



# **PRESTARIANG BERHAD**

(922260-K)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For the Third Quarter Ended 30 September 2018**

**PRESTARIANG BERHAD (922260-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30/9/2018 RM'000	Preceding Year Quarter 30/9/2017 RM'000	Current Year To Date 30/9/2018 RM'000	Preceding Year To Date 30/9/2017 RM'000
Revenue		52,717	48,474	181,392	147,579
Cost of sales		(38,409)	(34,794)	(128,605)	(112,754)
Gross profit		14,308	13,680	52,787	34,825
Other income		362	486	1,355	1,651
Administrative expenses		14,670	14,166	54,142	36,476
Other expenses		(9,199)	(5,188)	(26,018)	(15,360)
Finance costs		(2,849)	(453)	(4,470)	(1,341)
Profit before taxation	B5	(498)	(53)	(1,529)	(218)
Income tax expense	B6	2,124	8,472	22,125	19,557
Profit after taxation		(7,287)	(1,372)	(15,658)	(3,339)
Other comprehensive income		(5,163)	7,100	6,467	16,218
<b>Total comprehensive income for the financial period</b>		-	-	-	-
<b>Profit after taxation attributable to:-</b>		(5,163)	7,100	6,467	16,218
- Owners of the Company		(6,824)	4,571	217	13,604
- Non-controlling interest		1,661	2,529	6,250	2,614
<b>Total comprehensive income attributable to:</b>		(5,163)	7,100	6,467	16,218
- Owners of the Company		(6,824)	4,571	217	13,604
- Non-controlling interest		1,661	2,529	6,250	2,614
<b>Earnings Per Share attributable to owners of the Company (Sen)</b>		(5,163)	7,100	6,467	16,218
- Basic	B12	(1.41)	0.94	0.04	2.81

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 2017 and the accompanying notes attached to the interim financial statements.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	Note	Unaudited As at 30/9/2018 RM'000	Audited As at 31/12/2017 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment		46,675	37,246
Other investment		16,057	9,885
Development costs		7,944	6,051
Long term receivables		156,380	78,053
		227,056	131,235
<b>CURRENT ASSETS</b>			
Inventories		3,319	840
Trade and other receivables		70,601	52,857
Short-term investments		360	26,504
Cash and bank balances		9,022	44,782
		83,302	124,983
<b>TOTAL ASSETS</b>		310,358	256,218
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		78,549	54,424
Borrowings	B8	18,677	878
Current tax liabilities		17,429	6,499
		114,655	61,801
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B8	22,097	21,976
Deferred tax liabilities		1,138	1,138
		23,235	23,114
<b>TOTAL LIABILITIES</b>		137,890	84,915
<b>NET ASSETS</b>		172,468	171,303
<b>EQUITY</b>			
Share capital		119,700	119,700
Other reserve		(14,166)	(14,166)
Retained profits		53,549	58,482
Total equity attributable to owners of the Company		159,083	164,016
Redeemable convertible preference shares		85	237
Non-controlling interest		13,300	7,050
<b>TOTAL EQUITY</b>		172,468	171,303
<b>TOTAL LIABILITIES &amp; EQUITY</b>		310,358	256,218
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		32.87	33.89

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 2017 and the accompanying notes attached to the interim financial statements.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

	←-----Non-distributable -----→				Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury shares RM'000	Merger Deficit RM'000	Retained Profits RM'000	Attributable to owners of the Company RM'000	Redeemable Convertible Preference Shares RM'000	Non- controlling Interest RM'000	Total Equity RM'000	
<b>At 31 December 2016/1 January 2017</b>	48,400	74,712	(2,608)	(14,212)	54,749	161,041	-	459	161,500	
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)	
- Incorporation of subsidiaries	-	-	-	-	-	-	-	229	229	
- Transfer to share capital upon implementation of the Company Act 2016	71,300	(74,712)	-	3,412	-	-	-	-	-	
-Dividends paid	-	-	-	-	(14,475)	(14,475)	-	-	(14,475)	
Total transaction with owners of the Company	71,300	(74,712)	(758)	3,412	(14,475)	(15,233)	-	229	(15,004)	
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	237	-	237	
<b>At 31 December 2017 / 1 January 2018</b>	<b>119,700</b>	<b>-</b>	<b>(3,366)</b>	<b>(10,800)</b>	<b>58,482</b>	<b>164,016</b>	<b>237</b>	<b>7,050</b>	<b>171,303</b>	
Profit after taxation / Total comprehensive income	-	-	-	-	217	217	-	6,250	6,467	
Transaction with owners of the Company:-										
-Purchase of treasury shares	-	-	-	-	-	-	-	-	-	
-Dividends paid	-	-	-	-	(4,823)	(4,823)	-	-	(4,823)	
-Dividends paid to NCI	-	-	-	-	(327)	(327)	-	-	(327)	
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	
Total transaction with owners of the Company	-	-	-	-	(5,150)	(5,150)	-	-	(5,150)	
Conversion of Redeemable Convertible Preference Shares to Redeemable Preference Shares	-	-	-	-	-	-	(152)	-	(152)	
<b>At 30 September 2018</b>	<b>119,700</b>	<b>-</b>	<b>(3,366)</b>	<b>(10,800)</b>	<b>53,549</b>	<b>159,083</b>	<b>85</b>	<b>13,300</b>	<b>172,468</b>	

**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 2017 and the accompanying notes attached to the interim financial statements.

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

	<b>Current Year To Date 30/9/2018 RM'000</b>	<b>Preceding Year To Date 30/9/2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,125	19,557
Adjustments for:		
Depreciation of property and equipment	1,678	1,341
Profit income received from deposits with licensed islamic banks	(21)	(12)
Gain on disposal of property and equipment	(65)	-
Interest expense	895	57
Property equipment written off	97	-
Allowance for doubtful debts	504	-
Interest income	(428)	(1,534)
Operating profit before working capital changes	<u>24,785</u>	<u>19,409</u>
Operating profit before working capital changes:-		
Changes in inventories	(2,479)	(2,724)
Changes in trade and other receivables	(96,574)	(64,361)
Changes in trade and other payables	26,529	18,826
<b>CASH USED IN OPERATING ACTIVITIES</b>	<u>(47,739)</u>	<u>(28,850)</u>
Interest paid	(895)	(57)
Income tax paid	(7,134)	(3,768)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(55,768)</u>	<u>(32,675)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of equity interest in other investment	(6,172)	-
Purchase of property and equipment	(11,203)	(21,256)
Profit income received from deposits with licensed islamic banks	21	12
Interest received	428	1,534
Proceed from disposal of property, plant and equipment	65	-
Development costs paid	(1,893)	(2,500)
Increased in pledged fixed deposits with licensed bank	(222)	-
Net decrease in short term investments	26,144	19,518
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<u>7,168</u>	<u>(2,692)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase obligation	(29)	(253)
Dividends paid	(5,150)	(15,683)
Proceeds from issuance of shares to NCI	-	465
Proceeds from bank borrowing	17,797	19,872
Acquisition of treasury shares by the Company	-	(758)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<u>12,618</u>	<u>3,643</u>
Net decrease in cash and cash equivalents	(35,982)	(31,724)
Cash and cash equivalents at beginning of the financial period	41,884	55,170
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD</b>	<u><u>5,902</u></u>	<u><u>23,446</u></u>
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-</b>		
Cash and bank balances	5,331	5,481
Deposits with licensed banks	3,691	20,663
	<u>9,022</u>	<u>26,144</u>
Less: Deposits pledged with licensed banks	(3,120)	(2,698)
	<u><u>5,902</u></u>	<u><u>23,446</u></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 2017 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 2017.

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 2017 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2018.

At the beginning of the current financial year, the Group adopted new MFRSs, Amendments to MFRSs and an IC Interpretation (collectively referred to as “pronouncements”) that have been issued by the MASB and are applicable as listed below:-

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140 Transfer of Investment Property
- Annual Improvements to MFRSs 2014-2016 Cycle
  - Amendments to MFRS 1 Deletion of Short-term Exemption for First-time Adopters
  - Amendments to MFRS 128 Measuring an Associates or Joint Venture at Fair Value
- Amendments to MFRS 15 Effective Date of MFRS 15
- Amendments to MFRS 15 Clarifications to MFRS 15 “Revenue from Contract Customers”

The Group expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

***MFRS 15 Revenue from Contracts with Customers***

This Standard establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Under this Standard, revenue will be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

**A1. BASIS OF PREPARATION (Cont'd)**

***MFRS 15 Revenue from Contracts with Customers (Cont'd)***

The adoption of this Standard results in changes in accounting policies for revenue recognition and has no impact other than the disclosures in the Group's financial statements.

***MFRS 9 Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The adoption of this Standard has no impact other than the disclosures in the Group's 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 2019 :-

- MFRS 16 Leases
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
- Annual Improvements to MFRSs 2015-2017 Cycle
- Amendments to MFRS 10 and MFRS 128 Sale of Contribution of assets between an Investor and its associate or Joint Venture (Deferred)

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 16, Leases which the Group is currently assessing the financial impact.

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2017 was not qualified.

**A4. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group for the period ended 30 September 2018 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 30 September 2018.

**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.

**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:

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



**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**A10. DIVIDENDS PAID**

	<b>9 months ended</b>	
	<b>30/9/2018</b>	<b>30/9/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
In respect of the financial year ended 31 December 2016:		
- declared as fourth interim 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 fourth interim tax-exempt dividend of 0.5 sen per ordinary share	2,412	-
In respect of the financial year ended 31 December 2018:		
- declared as first interim tax-exempt dividend of 0.5 sen per ordinary share	2,411	-
<b>Total dividends paid</b>	<u>4,823</u>	<u>12,063</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 QUARTER ENDED 30 SEPTEMBER 2018**

**A11. SEGMENTAL INFORMATION (CONT'D)**

	RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2018						RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2017					
	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
<b>Revenue</b>							<b>Revenue</b>					
External revenue	25,448	21,654	1,678	3,937	-	52,717	15,291	29,995	1,783	1,405	-	48,474
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	4,823	4,823
Segment revenue	<u>25,448</u>	<u>21,654</u>	<u>1,678</u>	<u>3,937</u>	<u>-</u>	<u>52,717</u>	<u>15,291</u>	<u>29,995</u>	<u>1,783</u>	<u>1,405</u>	<u>4,823</u>	<u>53,297</u>
Consolidation adjustments						-						(4,823)
Consolidated revenue						<u>52,717</u>						<u>48,474</u>
<b>Results</b>							<b>Results</b>					
Segment profit/(loss) before interest and taxation	<u>(1,569)</u>	<u>7,336</u>	<u>(1,341)</u>	<u>96</u>	<u>(1,900)</u>	<u>2,622</u>	<u>2,324</u>	<u>8,399</u>	<u>(1,782)</u>	<u>151</u>	<u>4,256</u>	<u>13,348</u>
Finance costs						(498)						(53)
Consolidation adjustments						-						(4,823)
Consolidated profit before taxation						<u>2,124</u>						<u>8,472</u>

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**A11. SEGMENTAL INFORMATION (CONT'D)**

	RESULTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2018						RESULTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2017						
	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	
<b>Revenue</b>							<b>Revenue</b>						
External revenue	88,584	78,326	4,808	9,674	-	181,392	External revenue	109,454	29,995	4,022	4,108	-	147,579
Inter-segment revenue	-	-	-	-	10,552	10,552	Inter-segment revenue	-	-	-	-	12,063	12,063
Segment revenue	88,584	78,326	4,808	9,674	10,552	191,944	Segment revenue	109,454	29,995	4,022	4,108	12,063	159,642
Consolidation adjustments						(10,552)	Consolidation adjustments						(12,063)
Consolidated revenue						181,392	Consolidated revenue						147,579
<b>Results</b>							<b>Results</b>						
Segment profit/(loss) before interest and taxation	3,907	29,429	(4,520)	143	5,247	34,206	Segment profit/(loss) before interest and taxation	17,146	8,399	(4,064)	430	9,927	31,838
Finance costs						(1,529)	Finance costs						(218)
Consolidation adjustments						(10,552)	Consolidation adjustments						(12,063)
Consolidated profit before taxation						22,125	Consolidated profit before taxation						19,557

**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 nine months ended that have not been reflected in the condensed financial statements.

**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:-

	<b>Current Year To-Date RM'000</b>
Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")	
- substantial shareholders	
Sales of software licence under Master Licence Agreement 3.0 (MLA 3.0)	894
OpenLearning Global (M) Sdn Bhd	
- common director	
Sales of software	516

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**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**

**Q318 vs. Q317 and Q318 YTD vs. Q317 YTD**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 9/30/2018 RM'000	Preceding Year Quarter 9/30/2017 RM'000	Variance		Current Year to Date 9/30/2018 RM'000	Preceding Year to Date 9/30/2017 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<b><u>Segmental Revenue:</u></b>								
Software & Services and Academy								
- Software & Services	24,827	15,291	9,536	62%	86,361	105,002	(18,641)	-18%
- Academy	621	-	621	n/a	2,223	4,452	(2,229)	-50%
	<u>25,448</u>	<u>15,291</u>	<u>10,157</u>	<u>66%</u>	<u>88,584</u>	<u>109,454</u>	<u>(20,870)</u>	<u>-19%</u>
Education	1,678	1,783	(105)	-6%	4,808	4,022	786	20%
Employment services	3,937	1,405	2,532	>100%	9,674	4,108	5,566	>100%
Concession	21,654	29,995	(8,341)	-28%	78,326	29,995	48,331	>100%
Others	-	4,823	(4,823)	-100%	10,552	12,063	(1,511)	-13%
	<u>52,717</u>	<u>53,297</u>	<u>(580)</u>	<u>-1%</u>	<u>191,944</u>	<u>159,642</u>	<u>32,302</u>	<u>20%</u>
Inter-segment Elimination	-	(4,823)			(10,552)	(12,063)		
<b>Group</b>	<u>52,717</u>	<u>48,474</u>	<u>4,243</u>	<u>9%</u>	<u>181,392</u>	<u>147,579</u>	<u>33,813</u>	<u>23%</u>
<b><u>Profit Before Taxation</u></b>								
Software & Services and Academy	(2,067)	2,271	(4,338)	->100%	2,432	17,004	(14,572)	-86%
Education	(1,341)	(1,782)	441	25%	(4,521)	(4,139)	(382)	-9%
Employment Services	96	151	(55)	-36%	143	430	(287)	-67%
Concession	7,337	8,399	(1,062)	-13%	29,378	8,399	20,979	>100%
Others	(1,901)	4,256	(6,157)	->100%	5,245	9,926	(4,681)	-47%
Inter-segment Elimination	-	(4,823)			(10,552)	(12,063)		
<b>Group</b>	<u>2,124</u>	<u>8,472</u>	<u>(6,348)</u>	<u>-&gt;100%</u>	<u>22,125</u>	<u>19,557</u>	<u>2,568</u>	<u>13%</u>

**B1. OPERATING SEGMENTS REVIEW**

**Q318 vs. Q317**

The Group registered a higher revenue of RM52.7 million, RM4.2 million or 9% higher for the current quarter compared to RM48.5 million recorded in previous year corresponding quarter. The higher revenue was contributed by higher Software & Services and Employment Services. SKIN recorded lower revenue recognition compared to the second quarter due to slower-than-expected progress on the work done.

The Company, and its wholly-owned subsidiary, Prestariang Systems Sdn. Bhd. received Notice of Additional Assessment from Inland Revenue Board for the year assessment 2013-2016 amounting to RM5.3 million arising from the difference in interpretation under the MSC qualifying activities. The Group has fully taken-up this amount, together with the penalty of RM2.3 million in the quarter under review. As a result, the Group recorded lower PBT of RM2.1 million, RM6.3 million lower than corresponding quarter of last year of RM8.4 million.

**YTD18 vs. YTD17**

The Group's revenue for YTD18 was RM181.4 million, higher by RM33.8 million or 23% compared to RM147.6 million in YTD17. The YTD revenue was higher than last year mainly due to higher revenue contribution by SKIN project.

The Group's PBT recorded for YTD18 was RM2.6 million or 13% higher than last year mainly due to the flow through of higher Concession revenue which mitigated higher Opex in Software & Services and Education. The Group's current and last year's PBT was RM22.1 million and RM19.5 million, respectively.

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**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

**Q318 vs. Q218**

	<b>Current Quarter 9/30/2018 RM'000</b>	<b>Immediate Preceding Quarter 6/30/2018 RM'000</b>	<b>Variance</b>	
			<b>RM'000</b>	<b>(%)</b>
<b><u>Segmental Revenue:</u></b>				
Software & Services and Academy				
- Software & Services	24,827	19,772	5,055	26%
- Academy	621	312	309	99%
	<u>25,448</u>	<u>20,084</u>	5,364	27%
Education	1,678	1,792	(114)	-6%
Employment services	3,937	4,116	(179)	-4%
Concession	21,654	29,932	(8,278)	-28%
Others	-	10,552	(10,552)	-100%
	<u>52,717</u>	<u>66,476</u>	(13,759)	-21%
Inter-segment Elimination	-	(10,552)		
<b>Group</b>	<u>52,717</u>	<u>55,924</u>	(3,207)	-6%
<b><u>Profit Before Taxation</u></b>				
Software & Services and Academy	(2,067)	(206)	(1,861)	->100%
Education	(1,341)	(1,773)	432	24%
Employment services	96	4	92	>100%
Concession	7,337	11,149	(3,812)	-34%
Others	(1,901)	8,290	(10,191)	->100%
Inter-segment Elimination	-	(10,552)		
<b>Group</b>	<u>2,124</u>	<u>6,912</u>	(4,788)	-69%

The Group's revenue for the current quarter of RM52.7 million, RM3.2 million or 6% lower than the preceding quarter of RM55.9 million due to lower recognition of Concession revenue.

The Group recorded PBT of RM2.1 million, RM4.8 million or 69% lower than the preceding quarter of RM6.9 million resulted from flow through of lower Concession revenue coupled by higher Opex. Higher Opex in Software & Services partly contributed by recognition of RM2.3 million tax penalty.

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**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018**

With all current projects in hand, the Group is expected to perform better in financial year 2018.

**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>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>30/9/2018 RM'000</b>	<b>30/9/2017 RM'000</b>	<b>30/9/2018 RM'000</b>	<b>30/9/2017 RM'000</b>
Interest income	(208)	(427)	(428)	(1,534)
Interest expense	348	48	894	57
Depreciation and amortisation	560	453	1,678	1,341
Provision for doubtful debts	-	-	503	-
Foreign exchange loss/(gain)	888	(21)	882	(8)
Property and equipment written-off	-	-	97	-
(Gain) or loss on disposal of property and equipment	-	-	(65)	-

**B6. INCOME TAX EXPENSE**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year</b>	<b>Preceding Year Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>30/9/2018 RM'000</b>	<b>30/9/2017 RM'000</b>	<b>30/9/2018 RM'000</b>	<b>30/9/2017 RM'000</b>
Malaysia tax:				
- for the current year	4,082	1,372	8,540	3,234
- Under provision in prior year	5,819	-	7,118	105
Deferred tax:				
- Deferred tax liabilities	(2,614)	-	-	-
	<u>7,287</u>	<u>1,372</u>	<u>15,658</u>	<u>3,339</u>

The effective tax rate higher than the statutory income tax rate due to profit of certain companies and under recognised tax in prior years.



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**B7. STATUS OF CORPORATE PROPOSALS**

There is no corporate proposal undertaken by the Group for the current quarter.

**B8. BORROWINGS**

The Group's borrowing and debts securities as at 30 September 2018 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	
<b><u>Borrowings</u></b>							
- Hire purchase payables	85	-	85	40	-	40	125
- Term Loan	21,860	-	21,860	712	-	712	22,572
- Revolving Credit	-	-	-	12,000	-	12,000	12,000
- Overdraft	-	-	-	5,925	-	5,925	5,925
<b><u>Preference Shares</u></b>							
- RPS	152	-	152	-	-	-	152
<b>Total</b>	<b>22,097</b>	<b>-</b>	<b>22,097</b>	<b>18,677</b>	<b>-</b>	<b>18,677</b>	<b>40,774</b>

**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**

No interim dividend has been declared for the current quarter ended 30 September 2018.

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**B12. EARNINGS PER SHARE**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year To Date 30/9/2018</b>	<b>Preceding Year To Date 30/9/2017</b>	<b>Current Year To Date 30/9/2018</b>	<b>Preceding Year To Date 30/9/2017</b>
Total comprehensive income attributable to owners of the Company (RM'000)	(6,824)	4,571	217	13,604
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	-1.41	0.94	0.04	2.81

**B13. AUTHORISED FOR ISSUE**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 November 2018.

**BY ORDER OF THE BOARD**

**CHUA SIEW CHUAN (MAICSA 0777689)**  
**LIM LIH CHAU (LS 0010105)**  
 Secretaries  
**Kuala Lumpur**  
**28 November 2018**