PRIVASIA

ANNUAL REPORT 2010

PRIVASIA TECHNOLOGY BERHAD

SIMPLIFYING BUSINESS

(825092-U) (INCORPORATED IN MALAYSIA)

Corporate Vision

To be the largest premium ICT outsourcing services and solutions provider in South East Asia with the most number of clients.

Corporate Missions

To surpass benchmark levels of Service Level Agreement (SLA) standards in the industry.

To ensure continuous cost savings for customers in their ICT requirements.

To capture more than 40% of the total ICT outsourcing services and solutions market share in South East Asia.

TABLE OF CONTENTS

CORPORATE SECTION

FINANCIAL STATEMENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRD (3RD) ANNUAL GENERAL MEETING OF PRIVASIA TECHNOLOGY BERHAD ("PTB" or "THE COMPANY") WILL BE HELD AT UNIT C-21-04, 4TH FLOOR (TRAINING ROOM), DATARAN 3 DUA (3 TWO SQUARE), NO. 2, JALAN 19/1, 46300 PETALING JAYA, SELANGOR DARUL EHSAN ON FRIDAY, 3 JUNE 2011 AT 10.00 A.M. FOR THE FOLLOWING PURPOSES:

AGENDA — **Resolution No.**

As Ordinary Business:

		Resolution No.
1	To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2010 together with the Reports of the Directors and of the Auditors thereon. *Please refer to Explanatory Notes*	
2	To approve the payment of a Final Tax Exempt Dividend of 0.1 sen per ordinary share for the financial year ended 31 December 2010 on 558,200,020 ordinary shares of RM0.10 each amounting to dividend payable of RM558,200.02	1
3	To approve the payment of Directors' fees for the financial year ended 31 December 2010.	2
4	To re-elect Encik Asgari Bin Mohd Fuad Stephens retiring under the provision of Article 129 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election.	3
5	To re-elect Mr. Andre Anthony A/L Hubert Rene retiring under the provision of Article 129 of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election.	4
6	To re-appoint Messrs. KPMG as Auditors of the Company for the financial year ending 31 December 2011 and to authorise the Board of Directors to fix the Auditors' remuneration.	5

As Special Business:

To consider and, if thought fit, to pass the following resolutions:-

7 Ordinary Resolution:
Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965. — 6

"**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and regulatory authorities, the Directors be and are hereby empowered pursuant to section 132D of the Companies Act, 1965, to issue shares in the Company at such time 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 issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that 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 continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8 Ordinary Resolution:
Proposed Grant of Options to Professor Datuk Ali Bin Abdul Kadir — 7

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Professor Datuk Ali Bin Abdul Kadir, the Chairman/Independent Non-Executive Director of the Company, options to subscribe 1,744,375 new PTB Shares to be allocated to him under the Employees' Share option Scheme "ESOS", subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

(ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Malaysia Securities Berhad (Bursa Securities), the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

9 Ordinary Resolution:
Proposed Grant of Options to Puvanesan A/L Subenthiran 8

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Puvanesan A/L Subenthiran, the Chief Executive Officer/Managing Director of the Company, options to subscribe 3,488,750 new PTB Shares to be allocated to him under the ESOS, subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

(ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

Ordinary Resolution:
10 Proposed Grant of Options to Andre Anthony A/L Hubert Rene
9

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Andre Anthony A/L Hubert Rene, the Deputy Chief Executive Officer/Executive Director of the Company, options to subscribe 3,488,750 new PTB Shares to be allocated to him under the ESOS, subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

(ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

11 Ordinary Resolution:
Proposed Grant of Options to Asgari Bin Mohd Fuad Stephens 10

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Asgari Bin Mohd Fuad Stephens the Independent Non-Executive Director of the Company, options to subscribe 1,744,375 new PTB Shares to be allocated to him under the ESOS, subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

(ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

12 Ordinary Resolution:
Proposed Grant of Options to Brian Wong Wye Pong 11

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Brian Wong Wye Pong the Independent Non-Executive Director of the Company, options to subscribe 1,744,375 new PTB Shares to be allocated to him under the ESOS, subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

(ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

13 Ordinary Resolution:
Proposed Grant of Options to Mohd Aqliff Shane Abdullah 12

"**THAT** the Board of Directors of the Company be and is hereby authorised at any time and from time to time to cause the offering and granting to Mohd Aqliff Shane Abdullah the Non-Independent Executive Director of the Company, options to subscribe 1,744,375 new PTB Shares to be allocated to him under the ESOS, subject to the following :

(i) not more than fifty per centum (50%) of the total new PTB Shares made available under the ESOS should be allocated in aggregate, to executive directors and non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and

NOTICE OF ANNUAL GENERAL MEETING

ii) not more than ten per centum (10%) of the total new PTB Shares made available under the ESOS will be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of PTB,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time."

14 Special Resolution:
Amendments to the Articles of Association of the Company 13

"**THAT** the existing Articles 169 (1) of the Articles of Association be deleted in its entirety and replaced with the following New Article 169 (1):-

Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the posts directed to the last registered address of the member or person entitled thereto or paid via electronic transfer of remittance to the bank account provided by the member or person who is named in the Record of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order to the person to whom it is sent or remitted, in consequence of the death or bankruptcy of the member may direct and the payment of the cheque or warrant or electronic transfer of remittance shall operate as good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged or there is discrepancy given by the member in the details of the bank account(s). Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Third (3rd) Annual General Meeting, a Final Tax Exempt Dividend of **0.1** sen per ordinary share for the financial year ended **31 December 2010** on **558,200,020** ordinary shares of RM0.10 each amounting to dividend payable of **RM558,200.02** will be paid to the shareholders on **8 July 2011**. The entitlement date of the said dividend shall be **17 June 2011**.

A Depositor shall qualify for entitlement to the dividend only in respect of :-

a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 17 June 2011 in respect of transfers.
b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order Of The Board,

WONG CHOW LAN (MAICSA 7012088)
FOO LI LING (MAICSA 7019557)
Company Secretaries

Date : 12 May 2011

NOTICE OF ANNUAL GENERAL MEETING

NOTES

1. A member of the Company entitled to attend and vote at the above meeting may appoint not more than two (2) proxies to attend and vote instead of him/her. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. For a proxy form to be valid, it must be deposited at the Registered Office of the Company at 13A, Jalan SS21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before time appointed for the Meeting or any adjournment thereof.

. 3. 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 its common seal or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.

Explanatory Notes

Item 1 of the Agenda - To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2010 together with the Reports of the Directors and of the Auditors thereon.

This item is meant for discussion only as the provision of Section 169 (1) of the Companies Act, 1965 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution
Resolution 6 - Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.

The proposed Resolution 6, if passed, will authorise the Directors to issue shares up to 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. The purpose for the renewal of a general mandate is to avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares for any possible fund raising activities (excluding placing of shares) for the purpose of funding further investment projects, additional working capital, acquisitions etc.

This authority unless, revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The Company did not issue any new shares pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 18 June 2010 and which will lapse at the conclusion of the forthcoming Annual General Meeting.

Resolution 7 to 13 – Proposed Grant of Options to Directors

The proposed Resolutions 7 to 13 are to empower the Directors' to allot and issue ordinary shares from the unissued share capital of the Company pursuant to PTB's ESOS. Under the Proposed Allotment and Issuance, the ESOS are extended to the Directors in recognition of their contribution to our Company and to enable them to participate in our future growth.

STATEMENT ACCOMPANYING NOTICE OF THE THIRD ANNUAL GENERAL MEETING

1. The Directors who are standing for re-election at the Third Annual General Meeting ("AGM") are as follows:

   a) Encik Asgari Bin Mohd Fuad Stephens
   b) Mr. Andre Anthony A/L Hubert Rene

The details of the two Directors seeking re-election or re-appointment are set in their respective profiles which appear on page 12 and page 11 respectively of this Annual Report.

2. The details of attendance of Directors of the Company at Board meetings held during the financial year ended 31 December 2010 are disclosed in the Statement on Corporate Governance set out on page 20 of this Annual Report.

3. The details of the place, date and time of the Third AGM are as follows:

Place	:	Unit C-21-04, 4th Floor (Training Room) Dataran 3 Dua (3 Two Square) No. 2, Jalan 19/1 46300 Petaling Jaya Selangor Darul Ehsan
Date	:	Friday, 3 June 2011
Time	:	10.00 a.m.

CORPORATE INFORMATION

Board Of Directors

PROFESSOR DATUK ALI BIN ABDUL KADIR
(Chairman/Independent Non-Executive Director)

PUVANESAN A/L SUBENTHIRAN
(Chief Executive Officer/Managing Director)

ANDRE ANTHONY A/L HUBERT RENE
(Deputy Chief Executive Officer/Executive Director)

BRIAN WONG WYE PONG
(Independent Non-Executive Director)

ASGARI BIN MOHD FUAD STEPHENS
(Independent Non-Executive Director)

MOHD AQLIFF SHANE ABDULLAH
(Non-Independent Executive Director)

Audit And Risk Management Committee

PROFESSOR DATUK ALI BIN ABDUL KADIR (Chairman)
BRIAN WONG WYE PONG (Member)
ASGARI BIN MOHD FUAD STEPHENS (Member)

Nomination Committee

PROFESSOR DATUK ALI BIN ABDUL KADIR (Chairman)
BRIAN WONG WYE PONG (Member)
ASGARI BIN MOHD FUAD STEPHENS (Member)

Remuneration Committee

PUVANESAN A/L SUBENTHIRAN (Chairman)
MOHD AQLIFF SHANE ABDULLAH (Member)
BRIAN WONG WYE PONG (Member)

Auditor

KPMG (AF 0758)
Chartered Accountants
Level 10, KPMG Tower, 8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Tel: +603 7721 3388Fax: +603 7721 3399

Principal Bankers

RHB BANK BERHAD
CIMB BANK BERHAD
MALAYAN BANKING BERHAD

Registered Office

FASTRACK CORPORATE SERVICES (KL) SDN BHD (413401-K)
No. 13A, Jalan SS21/56B, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan.
Tel: +603 7729 5912/5921
Fax: +603 7729 5904

Share Registrars

SYMPHONY SHARE REGISTRARS SDN BHD (378993-D)
Level 6, Symphony House, Block D13,
Pusat Dagangan Dana 1, Jalan PJU 1A/46,
47301 Petaling Jaya, Selangor Darul Ehsan.
Tel: +603 7841 8000
Fax: +603 7841 8008

Company Secretaries

WONG CHOW LAN (MAICSA 7012088)
FOO LI LING (MAICSA 7019557)

Stock Exchange Listing

BURSA MALAYSIA SECURITIES BERHAD
Stock Name: PRIVA
Stock Code: 0123

Principal Place of Business

Unit C-21-05, Dataran 3 Dua, (3 Two Square)
No. 2, Jalan 19/1, Section 19, 46300
Petaling Jaya, Selangor Darul Ehsan.
Tel: +603 7967 9600
Fax: +603 7967 9799

Kuala Lumpur Site Office

Suite 2B-2-2, Level 2,
Block 2B, Plaza Sentral,
Jalan Stesen Sentral,
50470 Kuala Lumpur.

Westports Site Office

Lot 19.1-19.2, 1st Floor,
Westports Business Centre,
42920 Pulau Indah,
Klang, Selangor Darul Ehsan.
Tel: +603 3101 1381
Fax: +603 3101 1554

BOARD OF DIRECTORS

(From top left) Brian Wong Wye Pong, Asgari Bin Mohd Fuad Stephens, Mohd Aqliff Shane Abdullah,
(From below left) Puvanesan A/L Subenthiran, Professor Datuk Ali Bin Abdul Kadir and Andre Anthony A/L Hubert Rene

BRIAN WONG WYE PONG
(Independent Non-Executive Director)

ASGARI BIN MOHD FUAD STEPHENS
(Independent Non-Executive Director)

MOHD AQLIFF SHANE ABDULLAH
(Non-Independent Executive Director)

PUVANESAN A/L SUBENTHIRAN
(Chief Executive Officer/ Managing Director)

PROFESSOR DATUK ALI BIN ABDUL KADIR
(Chairman/ Independent Non-Executive Director)

ANDRE ANTHONY A/L HUBERT RENE
(Deputy Chief Executive Officer/ Executive Director)

PROFILE OF DIRECTORS

PROFESSOR DATUK ALI BIN ABDUL KADIR
62 years of age, Malaysian
(Chairman/Independent Non-Executive Director)

Professor Datuk Ali was appointed as the Non-Executive Chairman of the Group on 4 May 2009. Professor Datuk Ali is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), having started his career in accounting in 1969 and qualified as a member of the Institute in 1974 and elevated to Fellowship in 1976.

He was appointed by the Minister of Finance as the Chairman of the Securities Commission (SC) of Malaysia on 1 March 1999. During his tenure, Professor Datuk Ali launched the Capital Market Masterplan and chaired the Capital Market Advisory Council. Professor Datuk Ali was also a member of a number of national committees including the Foreign Investment Committee, the Oversight Committee of the National Asset Management Company and a trustee of the Financial Reporting Foundation.

Professor Datuk Ali was also actively involved in international regulatory circles. During his tenure in the SC, he was a member of the Executive Committee of the International Organisation of Securities Commissions (IOSCO), Chairman of IOSCO's Asia-Pacific Regional Committee and chaired the Islamic Capital Market Task Force. In addition, Professor Datuk Ali was also a Trustee of the Accounting and Auditing Organisation for Islamic Financial Institutions. He was the Consultant to the Sri Lanka Securities and Exchange Commission in 2006 for their Capital Market Strategic Plan.

Prior to his appointment as the Chairman of SC, Professor Datuk Ali was the Executive Chairman and Partner of Ernst & Young and its predecessor firms from 1975 - 1999, and Senior Advisor from March 2004 - 2005. He was also former President of the Malaysian Institute of Certified Public Accountants, and chaired the Executive Committee and Insolvency Practices Committee. He also co-chaired the Company Law Forum.

Professor Datuk Ali is currently the Chairman of Financial Reporting Foundation, a member of the Malaysian Audit Oversight Board and member of the Labuan Financial Services Authority. He is the Chairman of Jobstreet Corporation Berhad, Milux Corporation Berhad and Microlink Solutions Berhad. He is also a Director of Glomac Berhad, Honorary Advisor to the ICAEW Malaysia Chapter, and Professor with University Malaya.

PROFILE OF DIRECTORS

PUVANESAN A/L SUBENTHIRAN
35 years of age, Malaysian
(Chief Executive Officer/Managing Director)

Puvanesan is one of the founding members of the Group, and the Group Chief Executive Officer and Managing Director of the Privasia Group. He was appointed to the Board of Privasia Sdn Bhd on 4 August 2004. He graduated with BA (Hons) in Accounting and Finance from London South Bank University and holds a Diploma in Economics from the National Council for Educational Awards, Ireland.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with the Malaysian Institute of Accountants (MIA). He has completed the Senior Management Development Program and Program for Leadership Development at the Harvard Business School. Prior to this, Puvanesan was a senior in the Business Advisory and Assurance Department of BDO Simpson Xavier in Ireland and upon his return to Malaysia, was the Chief Financial Officer of the Makmal Jaya Group.

ANDRE ANTHONY A/L HUBERT RENE
35 years of age, Malaysian
(Deputy Chief Executive Officer/Executive Director)

Andre is one of the founding members of the Privasia Group and was appointed as the Deputy Chief Executive Officer of the Privasia Group on 4 May 2009. He is a law graduate from the University of Wales, College of Cardiff. He started off his working career whilst still at university, working as an intern with the New Straits Times publication in 1996 followed by a short stint in a legal firm the following year. Upon graduation, Andre moved into the dotcom business with Dreammotor.com as a member of its business development team. He was also involved in the company's setting- up and expansion of its operations and business to Singapore and Hong Kong. Andre's passion, however, was very much in the logistics industry and he eventually joined Westport (M) Sdn Bhd's IT department to harness his skills in this area. The various IT research studies carried out while at Westport led him to believe that there was an information technology gap to be filled in the port and shipping industry, and hence he ventured full-time into IT consultancy which also led to the setting up of the Privasia Group. Andre is a graduate of the Harvard Business School Senior Management Development Program and was chairman of the Harvard Business School Alumni Club of Malaysia's Associate Committee from 2007-2010.

PROFILE OF DIRECTORS

BRIAN WONG WYE PONG
38 years of age, Malaysian
(Independent/Non-Executive Director)

Brian was appointed as a Non-Executive Director of Privasia Group on 4 May 2009. He is currently a member of the Audit And Risk Management Committee, the Remuneration Committee and the Nomination Committee. He graduated with a Bachelor of Commerce degree majoring in Accounting and Finance from the University of Western Australia and is a Fellow with CPA Australia, a Chartered Accountant with the Malaysian Institute of Accountants, a registered auditor with the Kampuchea Institute of Certified Public Accountants and Auditors, and a Certified Financial Planner with the Financial Planning Association of Malaysia. He was previously with KPMG, Kuala Lumpur and a public company as their head of corporate affairs. He is presently also a director of Mann Seng Metal International Limited, a company listed on the Catalyst Board of the Singapore Stock Exchange and has served as Audit Committee Chairman and Director of two other public companies in the past. Currently, he is a partner in PKF Malaysia and a director of Covenant Equity Consulting, an investment advisory corporation licensed with the Securities Commission of Malaysia.

ASGARI BIN MOHD FUAD STEPHENS
51 years of age, Malaysian
(Independent/Non-Executive Director)

Asgari was appointed as a Non- Executive Director of Privasia Group and is presently a member of the Audit And Risk Management Committee and the Nomination Committee. He graduated with a BCom. (Hons) from University of Melbourne, Australia and MBA from Cranfield University, United Kingdom. He has extensive experience in both public and private equity investing in Malaysia. He is the owner and co-founder of Kumpulan Sentiasa Cemerlang, a fund management company as well as ISpring Venture Management Intelligent Capital Sdn Bhd, management companies that invest in private companies. Currently, he is a Director of JayCorp Berhad and Maxis Berhad and Chairman of Mudajaya Group Berhad.

MOHD AQLIFF SHANE ABDULLAH
34 years of age, Malaysian
(Non-Independent Executive Director)

Mohd Aqliff, was appointed as a Non-Executive Director of Privasia Group on 4 May 2009. Presently he is a member of the Remuneration Committee. He graduated with Bachelor of Science in Mechanical Engineering from University Tenaga National, PPP/UiTM Twinning Program American University Degree Program, Professional Consultation Certificate from Intergraph Process, Power and Offshore Huntsville, Alabama. He began his career at Technip Sdn Bhd in 1999 as Mechanical Engineer in Rotating Department where he had exposure in the operation of an oil and gas multinational company. From 2000 to 2004 he joined Intergraph Process Power & Offshore (M) Sdn Bhd being a subsidiary company of Intergraph Corporation (listed on NASDAQ) as Senior Application Engineer which further strengthened his exposure in the oil and gas industry dealing with the Asean region. He is currently Managing Director for Petrolife Engineering (M) Sdn Bhd, which is involved in the oil and gas industry.

Notes
1. Save as disclosed above, none of the Directors have any family relationship with any other Directors and/or other major shareholders of the Company.
2. None of the Directors has any conflict of interest with the Company and has not been convicted of any offence within the past ten years.
3. Details of Directors' attendances at the Board Meetings are set out in the Statement on Corporate Governance.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The Directors of Privasia Technology Berhad ("Privasia") and its Group of companies have been working hard to turn around the Group since the reverse takeover of the predecessor company. We believe our labour is beginning to bear fruits and the results are already apparent. Accordingly, we are pleased to present to you the Company's Annual Report and audited financial statements for the financial year ended 31 December 2010 ("FY2010").

ECONOMIC REVIEW

The Malaysian economy recorded a strong rebound in 2010, achieving Gross Domestic Product growth of 7.2% compared with a contraction of 1.7% in 2009. The economic expansion was largely due to the increase in export-driven manufacturing activities and higher demand for services.

The ICT spending trend in Malaysia displayed a similar trend. According to the International Data Corporation ("IDC"), ICT spending charted 4.6% growth year-on-year to be worth USD 5.9 billion in 2010, compared to USD 5.6 billion in the previous year.

The recovery in ICT spending in Malaysia has created a conducive environment for Privasia to exploit in the year under review.

FY2010 FINANCIAL PERFORMANCE

FY2010 marked Privasia's first full year of operations as a listed entity. Group turnover rose 39.4% to RM37.87 million compared to RM27.16 million for the 8 months ended 31 December 2009[1]. Generally, the Group was more active in FY2010, largely due to improving business sentiment.

The Group's Information Technology outsourcing segment remained the largest contributor, constituting 82.6% of group revenues. More significantly, the sales in this IT segment jumped 53.6% year-on-year, from RM20.36 million to RM31.26 million in FY2010, on the back of expanding clientele in the outsourcing and spend management businesses. Meanwhile, the ICT and satellite-based network services ("SAT") segments contributed 17.4% or RM6.61 million to FY2010 group revenues, versus RM6.80 million previously.

Group gross profits more than doubled to RM12.64 million in FY2010 from RM5.53 million previously, as a result of favourable sales mix of having more e-procurement projects. The larger top line coupled with sustained operating expenditure resulted in the Group's rising profitability in the year under review, with the Group achieving RM5.19 million and RM4.84 million in pre-tax and net profits respectively in FY2010, versus RM1.09 million and RM1.03 million in pre-tax and net profits respectively in FY2009. Basic earnings per share correspondingly leapt to 0.84 sen in FY2010 from 0.28 sen previously.

The Group ended the year with a stronger balance sheet, with shareholders' equity increasing to RM61.59 million from RM56.87 million. The Group reduced its net gearing ratio to 0.26 from 0.43 previously, in line with the positive cash flows.

[1] The Group was formed in May 2009 in conjunction with the listing exercise.

OPERATIONS REVIEW & CORPORATE UPDATES

FY2010 saw the Group actively expanding our business operations, by securing new projects and adding new customers into our portfolio.

- *Signing of agreement with Jalur Lebar Nasional Sdn. Bhd. (Jalenas)*

On 9 March 2010, the Group had signed an agreement with Jalenas to design, supply, and install equipment for Phase 1 of the High Speed Broadband network to be implemented in Kuantan, Pahang. Privasia is very pleased to be one of the home-grown companies given the opportunity to play a significant role in building the nation's broadband infrastructure, and in so doing, propel Malaysia towards the aim of achieving wider broadband penetration in the country.

- *Expansion in customer base*

Leveraging on our experience in providing our highly reliable and efficient e-bidding platform to customers across a wide spectrum of industries, the Group had added 3 new clients in the e-bidding division in FY2010, namely Pos Malaysia, Autoworld and Minconsult. Likewise, the E-Procurement business segment also showed positive growth by engaging 3 major clients in the year under review, namely Westports Malaysia Sdn Bhd ("Westports"), Indah Water Konsortium ("IWK") and SME Bank. While the projects undertaken for Westports and IWK were completed in FY2010, the project for SME Bank is scheduled for completion in 2011.

We believe that the Group's broadening clientele is attributable to our rising profile as the leading ICT outsourcing solutions provider in Malaysia, and look forward to leveraging on this foundation for the next phase of growth.

- *Change of name of Airocom Technology Sdn. Bhd. ("Airocom") and Airocom Mobile Communication Sdn. Bhd.*

On 7 July 2010, the Board announced the change of name for its wholly-owned subsidiaries Airocom Technology Sdn. Bhd. to Privanet Sdn. Bhd., and Airocom Mobile Communications Sdn. Bhd. to Privanet Distributions Sdn. Bhd. in order to create a cohesive corporate identity for the Group.

INDUSTRY OUTLOOK AND BUSINESS STRTAEGIES

IDC presented a promising outlook for the ICT industry in 2011, estimating the ICT Spending in Malaysia to grow by 10% year-on-year, and to be worth USD6.5 billion. The ICT Spending will be propelled by the Government's consistent efforts to raise the level of broadband penetration, increased outsourcing by organizations to address increase IT complexity, and continued adoption of software for the management of computing infrastructure resources.

Against this backdrop, we are optimistic of the Group's prospects ahead. To this end, we have outlined the following growth strategies for the current financial year:

(i) Expanding clientele in our core business

We would continue to focus on expanding our presence in traditional markets by bidding for more ICT outsourcing, support, and maintenance projects for enterprises.

I am pleased to report that the Group was recently awarded a 10-year ICT outsourcing contract from Westports amounting to RM216 million. Under the agreement, Privasia would undertake the planning, provision, management support and operations of Westports' entire IT infrastructure.

We are pleased to be given the opportunity to contribute to the dynamic infrastructure development of a key player in the port logistics sector. The Group believes that this speaks volumes of Privasia's competency in effectively managing and enhancing IT systems in line with new technologies.

(ii) Developing new segment of communications infrastructure outsourcing

The Group also aims to develop a new core business in communications infrastructure outsourcing. To this end, we would tap into collaboration opportunities with WiMAX & broadband players to roll out their infrastructure in a cost-effective and efficient manner.

We foresee that the rapid advancements in ICT would encourage further business expansion of data providers and create opportunities for Privasia to tap in with integrated infrastructure offerings.

(iii) Identifying suitable Merger & Acquisition ("M&A") opportunities

Last but not least, we would constantly explore potential M&A prospects to broaden our capabilities and serve a wider range of clients. Having synergistic businesses to complement the Group's existing core competencies would place the Group in good stead to capture even more opportunities in the ICT outsourcing sector in the future.

Whilst we at Privasia are proud of our achievements thus far, we aim to retain our innovative streak to entrench our position as a leading provider of ICT outsourcing solutions in Malaysia.

CORPORATE GOVERNANCE

In Privasia, we believe in adhering to best practices in corporate governance to sustain business efficiency and sustainability in the long term. Therefore, the Group has always upheld the integrity of business practices as a pivotal part of ensuring consistent growth in our core business.

The Group's measures towards this objective are highlighted in the Corporate Governance Statement in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The year under review saw Privasia continuing to emphasize on CSR as a channel to make a significant contribution to the community at large.

The Group, Directors and staff supported a number of charitable bodies in FY2010 including:

- Budimas Charitable Foundation in Kuala Lumpur
- Pertubuhan Kebajikan dan Pengurusan Anak-anak Yatim, (orphanCARE) in Kuala Lumpur; and
- Sekolah Jenis Kebangsaan (T) Ladang Sg. Salak in Lukut, Port Dickson, Negeri Sembilan

In addition, for the second year running, Privasia continued to sponsor the regional-standard basketball team "KL Dragons" in the Asian Basketball League. The Group also sponsored other sports activities during the period, including all-Malaysian Nexus racing team in the 56th Macau Grand Prix 2010, to promote a healthy lifestyle among Malaysians.

APPRECIATION

We would like to express our warmest appreciation to all our shareholders, business partners, suppliers and regulatory authorities for their continuing support and confidence in our Group. On a personal basis, I would also like to take this opportunity to acknowledge the contributions of my fellow Directors and employees for their unwavering dedication and professionalism throughout 2010, without which, it would not be possible to continue to deliver growth in shareholders' value.

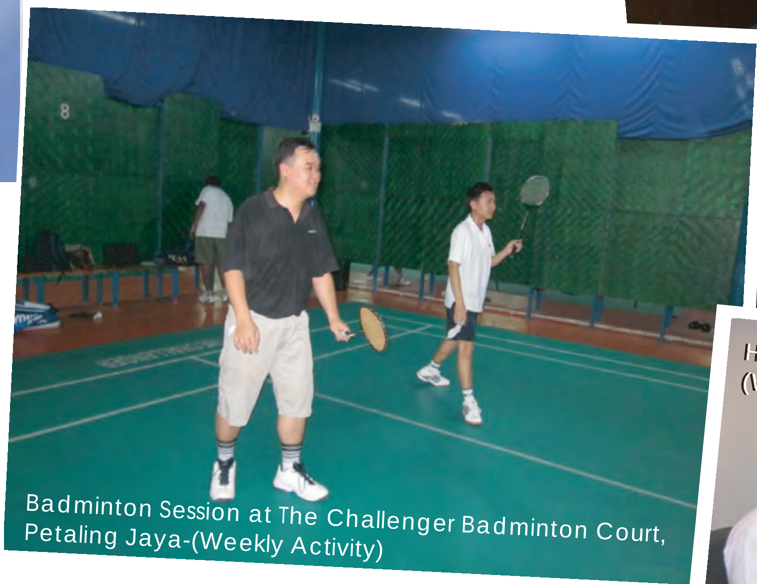
Professor Datuk Ali Bin Abdul Kadir
Chairman
26 April 2011

EVENT HIGHLIGHTS AND SPONSORSHIPS

Bowling Tournament at Cosmic Bowl, Mid Valley Megamall—1 April 2011

Fund Managers' & Analyst Briefing & FY2010 Financial Results & Corporate update at J.W.Marriot, Kuala Lumpur—9 March 2010

Annual Dinner 2010 with 'Red and Black' Theme Pj Hilton - 27 May 2010



Badminton Session at The Challenger Badminton Court, Petaling Jaya-(Weekly Activity)

Head of Departments Operation Meeting - (Weekly Meeting)

Embarking on ISO/IEC 20000 Training 11-13 April 2011

Team Building Session at Sunway Lagoon - 13 November 2010

EVENT HIGHLIGHTS AND SPONSORSHIPS

Sponsorship of Kuala Lumpur Dragons Basketball Team for ASEAN Basketball League

Sponsorship of the all-Malaysian Nexus racing team in the 56th Macau Grand Prix 2010

Privasia Staff in Futsal

Team Building at Genting Highlands - 18 March 2011

Privasia Staff in Brainstorming Session

Job Fair at PWTC - 25-27 March 2011

Annual General Meeting - 18June 2010

PRIVASIA IN THE NEWS

Privasia lands RM216m job from Westports

KUALA LUMPUR: Ace Market-listed Privasia Technology Bhd has been awarded a RM216 million outsourcing contract from port operator, Westports Malaysia

THE EDGE FINANCIAL DAILY
25 February 2011

PRIVASIA
Lands RM216M job from Westports

Yahoo Malaysia
24 February 2011

PRIVASIA
Technology Posts Higher Pre-Tax Profits

NEW STRAITS TIMES
23 April 2010

PRIVASIA
In acquisition talks with 2 firms

Privasia in acquisition talks with 2 firms

By Goh Thean Eu
gohtheaneu@nstp.com.my

PRIVASIA Technology Bhd, an information technology (IT) firm specialising in business process outsourcing and wireless communications solutions, may acquire up to two firms to expand its business by

Puvanesan says Privasia aims to buy with internally-generated funds

The Edge Financial Daily
23 April 2010

PRIVASIA
Eyes more M&A for growth

Privasia eyes more M&A for growth

by Tony C H Goh
FD@bizedge.com

KUALA LUMPUR: Privasia Technology Bhd is finalising terms for a possible takeover of an IT company and is in advanced talks with another as the ICT outsourcing and consulting services player continues to seek growth through mergers and acquisitions (M&A).

SIN CHEW DAILY
27 April 2010

PRIVASIA
Constantly looking for M&A target

"Privasia constantly looking for M&A target"

PRIVA科技常尋併購目標

●PRIVA科技(PRIVA, 0123, 创业板科技组)配合该公司的业务成长策略，经常会寻找并购目标。

该公司针对报道向大马股票交易所作出澄清，该公司与记者会谈时指出，该公司不仅会收购通讯公司，如最近的IPSAT有限公司，不过，未来它也会确认其他辅助性的公司。

该公司时常会接获并购计划的建议，包括最近2份尚在探讨阶段的建议。若达到签署合约阶段，该公司肯定会作出宣布。

THE MALAYSIAN RESERVE
21 June 2010

PRIVASIA
Technology bids for IT projects worth RM106m

6 CORPORATE MALAYSIA

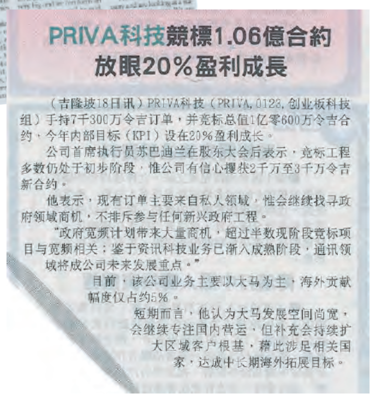
Privasia Technology bids for IT projects worth RM106m

STAR BIZ
24 February 2011

PRIVASIA TEKNOLOGI
Catat Peningkatan Keuntungan Sebelum Cukai

BERNAMA 18 June 2010

PRIVASIA
Seeks To Increase Its Order Book



PRIVA科技競標1.06億合約 放眼20%盈利成長

（吉隆坡18日讯）PRIVA科技（PRIVA, 0123, 创业板科技组）手持7千300万令吉订单，并竞标总值1亿零600万令吉合约，今年内部目标（KPI）设在20%盈利成长。

公司首席执行员苏巴迪兰在股东大会后表示，竞标工程多数仍处于初步阶段，惟公司有信心攫获2千万至3千万令吉新合约。

他表示，现有订单主要来自私人领域，惟会继续找寻政府领域商机，不排斥参与任何新兴政府工程。

“政府宽频计划带来大量商机，超过半数现阶段竞标项目与宽频相关；鉴于资讯科技业务已渐入成熟阶段，通讯领域将成公司未来发展重点。”

目前，该公司业务主要以大马为主，海外贡献幅度仅占约5%。

短期而言，他认为大马发展空间尚宽，会继续专注国内营运，但补充会持续扩大区域客户根基，藉此涉足相关国家，达成中长期海外拓展目标。

SIN CHEW DAILY
19 June 2010

PRIVASIA
"Bids for RM106 million worth of Projects"

SENIOR MANAGEMENT TEAM

PUVANESAN A/L SUBENTHIRAN
Group Chief Executive Officer

ANDRE ANTHONY A/L HUBERT RENE
Group Deputy Chief Executive Officer

SULAIHA BINTI SAWADI
Group Human Capital Development

YAP WAI YIN
Chief Financial Officer
Group Corporate Finance

IPSAT SDN BHD

LU PAK LIM
Managing Director

PRIVANET SDN BHD

RUBERN A/L PERINBANAYAKHAM
General Manager

TAN KOK KANG, DANIEL
Business Head, Outsourcing

FEROZ AHMED AHANGER
Head of Technology, Consulting Business Unit

SIVAKUMAR A/L MUTHU
Head of Business, E-Bidding Unit

ZAIMY BIN ABDUL KARIM
Senior Sales Manager

WONG KUM LOONG
GM, Business Development

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of the Company ("Board") is committed to the principles and best practices of corporate governance as laid out in the Malaysian Code on Corporate Governance ("Code") and ensures that standards of corporate governance are being observed to realise the objective of increasing the shareholders' value.

THE BOARD AND BOARD STRUCTURES

An effective Board leads and controls the Company. The Directors are from diverse professional and business backgrounds with a wide range of academic and professional qualifications and business and financial experience relevant to lead the Group's business activities and as such, are able to effectively discharge their duties and responsibilities on the matters or issues of strategic planning, performance evaluation, resource allocation, setting of standards of conduct, identifying principal risks, reviewing internal control systems etc.

The Board has delegated certain responsibilities to the Board Committees with clearly defined terms of reference to assist in discharging their duties. The Board Committees include the Audit And Risk Management Committee, Nomination Committee and Remuneration Committee. The Chairman of the Committees will report and table to the Board their respective recommendations for consideration and adoption.

The Board meets on a quarterly basis, with additional meetings convened as and when required. There were four (4) meetings held during the financial year and the attendances are as follows:

Name of Directors	Attendance
Professor Datuk Ali bin Abdul Kadir	4 / 4
Puvanesan a/l Subenthiran	4 / 4
Andre Anthony a/l Hubert Rene	4 / 4
Brian Wong Wye Pong	4 / 4
Asgari bin Mohd Fuad Stephens	4 / 4
Mohd Aqliff Shane Abdullah	4 / 4

A. DIRECTORS

i) Board Composition and Balance

The Board comprises six (6) members; of whom two are Executive Directors, one Non-Independent Executive Director and three are Independent Non-Executive Directors. The Board members, with different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise to lead the Company.

With the different backgrounds and specializations of the Board members, the balance in the Board is achieved and such balance enables the Board to provide effective leadership in all aspects, as well as maintaining a high standard of governance and integrity.

ii) Supply of Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors need to have full and timely access to all information concerning the Company and the Group. All Board meetings held were preceded by a notice issued by the Company Secretaries. Prior to each Board meeting, the agenda together with relevant reports and Board papers would be circulated to all Directors in sufficient time to enable effective discussions and decision-making during Board meetings. In addition, the Board is also notified of any corporate announcements released to Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors have full access to the advice and services of the Company Secretaries, the senior management staff, the external auditors and other independent professionals at all times in discharging their duties and responsibilities.

iii) Appointment to the Board

Having reviewed the assessments in respect of the financial year ended 31 December 2010, the Board is satisfied that the Board and Board Committees have continued to operate effectively in discharging their duties and responsibilities. The Directors have also fulfilled their responsibilities as members of the Board and are suitably qualified to hold their positions.

iv) Re-election of Directors

Pursuant to Section 129 (6) of the Companies Act, 1965, directors who are over the age of seventy (70) years old shall retire at every Annual General Meeting ("AGM") and may offer themselves for re-appointment as directors of the Company to hold office until the conclusion of the next AGM.

The Articles of Association of the Company provides that at least one-third of the Board is subject to retirement by rotation at every AGM. Further, all Directors of the Company shall retire at least once every three (3) years.

A retiring director is eligible for re-election. This provides an opportunity for shareholders to renew their mandate. The election of every director is voted on separately.

v) Directors' Training

During the financial year ended 31 December 2010, the Directors of the Company attended various forums, programmes, workshops and seminars which covered the following topics:-

1. The Regional Cambridge International Symposium on Economic Crime
2. World Capital Market Symposium 2010
3. Asia-Pacific Standard Setters Organisations Group Conference
4. IASB-MASB Discussion Forum
5. Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know
6. Effectively Managing the IT Function by M2 Asia Sdn. Bhd.
7. The New Key Economics Areas Workshop by Pemandu
8. CEO Communication : What can and can't be said to the Media by Bursa Malaysia
9. The Making of Asian Giants, A NEW WORLD ORDER
10. Hidden Champions by Hermann Simon
11. A Critical Function for Growth Firms by Verne Hanish

B. DIRECTORS' REMUNERATION

The aggregate remuneration of the Directors for the financial year is as follows:-

	Director's Fee and Allowances		Salaries	
	Group	Company	Group	Company
Executive Directors	RM 53,000	RM 53,000	RM 546,008	-
Non-Executive Directors	RM 105,000	RM 105,000	-	-

The number of Directors of the Company whose total remuneration during the year falling into the following bands are as follows:-

Range of remunerations during the year	Number of Directors	
	Executive	Non-Executive
Below RM 50,000	-	3
RM 50,001 - RM 100,000	1	-
RM 100,001 - RM 150,000	-	-
RM 150,001 - RM 200,000	2	-
RM 850,001 - RM 900,000	-	-

C. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company strictly adheres to the disclosure requirements of Bursa Securities and recognises the importance of timely and equal dissemination of information to shareholders and stakeholders to fulfill transparency and accountability objectives. Another key channel of communication with the shareholders, investors and the investment community at large is the Group's investor relations function. The institutional shareholders, fund managers, research analysts and substantial shareholders have a direct channel and are able to enter into a dialogue with the Company's representatives.

The AGM remains the principal forum for communication and dialogue with the shareholders of the Company. Shareholders are notified of the AGM and provided with a copy of the Company's Annual Report at least twenty-one (21) days before the date of the AGM.

The Board members are prepared to respond to all queries and had undertaken to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification on queries raised by shareholders. Status of all resolutions proposed at the AGM is announced to Bursa Securities at the end of the meeting day. Proceedings of the AGM are properly minuted. The Company also maintains a website (www.privasia.com) through which shareholders and members of the public in general can gain access to information about the Group.

STATEMENT ON CORPORATE GOVERNANCE

D. ACCOUNTABILITY AND AUDIT

i) Financial Reporting

The Board is aware of its responsibilities to the shareholders and the requirements to present a balanced and meaningful assessment of the Group's financial position, by means of the annual financial and quarterly report's statements and other published information. In this regard, the Board is primarily responsible to present a fair and balanced report of the financial affairs of the Group, which is prepared in accordance with the Companies Act, 1965 and the approved accounting standards set by the Malaysian Accounting Standards Board.

With assistance from the Audit And Risk Management Committee, the Board scrutinised the financial aspect of the Audited Financial Statements and reviewed the statutory compliance aspects of the Audited Financial Statements.

ii) Internal Control

The Statement on Internal control is set out in page 27 of this Annual Report.

iii) Relationship with External Auditor

Through the Audit And Risk Management Committee, the Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the Financial Reporting Standards and Companies Act, 1965 in Malaysia. The interactions between the parties include the discussion of audit plan, audit findings and corrective actions, where appropriate and the conclusion of the financial statements.

E. DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to ensure that the financial statements of the Group and the Company are drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965, so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year ended 31 December 2010.

In preparing the financial statements, the directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps that are reasonable to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. MEMBERSHIP

The present members of the Audit And Risk Management Committee comprise:

Professor Datuk Ali Bin Abdul Kadir	Independent Non-Executive Director, the Chairman of the Committee
Brian Wong Wye Pong	Independent Non-Executive Director
Asgari Bin Mohd Fuad Stephens	Independent Non-Executive Director

B. TERM OF REFERENCE

The terms of reference of the Audit And Risk Management Committee are set out as below:

Composition

1 The Audit And Risk Management Committee shall be appointed among the Board, a majority of whom shall be Independent Directors and at least one (1) member must be a member of the Malaysian Institute of Accountants or posseses such qualification and/or experience as approved by Bursa Securities.

2. The Chief Executive Officer shall not be a member of the Audit And Risk Management Committee.

Chairman

The Chairman, who shall be appointed by the Board, shall be an Independent Director.

Secretary

The Company Secretary shall be the Secretary of the Audit And Risk Management Committee. The Secretary shall be responsible for keeping the minutes of the Committee's meetings and circulating them to the Committee members and to the other members of the Board.

Meetings

The Audit And Risk Management Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be Independent Non-Executive Directors. All decisions at such meeting shall be decided by a show of hands on a majority of votes.

The Audit And Risk Management Committee shall have the authority to convene meetings with external auditors when required, excluding the attendance of other Directors and employees of the Company.

Authority

The Committee is authorised by the Board to investigate any matter within the scope of the Committee's duties. It has full and unrestricted access to any information in the Company and is authorised to call upon any employee to seek information it requires and all employees are required to co-operate with the Committee.

The Committee is empowered to also obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Duties and Responsibilities

1.1 To recommend the appointment of the external auditors, their audit fee and any questions of their resignation or dismissal to the Board.
1.2 To discuss with the external auditors, their audit plan.
1.3 To review the financial statements of the Company and the Group before submission to the Board, focusing particularly on:-
• public announcements of results and dividend payment;
• any changes in accounting policies and practices;
• major judgmental areas;
• significant adjustments resulting from the audit;
• the going-concern assumption;
• compliance with accounting standards; and
• compliance with the stock exchange and legal requirements.
1.4 To discuss problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss (in the absence of management where necessary).
1.5 To keep under review the effectiveness of internal control system and, in particular, review external auditors' management letter and management's response.
1.6 To review any related party transactions that may arise within the Company or Group.
1.7 To verify the allocation of share options under the Employees Share Option Scheme of Privasia Technology Berhad.
1.8 To review and approve the statements to be included in the annual report concerning internal controls and risk management.
1.9 To monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system.
1.10 Ensuring that a formalised risk management framework is established that identifies, measures, manages, reports and monitors all of the material business risks across the Group.
1.11 To approve the appointment and removal of the head of the internal audit function.
1.12 To consider and approve the scope of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
1.13 To ensure the function has adequate standing and is free from management or other restrictions.
1.14 To review and assess the annual internal audit plan.
1.15 To review promptly all reports on the Group from the internal auditors and review and monitor management's responsiveness to the findings and recommendations of the internal auditor.
1.16 To monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company as compared to the overall fee income of the firm, office and partners and other related requirements.
1.17 To review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoings in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigations of such matters and appropriate follow-up actions.
1.18 Identifying and monitoring the key risks of the Group and evaluating the management.
1.19 Ensuring policies and framework are in place to manage the risks to which the Group is exposed, especially in the areas of risk concentration pertaining to the risk exposures that the subsidiaries are exposed to in their business activities, e.g. market, operational, liquidity, credit, regulatory, reputation, legal and strategic risk.
1.20 Critically assessing the Group's business strategies and plans from a risk-based and enterprise-wide perspective.
1.21 To carry out such other functions and consider other topics, as may be agreed upon by the Board.

C. MEETINGS AND SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2010, a total of four (4) meetings were held and the details of attendances are set out below:-

	Meetings attended
Professor Datuk Ali bin Abdul Kadir	4 / 4
Brian Wong Wye Pong	4 / 4
Asgari Bin Mohd Fuad Stephens	4 / 4

The Company Secretary was present at all meetings. The meetings were appropriately structured throughout the use of agendas.

Summary of Activities

The following activities were carried out by the Audit And Risk Management Committee during the financial year under review:-

(i) Reviewed the quarterly results and financial statements for recommendation to the Board;
(ii) Reviewed the external auditors' scope of work for the year;
(iii) Considered the Internal Audit function of the Group, reviewed and received the risk evaluation reports and approve the Internal Audit Plan and Reports;
(iv) Reviewed the changes in major accounting policies;
(v) Reviewed significant or unusual events;
(vi) Reviewed the compliance with accounting standards and other legal requirements;
(vii) Considered and recommended the appointment of external auditors for the Board's approval;
(viii) Ensure management is responsive to internal and external audit recommendations; and
(ix) Ensure outsourced internal audit function has adequate resources, consisting of people who are adequately skilled.

D. Internal Audit Function

The Board has, during the financial year, appointed Proact Corporate Consulting Sdn Bhd as the internal auditors to assist the Board and the Audit And Risk Management Committee to evaluate the internal control system, risk management and corporate governance and to provide their recommendations to the Board and the Management for further improvement. Further details on the internal audit function are reported in the Statement on Internal Control on pages 27 and 28.

The total costs incurred for the internal audit function of the Company for the financial year was RM22,000.00.

STATEMENT ON INTERNAL CONTROL

The following Statement of Internal Control has been prepared in compliance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which outlines the state, nature and scope of the system internal controls of the Group during the financial year.

BOARD RESPONSIBILITY

The Board is responsible for the Group's system of internal controls which includes identifying principal risks, implementation of appropriate control measures to manage such risks and reviewing the adequacy and integrity of the internal control system. The Board ensures that the Management maintains a sound system of internal controls and risk management policies to safeguard the Group's assets.

It should be noted that an internal control system is designed to manage risks rather than eliminate the risk of failure to achieve business objectives. As such, it can only provide reasonable but not absolute assurance against any material misstatement or loss.

The Board acknowledges that the risk management process is an ongoing process to identify, evaluate, and manage significant risks including credit risk to mitigate the risks that may impede the achievement of the Group's business and corporate objectives. The Board reviews the process regularly to ensure proper management of risks and measures are taken to mitigate weaknesses in the control environment.

RISK MANAGEMENT FRAMEWORK

The Board has established an on-going process through the Enterprise Risk Management (ERM) framework for identifying and prioritizing the significant risks faced by the Group that have a material effect on the Group's business objectives.

Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters. Periodic management meetings, attended by the Heads of Department and key management staff, are held to discuss key operational issues and appropriate mitigating controls.

In addition, the Board will continue to review the on-going risk management process to ensure proper management of risks and measures are taken to mitigate weaknesses in the control environment. This includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures.

STATEMENT ON INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit function of the Group is carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are reported periodically to the Audit Committee.

The audit reports are reviewed by the Audit Committee and forwarded to the Management so that any recommended corrective actions could be undertaken. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

INDEPENDENCE OF THE AUDIT COMMITTEE

The Audit Committee, chaired by an Independent Non-Executive Director and its members comprising a majority of Independent Non-Executive Directors, provides an independent review of the Group's processes for producing financial data, the adequacy, effectiveness and integrity of the system of internal control, compliance with laws, regulations and guidelines, independence of external auditors and internal audit function.

INFORMATION AND COMMUNICATION

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all significant business units. The annual budgets which contain financial, operating targets and performance indicators are reviewed and approved by the Executive Directors together with the Senior Management before being presented to the Board for final review and approval.

CONCLUSION

The Board is of the view that there were no significant weaknesses in the Group's system of internal controls that may have a material adverse effect on the results of the Group for the period under review. The Board and management will continue to take necessary measures to enhance the system of internal control.

The Statement on Internal Control is made in accordance with a resolution of the Board of Directors dated 26 April 2011

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Internal Control for inclusion in the annual report of the Group for the year ended 31 December 2010 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements of Bursa Securities.

1. Utilisation of Proceeds

During the financial year, the Group did not raise any funds from the public.

2. Share Buy-Back

The Company does not have a scheme to buy-back its own shares.

3. Options, Warrants or Convertible Securities

The approval of the shareholders for the employees' share option scheme of up to ten (10) percent of the issued and paid-up share capital of the Company ("ESOS") was obtained at the extraordinary general meeting of the Company which was held on 12 March 2009. As at 31 December 2010 the ESOS was not implemented yet.

4. Depository Receipt Programme

During the financial year, the Company did not sponsor any depository receipt programme.

5. Sanctions and/or Penalties

During the financial year, there were no public sanctions and/or penalties imposed on the Group and the Company, directors or management by the relevant authorities.

6. Non-Audit Fees

During the financial year, the non-audit fees paid to the external auditors amounted to RM43,000.

7. Variation of Results

There were no variances of ten percent (10%) or more for the audited results of the Group from the unaudited results as previously announced on 24 February 2011.

8. Material Contracts

There were no material contracts subsisting at the end of the financial year ended 31 December 2010 entered into by the Company and the Group, involving the interests of the Directors and major shareholders.

9. Revaluation Policy on Landed Properties

The Group does not have a revaluation policy for its landed properties.

10. Related Party Transactions

There are no significant related party transaction other than those disclosed in Note 7, Note 17 and Note 19 in the financial statements.

11. Corporate Social Responsibility (CSR)

Privasia is committed to doing our best to enrich and enchance the lives of the larger community, in particular by promoting the spirit of sportsmanship.

To this end, the Group has sponsored various events, including the Kuala Lumpur Dragons basketball team in the ASEAN Basketball League, in a bid to inspire the younger generation to realise their highest potential. The Group also sponsored other sports activities during the period, including all-Malaysian Nexus Racing team in the 56th Macau Grand Prix 2010, to promote a healthy lifestyle among Malaysians.

The Group, Directors and staff supported a number of charitable bodies in FY2010 including:

- Budimas Charitable Foundation in Kuala Lumpur
- Pertubuhan Kebajikan Dan Pengurusan Anak-Anak Yatim (OrphanCARE) in Kuala Lumpur and
- Sekolah Jenis Kebangsaan (T) Ladang Sg. Salak in Lukut, Port Dickson, Negeri Sembilan

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2010.

Principal activities

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) attributable to:		
Owners of the Company	4,689,114	(517,470)
Minority interest	151,302	-
Net profit/(Loss) for the year	4,840,416	(517,470)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review.

Dividends

No dividend was paid during the year.

The Directors recommend the payment of a single tier tax exempt final dividend of 0.1 sen per ordinary share totalling RM558,200 in respect of the year ended 31 December 2010.

The Directors did not recommend any other dividends to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are:

- Andre Anthony a/l Hubert Rene
- Asgari bin Mohd Fuad Stephens
- Brian Wong Wye Pong
- Datuk Ali bin Abdul Kadir
- Mohd Aqliff Shane Abdullah
- Puvanesan a/l Subenthiran

Directors' interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Directors' interests (continued)

	Number of ordinary shares of RM0.10 each			
	At 01.01.2010	Bought	Sold	At 31.12.2010
In the Company:				
Direct interest				
Andre Anthony a/l Hubert Rene	13,581,400	-	(1,300,000)	12,281,400
Asgari Bin Mohd Fuad Stephens				
• others *	-	2,000,000	-	2,000,000
Brian Wong Wye Pong	-	500,000	-	500,000
Datuk Ali bin Abdul Kadir				
• own	17,360,400	1,000,000	-	18,360,400
• others **	1,000,000	-	(1,000,000)	-
Mohd Aqliff Shane Abdullah	112,510,000	-	(43,796,300)	68,713,700
Puvanesan a/l Subenthiran	15,981,400	-	-	15,981,400
Indirect interest				
By virtue of shares held by Anyotech Sdn. Bhd.				
• Andre Anthony a/l Hubert Rene	79,713,200	-	-	79,713,200
• Puvanesan a/l Subenthiran	79,713,200	-	-	79,713,200
Pancarthiran Sdn. Bhd.				
• Puvanesan a/l Subenthiran	71,172,500	-	-	71,172,500
Radiant Principles Sdn. Bhd.				
• Andre Anthony a/l Hubert Rene	77,836,300	-	-	77,836,300

* Deemed interest by virtue of his interest held through his spouse. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of Asgari bin Mohd Fuad Stephens's spouse in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Asgari bin Mohd Fuad Stephens.

** Deemed interest by virtue of his interest held through his son. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interests and deemed interests of Datuk Ali bin Abdul Kadir's son in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Datuk Ali bin Abdul Kadir.

By virtue of their interests in the shares of the Company, Mr. Andre Anthony a/l Hubert Rene, Datuk Ali bin Abdul Kadir, En. Mohd Aqliff Shane Abdullah and Mr. Puvanesan a/l Subenthiran are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Privasia Technology Berhad has an interest.

None of the other Directors holding office at 31 December 2010 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the authorised issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Other statutory information

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provisions made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Other statutory information (continued)

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

…………………………………………………………

Datuk Ali bin Abdul Kadir

…………………………………………………………

Puvanesan a/l Subenthiran

Petaling Jaya

Date: 26 April 2011

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2010

		Group		Company	
	NOTE	2010 RM	2009 RM	2010 RM	2009 RM
Assets					
• Property, plant and equipment	3	16,201,285	18,318,780	-	-
• Investment property	4	5,655,353	5,714,444	-	-
• Intangible assets	5	47,282,783	51,478,402	-	-
• Investment in subsidiaries	6	-	-	56,820,000	56,820,000
• Trade and other receivables	7	750,000	750,000	-	-
Total non-current assets		69,889,421	76,261,626	56,820,000	56,820,000
• Inventories	8	1,987,801	-	-	-
• Work-in-progress	9	1,891,995	156,416	-	-
• Tax recoverable	10	10,490	45,567	-	-
• Available-for-sale financial assets	11	1,026,336	-	-	-
• Other investments	12	-	2,486,660	-	-
• Trade and other receivables	7	9,337,301	10,082,812	3,250	3,227,725
• Cash and cash equivalents	13	7,447,662	3,369,294	3,537	3,052
Total current assets		21,701,585	16,140,749	6,787	3,230,777
Total assets		91,591,006	92,402,375	56,826,787	60,050,777
Equity					
• Share capital		55,820,002	55,820,002	55,820,002	55,820,002
• Reserves		5,765,306	1,050,779	(883,902)	(366,432)
Total equity attributable to owners of the Company		61,585,308	56,870,781	54,936,100	55,453,570
• Minority interest		355,390	204,088	-	-
Total equity	14	61,940,698	57,074,869	54,936,100	55,453,570
Liabilities					
• Loans and borrowings	15	18,378,430	19,447,871	-	-
• Deferred tax liabilities	16	108,000	10,450	-	-
Total non-current liabilities		18,486,430	19,458,321	-	-
• Loans and borrowings	15	4,906,011	8,150,189	-	-
• Trade and other payables	17	6,091,976	7,665,128	1,890,687	4,597,207
• Taxation		165,891	53,868	-	-
Total current liabilities		11,163,878	15,869,185	1,890,687	4,597,207
Total liabilities		29,650,308	35,327,506	1,890,687	4,597,207
Total equity and liabilities		91,591,006	92,402,375	56,826,787	60,050,777

The accompanying notes form an integral part of these financial statement

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	NOTE	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue		37,870,412	27,162,338	-	-
• Cost of goods sold		(25,234,125)	(21,629,190)	-	-
Gross profit		12,636,287	5,533,148	-	-
• Other income		489,664	303,334	-	-
• Other operating expenses		(6,641,367)	(3,803,764)	(517,470)	(357,155)
Profit/(Loss) from operating activities		6,484,584	2,032,718	(517,470)	(357,155)
• Investment income		64,959	238,162	-	-
• Finance cost		(1,356,852)	(1,183,672)	-	-
Profit/(Loss) before tax	18	5,192,691	1,087,208	(517,470)	(357,155)
• Tax expense	20	(352,275)	(50,637)	-	-
Net profit/(loss) for the year		4,840,416	1,036,571	(517,470)	(357,155)
Other comprehensive income, net of tax					
• Change in fair value of available-for-sale financial assets		2,693	-	-	-
Total comprehensive income/(loss) for the year		4,843,109	1,036,571	(517,470)	(357,155)
Profit attributable to:					
• Owners of the Company		4,689,114	1,060,056	(517,470)	(357,155)
• Minority interest		151,302	(23,485)	-	-
Net profit/(loss) for the year		4,840,416	1,036,571	(517,470)	(357,155)
Total comprehensive income attributable to:					
• Owners of the Company		4,691,807	1,060,056	(517,470)	(357,155)
• Minority interest		151,302	(23,485)	-	-
Total comprehensive income/(loss) for the year		4,843,109	1,036,571	(517,470)	(357,155)

The accompanying notes form an integral part of these financial statement.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2010

Group	Share Capital RM	Fair Value Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Total RM	Minority Interest RM	Total Equity RM
	Non-Distributable		*Distributable*			
At 1 January 2009	2	-	(9,277)	(9,275)	-	(9,275)
• Shares issues	55,820,000	-	-	55,820,000	-	55,820,000
• Minority interest arising from acquisition	-	-	-	-	227,573	227,573
• Total comprehensive income for the year	-	-	1,060,056	1,060,056	(23,485)	1,036,571
At 31 December 2009	55,820,002	-	1,050,779	56,870,781	204,088	57,074,869
	========	========	========	========	========	========
At 1 January 2010 as previously stated	55,820,002	-	1,050,779	56,870,781	204,088	57,074,869
• Impact of adopting FRS 139	-	22,720	-	22,720	-	22,720
At 1 January 2010, as restated	55,820,002	22,720	1,050,779	56,893,501	204,088	57,097,589
• Total comprehensive income for the year	-	2,693	4,689,114	4,691,807	151,302	4,843,109
At 31 December 2010	55,820,002	25,413	5,739,893	61,585,308	355,390	61,940,698
	========	========	========	========	========	========
	Note 14					

Company	Share Capital RM	(Accumulated Losses)/ Retained Profits RM	Total RM
At 1 January 2009	2	(9,277)	(9,275)
• Shares issues	55,820,000	-	55,820,000
• Total comprehensive loss for the year	-	(357,155)	(357,155)
At 31 December 2009/1 January 2010	55,820,002	(366,432)	55,453,570
• Total comprehensive loss for the year	-	(517,470)	(517,470)
At 31 December 2010	55,820,002	(883,902)	54,936,100
	========	========	========
	Note 14		

The accompanying notes form an integral part of these financial statement.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2010

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash flows from operating activities				
• Profit/(Loss) before tax	5,192,691	1,087,208	(517,470)	(357,155)
Adjustments for:				
• Amortisation of intangible assets	4,775,020	2,951,395	-	-
• Depreciation of investment property	59,091	39,212	-	-
• Depreciation of property, plant and equipment	3,835,602	2,514,631	-	-
• Loss/(Gain) on disposal of property, plant and equipment	2,281	(107,875)	-	-
• Finance costs	1,356,852	1,183,672	-	-
• Investment income	(64,959)	(238,162)	-	-
• Write off of property, plant and equipment	-	42,219	-	-
Operating profit/(loss) before changes in working capital	15,156,578	7,472,300	(517,470)	(357,155)
Changes in working capital:				
• Inventories	(1,987,801)	-	-	-
• Work-in-progress	(1,735,579)	(2,410,561)	-	-
• Trade and other receivables	745,511	3,314,061	3,224,475	(3,227,725)
• Trade and other payables	(1,573,152)	1,002,197	(2,706,520)	4,587,930
Cash generated from operations	10,605,557	9,377,997	485	1,003,050
• Tax paid	(107,625)	(38,056)	-	-
• Interest received	64,959	238,162	-	-
Net cash generated from operations	10,562,891	9,578,103	485	1,003,050

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2010

		Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Cash flows from investing activities					
• Disposal of other investments		-	1,043,099	-	-
• Proceeds from disposal of property, plant and equipment		68,189	148,155	-	-
• Purchase of intangible assets		(579,401)	(3,458,046)	-	-
• Purchase of property, plant and equipment		(1,788,577)	(1,619,132)	-	-
• Purchase of subsidiaries, net of cash and cash equivalents		-	(56,724,932)	-	(56,820,000)
Net cash used in investing activities		(2,299,789)	(60,610,856)	-	(56,820,000)
Cash flows from financing activities					
• Change in fair value of available-for-sale financial asset		1,485,737	-	-	-
• (Increase)/Decrease in pledged deposits		(579,071)	521,586	-	-
• Interest paid		(1,356,852)	(1,183,672)	-	-
• Proceeds from issuance of shares		-	55,820,000	-	55,820,000
• Repayment of loan and borrowings		(4,313,619)	(1,264,283)	-	-
Net cash (used in)/ generated from financing activities		(4,763,805)	53,893,631	-	55,820,000
Net increase in cash and cash equivalents		3,499,297	2,860,878	485	3,050
Cash and cash equivalents at beginning of year		2,860,880	2	3,052	2
Cash and cash equivalents at end of year	(i)	6,360,177	2,860,880	3,537	3,052

(i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following statements of financial position amounts :

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
• Cash and bank balances		3,444,566	1,718,115	3,537	3,052
• Deposits with licensed banks		4,003,096	1,651,179	-	-
		7,447,662	3,369,294	3,537	3,052
Less: Deposits pledged	13	(1,087,485)	(508,414)	-	-
		6,360,177	2,860,880	3,537	3,052

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

NOTES TO FINANCIAL STATEMENTS
31 December 2010

Privasia Technology Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The addresses of its principal place of business and registered office are as follows:

Principal place of business
Unit C-21-05
3 Two Square
No.2, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan

Registered office
No. 13A, Jalan SS21/56B
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the year ended 31 December 2010 do not include other entities.

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The financial statements were approved by the Board of Directors on 26 April 2011.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010
- Amendments to FRS 132, *Financial Instruments: Presentation - Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010
- FRS 1, *First Time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011
- Amendments to FRS 1, *First Time Adoption of Financial Reporting Standards*
  - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
  - Additional Exemption for First-time Adopters
- Amendments to FRS 7, *Financial Instruments: Disclosure - Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share-based Payment Transactions*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Improvements to FRSs (2010)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012
- FRS 124, *Related Party Disclosures (revised)*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and Company plan to apply the abovementioned standards, amendments and interpretations:
- from the annual period beginning on 1 January 2011 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011, except for FRS 1 (revised), Amendments to FRS 2, IC Interpretation 12 and Amendments to FRS 1 which are not applicable to the Group and the Company; and
- from the annual period beginning on 1 January 2012 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for Amendments to IC Interpretation 14, IC Interpretation 19 and IC Interpretation 15 which are not applicable to the Group and the Company.

The initial applications of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and Company.

Following the announcement by the MASB on 1 August 2008, the Group's and Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012. The management has yet to assess the impact on the financial position and performance of the Group and of the Company.

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 5 - Intangible assets.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, other than those disclosed in the following notes:

- Note 2(c) - Financial instruments
- Note 2(t) - Operating segments

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Minority interest

Minority interests at the end of the reporting period, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the comprehensive income for the year between minority interests and the owners of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

2. Significant accounting policies (continued)

(c) Financial instruments

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 30.

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorises and measures financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(c) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(j)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) 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.

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Computer equipment	4 - 5 years
• Plant and equipment	5 years
• Office equipment	3 - 5 years
• Renovation	3 - 5 years
• Motor vehicles	5 years
• Small value assets	1 year

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

2. Significant accounting policies (continued)

(e) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less accumulated impairment losses.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Goodwill with indefinite useful lives are not amortised but tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

2. Significant accounting policies (continued)

(e) Intangible assets (continued)

(v) Amortisation (continued)

The estimated useful lives are as follows:

• Software costs	3 - 5 years
• Development costs	3 - 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(f) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings.

(ii) Determination of fair value

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(g) Other investments

Prior to 1 January 2010, other investments are recognised initially at cost. Subsequent to initial recognition, other investments are carried at the lower of cost and market value.

Following the adoption of FRS 139, other investments are categorised and measured as available-for-sale financial assets in accordance with Note 2(c).

h) Trade and Other Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequent measured at costs less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2(c).

Trade and other receivables are not held for the purpose of trading.

2. Significant accounting policies (continued)

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with Note 2(c).

(j) Impairment

(i) Financial assets

All financial assets (except for investment in subsidiaries) are assessed at each reporting date 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. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables 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 asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the recoverable value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

2. Significant accounting policies (continued)

(j) Impairment (continued)

(ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) Work-in-progress

Work-in-progress is measured at the lower of cost and net realisable value. The cost of work-in-progress includes expenditure incurred in developing the work-in-progress and incidental costs incurred.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the expenditure incurred in acquiring the inventories and bringing them to their existing location and condition and is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

(n) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Statutory pension funds

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue recognition

(i) Services

Revenue from services rendered is recognised in proportion to the stage of completion, unless they are incidental to the sale of product in which case they are recognised when the goods are sold. The stage of completion is assessed by reference to services performed to date as percentage of total services to be performed. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(iii) Dividend income

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

(iv) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

2. Significant accounting policies (continued)

(p) Revenue recognition (continued)

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(q) 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.

Before 1 January 2010, all borrowing costs were recognised in profit or loss using the effective interest method in the period in which they are incurred.

Following the adoption of revised FRS 123, *Borrowing Costs*, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(r) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(r) Tax expense (continued)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(t) Operating segments

In the previous year, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, 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, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment

Group	Buildings RM	Computer equipment RM	Plant and equipment RM	Office equipment RM	Renovation RM	Motor Vehicles RM	Small Value assets RM	Total RM
Cost								
At 1 January 2009	-	-	-	-	-	-	-	-
Acquisitions through business combinations	6,508,827	7,562,848	466,438	4,156,653	536,656	65,356	-	19,296,778
Additions	-	1,422,177	-	145,943	29,325	-	21,687	1,619,132
Disposals	-	(4,143)	-	-	-	(62,111)	-	(66,254)
Written off	-	(58,467)	-	(15,239)	(20,101)	-	-	(93,807)
At 31 December 2009/ 1 January 2010	6,508,827	8,922,415	466,438	4,287,357	545,880	3,245	21,687	20,755,849
Additions	-	1,531,283	102,088	134,779	3,778	-	16,649	1,788,577
Disposals	-	(24,104)	(44,325)	(10,050)	(13,307)	-	-	(91,786)
At 31 December 2010	6,508,827	10,429,594	524,201	4,412,086	536,351	3,245	38,336	22,452,640
Accumulated depreciation								
At 1 January 2009	-	-	-	-	-	-	-	-
Charge for the year	44,743	1,527,060	12,277	714,996	168,762	25,373	21,420	2,514,631
Disposals	-	(1,132)	-	-	-	(24,842)	-	(25,974)
Written off	-	(35,939)	-	(2,655)	(12,994)	-	-	(51,588)
At 31 December 2009/ 1 January 2010	44,743	1,489,989	12,277	712,341	155,768	531	21,420	2,437,069
Charge for the year	66,842	2,343,401	83,662	1,087,926	236,407	794	16,570	3,835,602
Disposals	-	(6,695)	(1,560)	(5,671)	(7,390)	-	-	(21,316)
At 31 December 2010	111,585	3,826,695	94,379	1,794,596	384,785	1,325	37,990	6,251,355
Carrying amounts								
At 1 January 2009	-	-	-	-	-	-	-	-
At 31 December 2009 /1 January 2010	6,464,084	7,432,426	454,161	3,575,016	390,112	2,714	267	18,318,780
At 31 December 2010	6,397,242	6,602,899	429,822	2,617,490	151,566	1,920	346	16,201,285

3.1 Security

At 31 December 2010, properties with carrying amount of RM6,397,242 (2009 - RM6,464,084) have been pledged as security for loans from a licensed bank (see Note 15).

4. Investment property

Group	RM
Cost	
At 1 January 2009	-
Acquisitions through business combinations	5,753,656
At 31 December 2009/1 January 2010/31 December 2010	5,753,656
Accumulated depreciation	
At 1 January 2009	-
Charge for the year	39,212
At 31 December 2009/1 January 2010	39,212
Charge for the year	59,091
At 31 December 2010	98,303
Carrying amounts	
At 1 January 2009	-
At 31 December 2009/1 January 2010	5,714,444
At 31 December 2010	5,655,353

Investment property comprises a number of commercial properties that are leased or available for lease to third parties. Each of the leases contain an initial non-cancellable period of one to six months (see Note 26). Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

The following are recognised in profit or loss in respect of investment property:

	Group	
	2010 RM	2009 RM
Rental income	358,390	234,600

As at 31 December 2010, investment property of the Group with carrying amount of RM5,655,353 (2009 - RM5,714,444) have been pledged as security for loans from a licensed bank (see Note 15).

As at 31 December 2010, the Directors are of the opinion that the Group's investment property had a total market value of RM5,800,000 (2009 - RM5,800,000).

5. Intangible assets

Group	Goodwill RM	Development Costs RM	Software Costs RM	Total RM
Cost				
At 1 January 2009	-	-	-	-
Acquisitions through business combinations	36,005,230	14,830,257	136,264	50,971,751
Additions	-	2,925,771	532,275	3,458,046
At 31 December 2009/ 1 January 2010	36,005,230	17,756,028	668,539	54,429,797
Additions	-	372,023	207,378	579,401
At 31 December 2010	36,005,230	18,128,051	875,917	55,009,198
Accumulated amortisation				
At 1 January 2009	-	-	-	-
Amortisation for the year	-	2,831,297	120,098	2,951,395
At 31 December 2009/ 1 January 2010	-	2,831,297	120,098	2,951,395
Amortisation for the year	-	4,498,194	276,826	4,775,020
At 31 December 2010	-	7,329,491	396,924	7,726,415
Carrying amounts				
At 1 January 2009	-	-	-	-
At 31 December 2009/ 1 January 2010	36,005,230	14,924,731	548,441	51,478,402
At 31 December 2010	36,005,230	10,798,560	478,993	47,282,783

5.1 Amortisation

The amortisation of development costs and software costs are recognised in cost of sales.

5.2 Impairment testing for cash-generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

5. Intangible assets (continued)

	2010		2009	
	Goodwill	Discount rate	Goodwill	Discount rate
	RM	%	RM	%
Cash generating unit				
Information Technology ("IT")	17,851,494	11.00	17,851,494	13.55
Information and Communication Technology ("ICT")	17,684,740	11.00	17,684,740	13.55
Satellite-based network services ("SAT")	468,996	11.00	468,996	13.55
	36,005,230		36,005,230	

The CGUs, having built technical expertise and reputation in the IT and telecommunications industry, would also be able to expand into more strategic business models serving their potential clientele by leveraging on each other's experience and resources.

The recoverable amount of the CGU was based on their value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial forecasts approved by management. The key assumptions for the computation of value-in-use include the discount rates and growth rates applied. Discount rates used are based on the pre-tax weighted average cost of capital plus an appropriate risk premium at the date of assessment of the Group. The growth rate of revenue is expected to be equivalent to the historical industry growth rate of 10% per annum.

The cash flow projections are based on 20 years financial budgets approved by management. These represent management's assessment of future trends in the information technology industry and are based on both external sources and internal sources (historical data).

Management believes that any reasonable possible changes in the above key assumptions applied will not cause the carrying values of the CGUs to materially exceed their recoverable amounts.

6. Investment in subsidiaries

	Company 2010 RM	Company 2009 RM
At cost:		
Unquoted shares	56,820,000	56,820,000
	========	========

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2010	Effective ownership interest 2009
Privasia Sdn. Bhd.	Malaysia	Outsourcing, consultation, e-procurement and related functions	100%	100%
Privanet Sdn. Bhd. (Formerly known as Airocom Technology Sdn. Bhd.)	Malaysia	Provision of total wireless and communication solutions	100%	100%
IPSAT Sdn. Bhd.	Malaysia	Providing high speed internet broadband access (satellite services)	70%	70%
Subsidiaries of Privasia Sdn. Bhd:				
Privasia Bioinformatics Sdn. Bhd.	Malaysia	Carry on business of bioinformatics and biotechnology related products	100%	100%
Privacom Sdn. Bhd.	Malaysia	Dealer in data processing equipment, computer systems and provision of telecommunication and computer network consultancy services	100%	100%
Subsidiaries of Privanet Sdn. Bhd. (Formerly known as Airocom Technology Sdn. Bhd.):				
Airoport.com Sdn. Bhd.	Malaysia	Mobile multimedia content development and services	100%	100%
Privanet Distribution Sdn. Bhd. (Formerly known as Airocom Mobile Communications Sdn. Bhd.)	Malaysia	Trading of electronic and telecommunication equipment	100%	100%

7. Trade and other receivables

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Non-current					
Trade					
Retention sums	12.1	750,000	750,000	-	-
Total non-current		750,000	750,000	-	-
Current					
Trade					
Trade receivables		8,224,293	9,162,422	3,250	-
Allowance for impairment loss		(120,173)	-	-	-
		8,104,120	9,162,422	3,250	-
Non-trade					
Amount due from a subsidiary	12.2	-	-	-	3,225,725
Amount due from related companies	12.2	26,036	-	-	-
Other receivables		308,199	90,762	-	2,000
Deposits		336,297	150,512	-	-
Prepayments		562,649	679,116	-	-
		1,233,181	920,390	-	3,227,725
Total current		9,337,301	10,082,812	3,250	3,227,725
		10,087,301	10,832,812	3,250	3,227,725

12.1 Retention sums

The trade-related non-current retention sums relate to amounts retained by customers for ongoing projects pending completion. The amounts are unsecured and interest free.

12.2 Amounts due from a subsidiary and related companies

Amounts due from a subsidiary and related companies are unsecured, interest free and repayable on demand.

8. Inventories

	Group	
	2010	2009
	RM	RM
At cost:		
Finished goods	1,987,801	-
	========	========

9. Work-in-progress

	Group	
	2010	2009
	RM	RM
At cost:		
Work-in-progress	1,891,995	156,416
	========	========

10. Tax recoverable

Tax recoverable is subject to approval by the Inland Revenue Board of Malaysia.

11. Available-for-sale financial assets

	Group	
	2010	2009
	RM	RM
At fairvalue :		
Quoted unit trusts	1,026,336	-
	========	========

As part of its treasury management activities, the Group invests its cash surplus in short term money market unit trusts.

12. Other investments

	Group	
	2010	2009
	RM	RM
At cost:		
Quoted unit trusts	-	2,486,660
	========	========

As part of its treasury management activities, the Group invests its cash surplus in short term money market unit trusts.

The market value of investments in quoted unit trusts as at the previous year was RM2,509,380.

13. Cash and cash equivalents

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Deposits placed with licensed banks	13.1	4,003,096	1,651,179	-	-
Cash and bank balances		3,444,566	1,718,115	3,537	3,052
		7,447,662	3,369,294	3,537	3,052

13.1 Deposits placed with licensed banks pledged for a bank facility

Included in the deposits placed with licensed banks is RM1,087,485 (2009 - RM508,414) pledged for a bank facility granted to the Group's subsidiaries.

14. Capital and reserves

Share capital

	Group and Company Amount 2010 RM	Number of shares 2010	Amount 2009 RM	Number of shares 2009
Ordinary shares of RM0.10 each				
Authorised:				
At 1 January	100,000,000	1,000,000,000	100,000	100,000
Effect of share split	-	-	-	900,000
Increase during the year	-	-	99,900,000	999,000,000
At 31 December	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued and fully paid:				
At 1 January	55,820,002	558,200,020	2	2
Effect of share split	-	-	-	18
Issued during the year	-	-	55,820,000	558,200,000
At 31 December	55,820,002	558,200,020	55,820,002	558,200,020

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Retained profits

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2009. As the Company was incorporated in the year of assessment 2009, it will be placed on the single tier dividend system.

15. Loans and borrowings

	Group 2010 RM	Group 2009 RM
Non-current		
Secured loans		
• licensed banks	18,378,430	7,322,148
• government-linked financing body	-	12,125,723
	18,378,430	19,447,871
	========	========
Current		
Secured loans		
• licensed banks	4,906,011	1,310,189
• government-linked financing body	-	6,840,000
	4,906,011	8,150,189
	========	========
Total	23,284,441	27,598,060
	========	========

15.1 Security

The bank loans are secured over buildings with a carrying amount of RM6,397,242 (2009 - RM6,464,084) (see Note 3) and investment property with a carrying amount of RM5,655,353 (2009 - RM5,714,444) (see Note 4).

15.2 Terms and debt repayment schedule

Group	Year of maturity	Carrying amount	Under 1 year	1-5 years	Over 5 years
2010		RM	RM	RM	RM
Secured bank loans					
• licensed banks	2015	23,284,441	4,906,011	18,378,430	-
		========	========	========	========
2009					
Secured bank loans					
• licensed banks	2015	8,632,337	1,310,189	5,780,194	1,541,954
• government-linked financing body	2013	18,965,723	6,840,000	12,125,723	-
		27,598,060	8,150,189	17,905,917	1,541,954
		========	========	========	========

16. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2010 RM	2009 RM
Property, plant and equipment	108,000	10,450
	========	========

17. Trade and other payables

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Trade					
Trade payables		3,923,651	4,015,048	-	-
		-------------	-------------	-------------	-------------
Non-trade					
Amount due to related companies	17.1	-	-	1,824,375	4,597,207
Other payables and accruals		2,168,325	3,650,080	66,312	-
		2,168,325	3,650,080	1,890,687	4,597,207
		-------------	-------------	-------------	-------------
		6,091,976	7,665,128	1,890,687	4,597,207
		========	========	========	========

17.1 Amount due to related companies

Amount due to related companies is unsecured, interest free and repayable on demand.

18. Profit/(Loss) before tax

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for impairment losses on trade receivables	120,173	-	-	-
Amortisation of intangible assets	4,475,020	2,951,395	-	-
Auditors' remuneration:				
• Statutory audit services				
- KPMG	53,000	45,000	9,000	8,000
- Other auditors	-	5,000	-	-
• Other services				
- KPMG	43,000	43,000	25,000	25,800
Bad debts written off	69,468	78,135	-	-
Depreciation of investment property	59,091	39,212	-	-
Depreciation of property, plant and equipment	3,835,602	2,514,631	-	-
Directors' allowance	14,000	12,000	14,000	12,000
Directors' fees	144,000	96,000	144,000	96,000
Directors' remuneration	498,008	283,800	-	-
Finance costs	1,356,852	1,183,672	-	-
Loss on disposal of property, plant and equipment	2,281	-	-	-
Personnel expenses				
• Contributions to Employees' Provident Fund	666,392	363,982	-	-
• Wages, salaries and others	6,319,953	3,318,075	-	-
Rental expenses	112,939	136,915	-	-
Write off of property, plant and equipment	-	42,219	-	-
	========	========	========	========
and after crediting:				
Gain on disposal of property, plant and equipment	-	107,875	-	-
Realised loss on foreign exchange	3,221	8,121	-	-
Interest income	64,959	238,162	-	-
Rental income	428,612	234,600	-	-
	========	========	========	========

19. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Directors:				
• Allowance	14,000	12,000	14,000	12,000
• Fees	144,000	96,000	144,000	96,000
• Remuneration	498,008	283,800	-	-
Total short-term employee benefits	656,008	391,800	158,000	108,000
	========	========	========	========

20. Tax expense

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Current tax expense				
• current year	225,718	64,692	-	-
• prior year	29,007	(24,505)	-	-
Deferred tax expense				
Origination and reversal of temporary differences	97,550	10,450	-	-
Total tax expense	352,275	50,637	-	-
	========	========	========	========

Reconciliation of tax expense

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit/(Loss) before tax	5,192,691	1,087,208	(517,470)	(357,155)
	========	========	========	========
Tax at Malaysian tax rate of 25%	1,298,173	271,802	(129,368)	(89,289)
Non-deductible expenses	148,292	347,386	129,368	89,289
Current year losses for which no deferred tax asset was recognised	724,645	-	-	-
Effect of deferred tax not recognised	-	(74,744)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(44,842)	(22,902)	-	-
Taxation exempted	(1,780,374)	(494,141)	-	-
Others	(23,261)	47,741	-	-
Under/(Over) provision in prior years	29,642	(24,505)	-	-
	352,275	50,637	-	-
	========	========	========	========

20. Tax expense (continued)

The government of Malaysia awarded Multimedia Super Corridor ("MSC") status to the Company's subsidiaries, Privanet Sdn. Bhd. (previously known as Airocom Technology Sdn. Bhd.) and Privasia Sdn. Bhd., on 29 December 2000 and 23 January 2002, respectively. With the granting of MSC status, these subsidiaries are exempted from tax on 100% of statutory income from qualifying activities for an initial period of five (5) years. The extension of MSC status along with Pioneer Status for both subsidiaries had been approved by the authorities concerned for another five (5) years.

21. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2010	**2009**
	RM	**RM**
Profit attributable to ordinary shareholders	4,689,114	1,060,056
	========	========

Weighted average number of ordinary shares

	Group	
	2010	**2009**
	RM	**RM**
At 1 January	558,200,020	2
Issued during the year	-	372,133,345
At 31 December	558,200,020	372,133,347
	========	========
Basic earnings per ordinary share (sen)	0.84	0.28
	========	========

Diluted earnings per ordinary share

Diluted earnings per ordinary share (sen)	0.84	0.28
	========	========

The Group has no dilution in its earnings per ordinary share in the current financial year as there are no dilutive potential ordinary shares. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its earnings per share.

22. Dividends

After the reporting period, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders at the forthcoming Annual General Meeting.

	Sen per share	Total Amount RM
Final ordinary - 31 December 2010	0.1	558,200
		========

23. Operating segments

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

- Information Technology ("IT")

  The IT segment covers three main areas: IT infrastructure outsourcing, consultancy and systems integration, and procurement management.

- Information and Communication Technologies ("ICT")

  The ICT segment provides wireless broadband infrastructure, comprehensive mobile and wireless communications consultancy, and systems development for ICT and mobile solutions providers and enterprises.

- Satellite-based network services ("SAT")

  The SAT segment provides a broad spectrum of satellite-based network solutions, such as managed network, high speed internet, value-added broadband applications and satellite IP Virtual Private Network for the commercial sector and general public.

Geographical segments

The Group operates in a single geographical location, and hence, no geographical segment reporting is presented.

23. Operating segments (continued)

2010	**IT RM**	**ICT RM**	**SAT RM**	**Total RM**
Business segments				
Total segment revenue	31,263,552	3,767,387	2,839,473	37,870,412
Segment results	10,218,001	1,022,078	1,396,208	12,636,287
Other income				489,664
Other operating expenses				(6,641,367)
Results from operating activities				6,484,584
Interest income				64,959
Finance costs				(1,356,852)
Tax expense				(352,275)
Net profit for the year				4,840,416
				========
Segment assets	66,308,751	22,002,553	3,272,915	91,584,219
Unallocated assets				6,787
Total assets				91,591,006
			1,307,902	========
Segment liabilities	26,948,495	1,327,599		29,583,996
Unallocated liabilities				66,312
Total liabilities				29,650,308
				========
Capital expenditure			116,376	
• Property, plant and equipment	1,672,004	197	-	1,788,577
• Investment property	-	-	-	-
• Intangible assets	579,401	-		579,401
Depreciation			88,416	
• Property, plant and equipment	3,734,757	12,429	-	3,835,602
• Investment property	59,091	-		59,091
			-	
Amortisation of intangible assets	4,775,020	-	========	4,775,020
	========	========		========

23. Operating segments (continued)

2009	**IT**	**ICT**	**SAT**	**Total**
	RM	**RM**	**RM**	**RM**
Business segments				
Total segment revenue	20,359,035	6,803,303	-	27,162,338
Segment results	3,996,662	(1,539,013)	(67,776)	2,389,873
Unallocated expenses				(357,155)
Results from operating activities				2,032,718
Interest income				238,162
Finance costs				(1,183,672)
Tax expense				(50,637)
Net profit for the year				1,036,571
Segment assets	71,035,782	19,290,803	2,025,171	92,351,756
Unallocated assets				50,619
Total assets				92,402,375
Segment liabilities	32,022,200	2,375,557	865,431	35,263,188
Unallocated liabilities				64,318
Total liabilities				35,327,506
Capital expenditure				
Property, plant and equipment	20,221,980	205,473	488,457	20,915,910
Investment property	5,753,656	-	-	5,753,656
Intangible assets	36,276,061	17,684,740	468,996	54,429,797
Depreciation				
Property, plant and equipment	2,394,480	106,536	13,615	2,514,631
Investment property	39,212	-	-	39,212
Amortisation of intangible assets	2,951,395	-	-	2,951,395

24. Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Available-for-sale financial assets (AFS); and
(c) Other financial liabilities measured at amortised cost (OL).

	Carrying Amount RM	AFS RM	L&R/(OL) RM
2010			
Financial assets			
Group			
Trade and other receivables	10,087,301	-	10,087,301
Available-for-sale financial assets	1,026,336	1,026,336	-
Cash and cash equivalents	7,447,662	-	7,447,662
	18,561,299	1,026,336	17,534,963
Company			
Trade and other receivables	3,250	-	3,250
Cash and cash equivalents	3,537	-	3,537
	6,787	-	6,787
2010			
Financial liabilities			
Group			
Loans and borrowings	(23,284,441)	-	(23,284,441)
Trade and other payables	(6,091,976)	-	(6,091,976)
	(29,376,417)	-	(29,376,417)
Company			
Trade and other payables	(1,890,687)	-	(1,890,687)

24. Financial instruments (continued)

24.2 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.3 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on new customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group has significant concentrations of credit risk in the form of outstanding balances due from three customers representing approximately 28%, 24% and 7% of total trade and other receivables respectively.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group 2010	Gross RM	Individual Impairment RM	Net RM
Non-current			
Not past due	750,000	-	750,000
Current			
Not past due	5,018,037	-	5,018,037
Past due 0 - 30 days	119,986	-	119,986
Past due more than 30 days	3,086,270	(120,173)	2,966,097
	8,224,293	(120,173)	8,104,120
	8,974,293	(120,173)	8,854,120

24. Financial instruments (continued)

24.3 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The Group's average credit terms for trade receivables are 90 days.

Included in trade receivables past due more than 30 days are amounts due from 4 customers amounting to approximately RM2.6 million. The Directors are of the opinion that these amounts are recoverable based on the following:

- Significant payments have been subsequently received from 2 customers after the reporting date;
- The Directors have made assessments that these customers have the ability to repay the balances outstanding; and,
- The Directors have received correspondence and confirmation that these customers will repay the balances outstanding within agreed timelines.

During the current financial year, the Group had written off RM69,468 (2009 - RM78,135) of trade receivables.

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group 2010 RM
At 1 January	-
Impairment loss recognised	120,173
At 31 December	120,173

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured loans and advances to related companies. The Company monitors the results of the related companies regularly.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the related companies are not recoverable. The Group does not specifically monitor the ageing of the advances to the subsidiaries.

24. Financial instruments (continued)

24.3 Credit risk (continued)

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The Group's short term deposits are placed as fixed rates investments and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed with reputable financial institutions.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that cash and cash equivalents are not recoverable.

24.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

24.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

24.5.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily U.S. Dollars ("USD").

Risk management objectives, policies and processes for managing the risk

The Group did not hedge any foreign trade receivables or payables denominated in foreign currencies during the year. In respect of other monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group ensures that the net exposure is kept to an acceptable level.

Currency risk sensitivity analysis

The exposure to currency risk of Group entities is not material and hence, sensitivity analysis is not presented.

24. Financial instruments (continued)

24.5 Market risk (continued)

24.5.2 Interest rate risk

The Group's borrowings are not exposed to a risk of change in their fair value due to changes in interest rates. The Group's borrowings are exposed to a risk of change in cash flows due to changes in interest rate. Receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group does not engage in any hedging activities to manage interest risk fluctuations.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Deposits placed with licensed banks	4,003,096	1,651,179	-	-
	========	========	========	========
Floating rate instruments				
Loans and borrowings	23,284,441	27,598,060	-	-
	========	========	========	========

Interest rate risk sensitivity analysis

The Group and the Company does not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss. The exposure to interest rate risk arising from floating rate instruments is not material. As such, sensitivity analysis is not presented.

24.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The debt-to-equity ratios at 31 December 2010 and at 31 December 2009 were as follows:

	Group	
	2010 RM	2009 RM
Total loans and borrowings (Note 15)	23,284,441	27,598,060
Less: Cash and cash equivalents (Note 13)	(7,447,662)	(3,369,294)
Net debt	15,836,779	24,228,766
Total equity	61,940,698	57,074,869
Debt-to-equity ratios	0.26	0.42

Under the requirement of Bursa Malaysia Guidance Note No. 3, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares). The Company has complied with this requirement.

26. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2010 RM	2009 RM
Less than one year	358,390	25,742

Leases as lessor

The Group and the Company leases out its investment property under operating leases (see Note 4). The future minimum lease payments under non-cancellable leases are as follows

	Group	
	2010 RM	2009 RM
Less than one year	244,098	117,017

27. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to 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 or common significant influence. Related parties may be individuals or other entities.

Identities of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

There are no significant related party transactions other than those disclosed in Note 6, Note 7, Note 17 and Note 19 in the financial statements.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

28. Contingent liabilities

During the year, the Company provided corporate guarantees amounting to RM16 million (2009 - RM35 million) to Privasia Sdn. Bhd. and RM1 million (2009 - RM Nil) to IPSAT Sdn. Bhd. respectively in favour of banking facilities granted to these subsidiaries.

The Directors are of the opinion that provisions are not required as it is not probable that a future sacrifice of economic benefits will be required.

29. Capital commitment

	Group	
	2010	**2009**
Plant and equipment	**RM**	**RM**
Authorised but not contracted for	12,623,380	-
	========	========

30. Significant changes in accounting policies

30.1 FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries were measured at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries are now categorised and measured as available-for-sale as detailed in Note 2(c).

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Change in accounting policy

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for prior periods. It is not practicable to estimate the impact arising from the adoption of FRS 139 to the current year's basic and diluted earnings per share.

30.2 FRS 8, Operating Segments

As of 1 January 2010, the Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FR 114_{2004}, Segment Reporting.

Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

30.3 FRS 101, Presentation of Financial Statements (revised)

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

31. Comparative figures

31.1 FRS 101, Presentation of Financial Statements (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 December 2009 have been re-presented as statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity.

32. Supplementary information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010, into realised and unrealised profits, pursuant to the directive, is as follows:

	Group 2010 RM	Company 2010 RM
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- realised	(7,500,909)	(917,072)
- unrealised	110,963	33,170
Total accumulated losses	(7,389,946)	(883,902)
Add: Consolidation adjustments	13,129,839	-
Total retained earnings/(accumulated losses)	5,739,893	(883,902)

The determination of realised and unrealised profits is based on the Guidance of 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*, issued by Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS
Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 34 to 77 are drawn up in accordance with Financial Reporting Standards and 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 at 31 December 2010 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 32 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Ali bin Abdul Kadir

Puvanesan a/l Subenthiran

Petaling Jaya,

Date: 26 April 2011

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

I, Puvanesan a/l Subenthiran, the Director primarily responsible for the financial management of Privasia Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 78 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 the above named in Kuala Lumpur, Wilayah Persekutuan on 26 April 2011.
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Puvanesan a/l Subenthiran

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
to the members of Privasia Technology Berhad

Report on the Financial Statements

We have audited the financial statements of Privasia Technology Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 77.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and 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 have been properly drawn up in accordance with Financial Reporting Standards and 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 2010 and of their financial performance and cash flows for the year then ended.

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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts 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) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 32 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standard. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by 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.

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KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Approval number: 1745/12/11(J)
Chartered Accountant

Petaling Jaya

Date: 26 April 2011

ANALYSIS OF SHAREHOLDINGS as at 06 April 2011

Analysis by Size of Shareholdings as at 06 April 2011

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	8	0.46	400	0.00
100 - 1,000	83	4.77	61,400	0.01
1,001 - 10,000	666	38.28	4,008,300	0.72
10,001 - 100,000	719	41.32	30,794,000	5.52
100,001 - 27,910,000 *	260	14.94	227,074,000	40.68
27,910,001 and above **	4	0.23	296,261,920	53.07
Total	1,740	100	558,200,020	100

Note: * Less than 5% of issued holdings
** 5% and above of issued holdings

List of Substantial Shareholders (5% and above) as at 06 April 2011

No	Shareholders	Direct No. of Shares	%	Indirect No. of Shares	%
1	Anyotech Sdn Bhd	79,713,220	14.28	-	-
2	Radiant Principles Sdn Bhd	76,836,300	13.77	-	-
3	Pancarthiran Sdn Bhd	71,172,500	12.75	-	-
4	Mohd Aqliff Shane Abdullah	68,539,900	12.28	-	-

List of Directors' Shareholdings as at 06 April 2011

No	Names	Direct	%	Indirect	%
1	Professor Datuk Ali Bin Abdul Kadir	18,360,400	3.29	1,666,666	0.30
2	Puvanesan A/L Subenthiran	15,981,400	2.86	150,885,720	27.03
3	Andre Anthony A/L Hubert Rene	12,281,400	2.20	156,549,520	28.05
4	Brian Wong Wye Pong	500,000	0.09	-	-
5	Asgari Bin Mohd Fuad Stephens	-	-	4,000,000	0.72
6	Mohd Aqliff Shane Abdullah	68,539,900	12.28	-	-

ANALYSIS OF SHAREHOLDINGS
as at 06 April 2011

List of Thirty (30) Largest Securities Account Holders as at 06 April 2011
(Without aggregating the securities from different securities accounts belonging to the same depositors)

No	Names	Shareholdings	%
1	Anyotech Sdn. Bhd.	79,713,220	14.28
2	Radiant Principles Sdn. Bhd.	76,836,300	13.77
3	Pancarthiran Sdn. Bhd.	71,172,500	12.75
4	Mohd Aqliff Shane Abdullah	68,539,900	12.28
5	Ulaganathan A/L Muthu Pandithan	21,000,000	3.76
6	Eminent Access Sdn. Bhd.	17,404,700	3.12
7	Lim Kian @ Lim Chow Yang	17,335,200	3.11
8	Puvanesan A/L Subenthiran	15,981,400	2.86
9	AmBank (M) Berhad Pledged Securities Account for Ali Bin Abdul Kadir (SMART)	12,351,400	2.21
10	Ashok A/L Panchalingam	6,970,700	1.25
11	Chan Fook Ling	6,500,000	1.16
12	Andre Anthony A/L Hubert Rene	6,482,700	1.16
13	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Ali Bin Abdul Kadir (PB)	4,484,000	0.80
14	M.I.T Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Andre Anthony A/L Hubert Rene (MI1309-328)	3,740,700	0.67
15	Suntharam A/L Subramaniam	3,600,000	0.64
16	Shaiful Zahrin Bin Subhan	2,846,900	0.51
17	Firmansyah Aang Bin Muhamad	2,846,900	0.51
18	Lim Moi Moi	2,700,000	0.48
19	Wong Swee Ying	2,600,000	0.47
20	Ong Gok Swi @ Ong Ching Heng	2,500,000	0.45
21	Andre Anthony A/L Hubert Rene	2,058,000	0.37
22	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang Sing Ling	2,003,700	0.36
23	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Salbiah Binti Shuib (MM0641)	2,000,000	0.36
24	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wan Heng Chee	2,000,000	0.36
25	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Rahimah Stephens (MM1078) Araveintan A/L Baskaran	2,000,000	0.36
26	Tay Mooi Ngen	1,760,000	0.32
27	Rio Venture Sdn. Bhd.	1,668,000	0.30
28	Ong Chiow Hock	1,666,000	0.30
29	Ali Bin Abdul Kadir	1,572,800	0.28
30		1,525,000	0.27

PRIVASIA

PRIVASIA TECHNOLOGY BERHAD
(Company No. 825092-U)
Incorporated in Malaysia

FORM OF PROXY

I/We (name) ____________________

of (address) ____________________

being a Member/Members of **PRIVASIA TECHNOLOGY BERHAD**, hereby appoint * the Chairman of the Meeting or (name)

____

of (address) ____________________

or failing him (name) ____________________

of (address) ____________________

as *my/our proxy/proxies to attend and vote for * me/us and on * my /our behalf at the Third (3rd) Annual General Meeting of the Company to be held at Unit C-21-04, 4th Floor (Training Room), Dataran 3 Dua (3 Two Square), No. 2 Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan on Friday, 3 June 2011 at 10:00 a.m. and, at every adjournment thereof to vote as indicated below: -

	RESOLUTION	For	Against
Resolution 1	Payment of Final Tax Exempt Dividend		
Resolution 2	Payment of Directors' Fees		
Resolution 3	Re-election of Director : Asgari Bin Mohd Fuad Stephens		
Resolution 4	Re-election of Director : Andre Anthony A/L Hubert Rene		
Resolution 5	Re-appoint Messrs KPMG as auditors		
Resolution 6	Authority under Section 132D of the Companies Act, 1965		
Resolution 7	Proposed Grant of Options to Datuk Ali Bin Abdul Kadir		
Resolution 8	Proposed Grant of Options to Puvanesan A/L Subenthiran		
Resolution 9	Proposed Grant of Options to Andre Anthony A/L Hubert Rene		
Resolution 10	Proposed Grant of Options to Asgari Bin Mohd Fuad Stephens		
Resolution 11	Proposed Grant of Options to Brian Wong Wye Pong		
Resolution 12	Proposed Grant of Options to Mohd Aqliff Shane Abdullah		
Resolution 13	Amendments to the Articles of Association		

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at this discretion.)

The Proportions of my holdings to be represented by my *proxy/proxies are as follows :-

First named Proxy	%
Second named Proxy	%
	100%

In the case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

No. of shares held ____________

As witness my hand this .... day of, ...2011

* Strike out whichever is not desired.

____
Signature of Member(s)/Common Seal

NOTES TO FORM PROXY:

1. A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two (2) proxies to attend and vote instead of him/her. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. For a proxy form be valid, it must be deposited at the Registered Office of the Company at 13A, Jalan SS 21/56B, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before time appointed for the Meeting or any adjournments thereof.

3. 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 its common seal or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.

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AFFIX
STAMP
HERE

The Company Secretary
PRIVASIA TECHNOLOGY BERHAD
(Company No. 825092-U)

No.13A Jalan SS21/56B
Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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