



FOR IMMEDIATE RELEASE

PRESTARIANG REPORTS SECOND QUARTER 2019 RESULT
HIGHER REVENUE RECORDED ON REINSTATEMENT OF SKIN REVENUE
SOFTWARE & SERVICES AND ACADEMY BUSINESS CONTINUES TO BE KEY GROWTH DRIVER

CYBERJAYA, 30 August 2019 – Technology and Talent Platform Innovator, Prestariang Berhad (Prestariang or the Group) today announced its second quarter (Q219) result ended 30th June 2019 and a Period to Date (PTD) result covering a 18-month period from 1 Jan 2018 to 30th June 2019.

Q219 vs. Q218

The Group recorded a higher revenue of RM121.9 million, RM66.0 million or >100% higher for the current quarter compared to RM55.9 million recorded in previous year corresponding quarter. The significant increase in revenue was due to reinstatement of SKIN's revenue of RM78.1 million as a result of the adoption of MFRS15¹.

The Group recorded LBT of RM2.0 million, compared to PBT of RM6.9 million in the previous year corresponding quarter despite the reinstatement of SKIN's revenue in the current quarter. This is mainly due to the material provision of impairment on trade receivables, development costs, fixed assets in Education segment and other in compliance with respective MFRS.

PTD19 vs. PTD17

The Group changed its financial year end from 31 December to 30 June. Accordingly, in the current quarter ended 30 June 2019 cover an 18- month period from 1 Jan 2018 to 30 June 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 RM367.3 million, higher by RM225.9 million or >100% compared to RM141.4 million in PTD17.

The reinstatement of SKIN's revenue had significantly contributed to higher PBT recorded in PTD2019. The PBT was RM15.0 million or >100% higher than PTD17 of RM4.3 million. The PBT for PTD19 have taken into account on material provisions made for impairment on trade receivables, development costs, fixed assets and others amounting to RM30.3 million in compliance with respective MFRS and one-off tax penalties due to Tax Audit by IRB for YA 2011-2016 amounting to RM2.0 million.

MATERIAL LITIGATION

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 for the period under review.

FUTURE PROSPECTS

The Software & Services and Academy business continue to grow and is operationally profitable to the Group with on-going sustainable key projects at hand including MLA 3.0, Autodesk and Adobe.

The Company foresees the Group's performance for financial year ending 30 June 2020 to remain challenging. However, the management is confident that we will be able to achieve financial stability and accelerate business growth.

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About Prestariang Berhad (www.prestariang.com.my)

Prestariang, a Technology and Talent pioneer, has evolved from being Malaysia's largest ICT software and training service provider to a leading Technology and Talent Platform innovator. Prestariang is a strong collaborator and works in partnership with global drivers of the digital economy like Microsoft, Autodesk, Adobe, Salesforce, OpenLearning, Oracle, CompTIA, EC-Council and many others.

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ⁱ 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.

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.