



PRESTARIANG BERHAD

(922260-K)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Financial Year Ended 31 December 2017**

PRESTARIANG BERHAD (922260-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31/12/2017 RM'000	Preceding Year Quarter 31/12/2016 RM'000	Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 31/12/2016 RM'000
Revenue		71,927	24,716	219,506	132,072
Cost of sales		(40,919)	(17,853)	(153,673)	(99,673)
Gross profit		31,008	6,863	65,833	32,399
Other income		1,074	513	2,725	2,950
		32,082	7,376	68,558	35,349
Administrative expenses		(8,776)	(4,681)	(24,136)	(21,625)
Other expenses		(4,624)	(579)	(5,965)	(1,740)
Finance costs		(261)	(395)	(479)	(453)
Profit before taxation	B5	18,421	1,721	37,978	11,531
Income tax expense	B6	(10,069)	(148)	(13,408)	(2,483)
Profit after taxation		8,352	1,573	24,570	9,048
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		8,352	1,573	24,570	9,048
Profit after taxation attributable to:-					
- Owners of the Company		4,334	1,409	18,208	8,884
- Non-controlling interest		4,018	164	6,362	164
		8,352	1,573	24,570	9,048
Total comprehensive income attributable to:					
- Owners of the Company		4,334	1,409	18,208	8,884
- Non-controlling interest		4,018	164	6,362	164
		8,352	1,573	24,570	9,048
Earnings Per Share attributable to owners of the Company (Sen)					
- Basic	B12	0.90	0.29	3.76	1.84

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	Unaudited As at 31/12/2017 RM'000	Audited As at 31/12/2016 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		37,246	12,086
Other investment		9,885	-
Development costs		6,051	7,341
Long term receivables		78,053	-
Deferred tax assets		-	1,154
		<u>131,235</u>	<u>20,581</u>
CURRENT ASSETS			
Inventories		840	2,512
Trade and other receivables		52,854	64,783
Short-term investments		22,139	51,496
Cash and bank balances		49,147	57,868
Current tax assets		-	1,162
		<u>124,980</u>	<u>177,821</u>
TOTAL ASSETS		<u>256,215</u>	<u>198,402</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		54,423	35,347
Borrowings	B8	878	73
Current tax liabilities		5,326	-
		<u>60,627</u>	<u>35,420</u>
NET CURRENT ASSETS		<u>64,353</u>	<u>142,401</u>
NON-CURRENT LIABILITIES			
Borrowings	B8	21,975	309
Deferred tax liabilities		2,311	1,173
		<u>24,286</u>	<u>1,482</u>
TOTAL LIABILITIES		<u>84,913</u>	<u>36,902</u>
NET ASSETS		<u>171,302</u>	<u>161,500</u>
EQUITY			
Share capital		123,112	48,400
Other reserve		(17,578)	57,892
Retained profits		58,482	54,749
Total equity attributable to owners of the Company		<u>164,016</u>	<u>161,041</u>
Redeemable convertible preference shares		236	-
Non-controlling interest		7,050	459
TOTAL EQUITY		<u>171,302</u>	<u>161,500</u>
TOTAL LIABILITIES & EQUITY		<u>256,215</u>	<u>198,402</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		33.89	33.27

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	←-----Non-distributable-----→				Distributable	Attributable to owners of the Company	Redeemable Convertible Preference Shares	Non-controlling Interest	Total Equity
	Share Capital	Share Premium	Treasury shares	Merger Deficit	Retained Profits	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2015/1 January 2016	48,400	74,712	(1,203)	(14,212)	61,562	169,259	-	295	169,554
Profit after taxation / Total comprehensive income	-	-	-	-	8,884	8,884	-	164	9,048
Transaction with owners of the Company:-									
-Purchase of treasury shares	-	-	(1,405)	-	-	(1,405)	-	-	(1,405)
-Dividends paid	-	-	-	-	(15,697)	(15,697)	-	-	(15,697)
Changes in ownership interest in subsidiary that do not result in loss of control	-	-	(1,405)	-	(15,697)	(17,102)	-	-	(17,102)
Total transaction with owners of the Company	-	-	(1,405)	-	(15,697)	(17,102)	-	-	(17,102)
At 31 December 2016 / 1 January 2017	48,400	74,712	(2,608)	(14,212)	54,749	161,041	-	459	161,500
Adjustment for effects of Companies Act 2016 (Note a)	74,712	(74,712)	-	-	-	-	-	-	-
Profit after taxation / Total comprehensive income	-	-	-	-	18,208	18,208	-	6,362	24,570
Transaction with owners of the Company:-									
-Purchase of treasury shares	-	-	(758)	-	-	(758)	-	-	(758)
-Dividends paid	-	-	-	-	(14,475)	(14,475)	-	-	(14,475)
Total transaction with owners of the Company	-	-	(758)	-	(14,475)	(15,233)	-	-	(15,233)
Issuance of redeemable convertible preference shares	-	-	-	-	-	-	236	-	236
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	229	229
At 31 December 2017	123,112	-	(3,366)	(14,212)	58,482	164,016	236	7,050	171,302

Note a: Pursuant to Section 618(2) of the Companies Act 2016 ("CA2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA2016, use the amount standing to the credit of the share premium account of RM74,712,000 for the purpose set out in Section 618(3) of the CA2016.

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Current Year To Date 31/12/2017 RM'000	Preceding Year To Date 31/12/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,978	11,531
Adjustments for:		
Depreciation of property and equipment	1,811	1,739
Fair value on short term investment	-	(1,436)
Profit income received from deposits with licensed islamic banks	(20)	(19)
Gain on disposal of property and equipment	(13)	(180)
Interest expense	263	60
Impairment loss of development cost	3,504	-
Allowance for doubtful debts	650	-
Interest income	(1,940)	(2,703)
Operating profit before working capital changes	<u>42,233</u>	<u>8,992</u>
Operating profit before working capital changes:-		
Changes in inventories	1,672	(758)
Changes in trade and other receivables	(66,777)	(10,159)
Changes in trade and other payables	20,285	3,875
CASH USED IN OPERATING ACTIVITIES	<u>(2,587)</u>	<u>1,950</u>
Interest paid	(263)	(60)
Income tax paid	(4,628)	(5,311)
NET CASH USED IN OPERATING ACTIVITIES	<u>(7,478)</u>	<u>(3,421)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of equity interest in other investment	(9,885)	-
Purchase of property and equipment	(27,158)	(930)
Profit income received from deposits with licensed islamic banks	20	19
Interest received	1,940	2,703
Proceed from disposal of property, plant and equipment	200	249
Development costs paid	(2,214)	(2,894)
Net decrease/(increase) in short term investments	29,357	(4,000)
NET CASH USED IN INVESTING ACTIVITIES	<u>(7,740)</u>	<u>(4,853)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase obligation	(228)	(18)
Repayment of term loan	-	(715)
Dividends paid	(15,683)	(15,697)
Proceeds from issuance of RCPS	236	-
Proceeds from issuance of shares to NCI	229	-
Proceeds from bank borrowing	22,700	-
Acquisition of treasury shares by the Company	(758)	(1,405)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	<u>6,496</u>	<u>(17,835)</u>
Net decrease in cash and cash equivalents	(8,721)	(26,109)
Cash and cash equivalents at beginning of the financial period	55,170	85,099
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD	<u>46,449</u>	<u>58,990</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	13,191	4,800
Deposits with licensed banks	35,956	56,888
	<u>49,147</u>	<u>61,688</u>
Less: Deposits pledged with licensed banks	(2,698)	(2,698)
	<u>46,449</u>	<u>58,990</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

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

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the requirement of Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2016.

The accounting policies and methods of computation by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2016 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2017. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements. The explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

Companies Act 2016

The Companies Act 2016 (“New Act”) was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group upon the commencement of the New Act on 31 January 2017 includes:

- Removal of the authorised share capital
- Shares of the Company will cease to have par or nominal value
- The Company’s share premium account will become part of the Company’s share capital

The adoption of the New Act did not have any financial impact to the financial statements of the Group, if applicable, the effect of adoption mainly will be on disclosure to the annual report and financial statements.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations were issued but not yet effective and have not been applied by the Group:-

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2018

- Amendments to MFRS 2, Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts
- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contract with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 140, Transfer of Investment Property

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases

MFRSs, Interpretations and Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group, excepts MFRS 9 and MFRS 15.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15, MFRS 9 and MFRS 16.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the period ended 31 December 2017 have not been affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

There was no material unusual items or events affecting the assets, liabilities, equity, net income or cash flow during the current financial period ended 31 December 2017.

A6. CHANGES IN ESTIMATES

There was no material changes in estimates of amounts reported in prior financial years that have a material effect to this interim financial report.

A7. CHANGES IN DEBT AND EQUITY SECURITIES

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

These shares were retained as treasury shares and there is no resale or cancellation of the treasury shares.

A8. VALUATION OF PROPERTY AND EQUIPMENT

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

PRESTARIANG BERHAD (922260-K)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017****A9. CAPITAL COMMITMENT**

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

	Contracted but not provided for RM'000
Building	<u>11,407</u>

A10. DIVIDENDS PAID

	12 months ended	
	31/12/2017	31/12/2016
	RM'000	RM'000
In respect of the financial year ended 31 December 2015:		
- declared as fourth interim tax-exempt dividend of 1.0 sen per ordinary share	-	4,833
In respect of the financial year ended 31 December 2016:		
- declared a first interim tax-exempt dividend of 0.75 sen per ordinary share	-	3,623
- declared a second interim tax-exempt dividend of 0.75 sen per ordinary share	-	3,621
- declared a third interim tax-exempt dividend of 0.75 sen per ordinary share		3,620
- declared as fourth interim tax-exempt dividend of 0.75 sen per ordinary share	3,620	-
In respect of the financial year ended 31 December 2017:		
- declared as first interim tax-exempt dividend of 0.75 sen per ordinary share	3,620	-
- declared as second interim tax-exempt dividend of 1.0 sen per ordinary share	4,823	-
- declared as third interim tax-exempt dividend of 0.5 sen per ordinary share	2,412	-
Total dividends paid	<u>14,475</u>	<u>15,697</u>

A11. SEGMENTAL INFORMATION

The Group's business segments are reflecting the Group's internal reporting structure as follow:

- a) **Software & Services and Academy** - distribution and managing the software licensing and providing the ICT and O&G training and certification.
- b) **Concession** – delivery of total solution for the integrated and comprehensive core immigration system includes design, customise, install, configure, test, commission and maintain throughout the concession period.
- c) **Education** – provide specialised computer science and engineering education. It offers computer studies ranges from foundation, diploma, degree, post graduate masters and PhD.
- d) **Employment services** – Human resource management services for foreign workers' recruitment and documentation services.
- e) **Others** – Comprise the holding company which involved in activity of investment holding and its subsidiary companies.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 31 DEC 2017						RESULTS FOR 3 MONTHS ENDED 31 DEC 2016					
	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
Revenue												
External revenue	20,413	48,058	2,160	1,296	-	71,927	22,759	-	722	1,235	-	24,716
Inter-segment revenue	-	-	-	-	5,712	5,712	-	-	-	-	6,020	6,020
Segment revenue	20,413	48,058	2,160	1,296	5,712	77,639	22,759	-	722	1,235	6,020	30,736
Consolidation adjustments						(5,712)						(6,020)
Consolidated revenue						71,927						24,716
Results												
Segment profit/(loss) before interest and taxation	1,730	19,079	(535)	(108)	4,228	24,394	3,702	-	(1,291)	39	5,686	8,136
Finance costs						(261)						(395)
Consolidation adjustments						(5,712)						(6,020)
Consolidated profit before taxation						18,421						1,721

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 12 MONTHS ENDED 31 DEC 2017						RESULTS FOR 12 MONTHS ENDED 31 DEC 2016					
	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
Revenue							Revenue					
External revenue	129,867	78,053	6,182	5,404	-	219,506	125,207	-	2,565	4,300		132,072
Inter-segment revenue	-	-	-	-	17,775	17,775	-	-	-	-	18,097	18,097
Segment revenue	129,867	78,053	6,182	5,404	17,775	237,281	125,207	-	2,565	4,300	18,097	150,169
Consolidation adjustments						(17,775)						(18,097)
Consolidated revenue						219,506						132,072
Results							Results					
Segment profit/(loss) before interest and taxation	18,876	27,478	(4,599)	322	14,155	56,232	19,856	-	(6,069)	335	15,959	30,081
Finance costs						(479)						(453)
Consolidation adjustments						(17,775)						(18,097)
Consolidated profit before taxation						37,978						11,531

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

In the opinion of the Board of Directors, there were no items, transactions or events of a material and unusual nature that have arisen since 31 December 2017 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended that have not been reflected in the condensed financial statements, except as disclosed below:-

- a) On 29 January 2018, Prestariang Systems Sdn. Bhd., a wholly-owned subsidiary of Prestariang Berhad (“the Company”), had received a letter of award dated 29 January 2018 from the Ministry of Finance for the extension of Contract to supply of Microsoft software licences, products and services under MLA 3.0 to all Government Agencies and Institut Latihan Awam in Malaysia. The extension of Contract is for the period of three (3) years commenced from 1 February 2018 until 31 January 2021 at an estimated total value of RM222,600,000. The extension of Contract under MLA 3.0 is an enhancement of MLA 2.0 that includes the Institut Latihan Awam as our new customer base with new added scope of services.

A13. CHANGES IN COMPOSITION OF THE GROUP

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

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group's related party transactions during the financial period were as follow:-

	Current Year To-Date RM'000
Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”) – substantial shareholders	
Sales of software licence under Master Licence Agreement 2.0 (MLA 2.0)	959

PRESTARIANG BERHAD (922260-K)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

NOTES TO THE INTERIM FINANCIAL REPORT

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

**B1. OPERATING SEGMENTS REVIEW
Q417 vs. Q416**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 12/31/2017 RM'000	Preceding Year Quarter 12/31/2016 RM'000	Variance		Current Year to Date 12/31/2017 RM'000	Preceding Year to Date 12/31/2016 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
Software & Services and Academy								
- Software & Services	20,280	22,630	(2,350)	-10%	125,282	117,255	8,027	7%
- Academy	133	129	4	3%	4,585	7,952	(3,367)	-42%
	<u>20,413</u>	<u>22,759</u>	<u>(2,346)</u>	<u>-10%</u>	<u>129,867</u>	<u>125,207</u>	<u>4,660</u>	<u>4%</u>
Education	2,160	722	1,438	>100%	6,182	2,565	3,617	>100%
Employment services	1,296	1,235	61	5%	5,404	4,300	1,104	26%
Concession	48,058	-	48,058	n/a	78,053	-	78,053	n/a
Others	5,712	6,020	(308)	-5%	17,775	18,097	(322)	-2%
	<u>77,639</u>	<u>30,736</u>	<u>46,903</u>	<u>>100%</u>	<u>237,281</u>	<u>150,169</u>	<u>87,112</u>	<u>58%</u>
Inter-segment Elimination	<u>(5,712)</u>	<u>(6,020)</u>			<u>(17,775)</u>	<u>(18,097)</u>		
Group	<u>71,927</u>	<u>24,716</u>	<u>47,211</u>	<u>>100%</u>	<u>219,506</u>	<u>132,072</u>	<u>87,434</u>	<u>66%</u>
<u>Profit Before Taxation</u>								
Software & Services and Academy	1,470	3,515	(2,045)	-58%	18,474	19,611	(1,137)	-6%
Education	(535)	(1,498)	963	64%	(4,674)	(6,276)	1,602	-26%
Employment Services	(109)	38	(147)	>-100%	321	334	(13)	-4%
Concession	19,079	-	19,079	n/a	27,478	-	27,478	n/a
Others	4,228	5,686	(1,458)	-26%	14,154	15,959	(1,805)	-11%
Inter-segment Elimination	<u>(5,712)</u>	<u>(6,020)</u>			<u>(17,775)</u>	<u>(18,097)</u>		
Group	<u>18,421</u>	<u>1,721</u>	<u>16,700</u>	<u>>100%</u>	<u>37,978</u>	<u>11,531</u>	<u>26,447</u>	<u>>100%</u>

B1. OPERATING SEGMENTS REVIEW (CONT'D)

Q417 vs. Q416 (cont'd)

The Group registered a higher revenue of RM71.9 million for the current quarter compared to RM24.7 million recorded in previous year corresponding quarter. The higher revenue of RM47.2 million or >100% increase was mainly contributed by recognition of revenue from Sistem Keselamatan Imigresen Nasional ("SKIN") project.

The Group's PBT for the current quarter was RM18.4 million, >100% higher than the corresponding quarter of last year, due to flow through of higher revenue generated during the quarter, mainly contributed by the SKIN Project.

YTD17 vs. YTD16

The Group's revenue for YTD17 was RM219.5 million, higher by RM87.4 million or 66% compared to RM132.1 million in YTD16. The YTD revenue was higher than last year due to recognition of revenue to SKIN Project and better contribution from existing segments i.e. Software & Services and Academy.

The Group's PBT increased by RM26.4 million or >100% higher compared to previous year mainly due to better performance by the Education and Employment Services segments and recognition of profit by SKIN project. The Group's current and previous year's PBT was RM37.9 million and RM11.5 million, respectively.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Q417 vs. Q317

	Current Quarter 12/31/2017 RM'000	Immediate Preceding Quarter 9/30/2017 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services and Academy				
- Software & Services	20,280	15,291	4,989	33%
- Academy	133	-	133	n/a
	<u>20,413</u>	<u>15,291</u>	5,122	33%
Education	2,160	1,783	377	21%
Employment services	1,296	1,405	(109)	-8%
Concession	48,058	29,995	18,063	60%
Others	5,712	4,823	889	18%
	<u>77,639</u>	<u>53,297</u>	24,342	46%
Inter-segment Elimination	<u>(5,712)</u>	<u>(4,823)</u>		
Group	<u>71,927</u>	<u>48,474</u>	23,453	48%
<u>Profit Before Taxation</u>				
Software & Services and Academy	1,470	2,271	(801)	-35%
Education	(535)	(1,782)	1,247	70%
Employment services	(109)	151	(260)	>-100%
Concession	19,079	8,399	10,680	>100%
Others	4,228	4,256	(28)	-1%
Inter-segment Elimination	<u>(5,712)</u>	<u>(4,823)</u>		
Group	<u>18,421</u>	<u>8,472</u>	9,949	>100%

The Group's revenue for the current quarter of RM71.9 million, RM23.4 million or 48% higher than the preceding quarter of RM48.5 million. The higher revenue recorded in the current quarter was due to higher contribution Software & Services and Concession segment.

The Group recorded higher PBT for the current quarter of RM18.4 million an increase of RM9.9 million or >100% higher than the preceding quarter of RM8.5 million. The higher PBT was mainly contributed by contribution from Software & Services and Concession segment.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

With the implementation of the project SKIN and continuous improvement of the operational efficiencies of existing businesses, the Group is projected to perform better for the financial year ending 2018.

In line with Prestariang Berhad's 5.0 transformational plan, the Group will focus on the execution of this plan to drive sustainable growth and profitability.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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

B5. PROFIT BEFORE TAXATION

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Interest income	(406)	(687)	(1,940)	(2,703)
Interest expense	206	60	263	60
Depreciation and amortisation	470	579	1,811	1,740
Allowance for doubtful debts	650	-	650	-
Impairment loss of development cost	3,504	-	3,504	-
Net Foreign exchange (gain)/loss	(333)	1,273	(366)	883

B6. INCOME TAX EXPENSE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u> <u>Year Quarter</u> <u>31/12/2017</u> <u>RM'000</u>	<u>Preceding</u> <u>Year Quarter</u> <u>31/12/2016</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31/12/2017</u> <u>RM'000</u>	<u>Preceding</u> <u>Year To Date</u> <u>31/12/2016</u> <u>RM'000</u>
Malaysia tax:				
- for the current year	7,777	93	10,020	3,035
- under/(over) provision in the previous financial year	-	55	1,096	(552)
Deferred tax				
- Deferred tax liabilities	2,292	-	2,292	-
	<u>10,069</u>	<u>148</u>	<u>13,408</u>	<u>2,483</u>

The effective tax rate for the current quarter is higher than the statutory income tax rate due to profit of certain companies.

B7. STATUS OF CORPORATE PROPOSALS

- a) Prestariang Capital Sdn Bhd ("PCapital"), a wholly-owned subsidiary of the Company had on 5 September 2017 entered into a Subscription agreement ("Agreement") with OpenLearning Global Pte Ltd ("OGPL") and Adam Maurice Brimo, for the subscription of up to 5,000,000 new "A" Ordinary Shares ("A Shares") of OGPL and 3,069,578 convertible preference shares ("CPS") ("Subscription"), for the purpose of venturing into the higher education cloud-based markets both domestically and regionally.

On 3 November 2017, PCapital completed the first tranche subscription shares of 3,000,000 A Shares and the 3,069,578 CPS at the subscription price of AUD\$ 3,000,000 and AUD\$1.00 in respect of the 3,069,578 CPS. Upon completion of the subscription, PCapital hold 10.714% interest in OGPL.

The subscription of the second tranche of 2,000,000 A Shares by PCapital had completed on 9 February 2018 at the subscription price of AUD2,000,000. After completion of the above, PCapital interest in OGPL increased from 10.71% to 16.67%.

The final equity interest of the PCapital shall be determined based on a performance band that is if OGPL group achieving a consolidated profit after tax of AUD\$ 9,000,000 for the twelve months ending 31 December 2020, the Subscriber will receive an effective shareholding of 14.28%. However, reduction in profits for the twelve months ending 31 December 2020 could see the shareholding in OGPL rising to 24.3%.

B8. BORROWINGS

The Group's borrowing and debts securities as at 31 December 2017 are as follows:

	Long term borrowing			Short term borrowing			Total (RM'000)
	Secured	Unsecured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>							
- Hire purchase payables	115	-	115	38	-	38	153
- Term Loan	21,860	-	21,860	840	-	840	22,700
Total	21,975	-	21,975	878	-	878	22,853

B9. MATERIAL LITIGATION

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

B10. FAIR VALUE HIERARCHY

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

B11. PROPOSED DIVIDEND

On 27 February 2018, The Board of Directors declared a fourth interim single-tier exempt dividend of 0.5 sen per ordinary share amounting to RM2.4 million in respect of the financial year ended 31 December 2017.

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B12. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current</u> <u>Year</u> <u>Quarter</u> <u>31/12/2017</u>	<u>Preceding</u> <u>Year</u> <u>Quarter</u> <u>31/12/2016</u>	<u>Current</u> <u>Year</u> <u>To Date</u> <u>31/12/2017</u>	<u>Preceding</u> <u>Year</u> <u>To Date</u> <u>31/12/2016</u>
Total comprehensive income attributable to owners of the Company (RM'000)	4,334	1,409	18,208	8,884
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	0.90	0.29	3.76	1.84

B13. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2018.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
LIM LIH CHAU (LS 0010105)
 Secretaries
Kuala Lumpur
27 February 2018