



**FOR IMMEDIATE RELEASE**

**PRESTARIANG REPORTS FIRST QUARTER 2020 RESULTS**  
***COMPANY IMPLEMENT RATIONALIZATION PLAN AND STRATEGIC BUSINESS INITIATIVES FOR GROWTH***

**CYBERJAYA, 29 NOVEMBER 2019** – Technology and Talent Platform Innovator, Prestariang Berhad (Prestariang or the Group) today announced its first-quarter (Q120) results ended on 30 September 2019.

**Q120 vs Q619**

The Group recorded a revenue of RM38.1 million for the current quarter representing RM83.8 million or 69% lower than the preceding quarter of RM121.9 million. The main reasons for the contrast of the lower revenue was due to the termination of SKIN which came into effect in February 2019 and no further recognition of the SKIN Concession revenue was included in this current quarter reporting. In the preceding quarter, a higher revenue was reported in lieu of reinstatement of SKIN's revenue following the adoption of MFRS 15.

The current quarter result is a reflection of the Group's current existing business without any recognition of SKIN concession revenue. For the reporting quarter, Education and Employment Services recorded a lower revenue in comparison to the preceding quarter while Software & Services and Talent revenue grew from RM21.076 million in the previous quarter to RM34.93 million in the current quarter. Software & Services and Talent remained the main contributor to the Group's revenue.

The Group recorded Loss Before Tax (LBT) of RM2.9 million or 45% higher than preceding quarter due to the net effect of lower revenue following the termination of SKIN.

Since the Group has changed its Financial Year End to 30 June, there is no comparative figures available for the preceding period that ended on 30 September 2018.

**MATERIAL LITIGATION**

The hearing of the Originating Summons filed by the Group regarding the termination of the Sistem Kawalan Imigresen Nasional (SKIN) has been fixed for July 2020. Separately, the Group and the Government of Malaysia (GOM) have agreed to refer the dispute to court-annexed mediation, and that the mediation process shall proceed concurrently with the court proceedings. The first mediation session was held on 30 October 2019 and the next session is



scheduled on January 2020. The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement. The management is also confident that there will be no impairment for the period under review.

## **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

**In addressing the going concern of the business highlighted by** the Group's independent auditors, Messrs. Crowe Malaysia PLT in the Annual report for the period ended 30<sup>th</sup> June 2019, the Group remains confident that it is able to meet its obligations on the following reasons;

1. The Group's operating cashflow for current financial period which ended 30 September 2019 has returned to positive at RM1.61 million. The Group's negative operating cashflow in the previous financial period ended 30 June 2019 of RM72.3 million was a result of the SKIN's uncollected revenue of RM175 million being recorded as a trade receivable. With the adjustment of this as an investment in the SKIN project, the Group's operating cashflow would have been positive.
2. In addition, the Group has implemented a rationalization plan for its businesses to improve its cash flow and increase working capital for further business expansion. Amongst its action plans included are divestment of assets, cost cutting measures and others.
3. Moving forward, the Group will build on its existing strengths to play a critical role in bringing together technology and talent for the country's manufacturing sector with the global shift towards Industry 4.0 and Malaysia's version of Industry4WRD. The Group is able to provide end-to-end solutions in terms of talent management encompassing talent acquisition, profiling, training and placement to complement its existing Software & Services business.

## **PROSPECTS**

The Software & Services and Talent business continues to grow and is operationally profitable to the Group with ongoing sustainable key projects at hand including MLA 3.0, Autodesk and Adobe.

Prestariang continues to be the sole Microsoft Licensing Solutions Provider for all Government agencies and Institut Latihan Awam in Malaysia following a 3- year Master Licensing Agreement (MLA) 3.0 signed with the Government of Malaysia dated 1 February 2018 to 31 January 2021 at an estimated total value of RM222.6 million.



The Group has, on 4 October 2019 launched three initiatives specifically designed for the Finance Ministry, which was officiated by Yang Berhormat Tuan Lim Guan Eng, Finance Minister, to embrace modern workplace as well as to encourage digital transformation. The three components unveiled were the MLA Web Portal, Competency Enhancement Program (CEP) mobile app, and the Treasury Active Learning Centre (T.A.L.C). MLA 3.0 also represents Prestariang's dedication to help the GOM in creating a more competent workforce for the nation in four key focus areas:- Upskilling and reskilling civil servants to improve their performance; accessibility to state of the art technology; providing best and latest hardware and last but not least; maximising return of investment for the Government. This is in line with the company's role as a leading Technology and Talent Platform innovator to encourage the use of technology as dictated by Industrial Revolution 4.0.

The Group foresees its performance for the 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 through innovative ways to bring on-board value-added revenue generating income.

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**About Prestariang Berhad ([www.prestariang.com.my](http://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.

**For more information, please contact:**

Media

Irene Yeoh

Tel: +6012 3868873

Email: [irene@sliyconsultancy.com](mailto:irene@sliyconsultancy.com)

Analyst

Liew Siew Leng

Tel: +6017 8875108

Email: [siewleng@sliyconsultancy.com](mailto:siewleng@sliyconsultancy.com)