



# **PRESTARIANG BERHAD**

(922260-K)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For the Quarter and Period Ended 31 March 2019**

**PRESTARIANG BERHAD (922260-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Quarter	Current Year To Date 15 months	Preceding Year To Date 12 months
		31/3/2019 RM'000	31/3/2018 RM'000	31/3/2019 RM'000	31/12/2017 RM'000
Revenue		41,778	72,751	245,335	219,506
Cost of sales		(35,396)	(51,454)	(178,805)	(153,673)
Gross profit		6,382	21,297	66,530	65,833
Other income		393	682	1,846	2,725
Administrative expenses		6,775	21,979	68,376	68,558
Other expenses		(7,075)	(7,657)	(37,765)	(24,136)
Finance costs		(2,340)	(640)	(7,346)	(5,965)
Profit before taxation		(940)	(593)	(3,428)	(479)
Income tax expense	B5 B6	(3,580)	13,089	19,837	37,978
Profit after taxation		(906)	(4,073)	(17,286)	(13,408)
Other comprehensive income		(4,486)	9,016	2,551	24,570
		-	-	-	-
<b>Total comprehensive income for the financial period</b>		<b>(4,486)</b>	<b>9,016</b>	<b>2,551</b>	<b>24,570</b>
<b>Profit after taxation attributable to:-</b>					
- Owners of the Company		(4,536)	6,512	(3,832)	18,208
- Non-controlling interest		50	2,504	6,383	6,362
		<b>(4,486)</b>	<b>9,016</b>	<b>2,551</b>	<b>24,570</b>
<b>Total comprehensive income attributable to:</b>					
- Owners of the Company		(4,536)	6,512	(3,832)	18,208
- Non-controlling interest		50	2,504	6,383	6,362
		<b>(4,486)</b>	<b>9,016</b>	<b>2,551</b>	<b>24,570</b>
<b>Earnings Per Share attributable to owners of the Company (Sen)</b>					
- Basic	B12	(0.94)	1.35	(0.79)	3.76

On 3 December 2018, The Company announced to change the financial year from 31 December to 31 March and later on 28 February 2019, an announcement made to change the financial year from 31 March to 30 June. The current reporting financial period will be for a period of 3 months and 15 months, made up from 1 January 2019 to 31 March 2019 and from 1 January 2018 to 31 March 2019, respectively.

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 31 MARCH 2019**

	Note	Unaudited As at 31/3/2019 RM'000	Audited As at 31/12/2017 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment		58,429	37,246
Other investment		16,057	9,885
Development costs		8,916	6,051
Long term receivables		156,380	78,053
		239,782	131,235
<b>CURRENT ASSETS</b>			
Inventories		4,717	840
Trade and other receivables		78,214	52,857
Short-term investments		360	26,504
Cash and bank balances		5,341	44,782
		88,632	124,983
<b>TOTAL ASSETS</b>		328,414	256,218
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		87,520	54,424
Borrowings	B8	25,630	878
Current tax liabilities		13,380	6,499
		126,530	61,801
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B8	33,609	21,976
Deferred tax liabilities		1,138	1,138
		34,747	23,114
<b>TOTAL LIABILITIES</b>		161,277	84,915
<b>NET ASSETS</b>		167,137	171,303
<b>EQUITY</b>			
Share capital		119,700	119,700
Other reserve		(14,166)	(14,166)
Retained profits		48,862	58,482
Total equity attributable to owners of the Company		154,396	164,016
Redeemable convertible preference shares		85	237
Non-controlling interest		12,656	7,050
<b>TOTAL EQUITY</b>		167,137	171,303
<b>TOTAL LIABILITIES &amp; EQUITY</b>		328,414	256,218
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)</b>			
		31.90	33.89

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**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY**  
**FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

	←-----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
<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	-	-	-	-	(3,832)	(3,832)	-	6,383	2,551
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)
<b>At 31 March 2019</b>	<b>119,700</b>	<b>-</b>	<b>(3,366)</b>	<b>(10,800)</b>	<b>48,862</b>	<b>154,396</b>	<b>85</b>	<b>12,656</b>	<b>167,137</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.

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**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

	<b>Current Year To Date 31/3/2019 RM'000</b>	<b>Preceding Year To Date 31/12/2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	19,837	37,978
Adjustments for:		
Depreciation of property and equipment	3,053	1,811
Profit income received from deposits with licensed islamic banks	(27)	(20)
Gain on disposal of property and equipment	(65)	(13)
Interest expense	3,264	263
Provision property equipment written off	1,500	-
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>27,717</u>	<u>42,233</u>
Operating profit before working capital changes:-		
Changes in inventories	(3,877)	1,672
Changes in trade and other receivables	(104,189)	(66,777)
Changes in trade and other payables	33,390	20,286
<b>CASH USED IN OPERATING ACTIVITIES</b>	<u>(46,959)</u>	<u>(2,586)</u>
Interest paid	(3,264)	(263)
Income tax paid	(10,700)	(4,628)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(60,923)</u>	<u>(7,477)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of equity interest in other investment	(6,172)	(9,885)
Purchase of property and equipment	(25,832)	(27,158)
Profit income received from deposits with licensed islamic banks	27	20
Interest received	446	1,940
Proceed from disposal of property, plant and equipment	65	200
Development costs paid	(2,865)	(2,214)
Increased in pledged fixed deposits with licensed bank	(222)	-
Net decrease in short term investments	26,144	29,357
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(8,409)</u>	<u>(7,740)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase obligation	(48)	(228)
Repayment of term loan	(1,988)	-
Dividends paid	(6,565)	(15,683)
Proceeds from issuance of RCPS	-	236
Proceeds from issuance of RSLs	5,500	-
Proceeds from issuance of shares to NCI	-	229
Proceeds from bank borrowing	32,770	22,700
Acquisition of treasury shares by the Company	-	(758)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<u>29,669</u>	<u>6,496</u>
Net decrease in cash and cash equivalents	(39,663)	(8,721)
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>2,221</u>	<u>46,449</u>
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-</b>		
Cash and bank balances	2,221	13,191
Deposits with licensed banks	3,120	35,956
	<u>5,341</u>	<u>49,147</u>
Less: Deposits pledged with licensed banks	(3,120)	(2,698)
	<u>2,221</u>	<u>46,449</u>

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**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 March 2019 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 March 2019.

**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 March 2019.



**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

**A10. DIVIDENDS PAID**

	<b>15 months ended 31/3/2019 RM'000</b>	<b>12 months ended 31/12/2017 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 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	<u>5,788</u>	<u>14,475</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) **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 AND PERIOD ENDED 31 MARCH 2019**

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

	RESULTS FOR 3 MONTHS ENDED 31 MARCH 2019 (UNAUDITED)						RESULTS FOR 3 MONTHS ENDED 31 MARCH 2018 (UNAUDITED)					
	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	37,887	-	1,220	2,671	-	41,778	43,052	26,740	1,338	1,621	-	72,751
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
Segment revenue	<u>37,887</u>	<u>-</u>	<u>1,220</u>	<u>2,671</u>	<u>-</u>	<u>41,778</u>	<u>43,052</u>	<u>26,740</u>	<u>1,338</u>	<u>1,621</u>	<u>-</u>	<u>72,751</u>
Consolidation adjustments						-						-
Consolidated revenue						<u>41,778</u>						<u>72,751</u>
<b>Results</b>							<b>Results</b>					
Segment profit/(loss) before interest and taxation	<u>3,068</u>	<u>-</u>	<u>(4,008)</u>	<u>99</u>	<u>(1,799)</u>	<u>(2,640)</u>	<u>5,297</u>	<u>10,892</u>	<u>(1,407)</u>	<u>43</u>	<u>(1,143)</u>	<u>13,682</u>
Finance costs						(940)						(593)
Consolidation adjustments						-						-
Consolidated profit before taxation						<u>(3,580)</u>						<u>13,089</u>

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

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

	RESULTS FOR 15 MONTHS ENDED 31 MARCH 2019 (UNAUDITED)						RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2017 (AUDITED)					
	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	144,077	78,327	7,496	15,435	-	245,335	129,867	78,053	6,182	5,404	-	219,506
Inter-segment revenue					10,552	10,552	-	-	-	-	17,775	17,775
Segment revenue	<u>144,077</u>	<u>78,327</u>	<u>7,496</u>	<u>15,435</u>	<u>10,552</u>	<u>255,887</u>	<u>129,867</u>	<u>78,053</u>	<u>6,182</u>	<u>5,404</u>	<u>17,775</u>	<u>237,281</u>
Consolidation adjustments						(10,552)						(17,775)
Consolidated revenue						<u>245,335</u>						<u>219,506</u>
<b>Results</b>							<b>Results</b>					
Segment profit/(loss) before interest and taxation	<u>11,860</u>	<u>29,430</u>	<u>(10,606)</u>	<u>414</u>	<u>2,719</u>	<u>33,817</u>	<u>18,876</u>	<u>27,478</u>	<u>(4,599)</u>	<u>322</u>	<u>14,155</u>	<u>56,232</u>
Finance costs						(3,428)						(479)
Consolidation adjustments						(10,552)						(17,775)
Consolidated profit before taxation						<u>19,837</u>						<u>37,978</u>

**A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD**

On 15 April 2019, Prestariang SKIN Sdn. Bhd. (“PSKIN”), a wholly-owned subsidiary of Prestariang Services Sdn. Bhd., which in turn is a subsidiary of Prestariang Berhad, has filed and served an Originating Summons dated 15 April 2019 as Plaintiff against Government of Malaysia (“GOM”) as Defendant in relation to the termination of the Concession Agreement dated 9 August 2017 (“Concession Agreement”) by GOM by way of expropriation pursuant to Clause 31.1 of the Concession Agreement.

**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
Felcra Berhad	
- common director	
Sales of software	432

**PRESTARIANG BERHAD (922260-K)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2019**

**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**

**Q119 vs. Q118 and Q119 YTD vs. Q417 YTD**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 3/31/2019 RM'000	Preceding Year Quarter 3/31/2018 RM'000	Variance		15 MONTHS Current Year to Date 3/31/2019 RM'000	12 MONTHS Preceding Year to Date 12/31/2017 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<b><u>Segmental Revenue:</u></b>								
Software & Services and Academy								
- Software & Services	37,887	41,762	(3,875)	-9%	139,694	125,282	14,412	12%
- Academy	-	1,290	(1,290)	-100%	4,383	4,585	(202)	-4%
	37,887	43,052	(5,165)	-12%	144,077	129,867	14,210	11%
Education	1,220	1,338	(118)	-9%	7,496	6,182	1,314	21%
Employment services	2,671	1,621	1,050	65%	15,435	5,404	10,031	>100%
Concession	-	26,740	(26,740)	-100%	78,327	78,053	274	0%
Others	-	-	-	n/a	10,552	17,775	(7,223)	-41%
	41,778	72,751	(30,973)	-43%	255,887	237,281	18,606	8%
Inter-segment Elimination	-	-	-		(10,552)	(17,775)		
<b>Group</b>	<b>41,778</b>	<b>72,751</b>	<b>(30,973)</b>	<b>-43%</b>	<b>245,335</b>	<b>219,506</b>	<b>25,829</b>	<b>12%</b>
<b><u>Profit Before Taxation</u></b>								
Software & Services and Academy	2,129	4,705	(2,576)	-55%	8,489	18,474	(9,985)	-54%
Education	(4,009)	(1,407)	(2,602)	>-100%	(10,608)	(4,674)	(5,934)	>-100%
Employment Services	98	43	55	>100%	411	321	90	28%
Concession	-	10,892	(10,892)	-100%	29,378	27,478	1,900	7%
Others	(1,798)	(1,144)	(654)	>-100%	2,719	14,154	(11,435)	-81%
	(3,580)	13,089	(16,669)	>-100%	30,389	55,753	(25,364)	-45%
Inter-segment Elimination	-	-	-		(10,552)	(17,775)		
<b>Group</b>	<b>(3,580)</b>	<b>13,089</b>	<b>(16,669)</b>	<b>&gt;-100%</b>	<b>19,837</b>	<b>37,978</b>	<b>(18,141)</b>	<b>-48%</b>

**B1. OPERATING SEGMENTS REVIEW**

**Q119 vs. Q118**

The Group recorded a lower revenue of RM41.8 million, RM30.9 million or 43% lower for the current quarter compared to RM72.7 million recorded in previous year corresponding quarter. The significant reduction in revenue was mainly due to termination of SKIN project resulted to discontinuing its revenue recognition.

The Group recorded LBT of RM3.6 million, RM16.7 million lower than the previous year corresponding quarter due to net flow through of discontinued recognition of SKIN's revenue and higher costs of doing current business namely higher finance cost , coupled with one off provision for impairment of fixed assets due to relocation of UNIMY to new location.

**PTD19 vs. PTD17**

The Group changed its financial year end from 31 December to 30 June. Accordingly, in the current quarter ended 31 March 2019 cover a 15- month period from 1 Jan 2018 to 31 March 2019 ("PTD 2019") as compared to the 12-month period from 1 January 2017 to 31 December 2017 ("PTD 2017").

The Group's revenue for PTD 2019 was RM245.3 million, higher by RM25.8 million or 12% compared to RM219.5 million in PTD17.

Despite higher revenue in PTD2019, the Group PBT was lower by RM18.1 million or 48% in comparison to PTD 2017 of RM37.9 million due to payment of under taxation and its penalties, higher finance and operating costs for Software and Services whilst Education segment remained weak due to lower student enrollment and higher operating expenditures.

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

**Q119 vs. Q418**

	<b>Current Quarter 3/31/2019 RM'000</b>	<b>Immediate Preceding Quarter 12/31/2018 RM'000</b>	<b>Variance RM'000 (%)</b>	
<b><u>Segmental Revenue:</u></b>				
Software & Services and Academy				
- Software & Services	37,887	15,446	22,441	>100%
- Academy	-	2,160	(2,160)	-100%
	<u>37,887</u>	<u>17,606</u>	20,281	>100%
Education	1,220	1,468	(248)	-17%
Employment services	2,671	3,091	(420)	-14%
Concession	-	-	-	n/a
Others	-	-	-	n/a
	<u>41,778</u>	<u>22,165</u>	19,613	88%
Inter-segment Elimination	-	-	-	
<b>Group</b>	<u>41,778</u>	<u>22,165</u>	19,613	88%
<b><u>Profit Before Taxation</u></b>				
Software & Services and Academy	2,129	3,928	(1,799)	-46%
Education	(4,009)	(2,078)	(1,931)	-93%
Employment services	98	170	(72)	-42%
Concession	-	-	-	n/a
Others	(1,798)	(728)	(1,070)	>-100%
	<u>(3,580)</u>	<u>1,292</u>	(4,872)	>-100%
Inter-segment Elimination	-	-	-	
<b>Group</b>	<u>(3,580)</u>	<u>1,292</u>	(4,872)	>-100%

The Group's revenue for the current quarter of RM41.8 million, RM19.6 million or 88% higher than the preceding quarter of RM22.2 million due to higher recorded revenue for Software and Services.

Despite higher revenue recorded in the current quarter, the Group recorded LBT of RM3.6 million, RM4.9 million lower than the preceding quarter of RM1.3 million due to higher costs for doing business namely higher finance and operating costs for Software and Education segment remained weak due to lower students enrollment and higher operating expenditures compounded by provision for impairment of fixed assets due to UNIMY's relocation .

**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019**

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

The Group has filed and served its Originating Summons ("OS") dated 15 April 2019 against the Government of Malaysia ("GOM") as Defendant claiming the amount of RM733 million in relation to the termination of the Sistem Kawalan Imigresen Nasional (SKIN) by expropriation. The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement. The management is confident that there will be no impairment to 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>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>15 months Current Year To Date</b>	<b>12 months Preceding Year To Date</b>
	<b>31/3/2019</b>	<b>31/3/2018</b>	<b>31/3/2019</b>	<b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	-	(175)	(446)	(1,940)
Interest expense	580	275	2,168	263
Depreciation and amortisation	838	562	3,052	1,811
Provision for doubtful debts	-	78	503	650
Provision for write off assets	1,500	-	1,500	-
Impairment loss of development cost	-	-	-	3,504
Foreign exchange loss/(gain)	(306)	(491)	573	(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**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31/3/2019</u> <u>RM'000</u>	<u>Preceding Year Quarter</u> <u>31/3/2018</u> <u>RM'000</u>	<u>15 months Current Year To Date</u> <u>31/3/2019</u> <u>RM'000</u>	<u>12 months Preceding Year To Date</u> <u>31/12/2017</u> <u>RM'000</u>
Malaysia tax:				
- for the current year	910	1,459	10,172	10,020
- Under/(Over) provision in prior year	(4)	-	7,114	1,096
Deferred tax:				
- Deferred tax liabilities	-	2,614	-	2,292
	<u>906</u>	<u>4,073</u>	<u>17,286</u>	<u>13,408</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.

**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 March 2019 are as follows:

	<u>Long term borrowing</u>			<u>Short term borrowing</u>			<u>Total (RM'000)</u>
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
<b><u>Borrowings</u></b>							
- Hire purchase payables	65	-	65	40	-	40	105
- Term Loan	27,892	-	27,892	2,520	-	2,520	30,412
- Revolving Credit	-	-	-	23,070	-	23,070	23,070
<b><u>Preference Shares</u></b>							
-RSLs	5,500	-	5,500	-	-	-	5,500
- RPS	152	-	152	-	-	-	152
<b>Total</b>	<b>33,609</b>	<b>-</b>	<b>33,609</b>	<b>25,630</b>	<b>-</b>	<b>25,630</b>	<b>59,239</b>

**B9. MATERIAL LITIGATION**

Save and except for the OS as disclosed under B3, 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 March 2019.

**B12. EARNINGS PER SHARE**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year To Date 31/3/2019</b>	<b>Preceding Year To Date 31/3/2018</b>	<b>15 months Current Year To Date 31/3/2019</b>	<b>12 months Preceding Year To Date 31/12/2017</b>
Total comprehensive income attributable to owners of the Company (RM'000)	(4,536)	6,512	(3,832)	18,208
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	(0.94)	1.35	(0.79)	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 30 May 2019.

**BY ORDER OF THE BOARD**

**CHUA SIEW CHUAN (MAICSA 0777689)**  
**LIM LIH CHAU (LS 0010105)**  
 Secretaries  
**Kuala Lumpur**  
**30 May 2019**