



PRESTARIANG BERHAD

(922260-K)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Fourth Quarter Ended 31 December 2018**

PRESTARIANG BERHAD (922260-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2018 RM'000	Preceding Year To Date 31/12/2017 RM'000
Revenue		22,165	71,927	203,557	219,506
Cost of sales		(14,804)	(40,919)	(143,409)	(153,673)
Gross profit		7,361	31,008	60,148	65,833
Other income		98	1,074	1,453	2,725
		7,459	32,082	61,601	68,558
Administrative expenses		(4,672)	(8,776)	(30,690)	(24,136)
Other expenses		(536)	(4,624)	(5,006)	(5,965)
Finance costs		(959)	(261)	(2,488)	(479)
Profit before taxation	B5	1,292	18,421	23,417	37,978
Income tax expense	B6	(722)	(10,069)	(16,380)	(13,408)
Profit after taxation		570	8,352	7,037	24,570
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		570	8,352	7,037	24,570
Profit after taxation attributable to:-					
- Owners of the Company		487	4,334	704	18,208
- Non-controlling interest		83	4,018	6,333	6,362
		570	8,352	7,037	24,570
Total comprehensive income attributable to:					
- Owners of the Company		487	4,334	704	18,208
- Non-controlling interest		83	4,018	6,333	6,362
		570	8,352	7,037	24,570
Earnings Per Share attributable to owners of the Company (Sen)					
- Basic	B12	0.10	0.90	0.15	3.76

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Unaudited As at 31/12/2018 RM'000	Audited As at 31/12/2017 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		60,278	37,246
Other investment		16,057	9,885
Development costs		8,487	6,051
Long term receivables		156,380	78,053
		241,202	131,235
CURRENT ASSETS			
Inventories		3,494	840
Trade and other receivables		52,097	52,857
Short-term investments		360	26,504
Cash and bank balances		5,210	44,782
		61,161	124,983
TOTAL ASSETS		302,363	256,218
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		72,303	54,424
Borrowings	B8	10,877	878
Current tax liabilities		14,954	6,499
		98,134	61,801
NON-CURRENT LIABILITIES			
Borrowings	B8	31,468	21,976
Deferred tax liabilities		1,138	1,138
		32,606	23,114
TOTAL LIABILITIES		130,740	84,915
NET ASSETS		171,623	171,303
EQUITY			
Share capital		119,700	119,700
Other reserve		(14,166)	(14,166)
Retained profits		53,398	58,482
Total equity attributable to owners of the Company		158,932	164,016
Redeemable convertible preference shares		85	237
Non-controlling interest		12,606	7,050
TOTAL EQUITY		171,623	171,303
TOTAL LIABILITIES & EQUITY		302,363	256,218
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		32.84	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 FOURTH QUARTER ENDED 31 DECEMBER 2018

	←-----Non-distributable -----→				Distributable					
	Share Capital	Share Premium	Treasury shares	Merger Deficit	Retained Profits	Attributable to owners of the Company	Redeemable Convertible Preference Shares	Non-controlling Interest	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 31 December 2016/1 January 2017	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	
At 31 December 2017 / 1 January 2018	119,700	-	(3,366)	(10,800)	58,482	164,016	237	7,050	171,303	
Profit after taxation / Total comprehensive income	-	-	-	-	704	704	-	6,333	7,037	
Transaction with owners of the Company:-										
-Dividends paid	-	-	-	-	(5,788)	(5,788)	-	-	(5,788)	
-Dividends paid to NCI	-	-	-	-	-	-	-	(777)	(777)	
Total transaction with owners of the Company	-	-	-	-	(5,788)	(5,788)	-	(777)	(6,565)	
Conversion of Redeemable Convertible Preference Shares to Redeemable Preference Shares	-	-	-	-	-	-	(152)	-	(152)	
At 31 December 2018	119,700	-	(3,366)	(10,800)	53,398	158,932	85	12,606	171,623	

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 FOURTH QUARTER ENDED 31 DECEMBER 2018

	Current Year To Date 31/12/2018 RM'000	Preceding Year To Date 31/12/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	23,417	37,978
Adjustments for:		
Depreciation of property and equipment	2,215	1,811
Profit income received from deposits with licensed islamic banks	(22)	(20)
Gain on disposal of property and equipment	(65)	(13)
Interest expense	2,555	263
Property equipment written off	97	-
Impairment loss of development cost	-	3,504
Allowance for doubtful debts	504	650
Interest income	(446)	(1,940)
Operating profit before working capital changes	<u>28,255</u>	<u>42,233</u>
Operating profit before working capital changes:-		
Changes in inventories	(2,654)	1,672
Changes in trade and other receivables	(78,073)	(66,777)
Changes in trade and other payables	20,167	20,286
CASH USED IN OPERATING ACTIVITIES	<u>(32,305)</u>	<u>(2,586)</u>
Interest paid	(2,555)	(263)
Income tax paid	(10,215)	(4,628)
NET CASH USED IN OPERATING ACTIVITIES	<u>(45,075)</u>	<u>(7,477)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of equity interest in other investment	(6,172)	(9,885)
Purchase of property and equipment	(25,342)	(27,158)
Profit income received from deposits with licensed islamic banks	22	20
Interest received	446	1,940
Proceed from disposal of property, plant and equipment	65	200
Development costs paid	(2,435)	(2,214)
Increased in pledged fixed deposits with licensed bank	(222)	-
Net decrease in short term investments	26,144	29,357
NET CASH USED IN INVESTING ACTIVITIES	<u>(7,494)</u>	<u>(7,740)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase obligation	(38)	(228)
Repayment of term loan	(1,159)	-
Dividends paid	(6,565)	(15,683)
Proceeds from issuance of RCPS	-	236
Proceeds from issuance of shares to NCI	-	229
Proceeds from bank borrowing	20,537	22,700
Acquisition of treasury shares by the Company	-	(758)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>12,775</u>	<u>6,496</u>
Net decrease in cash and cash equivalents	(39,794)	(8,721)
Cash and cash equivalents at beginning of the financial period	41,884	55,170
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD	<u>2,090</u>	<u>46,449</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	2,090	13,191
Deposits with licensed banks	3,120	35,956
	<u>5,210</u>	<u>49,147</u>
Less: Deposits pledged with licensed banks	(3,120)	(2,698)
	<u>2,090</u>	<u>46,449</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 31 December 2018 have not been affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

Save except as disclosed in Note A12, 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 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

There was no material capital commitment for the quarter ended 31 December 2018.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

A10. DIVIDENDS PAID

	12 months ended	
	31/12/2018 RM'000	31/12/2017 RM'000
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 third interim tax-exempt dividend of 0.5 sen per ordinary share	-	2,412
- 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	-
- declared as second interim tax-exempt dividend of 0.2 sen per ordinary share	965	-
Total dividends paid	5,788	14,475

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) **Education** – provide specialised computer science and engineering education. It offers computer studies ranges from foundation, diploma, degree, post graduate masters and PhD.
- c) **Employment services** – Human resource management services for foreign workers' recruitment and documentation services.
- d) **Others** – Comprise the holding company which involved in activity of investment holding and its subsidiary companies.
- e) **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.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2018						RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 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	
Revenue							Revenue						
External revenue	17,606	-	1,468	3,091	-	22,165	External revenue	20,413	48,058	2,160	1,296	-	71,927
Inter-segment revenue	-	-	-	-	-	-	Inter-segment revenue	-	-	-	-	5,712	5,712
Segment revenue	17,606	-	1,468	3,091	-	22,165	Segment revenue	20,413	48,058	2,160	1,296	5,712	77,639
Consolidation adjustments						-	Consolidation adjustments						(5,712)
Consolidated revenue						22,165	Consolidated revenue						71,927
Results							Results						
Segment profit/(loss) before interest and taxation	4,886	-	(2,078)	172	(729)	2,251	Segment profit/(loss) before interest and taxation	1,730	19,079	(535)	(108)	4,228	24,394
Finance costs						(959)	Finance costs						(261)
Consolidation adjustments						-	Consolidation adjustments						(5,712)
Consolidated profit before taxation						1,292	Consolidated profit before taxation						18,421

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2018						RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 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
Revenue							Revenue					
External revenue	106,190	78,327	6,276	12,764	-	203,557	129,867	78,053	6,182	5,404	-	219,506
Inter-segment revenue	-	-	-	-	10,552	10,552	-	-	-	-	17,775	17,775
Segment revenue	106,190	78,327	6,276	12,764	10,552	214,109	129,867	78,053	6,182	5,404	17,775	237,281
Consolidation adjustments						(10,552)						(17,775)
Consolidated revenue						203,557						219,506
Results							Results					
Segment profit/(loss)							Segment profit/(loss)					
before interest and taxation	8,792	29,430	(6,598)	315	4,519	36,458	18,876	27,478	(4,599)	322	14,155	56,232
Finance costs						(2,488)						(479)
Consolidation adjustments						(10,552)						(17,775)
Consolidated profit before taxation						23,418						37,978

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

- a) Subsequent to the announcement dated 12 December 2018 whereby the Company has announced that Prestariang SKIN Sdn. Bhd. (PSKIN) had on 11 December 2018 received a letter from the Ministry of Home Affairs (MOHA) confirming the decision of the Cabinet to terminate the SKIN project by way of expropriation with the effective date of termination is on 22 January 2019.
- b) The Company has announced the change of financial year ended from 31 March 2019 to 30 June 2019.

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 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 31 DECEMBER 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

Q418 vs. Q417 and Q418 YTD vs. Q417 YTD

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Variance RM'000	(%)	Current Year to Date 31/12/2018 RM'000	Preceding Year to Date 31/12/2017 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>								
Software & Services and Academy								
- Software & Services	15,446	20,280	(4,834)	-24%	101,807	125,282	(23,475)	-19%
- Academy	2,160	133	2,027	>+100%	4,383	4,585	(202)	-4%
	17,606	20,413	(2,807)	-14%	106,190	129,867	(23,677)	-18%
Education	1,468	2,160	(692)	-32%	6,276	6,182	94	2%
Employment services	3,091	1,296	1,795	>+100%	12,764	5,404	7,360	>+100%
Concession	-	48,058	(48,058)	-100%	78,327	78,053	274	0%
Others	-	5,712	(5,712)	-100%	10,552	17,775	(7,223)	-41%
	22,165	77,639	(55,474)	-71%	214,109	237,281	(23,172)	-10%
Inter-segment Elimination	-	(5,712)	5,712	-100%	(10,552)	(17,775)	7,223	-41%
Group	22,165	71,927	(49,762)	-69%	203,557	219,506	(15,949)	-7%
<u>Profit Before Taxation</u>								
Software & Services and Academy	3,928	1,470	2,458	167%	6,360	18,474	(12,114)	-66%
Education	(2,078)	(535)	(1,543)	>-100%	(6,599)	(4,674)	(1,925)	-41%
Employment Services	170	(109)	279	>+100%	313	321	(8)	-2%
Concession	-	19,079	(19,079)	-100%	29,378	27,478	1,900	7%
Others	(728)	4,228	(4,956)	>-100%	4,518	14,154	(9,636)	-68%
	1,292	24,133			33,970	55,753		
Inter-segment Elimination	-	(5,712)	5,712	-100%	(10,552)	(17,775)	7,223	-41%
Group	1,292	18,421	(17,129)	-93%	23,418	37,978	(14,560)	-38%

B1. OPERATING SEGMENTS REVIEW

Q418 vs. Q417

The Group registered a lower revenue of RM22.2 million, RM49.7 million or 69% lower for the current quarter compared to RM71.9 million recorded in previous year corresponding quarter. The significant reduction in revenue recognition was mainly due to termination of SKIN project where no revenue is recognized compounded by weaker demand from Software & Services.

The Group recorded PBT of RM1.3 million, RM17.1 million lower than the previous year corresponding quarter due to net flow through of discontinued recognition of SKIN's revenue, coupled with higher operating and finance costs for existing businesses.

YTD18 vs. YTD17

The Group's revenue for YTD18 was RM203.6 million, lower by RM15.9 million or 7% compared to RM219.5 million in YTD17. The YTD revenue was lower than last year mainly due to lower demand for Software & Services particularly during the current quarter.

For YTD18, the Group's PBT recorded RM23.4 million or 38% lower than last year mainly due to the flow through of lower revenue for software and services coupled with under provision of tax expenses & penalties, higher finance and operating costs in comparison to YTD17.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S

RESULTS Q418 vs. Q318

	Current Quarter 31/12/2018 RM'000	Immediate Preceding Quarter 30/9/2018 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services and Academy				
- Software & Services	15,446	24,827	(9,381)	-38%
- Academy	2,160	621	1,539	>+100%
	17,606	25,448	(7,842)	-31%
Education	1,468	1,678	(210)	-13%
Employment services	3,091	3,937	(846)	-21%
Concession	-	21,654	(21,654)	-100%
Others	-	-		
	22,165	52,717	(30,552)	-58%
Inter-segment Elimination	-	-	-	
Group	22,165	52,717	(30,552)	-58%
<u>Profit Before Taxation</u>				
Software & Services and Academy	3,928	(2,067)	5,995	>100%
Education	(2,078)	(1,341)	(737)	-55%
Employment services	170	96	74	77%
Concession	-	7,337	(7,337)	>-100%
Others	(728)	(1,901)	1,173	62%
	1,292	2,124	(832)	39%
Inter-segment Elimination	-	-		
Group	1,292	2,124	(832)	39%

The Group's revenue for the current quarter of RM22.2 million, RM30.5 million or 58% lower than the preceding quarter of RM52.7 million due to lower recognition of revenue especially from SKIN's project.

The Group recorded PBT of RM1.3 million, RM0.8 million or 39% lower than the preceding quarter of RM2.1 million resulted from termination of SKIN project with effect from 22 January 2019.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019

The Company has announced the change of financial year ended from 31 March 2019 to 30 June 2019.

The Company foresee the Group's performance for the financial year ending 30 June 2019 continue to remain challenging. The current Software & Services business continue to record profitability to the Group whilst its Education segment is in the midst of streamlining and rejuvenating its operations.

The Company has commenced the compensation negotiation with the Government on the termination of SKIN. The Board remains positive on the compensation amount based on the formula as stipulated under the Concession Agreement. The Company will not have any impairment on the current Group's Account for the period under review.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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

B5. PROFIT BEFORE TAXATION

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Interest income	(18)	(406)	(446)	(1,940)
Interest expense	694	206	1,588	263
Depreciation and amortisation	536	470	2,214	1,811
Provision for doubtful debts	-	650	503	650
Impairment loss of development cost	-	3,504	-	3,504
Foreign exchange loss/(gain)	(3)	(333)	879	(341)
Property and equipment written-off	-	-	97	-
(Gain) or loss on disposal of property and equipment	-	-	(65)	-

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B6. INCOME TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Malaysia tax:				
- for the current year	722	7,777	9,262	10,020
- Under provision in prior year	-	-	7,118	1,096
Deferred tax:				
- Deferred tax liabilities	-	2,292	-	2,292
- Reversal Deferred tax assets	-	-	-	-
	722	10,069	16,380	13,408

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

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 31 December 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	
<u>Borrowings</u>							
- Hire purchase payables	76	-	76	39	-	39	115
- Term Loan	29,040	-	29,040	2,201	-	2,201	31,241
- Revolving Credit	-	-	-	10,837	-	10,837	10,837
<u>Preference Shares</u>							
- RPS	152	-	152	-	-	-	152
Total	29,268	-	29,268	13,077	-	13,077	42,345

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.

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B11. PROPOSED DIVIDEND

No interim dividend has been declared for the current quarter ended 31 December 2018.

B12. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year To Date 31/12/2018	Preceding Year To Date 31/12/2017	Current Year To Date 31/12/2018	Preceding Year To Date 31/12/2017
Total comprehensive income attributable to owners of the Company (RM'000)	487	4,334	704	18,208
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	0.10	0.90	0.15	3.76

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 February 2019.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
LIM LIH CHAU (LS 0010105)
 Secretaries
Kuala Lumpur
28 February 2019