14,400)</u>		
Group	<u>27,244</u>	<u>23,467</u>	<u>3,777</u>	<u>16%</u>	<u>53,441</u>	<u>50,529</u>	<u>2,912</u>	<u>6%</u>
<u>Profit Before Taxation</u>								
ICT Services and Distribution	12,226	8,818	3,408	39%	23,320	16,854	6,466	38%
Education	(1,561)	-	(1,561)	>100%	(2,967)	-	(2,967)	>100%
Other	4,831	4,306	525	12%	10,717	13,162	(2,445)	-19%
Inter-segment Elimination	<u>(5,476)</u>	<u>(4,400)</u>			<u>(12,048)</u>	<u>(13,200)</u>		
Group	<u>10,020</u>	<u>8,724</u>	<u>1,296</u>	<u>15%</u>	<u>19,022</u>	<u>16,816</u>	<u>2,206</u>	<u>13%</u>

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

B1. OPERATING SEGMENTS REVIEW (CONT'D)

2Q13 vs. 2Q12 (cont'd)

The Group's revenue for the current quarter of RM27.24 million was 16% or RM3.77 million higher than the corresponding quarter last year of RM23.47 million. The main reason was the higher revenue from both segments, software license distribution and management and ICT training and certification.

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

Likewise, the Group's PBT for the current quarter of RM10.02 million was higher by RM1.30 million or 15% higher as compared to RM8.72 million in the corresponding quarter last year.

1H13 vs. 1H12

The Group's revenue for 1H13 was RM53.44 million, higher by RM2.91 million or 6% compared to RM50.53 million in 1H12. The revenue for 1H13 was higher mainly due to higher number of classes conducted for ICT training and certification for IC Citizen project, which offset lower revenue from Software License Distribution and Management.

Likewise, the Group's PBT recorded for 1H13 was RM19.02 million, higher by RM2.20 million or 13% higher from RM16.82 million recorded in 1H12.

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

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

2Q13 vs. 1Q13

	Current Quarter 30/6/2013 RM'000	Immediate Preceding Quarter 31/3/2013 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
ICT Services and Distribution				
- ICT Training and Certification	13,315	17,998	(4,683)	-26%
- Software License Distribution and Management	13,929	8,199	5,730	70%
	<u>27,244</u>	<u>26,197</u>	1,047	4%
Education	-	-		
Other	5,476	6,600		
	<u>32,720</u>	<u>32,797</u>		
Inter-segment Elimination	<u>(5,476)</u>	<u>(6,600)</u>		
Group	<u>27,244</u>	<u>26,197</u>	1,047	4%
<u>Profit Before Taxation</u>				
ICT Services and Distribution	12,226	11,094	1,132	10%
Education	(1,561)	(1,405)		
Other	4,831	5,914	(1,083)	-18%
Inter-segment Elimination	<u>(5,476)</u>	<u>(6,600)</u>		
Group	<u>10,020</u>	<u>9,003</u>	1,017	11%

The Group's revenue for the current quarter of RM27.24 million was 4% or RM1.05 million higher than the preceding quarter of RM26.20 million. The reason mainly due to significant demand on software license distribution and management particularly for AutoCAD license for new sector; oil & gas compared to the preceding quarter.

The Group recorded better PBT for the current quarter of RM10.02 million, as compared to RM9.00 million in the preceding quarter. Higher PBT recorded on the back of higher revenue of RM1.02 million or 11%, mainly due to growth contribution from its software license distribution and management particularly in the new sector; oil & gas.

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

B3. PROSPECTS FOR THE CURRENT YEAR ENDING 31 DECEMBER 2013

The Group expects to achieve satisfactory performance for the current financial year based on the on-going business in hand.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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

B5. PROFIT BEFORE TAXATION

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year	Preceding Year	Current Year To	Preceding Year To
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(8)	(35)	(42)	(131)
Other income including investment income	(254)	-	(254)	-
Interest expense	56	14	67	28
Depreciation and amortisation	382	336	749	671
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investment or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	(39)	(86)	(40)	(163)
(Gain) or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

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

B6. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year To</u>	<u>Preceding Year To</u>
	<u>30/6/2013</u>	<u>30/6/2012</u>	<u>30/6/2013</u>	<u>30/6/2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia tax:				
- for the current year	-	70	-	140

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

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

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

B7. STATUS OF CORPORATE PROPOSAL

i. Utilisation Of IPO Proceeds

The status of utilisation of the IPO proceeds as at 30 June 2013 is as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Deviation		Note
				(RM'000)	(%)	
Capital expenditure	Within 12 months	2,500	2,436	64	2.56	
Reserch and development expenditure	Within 24 months	6,500	2,536	3,964	60.98	2
Working capital	Within 24 months	6,200	6,200	-	-	
Repayment of term loan	Within 12 months	1,600	1,690	(90)	(5.63)	
Estimated listing expenses	Immediate	3,000	3,428	(428)	(14.27)	3
Total Gross Proceed		19,800	16,290	3,510		

Note:-

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

B8. GROUP BORROWING AND DEBTS SECURITIES

The Group's borrowing and debts securities as at 30 June 2013 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Borrowings</u>						
- Hire purchase payables	262	-	262	193	-	193
- Term loans	835	-	835	172	-	172
TOTAL	1,097	-	1,097	365	-	365

B9. MATERIAL LITIGATION

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

B10. REALISED AND UNREALISED PROFITS

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

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

	As at 30/6/2013 RM'000	As at 30/6/2012 RM'000
Total retained profits		
- Realised	61,810	40,320
- Unrealised	-	-
	<hr/> 61,810	<hr/> 40,320
Add : Consolidated adjustments	(2,951)	2,010
Total Group retained earnings as per consolidated accounts	<hr/> 58,859	<hr/> 42,330

B11. FAIR VALUE HIERARCHY

There was no transfers between any levels of the fair value hierarchy took place during the current quarter and the comparative period. There was also no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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

B12. PROPOSED DIVIDEND

On 27 August 2013, The Board of Directors declared a second interim single-tier dividend of 3.0 sen per ordinary share amounting to RM6,572,000 in respect of the financial year ended 31 December 2013.

B13. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter 30/6/2013</u>	<u>Preceding Year 30/6/2012</u>	<u>Current Year To Da 30/6/2013</u>	<u>Preceding Year To Date 30/6/2012</u>
Total comprehensive income attributable to equity holders of the Company (RM'000)	10,020	8,654	19,022	16,676
Weighted average number of ordinary shares in issue ('000)	220,000	220,000	220,000	220,000
Basic earning per share (sen)	4.55	3.93	8.65	7.58

B14. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 August 2013.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
CHIN MUN YEE (MAICSA 7019243)
 Secretaries
Kuala Lumpur
 27 August 2013