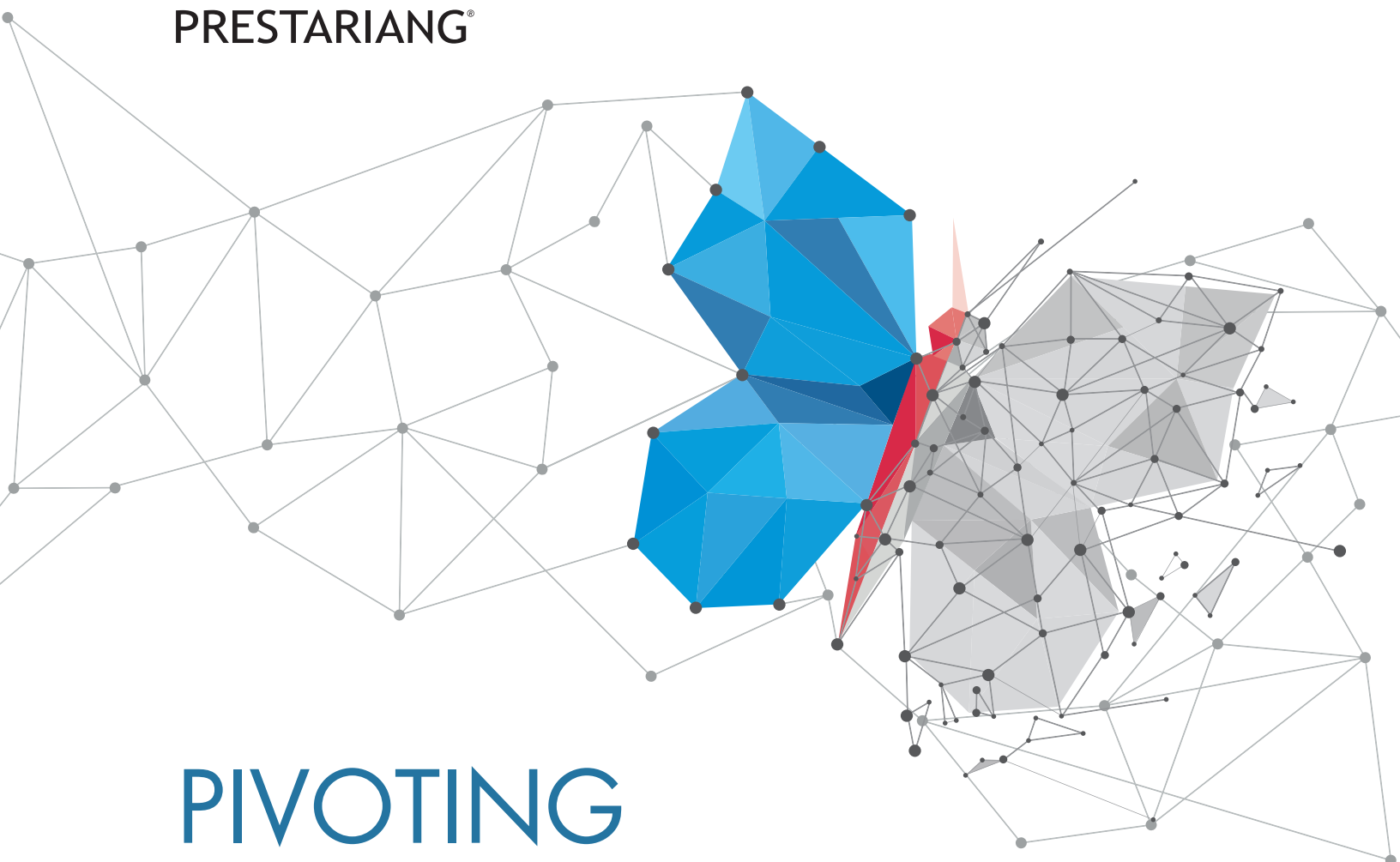




PRESTARIANG®

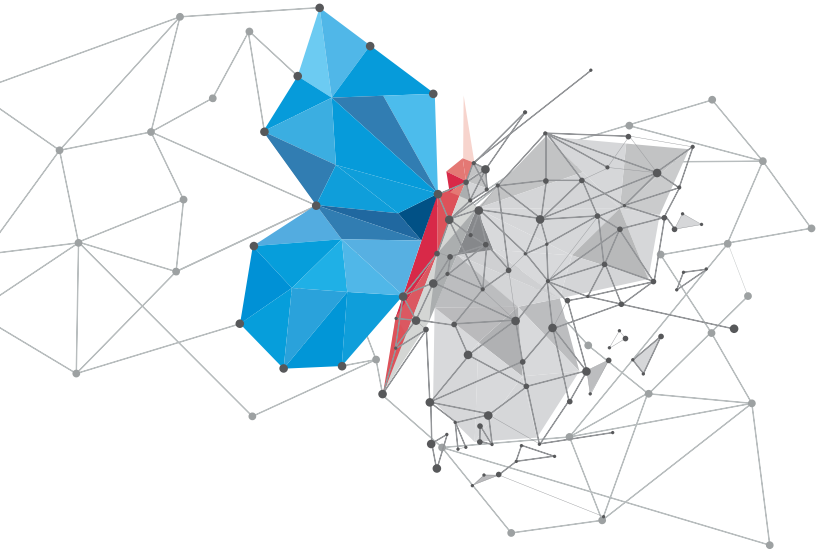


# PIVOTING DIGITALISATION

ANNUAL REPORT 2020

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## PIVOTING DIGITALISATION



Disruptive technologies enable transformation in traditional business models by creating new opportunities at an unprecedented rate. As a Technology and Talent company, we have raised our ante and kept our customers supplied, connected and informed as we continued to power through challenging periods.

While the reliance on technology intensifies, we are mindful about addressing user requirements by ensuring security, data integrity and data sovereignty.

At Prestariang, we have challenged ourselves by scrutinising elements which could affect business performance on a go-forward basis. Financially, we have a good balance of past performance and a good outlook for our future prospects. We scrutinised the headwinds that disrupted us but more importantly, we addressed them in constructive ways to help us be prepared. **We were pressure-tested against a wide range of challenges, and we dug deep to unlock our full potential.**

Now more than ever, we are Pivoting on Digitalisation to drive innovation to results, continuously advance our human capabilities, and enhance our product and service offerings. Thus, our strengths lie in our ability to achieve sustainable advantages even in the most adverse of situations, to maintain our momentum and trust of all our stakeholders.

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## 10<sup>TH</sup> ANNUAL GENERAL MEETING

- 25 November 2020, Wednesday
- 10:00 a.m.
- Broadcast Venue:  
12<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia.

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"We moved into our New Corporate Office at Star Central in 2020."



## VISION STATEMENT

A Global Company that Provides **21<sup>st</sup> Century Talent and Technology Services**  
Platform to Transform Lives

## MISSION STATEMENT

To Drive Sustainable Recurring Profit through **Digital Transformation**

## SHARED VALUES

### INNOVATION

We bring together world-class capabilities and innovation to help our customers realise their visions. We ensure the highest level of services in providing effective solutions and added value to customers.

### QUALITY

We demand service excellence with added value through our understanding of customers' needs and drivers. We are geared towards managing our resources effectively and boosting productivity levels by ensuring that skills, knowledge and talents are proactively identified and developed. We challenge the boundaries by applying industry best practices, leading edge technologies, as well as operational and technical expertise to ensure our sustainability.

### COLLABORATION

We leverage on our people's experiences and expertise to derive solutions by collaborating openly and effectively with our customers.

### CUSTOMERS AS OUR FOCUS

Focused on value creating efforts, we are constantly forging ahead, fully committed in providing the best value and innovative fit-for purpose solutions to our customers.

### INTEGRITY

With integrity as our core strength, we take ownership of actions and issues to further boost our growth opportunities, improve our work systems and processes, and maintain mutually rewarding partnerships with our customers.

Incorporated in **2003**

Listed under Main Market Bursa  
Malaysia Securities Berhad on  
**27 July 2011**

**ISO 9001:2015**

Certified for Prestariang  
Systems Sdn. Bhd.  
Microsoft Business  
Solution

More than

**260,000**

Trained & Certified  
Individuals

A Constituent of



FTSE4Good  
**BURSA MALAYSIA  
INDEX**

Since December 2014



Headquarters  
**CYBERJAYA**

More than

**60**

Globally Recognised  
Certification Courses

Over

**6.3 million**

Distributed and  
Managed Software  
Licences

**91**

Total Number of  
Employees



**SHARIAH-COMPLIANT**

A Constituent of

- FTSE Bursa Malaysia EMAS Shariah Index
- FTSE Bursa Malaysia Small Cap Shariah Index



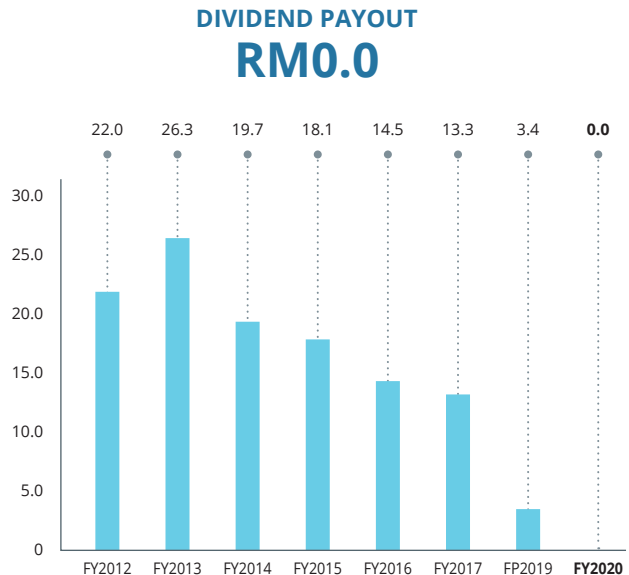
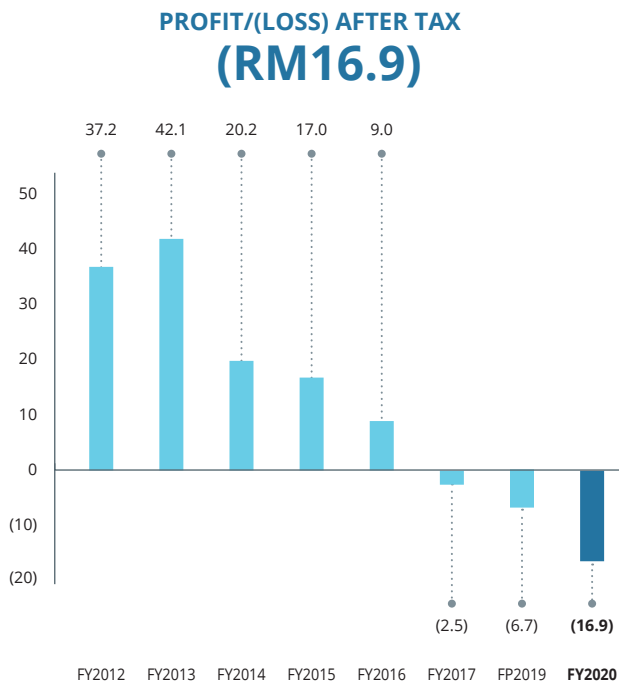
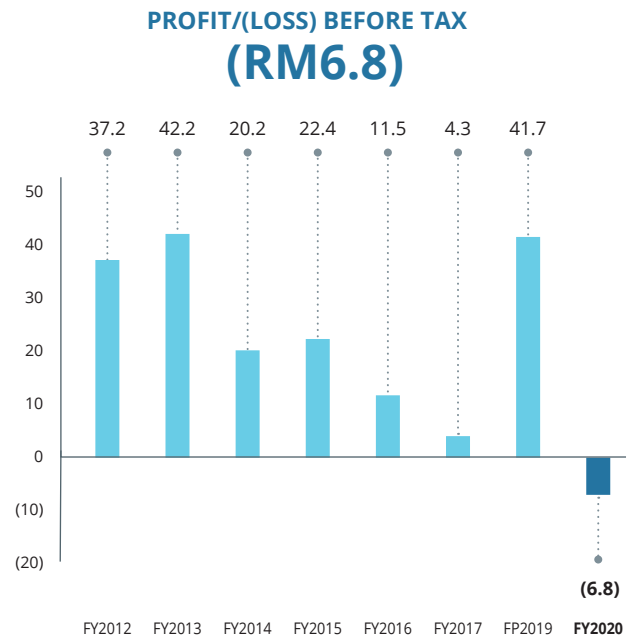
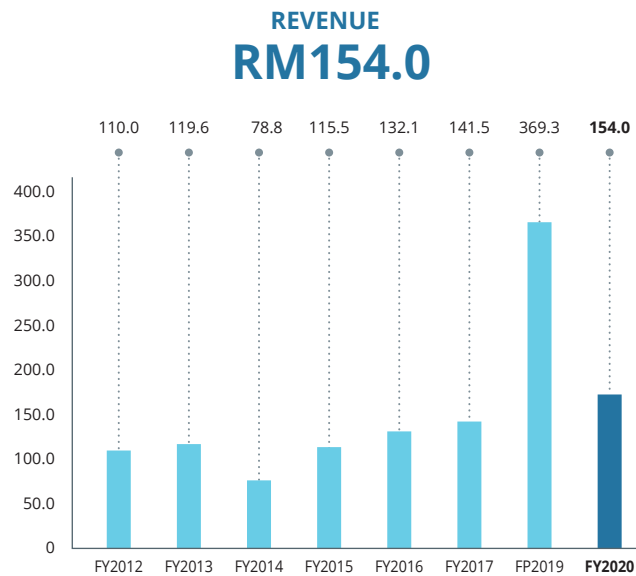
**MSWG**

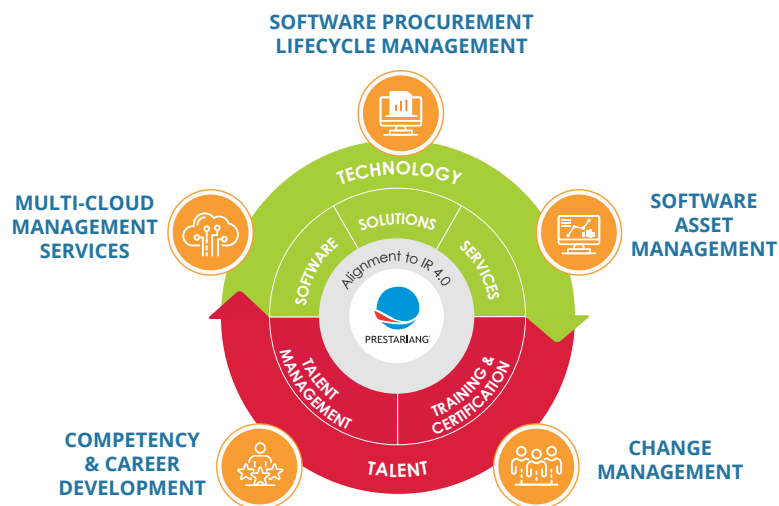
**MSWG-ASEAN CORPORATE GOVERNANCE 2018  
AWARD WINNER – TECHNOLOGY INDUSTRY**

- MSWG-ASEAN Top 100 Companies for Corporate Governance Disclosures
- MSWG-ASEAN Top 100 Companies for Overall Corporate Governance and Performance

## At a Glance

### GROUP'S PERFORMANCE SINCE LISTING FROM 2012 TO 2020 (RM Million)





PRESTARIANG IS A TECHNOLOGY AND TALENT PIONEER THAT HAS EVOLVED FROM BEING MALAYSIA'S LARGEST INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SOFTWARE AND TRAINING SERVICE PROVIDER TO A LEADING TECHNOLOGY AND TALENT INNOVATOR.

Our technology division's core business is software asset management, software procurement lifecycle management and multi-cloud management services, which have been the mainstay of the Group's business. Its talent division primarily offers change management, competency, and career development, focusing on upskilling and reskilling talents for life long learning in the sectors of ICT, oil & gas, and other industries.

Headquartered in Cyberjaya, we are committed to drive the technology industry in Malaysia towards and beyond the new digital economy via our proven competencies and expertise in the markets where we serve.

During a financial year in which we endured external and internal challenges, we have resolved to focus on those technology and talent areas that have always been our forte in order to reenergise our operational and financial positions.

## OUR SUPPLY CHAIN

As a Technology and Talent Innovator, our supply chain of products and services under the technology division are in most cases, procured for Government agencies and public training institutes in Malaysia. As for our talent division, our products and services are typically intended to nurture, optimise, and supply talents through all input channels in delivering quality talents to meet the human capital needs of industries.

We source for products and services for both our operations and capital expenditure, such as advertising, consultation services, technology services, hardware, software and building management services in supporting our day-to-day operations.

Operating in the heart of Malaysia's digital economy, we take cognisance of our responsibility towards driving the local economy. In this aspect, the majority of our suppliers were local vendors as at 30 June 2020. There were no notable changes to our supply chain during the financial year under review.

### Our Services

- **Technology**
  - Software
  - Solutions
  - Services
- **Talent**
  - Talent Management
  - Training and Certification

# Major Projects



MLA is an initiative by the Ministry of Finance (MoF) that is aligned to the strategic ICT thrust of the Government.

Prestariang as the appointed Microsoft Licensing Solution Partner (LSP), provides Microsoft software licences, products and services via a centralised procurement contract to all Government Agencies and Institut Latihan Awam (ILA) in Malaysia.

MoF has awarded an extension of the contract under MLA 3.0 until January 2021.

For more details, visit <https://www.mlatreasury.gov.my/>



Based in Pengerang, Johor Bahru, PSTI is a training institute dedicated to the construction, manufacturing, engineering, and oil & gas industries. It is accredited by the Department of Skills Development, Ministry of Human Resource.

PSTI offers the Malaysian Skills Certification programme (Sijil Kemahiran Malaysia), short technical courses as well as soft skills to equip students with related employability skills in the construction and oil & gas industries.

For more details, visit <http://www.psti.edu.my/>



MUSE is a joint initiative with the Ministry of Higher Education, which involves distributing and managing Microsoft and Autodesk software licenses to public higher education institutions in Malaysia since 2006.

Prestariang has distributed over 45,000 and 30,000 Microsoft & Autodesk software licences, respectively.

Over 4,000 students have been trained in Autodesk as part of our value-added after-sales service.



TalentXchange is an online recruitment website which manages talents for employability.

TalentXchange offers:

- Talent Acquisition and Placement Services
- Training & Certification
- Talent Management for Employability

For more details, visit <http://www.talentxchange.my>



CEP is a unique value proposition under MLA 3.0 in collaboration with the Government of Malaysia.

With every transaction on software purchases, both Government Agencies and Institut Latihan Awam (ILA) can each redeem 11% and 5% of their total purchases respectively on the following, among others:

- Hands-on product training conducted by certified trainers
- Microsoft devices
- Premier Services for end-to-end support solutions



## Past Projects



## Homegrown Intellectual Properties



# Interim Chairman's Statement

## Dear Valued Shareholders,

The financial year ended 30 June 2020 (FY2020) has been another challenging year for Prestariang (Prestariang or the Group). We continue from where we left off in the previous financial period with our rebuilding and recovery business plan.

This involved a rationalisation plan that included among others, cost cutting measures, divestment of non-core assets, and equity fund raising to further strengthen our capital structure and improve cash flow. Some of the measures taken to reduce operating costs have been implemented, while our plan to divest assets and raise equity funds has made progress.

We completed the Private Placement of 10% shares in June 2020 while the proposal for Private Placement of 15% shares to our founder and President/Group Chief Executive Officer (CEO), Dr Abu Hasan Bin Ismail, and the Renounceable Rights Issue are expected to be completed before the end of calendar year 2020.

The progress made in our rationalisation plan had placed us on the road to recovery during FY2020. At this juncture, our Group remains focused on the Software & Services and Talent Management Services segments which have been and will remain as the core drivers of future revenue and profit growth.

The COVID-19 pandemic, however, has impacted our business, particularly the talent segment due to restrictions from holding physical classes during and even after the Movement Control Order (MCO) period. To counter these restrictions, we have introduced training via virtual and online platforms and they are gradually gaining acceptance among our clients. Software & Services, although initially affected by the shutdown of clients' offices, had fully recovered by June 2020 with the backlog of orders cleared and delivered by the end of that month.



**The challenges we are facing, test our resolve to be agile as we continue to reset, reinvent, rebuild, and grow a sustainable business by accelerating our product diversification plan.**



**PAUL CHAN WAN SIEW**

*Senior Independent Non-Executive Director,  
Interim Chairman*



In a latest development, our subsidiary company Prestariang Systems Sdn. Bhd. (PSSB) was informed on 14 September 2020 by Microsoft that it intended to discontinue PSSB's role as Channel Partner effective 31 January 2021. As Microsoft is a major supplier for our Software & Services business, this represents a major setback since revenue derived from Microsoft products and services accounted for the bulk of our business for the financial year under review. At the time of this report, we are still seeking clarification from all stakeholders i.e. our customers and Microsoft on the way forward beyond 31 January 2021 in view of this development. Meanwhile, it is business as usual.

The challenges we are facing, test our resolve to be agile as we continue to reset, reinvent, rebuild, and grow a sustainable business by accelerating our product diversification plan.

At the time of reporting, Prestariang's Non-Independent Executive Director and President/Group CEO Dr Abu Hasan Bin Ismail is expected to return as a major shareholder of the company he founded 16 years ago. The Private Placement of 79,579,740 shares allocated to him which will raise RM27.9 million will anchor a major part of the equity funding being raised by the Group to fuel our business recovery. Dr Abu is not only the founder of Prestariang, but his leadership and insights have shaped a company widely regarded as a critical enabler of Malaysia's efforts to migrate the Government, corporations and society to the cloud and digital realms.

I believe our stakeholders are more confident in a Prestariang with Dr Abu at the helm, and the significant injection of cash from him at this juncture demonstrates his continued confidence in the Group and its rebuilding efforts.

### FINANCIAL RESULTS

As a result of the business rationalisation and turnaround plans implemented by the Group, we are pleased to advise that the material uncertainty raised by our auditors in our last audited financial statements for FP2019 has been addressed. As detailed on pages 132 to 134 under the Key Audit Matters section, this conclusion was reached after a detailed review by the auditors of the Group's cashflow projections, its underlying assumptions and performing sensitivity analysis on the key assumptions.

### COMPARISON OF REVENUE (FP2019 VS FY2020)

(RM Million)

	FP2019	FY2020	%
Revenue	369.3	154.0	
SKIN Contribution	-182.8	-	
	<b>18-month</b>	<b>12-month</b>	
Adjusted Revenue	186.5	154.0	
Revenue Averaged Over 12 Months	<b>124.3</b>	<b>154.0</b>	<b>23.9%</b>

Table 1

This review by the Auditors is a validation of the Management's and Board's views that the Group will have sufficient working capital to finance our operations and to meet our obligations as and when they fall due, and that this view is both fair and reasonable. This marks yet another major milestone in the journey towards firstly stabilising and then rebuilding Prestariang in the wake of the *Sistem Kawalan Imigresen Nasional (SKIN)* termination.

The Group recorded Revenue of RM154.0 million during the year in review as compared with RM369.3 million over an 18-month period that included RM182.8 million from SKIN. If this contribution is excluded from FP2019's Revenue and the balance averaged over 12 months for a direct comparison, Revenue for FY2020 would represent a substantial increase of 23.9% from the adjusted RM124.3 million for the preceding period. (Refer to Table 1).

The Software & Services business contributed RM146.4 million to Group Revenue, with the balance from Employment Services (RM4.4 million) under Talent Management, and Training & Certification (RM3.2 million). Software & Services accounted for the bulk (95.0%) of Group Revenue, followed by Employment Services (2.9%) and Training & Certification (2.1%).

## Interim Chairman's Statement

For FY2020, we posted an operating Loss Before Taxation (LBT) of -RM6.8 million and a further -RM8.9 million from discontinued operations in Education for a total LBT of -RM15.7 million. The previous period's Profit Before Tax (PBT) of RM20.2 million included segmental PBT of RM62.2 million from the Concession and an LBT of -RM21.5 from the discontinued Education operation.

It is pertinent to point out that our primary businesses of Software & Services and Training & Certification returned an operating PBT of RM4.2 million as compared with an LBT of -RM9.8 million in FP2019.

Loss After Taxation (LAT) for operations amounted to -RM8.0 million while the discontinued Education business contributed a loss of -RM8.9 million and other comprehensive expenses a further -RM0.7 million for total comprehensive expenses of -RM17.6 million against total comprehensive expenses for FP2019 of -RM8.4 million. Earnings Per Share (EPS) was a negative -3.55 sen (-1.72 sen from continuing operations and -1.83 sen from discontinued operations) for the year in review as compared against -4.21 sen in the previous reporting period.

Meanwhile, the Shareholders' Equity decreased by 3.4% to RM106.1 million during the financial year from RM109.9 million in the period before. Total Assets decreased to RM302.5 million from RM305.7 previously, while Net Assets Per Share dropped to 21.95 sen in FY2020 as compared with 22.8 sen in the period before.

- **Dividend**

Prestariang's Dividend Policy allocates 50% of PAT to shareholders, resulting in a cumulative payout of RM134.9 million since our listing. Given the losses incurred during the financial year, the Board of Directors (the Board) did not declare any dividend for FY2020.

### CORPORATE DEVELOPMENTS

During the year in review, the Group undertook several corporate exercises under a rationalisation plan to divest loss-making interests in order to improve liquidity and reset our business to focus on segments with growth potential.

- **Sale of Education Business**

We disposed of all interests in Education with the sale of Prestariang Education Sdn. Bhd. (PESB), which owns and operates University Malaysia of Computer Science & Engineering (UNIMY) and OpenLearning Ltd (OLL) during the reporting period.

On 25 February 2020, Prestaring and Serba Dinamik Group Bhd (SDGB) entered in a conditional Share Sale Agreement for SDGB to acquire the entire equity interest of PESB for RM2.5 million.

Prestariang also divested its entire stake in Australian Securities Exchange (ASX)-listed OLL for A\$2.7 million (RM7.8 million) in two tranches in December 2019 and June 2020. The disposals of a total of 13.7 million shares, representing 9.8% equity interest held by Prestariang in OLL, was done via an off-market block trade transaction. We have been using the proceeds as rolling capital to finance sales of our Software and Services business.

- **Private Placement of 10% Shares**

Prestariang completed a Private Placement of 48,230,100 shares (representing 10% of issued share capital) issued at RM0.296 on 22 June 2020 to raise RM14.3 million in a move to provide working capital and repayment of bank borrowings.

- **Other Corporate Exercises at Time of Reporting (FYE 2021):**

The shareholders of the Group approved a corporate exercise during an Extraordinary General Meeting (EGM) on 15 September 2020 that includes a Private Placement of 79,579,740 shares to Dr Abu, Renounceable Rights Issue and Long Term Incentive Plan (LTIP) for employees, details of which are disclosed in the *Management Discussion & Analysis* section of this Annual Report. The corporate exercise is intended to provide our Group with a stable financial footing to enable us to move forward with our recovery and growth business plan.



*Our Board of Directors during the 9<sup>th</sup> Annual General Meeting held on 25 November 2019 at UNIMY, Cyberjaya, Selangor.*

### OPPORTUNITIES

There are opportunities amidst the setbacks we are facing and we will leverage on our experience and market knowledge to move forward with our business recovery plan. With digitalisation and automation key in enabling companies to develop better business practices and work processes, the Government's digitalisation agenda via Industry 4.0 is the catalyst for the technology sector. Prestariang is well-placed to capitalise on a range of digital opportunities via the Group's realignment of core businesses to encompass Software & Services and Cloud Services under **Technology**, and Training & Certification and Talent Management under **Talent**.

Even as the shift to the cloud by both the public and private sectors as well as society gains momentum, digital transformation has assumed much greater urgency following the devastating impact of the COVID-19 pandemic. Companies which were unable to shift from their traditional business models faced difficulties to continue their operations during this period. The adoption of digitalisation is urgently needed to ensure business viability and sustainability.

Prestariang is set to deploy, simplify, intensify and expand technologies to drive its software and cloud services in order to meet customer demand in a digital economy and ensure supply chain resilience, cost control and connectivity. Emphasis will also be on upskilling, reskilling and management of talent to cultivate a lifelong learning culture in society.

### ACKNOWLEDGEMENTS

While Prestariang has been hard hit, we are consistently maintaining clear and transparent communication with our shareholders and all other stakeholders. Beyond maximising profits, we recognise that what is also essential are: investing in employees and human capital, delivering value to customers, supporting vendors and suppliers; and contributing to the communities where we operate.

It is through the collective and collaborative efforts of our Board Members, Management Team, and all employees that we can rise yet again, from surviving to thriving. In my role as the Interim Chairman of your company, I pledge to take on an active role to see the successful turnaround of the Group.

On this note, on behalf of the Board, my deepest gratitude goes out to our previous Chairperson, Datuk Maznah Abdul Jalil, who retired in November 2019. Datuk Maznah has been instrumental in Prestariang's development since her appointment to the Board on 2 July 2012.

We are thankful to you, our shareholders for your continued support. We will require your patience as our diversification plan is expected to take time. With your backing, we are determined to push forward to ensure our company can maintain its competitive advantage in recovering revenue.

**PAUL CHAN WAN SIEW**  
Interim Chairman

# Management Discussion and Analysis

## BUSINESS OVERVIEW AND OBJECTIVES

### Pivoting Digitalisation

Digitalisation of businesses and people has become an endless and relentless phenomenon whether in the previous or the new normal. It is this inevitable reality that we believe will sustain Prestariang Berhad (Prestariang or the Group) despite any internal or external setbacks.

In this regard, financial year 2020 (FY2020) was a highly challenging year. From the outset, we focused on restructuring and reorganising our business via a robust rationalisation plan following the termination of the *Sistem Kawalan Imigresen Nasional* (SKIN) contract by the Government in December 2018. The plan included cost cutting measures, divestment of non-core and loss-making assets, and equity fund-raising.

Then, our efforts to revive the business hit another roadblock in the third and fourth quarters of FY2020 with the sudden and rapid spread of COVID-19, a global pandemic which devastated lives and livelihoods. A silver lining arising from the pandemic and its effects was the shift away from traditional norms and the accelerated adoption of more efficient and resilient digital models of doing business.

Before the pandemic, this transition was already being fuelled by the growing dominance of e-commerce and data science as well as emergence of Industry 4.0 and overarching cloud platforms.



**The Group remains steadfast in our vision to pivot on a technology-talent axis in order to prevail against any setbacks now and into the future, while spearheading the development of the nation's digital economy and society.**



**DR ABU HASAN BIN ISMAIL**

*President/Group CEO*



## Management Discussion and Analysis

The seamless convergence of the digital and physical economies involves the infusion and integration of digital technologies into demand, supply and operational processes, with the most basic examples being the proliferation of virtual meeting or conferencing apps to facilitate work-from-home (WFH) and rapid adoption of online apps for e-sales, e-marketing and e-procurement. Yet, the migration into the digital economy is not without challenges as governments and businesses require access to, and adoption of such technologies and their services alongside talent with the necessary knowledge and skills to harness and utilise them.

It is here that Prestariang is well positioned to capitalise on the range of opportunities through our provision of technology and cloud services, as well as upskilling, reskilling and management of talent.

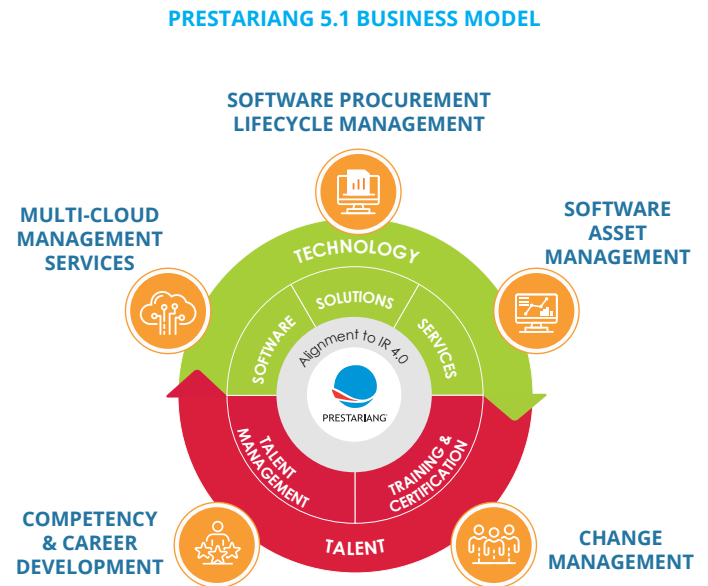
At the time of reporting, we faced another major hurdle when our subsidiary company Prestariang Systems Sdn. Bhd. (PSSB) was informed on 14 September 2020 by Microsoft that it intends to discontinue PSSB's role as Channel Partner effective 31 January 2021, coinciding with the expiry of the current Master Licensing Agreement (MLA 3.0) with the Government. Microsoft is our major supplier for the Group's Software & Services business segment.

Nevertheless, the Group remains steadfast in our vision to pivot on a technology-talent axis in order to prevail against any setbacks now and into the future, while spearheading the development of the nation's digital economy and society.

### Business Model

Prestariang rationalised its business strategy in the year under review by narrowing our focus to core businesses with profit-making consistency and growth potential while divesting loss-making entities.

The latest Prestariang 5.1 business model (as shown in the Infographic pivots on: a **Technology** segment offering software, solutions and services in *Software Asset Management*, *Software Procurement & Lifecycle Management* and *Multi-Cloud Management Services*; and a **Talent** segment providing *Change Management* primarily, but not limited to digital skillsets & technologies, and *Competency & Career Development* through Talent Management.



This iteration of our business model excludes *Education* following our divestment of Prestariang Education Sdn. Bhd., which owns and operates the University Malaysia of Computer Science and Engineering (UNIMY), to Serba Dinamik Group Berhad (SDGB) (Which is pending the requisite regulatory approvals. Further details are presented in Review of Financials: Sale of UNIMY).

The inclusion of *Multi-Cloud Management Services* represents the Group's next evolution to eventually offer the bulk of our solutions and services via the cloud through partnerships with Amazon and Google, who together with Microsoft Azure are the leaders in cloud-based products and services such as Infrastructure as a Service (IaaS), Platforms as a Service (PaaS) and Software as a Service (SaaS).

## Management Discussion and Analysis

Our approach to leverage on these established cloud service providers is in line with supporting the growth and transformation of our clients with 'best in class' offerings. In navigating the opportunities from this segment, we will look to partner and collaborate with existing domestic and international players instead of building our own platforms from scratch. This is a sound business strategy given our revamped emphasis on customisation and adoption instead of development.

We are currently laying the groundwork with the Malaysian Government and its eventual migration to the cloud in line with its Cloud First Policy, which is under development. We expect the Government to take the next step by moving towards a Hybrid Cloud Infrastructure in which general data can be stored in the public cloud while classified and sensitive information can be placed on restricted cloud platforms hosted on secure government premises in Malaysia and managed by local teams. Through this endeavour, we are poised to gain the knowledge and skills required for us to penetrate into the commercial market for cloud services.

The changes in our operating model notwithstanding, our core businesses in Technology and Talent continue to be synergistic where each complements the other and creates opportunities for one another. The knowledge we have gained and positive outcomes from the projects we have undertaken over the years have resulted in our unique ability to gauge and understand what customers value. As such, we can develop new businesses and services with tailor-made solutions to help them adapt and continue operating.

### REVIEW OF FINANCIALS

The Group's results for FY2020 were significantly weighed down by the loss incurred by Prestariang Education Sdn. Bhd. (PESB), which accounted for an estimated 52.4% of the Group Loss After Tax (LAT). As part of our rationalisation plan which includes disposal of loss-making operations, we entered into a Sale & Purchase Agreement with Serba Dinamik Group Berhad (SDGB) for the disposal of the entire equity interest of PESB on 25<sup>th</sup> February 2020. We have therefore reclassified it as Asset Held for Sale. Pending completion of the transaction, the net operating results of PESB for FY2020 will be shown as arising from Discontinued Operations.

### SUMMARY OF GROUP'S KEY FINANCIAL INDICATORS

(RM Million)

	FP2019	FY2020	%
Revenue	369.3	<b>154.0</b>	-58.3%
Profit/(Loss) Before Tax	41.7	<b>(6.8)</b>	-116.3%
Loss After Tax	(6.7)	<b>(16.9)</b>	-152.2%
Shareholders' Funds	109.9	<b>106.1</b>	-3.5%
Loss Per Share (sen)	(4.21)	<b>(3.55)</b>	+15.7%
Total Assets	305.7	<b>302.5</b>	-1.0%
Dividend Payout	3.4	-	-100%

### COMPARISON OF REVENUE (FP2019 VS FY2020)

(RM Million)

	FP2019	FY2020	%
Revenue	369.3	154.0	
SKIN Contribution	-182.8	-	
	<b>18-month</b>	<b>12-month</b>	
Adjusted Revenue	186.5	154.0	
Revenue Averaged Over 12 Months	<b>124.3</b>	<b>154.0</b>	<b>23.9%</b>

Both our revenue and profit indicators for FY2020 spanning a period of 12 months from 1 July 2019 to 30 June 2020 were improvements on the previous period, in which the corresponding financial period 2019 (FP2019) figures for an 18-month period (1 January 2018 to 30 June 2019) included revenue recognition from Prestariang's terminated Government contract and the Education segment.



## Management Discussion and Analysis

This is despite the fact that our profits were also affected by the postponement of Training & Certification activities with the implementation of the Movement Control Order (MCO) from 18 March 2020 until the end of the reporting period. It should be noted that margins for Training & Certification as well as the Concession are higher than the Software & Services business segment, which contributed the bulk of revenue.

### Revenue

The Group recorded Revenue of RM154.0 million in FY2020 against RM369.3 million over the previous 18 months. However, if the Concession segment's contribution of RM182.8 million for FP2019 are excluded and the balance averaged over 12 months for a direct comparison, Revenue for the year in review represents an increase by a significant 23.9% over the adjusted Revenue (RM124.3) from the prior year.

The Software & Services business contributed RM146.4 million to Group Revenue, with the balance coming from Employment Services (RM4.4 million) and Talent Management and Training & Certification (RM3.2 million). Software & Services accounted for the bulk (95.0%) of Group Revenue, followed by Employment Services (2.9%) and Training & Certification (2.1%).

### Profits and Losses

For FY2020, we posted an operating Loss Before Taxation (LBT) of -RM6.8 million and a further -RM8.9 million from discontinued operations in Education for a total LBT of -RM15.7 million.

The previous period's Profit Before Tax (PBT) of RM20.2 million included segmental PBT of RM62.2 million from the Concession and an LBT of -RM21.5 from the discontinued Education operation.

The Software & Services and Training & Certification businesses returned an operating PBT (before finance cost) of RM4.2 million as compared with an LBT (before finance cost) of -RM9.8 million in FP2019. Meanwhile, Employment Services incurred an LBT of -RM0.1 million while there were losses from the Concession (-RM2.2 million), which mainly comprised legal and professional fees incurred, and Others (-RM8.7 million) which are mainly made up of corporate cost and professional fees.

LAT for continuing operations amounted to -RM8.0 million while the discontinued Education business contributed a loss of -RM8.9 million and other comprehensive expenses of a further -RM0.7 million for a total comprehensive expenses of -RM17.6 million. Total comprehensive expenses for FP2019 was -RM8.4 million.

Earnings Per Share (EPS) was a negative -3.55 sen (-1.72 sen from continuing operations and -1.83 sen from discontinued operations) for the year in review as compared against -4.21 sen in the previous reporting period.

### Dividend

Prestariang has a Dividend Policy which allocates a minimum of 50% of PAT to be distributed as dividend to our shareholders, resulting in an cumulative payout of RM134.9 million since our listing. Given the losses incurred during the financial year, the Board of Directors (the Board) did not declare any dividend for FY2020.

### Shareholders' Equity and Group Total Assets

The Shareholders' Equity dropped by 3.4% to RM106.1 million during the financial year from RM109.9 million the period before. Meanwhile, Total Assets decreased to RM302.5 million from RM305.7 previously, while Net Assets Per Share dropped to 21.95 sen in FY2020 after taking into account the disposal of PESB as compared with 22.8 sen in the period before.

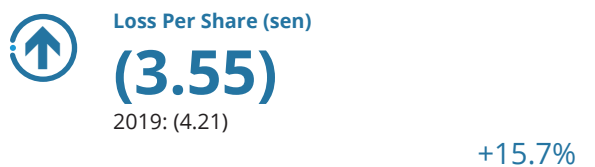
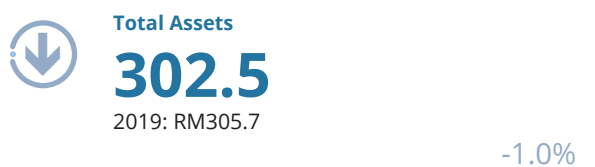
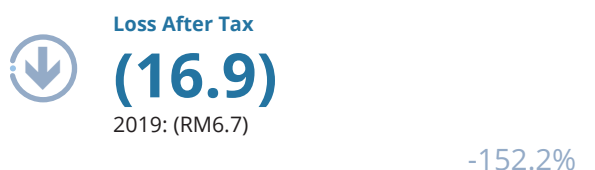
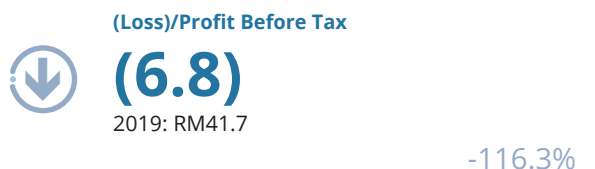
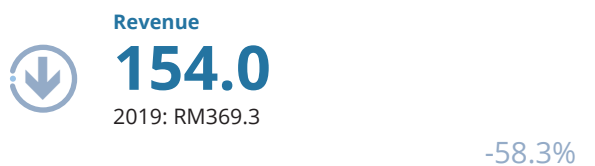
### Taxation

The Group incurred taxation amounting to RM1.2 million in the reporting period as compared with RM26.9 million in FP2019. Taxation was significantly higher in the previous financial period as it included deferred tax of RM16.9 million and tax for prior years of RM5.8 million following tax audit by the Inland Revenue Board for the period 2011 - 2016.

## Management Discussion and Analysis

### FINANCIAL PERFORMANCE

(RM Million)



### Gearing & Finance Costs

Prestariang's gearing ratio (borrowings against equity) increased to 0.54x (FP2019: 0.52x) during the year in review, with aggregate borrowings amounting to a marginally higher RM64.2 million compared with RM63.5 million at the end of the previous reporting period. The bulk of the outstanding borrowings were for the trade finance facilities to provide working capital for our Software & Services business as well as term loans for our properties.

We incurred lower finance costs of RM4.9 million in FY2020 against RM5.4 million the period before as our asset monetisation plans made good progress and we were able to reduce our reliance on debt to finance operations.

### Capital Management

The Group closed the financial year in a healthier capital position with cash and bank balances amounting to RM12.4 million against RM7.2 million at the end of FP2019. The increase in available funds was primarily sourced from a Private Placement of 10% shares completed in June 2020 and disposal of investment, resulting in a nett cash raised of RM21.8 million.

These actions were essential to offset the negative cash flow for operating activities totalling -RM17.0 million for the year in review. The negative cashflow from operations for the year can be attributed to the twin effect of increased trade debtors arising from the surge in sales in the month of June and reduction in trade payables following the improved working capital position of the Group. Nevertheless, our overall net cashflow for the year after including cashflow from operations, investing and financing activities was still positive with an increase of RM1.9 million. We expect our cashflow position to remain robust as our receivables have started to normalise with a significant portion being collected in July and August 2020.

## Management Discussion and Analysis

- **Disposal of investment (FY2020):** The group disposed of its entire equity interest in OpenLearning Ltd (OLL) in December 2019 and June 2020, raising total gross cash proceeds of RM7.8 million. The proceeds from the disposal were utilised mainly as working capital to support our Software & Services business.
- **Private Placement (FY2020):** Prestariang completed a Private Placement of 48,230,100 shares (representing 10% of issued share capital) issued at RM0.296 on 22 June 2020 to raise gross cash proceeds of RM14.3 million. The proceeds were used for working capital and repayment of bank borrowings.

Despite our improved liquidity to finance operations and meet financial obligations, the Board and Management have concluded there is a need for further infusion of funds going forward in order to finance:

- o expansion of existing business;
- o extension of new product offerings such as the development of cloud services; and
- o repayment of loans with high finance cost.

To prepare for our future growth plan, on 23 July 2020, we announced multiple proposals that include proposed Private Placement of 79,579,740 shares, proposed rights issue and a long-term incentive plan for directors and employees of the Group.

### Sale of PESB

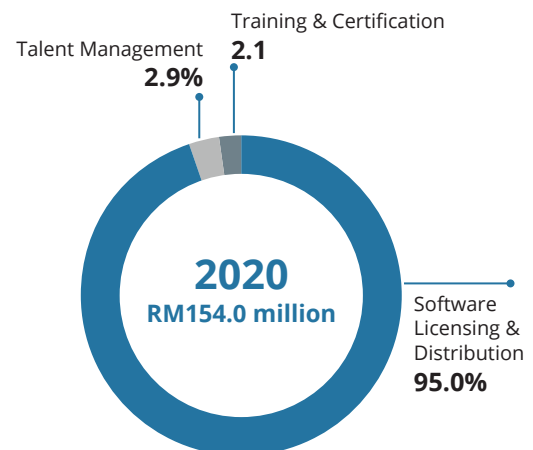
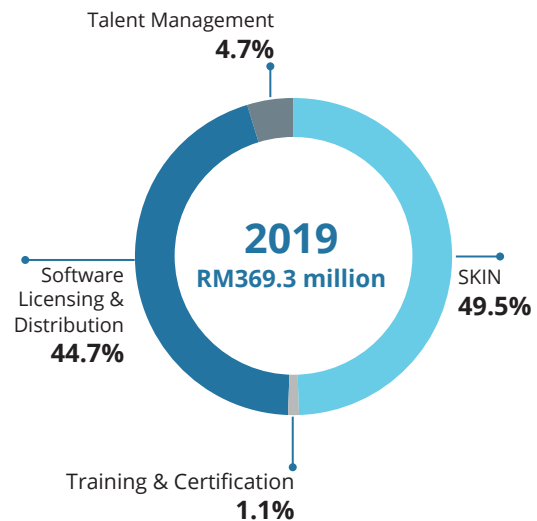
The Group is divesting our loss-making Education business with the sale of PESB in a move intended to improve our financial position and reset and focus our strategy and resources towards Software & Services, Cloud Services, Training & Certification and Talent Management.

On 25 February 2020, Prestariang entered into a conditional Share Sale Agreement (SSA) with SDGB for the sale and purchase of the entire equity interest in PESB for RM2.5 million, with the exercise pending regulatory approvals and expected to be completed by the end of calendar year 2020.

### CONTRIBUTION TO REVENUE BY DIVISION

(RM Million)

	FP2019	FY2020
SKIN	182.8	-
Training & Certification	4.0	3.2
Software Licensing & Distribution	165.1	146.4
Talent Management	17.4	4.4
Total	369.3	154.0



# Management Discussion and Analysis

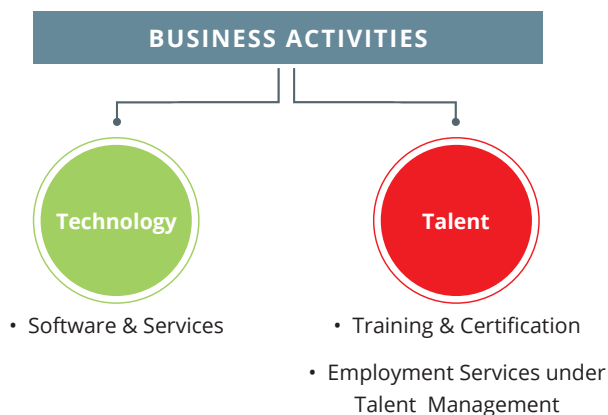
## Other Corporate Exercises

During an Extraordinary General Meeting (EGM) held on 15 September 2020, our shareholders approved multiple proposals that included the following:-

- **Private Placement** of 79,579,740 placement shares at an issue price of RM0.35 per placement share together with an equal number of free detachable warrants on the basis of one warrant for every placement share issued to Dr Abu Hasan Bin Ismail, Prestariang's Non-Independent Executive Director and President/Group CEO. With this Private Placement, Prestariang's founder will return as a major shareholder upon completion of the exercise. The Group will raise a gross cash amount of RM27.9 million from this exercise.
- **Renounceable Rights Issue** of up to 176,843,866 new shares at an issue price of RM0.20 per rights share on the basis of one rights share for every three existing shares held together with up to an equal number of warrants on the basis of one warrant for every rights share subscribed for. This exercise is expected to raise a minimum amount of RM10.2 million and up to a maximum of RM35.4 million for the Group.
- **Long-Term Incentive Plan (LTIP)** comprising an Employee Share Option Scheme (ESOS) and Share Grant Plan (SGP) of up to 15% of the issued share capital for eligible Directors and employees of the Group and subsidiary companies.

## REVIEW OF OPERATIONS

The Group's business segments for FY2020 consist of:



The Education segment reported in FP2019 was derived from PESB which owns and operates UNIMY. As PESB is in the midst of being disposed of, this segment was classified as Assets Held for Sale and its results was reported as Results from Discontinued Operations for FY2020.

### Software & Services

This business segment continued to account for the bulk of Prestariang's business with 95.0% share of Group Revenue during the year in review. Software & Services recorded revenue of RM146.4 million, which represents a comparatively higher return than the previous 18-month period at RM165.1 million (RM110.1 million if averaged over 12 months).

The better performance resulted from overall growth of the business and also the surge of orders in the last quarter (Q4 2020), especially in June, as we recovered to secure orders from customers that were delayed by the MCO from 18 March until early May. Revenue from Q4 2020 amounted to RM62.3 million or 42.6% of the entire year's sales.

## Management Discussion and Analysis

We were able to meet the increased demand during this month due to improved liquidity following the divestment of OLL and Private Placement of 10% shares completed in June 2020. As mentioned earlier, sales in this business segment are dependent on procurement and timely payment for products and services from the principals and service providers.

The lack of working capital in the preceding three quarters of FY2020 was one of the reasons for the comparatively sluggish sales in the first nine months of the reporting period.

Our current Master Licensing Agreement (MLA) 3.0 with the Government to be the sole Microsoft Licensing Solutions Provider (LSP) for all public sector agencies and public training institutes (ILA) is set to expire in January 2021. The three-year MLA is worth an estimated RM222.6 million.

Notwithstanding the impending expiry of our MLA contract and the expected discontinuation of the Microsoft Channel Partner Agreement by end January 2021, Prestariang's business strategy remains on growing our Software & Services segment by widening its products and service offerings to our existing client base. As a response to the above, we will accelerate the Group's diversification initiatives to fill the potential void. We intend to diversify our product lines and services to include other product principals with whom we have partnership agreements.

We are also expanding our business beyond the current model as distributors of products and services. We will build on the competencies of our people and partner with others to leverage on the potential of cloud-based services to provide value add services within the software products delivery value chain.

### Talent Management

This business segment is anchored on a value chain of talent acquisition, profiling, training, and job placement. During the year in review, the segment achieved a considerably lower revenue of RM4.4 million as compared with RM17.4 million in the previous 18-month reporting period, largely due to the winding down of our project to place talents for the Pengerang Integrated Petroleum Complex (Pengerang) in Johor.

Looking ahead, we intend to ramp up talent profiling in order to offer existing and new customers value add in our job placement services. We are currently exploring collaborations with SHL, the world's largest profiling company, and providers of artificial intelligence (AI) in the matching of candidates to job opportunities. As is our practice, we will engage and partner with best in class solution and service providers.

### Training & Certification

Originally a mainstay of Group business, this segment has been on the slide over the past few years, as reflected by revenue of RM3.2 million in FY2020 against RM4.0 million the period before.

Its downward trend has impacted our profits as Training & Certification offers markedly higher margins than Software & Services and other businesses. During the year in review, the segment's performance was affected by the postponement of training activities since the start of the MCO.

Nevertheless, the prospects for this business remain bright through our engagement with clients to transition to e-learning solutions, Virtual Instructor Lead Trainings (VILT) and blended learning.

We are also on track to be the next online learning and development platform for the Government through our exclusive partnership with SkillSoft, the world's largest online content provider.



## Management Discussion and Analysis

In addition, we will continue to bundle our provision of software with training in a bid to revive this business segment. This is particularly relevant as the Group increases its foray into cloud-based products and service offerings.

The fast-emerging gig economy is another area in which we can offer training to freelance talents under such programmes as the Global Online Workforce (GLOW) initiative by the Malaysia Digital Economy Corporation (MDEC).

### RISKS & EXPOSURE

The pandemic year of 2020 exposed underlying weaknesses and vulnerabilities, where apart from the direct impact on public health, shocks in supply and demand, also saw massive disruption to the global supply chain.

The true impact of the pandemic cannot yet be measured until the situation stabilises. Until such time, we will maintain a cautious approach as the Group has been compelled to grapple with concerns on cash flow while also building our endurance, essentially through establishing a comprehensive and effective Business Continuity Plan. This is to ensure we can minimise business disruptions and identify all potential threats to our “business as usual” operations.

We will remain vigilant of any eventualities and continue to meticulously weigh opportunities against their inherent risks. Another area of concern in crisis management is consistent and accurate communications with our multiple stakeholders, including employees, customers, investors, vendors and regulatory bodies as well as the communities in which we serve. Proactive efforts on our part in engaging transparently and actively with all our stakeholders are necessary to ensure the company's viability and reputation.

Beyond risks of a business nature, the Group is also mindful of external and internal risks, including the following:

- External: Foreign exchange rate, which could impact on costs particularly in our Software & Services segment since the software licences from global partners are denominated in US Dollars.

- Internal: Competency gap within the Group with employees requiring training in change management to align themselves with new capabilities associated with any new offerings.

In stabilising our position and accelerating our performance momentum, the Group is committed towards identifying key areas with potential risks not only in the areas of sustaining financial returns and maximising profits on behalf of our shareholders but also in addressing all our stakeholders' concerns. Undoubtedly, all stakeholders form part of the Group's ecosystem and there has been an increase in stakeholder awareness and influence, where expectations are rising for companies to be more responsible across the environmental, social and governance (ESG) realms.

We are aware of the need for strong internal and external engagements as ESG is a vital part of how we conduct business.

Our risk register considerations include the following with long-term value creation in mind:



**Employees:** stability of income, job security, and health & safety at the workplace.



**Customers:** the Government being our key customer warrants its agencies to serve its citizens better. We are intensifying efforts to assist the Government in its digitalisation journey.



**Suppliers & Vendors:** building a resilient supply chain to reduce risks, preparedness to adjust and recover swiftly from unanticipated disruptions, safeguarding revenues of suppliers/vendors for their business security.

## Management Discussion and Analysis



**Government:** under the economic frontier, the Government is considered a major stakeholder in Prestariang as payments are made for corporate income tax as well as personal income tax from our employees. The Government also benefits from sales taxes incurred for expenditure by the company. The Government benefits from the overall GDP that we contribute to.



**Industry Peers/Competitors:** with the heightened exposure of businesses in the digital realm, our industry peers and competitors have a stake in strategies for their own improvements.



**Communities:** our social obligations extend to the communities in which we operate. While health and safety issues remain as our top priority, we also seek ways to enable more effective engagement with focus on the provision of education in support of our ethos on life-long learning.

The Group's risk management framework and internal controls are detailed in the Statement of Risk Management and Internal Controls on pages 119 to 122 of this Annual Report.

### PROSPECTS

As with every crisis, there is also opportunity. The COVID-19 pandemic has spawned a new reality requiring businesses to be adequately agile to pivot on and increase the speed and productivity of digital solutions to tap new opportunities.

With traditional brick and mortar businesses primed for digital transformation in response to the pandemic, Prestariang is poised to contribute to this evolution via our solutions for technology and talent. Backed by new equity funding, we will accelerate our diversification plan to develop a sustainable business based on wider product and service offerings.

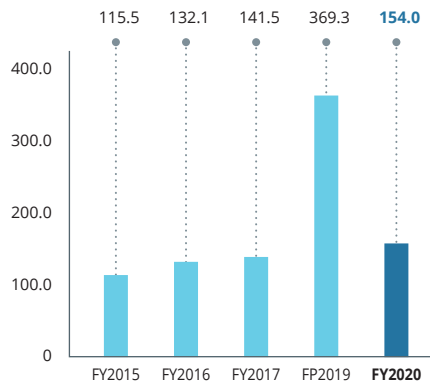
With Malaysia moving towards Industry Revolution 4.0 and pushing for higher business productivity solutions, cloud-based services are expected to see robust growth in the medium and long-terms. Our Group is well positioned to capitalise on the market requirements for cloud-based services and talent management services to spearhead our business growth.

We are determined to reset our foundation with renewed emphasis on prioritising mutually beneficial partnerships, which has proved more resilient during crisis. We shall remain alert, raising the bar higher and forge ahead by continuously protecting and nurturing our people and business development.

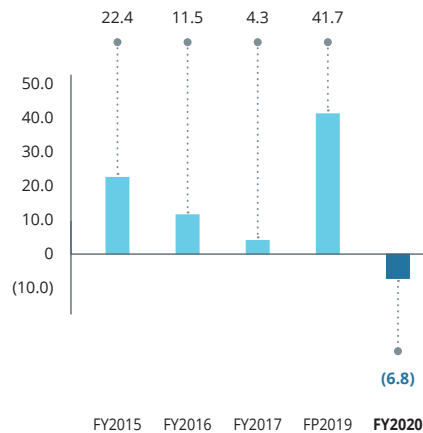


# Financial Highlights (RM Million)

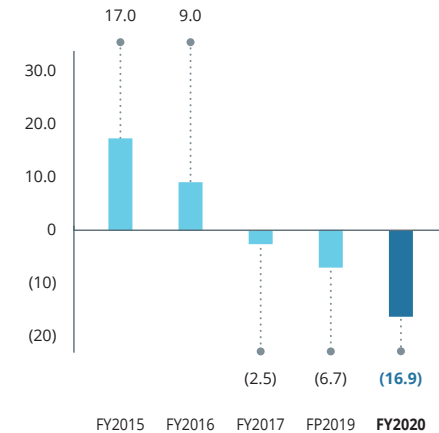
## REVENUE



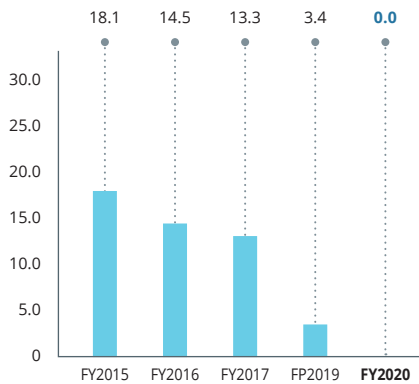
## PROFIT/(LOSS) BEFORE TAX



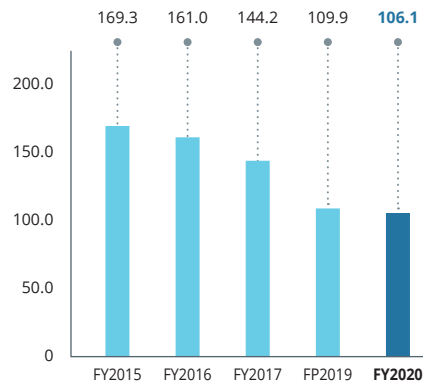
## PROFIT/(LOSS) AFTER TAX



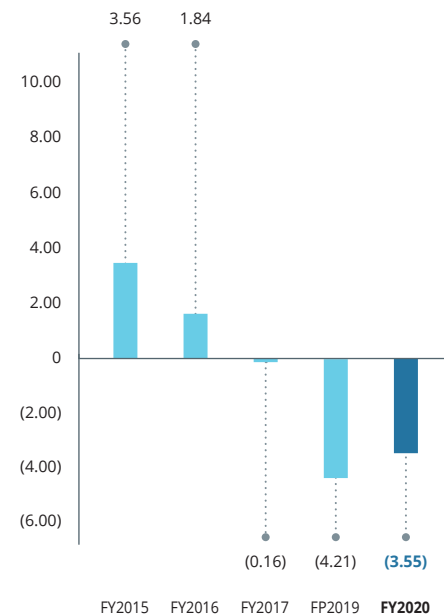
## DIVIDEND PAYOUT



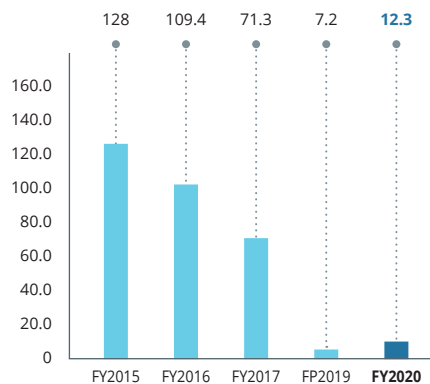
## SHAREHOLDERS' FUNDS



## EARNINGS/(LOSS) PER SHARE (SEN)

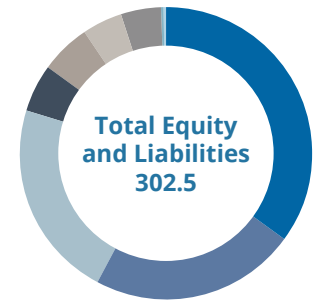
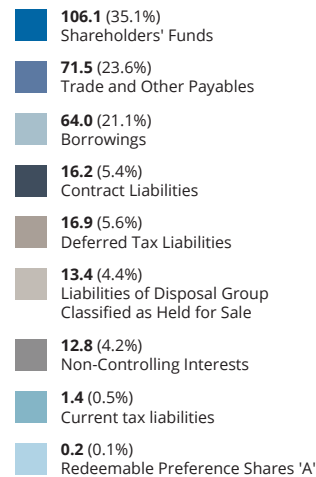
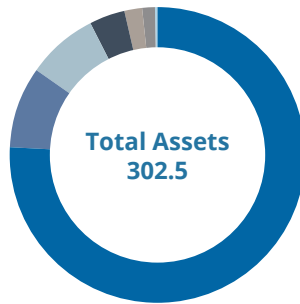
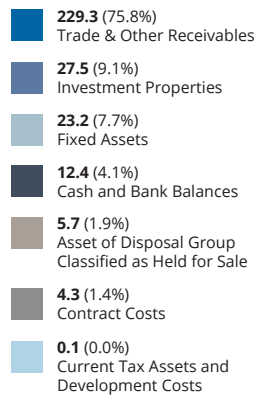


## CASH & BANK BALANCE AND SHORT TERM INVESTMENT





## Financial Position (RM Million)



## Share Performance Chart

SHARE PRICE MOVEMENT FOR THE PERIOD FROM 1 JULY 2019 TO 30 SEPTEMBER 2020



(Source: ShareInvestor)

Price	2019/2020	Date
Highest	RM1.210	26 August 2020
Lowest	RM0.100	19 March 2020

Average daily volume traded within the period: **16.8 million** shares.

# Financial Calendar

## ANNUAL GENERAL MEETING

**23 OCTOBER 2020**

Notice of the 10<sup>th</sup>  
Annual General Meeting

Issuance of  
2020 Annual Report

**25 NOVEMBER 2020**

10<sup>th</sup> Annual General Meeting

**27 NOVEMBER 2019**

9<sup>th</sup> Annual General Meeting

## EXTRAORDINARY GENERAL MEETING

**15 SEPTEMBER 2020**

- Proposed Private Placement
- Proposed Renounceable Rights Issue
- Proposed Establishment of a Long-Term Incentive Plan

## BOARD OF DIRECTORS' MEETINGS

### 2020

**30 SEPTEMBER 2020**

Special Board of Directors' Meeting

**26 AUGUST 2020**

Q4 FYE 30 June 2020

Unaudited consolidated 4<sup>th</sup> quarter  
results ended 30 June 2020

**19 AUGUST 2020**

Special Board of Directors' Meeting

**23 JULY 2020**

Special Board of Directors' Meeting

**21 JULY 2020**

Special Board of Directors' Meeting

**20 MAY 2020**

Q3 FYE 30 June 2020

Unaudited consolidated 3<sup>rd</sup> quarter  
results ended 31 March 2020

**25 FEBRUARY 2020**

Q2 FYE 30 June 2020

Unaudited consolidated 2<sup>nd</sup> quarter  
results ended 31 December 2019

### 2019

**27 NOVEMBER 2019**

Q1 FYE 30 June 2020

Unaudited consolidated 1<sup>st</sup> quarter  
results ended 30 September 2019

**19 NOVEMBER 2019**

Special Board of Directors' Meeting

**30 MAY 2019**

Q5 FYE 30 June 2019

Unaudited consolidated 5<sup>th</sup> quarter  
results ended 31 March 2019

**12 APRIL 2019**

Special Board of Directors' Meeting

**27 FEBRUARY 2019**

Q4 FYE 30 June 2019

Unaudited consolidated 4<sup>th</sup> quarter  
results ended 31 December 2018

**18 JANUARY 2019**

Special Board of Directors' Meeting

**29 AUGUST 2019**

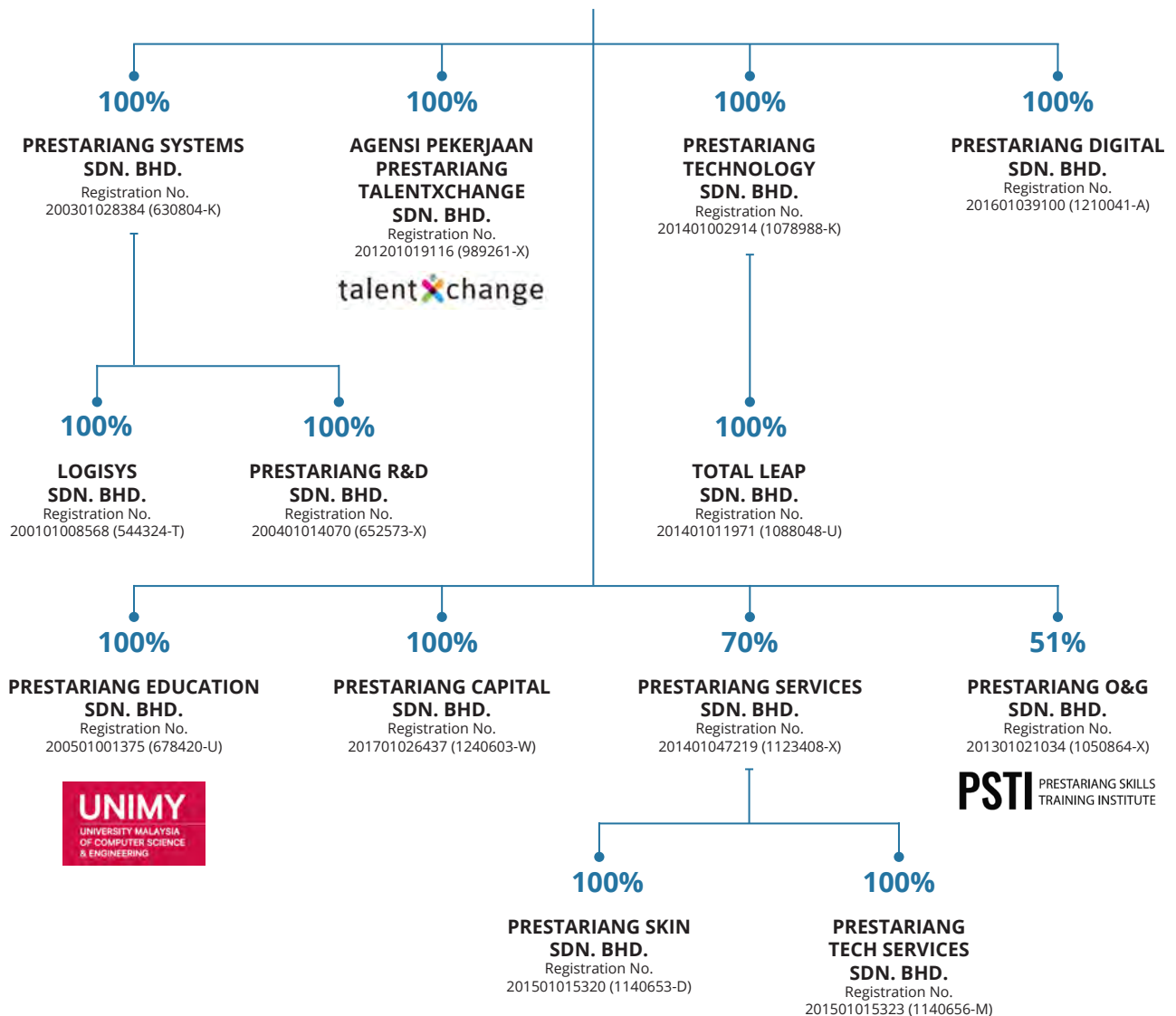
Q6 FYE 30 June 2019

Unaudited consolidated 6<sup>th</sup> quarter  
results ended 30 June 2019



## PRESTARIANG BERHAD

Registration No.  
201001038336 (922260-K)



# Corporate Information

## BOARD OF DIRECTORS

### Paul Chan Wan Siew

Senior Independent Non-Executive Director,  
Interim Chairman

### Dr Abu Hasan Bin Ismail

Non-Independent Executive Director,  
President/Group Chief Executive Officer

### Ramanathan A/L Sathiamutty

Independent Non-Executive Director

### Ginny Yeow Mei Ying

Independent Non-Executive Director

### Baldesh Singh A/L Manmohan Singh

Non-Independent Executive Director, Chief Operating Officer

### Professor Emeritus Dato' Dr Hassan Bin Said

Independent Non-Executive Director

### Hafidah Aman Binti Hashim

Independent Non-Executive Director

## BOARD COMMITTEES

### Nomination Committee

Professor Emeritus Dato' Dr. Hassan Bin Said  
(Chairman)

Ramanathan A/L Sathiamutty

Ginny Yeow Mei Ying

Hafidah Aman Binti Hashim

### Remuneration Committee

Professor Emeritus Dato' Dr. Hassan Bin Said  
(Chairman)

Ramanathan A/L Sathiamutty

Ginny Yeow Mei Ying

Hafidah Aman Binti Hashim

### Audit Committee

Paul Chan Wan Siew (Chairman)

Ramanathan A/L Sathiamutty

Professor Emeritus Dato' Dr. Hassan Bin Said

Hafidah Aman Binti Hashim

### Risk Management Committee

Ramanathan A/L Sathiamutty (Chairman)

Dr. Abu Hasan Bin Ismail

Paul Chan Wan Siew

Baldesh Singh A/L Manmohan Singh

Ginny Yeow Mei Ying

### Finance and Investment Committee

Ginny Yeow Mei Ying (Chairperson)

Professor Emeritus Dato' Dr. Hassan Bin Said

Dr. Abu Hasan Bin Ismail

Baldesh Singh A/L Manmohan Singh

Paul Chan Wan Siew

### Tender Committee

Hafidah Aman Binti Hashim (Chairperson)

Dr. Abu Hasan Bin Ismail

Paul Chan Wan Siew

Ramanathan A/L Sathiamutty

Abdul Rahim Bin Awang

## COMPANY SECRETARIES

### Chua Siew Chuan

(MAICSA 0777689 Practitioner)  
SSM PC No. 201908002648

### Lim Lih Chau

(LS 0010105)  
SSM PC No. 201908001454

## BUSINESS ADDRESS

Star Central, Block 12,  
Lingkar Cyber Point Timur  
Cyber 12, 63000 Cyberjaya  
Selangor Darul Ehsan

☎ (+603) 8689 7000

☎ (+603) 8689 7009

🌐 [www.prestariang.com.my](http://www.prestariang.com.my)

## REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

☎ +603 2084 9000

☎ +603 2094 9940

## PRINCIPAL BANKERS

Ambank Islamic Bank Berhad

Maybank Islamic Berhad

CIMB Islamic Bank Berhad

## STOCK EXCHANGE LISTING

Main Market,  
Bursa Malaysia Securities Berhad

## INVESTOR RELATIONS

### SLIY Consultancy and Communications Sdn. Bhd.

✉ [ir@prestariang.com.my](mailto:ir@prestariang.com.my)

## EXTERNAL AUDITOR

### Crowe Malaysia PLT

201906000005 (LLP0018817-LCA)  
& AF 1018

Level 16, Tower C, Megan Avenue 2  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur

## INTERNAL AUDITOR

### KPMG Management and Risk Consulting Sdn. Bhd.

Level 10, KPMG Tower  
No. 8, First Avenue  
47800 Petaling Jaya  
Selangor Darul Ehsan

## SOLICITORS

### Lim Chee Wee Partnership

12-1, Lorong Dungun,  
Bukit Damansara,  
50490 Kuala Lumpur

## SHARE REGISTRAR

### Boardroom Share Registrars Sdn. Bhd.

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

☎ +603 7890 4700

☎ +603 7890 4670

## Board of Directors



*From left to right*

**Hafidah Aman Binti Hashim**  
*Independent Non-Executive Director*

**Professor Emeritus Dato' Dr Hassan Bin Said**  
*Independent Non-Executive Director*

**Dr Abu Hasan Bin Ismail**  
*Non-Independent Executive Director,  
President/Group Chief Executive Officer*

**Paul Chan Wan Siew**  
*Senior Independent Non-Executive Director,  
Interim Chairman*

**Ramanathan A/L Sathiamutty**  
*Independent Non-Executive Director*

**Ginny Yeow Mei Ying**  
*Independent Non-Executive Director*

**Baldesh Singh A/L Manmohan Singh**  
*Non-Independent Executive Director,  
Chief Operating Officer*

# Board of Directors' Profile

## PAUL CHAN WAN SIEW

Senior Independent Non-Executive Director,  
Interim Chairman

Malaysian, 69, Male

**Date of Appointment** 18 November 2010

**Length of Tenure** 10 years

**Number of Board Meetings attended in the financial year** 5/5



## DR ABU HASAN BIN ISMAIL

Non-Independent Executive Director,  
President/Group Chief Executive Officer

Malaysian, 59, Male

**Date of Appointment** 18 November 2010

**Length of Tenure** 10 years

**Number of Board Meetings attended in the financial year** 5/5



### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Audit Committee.
- Member of the Risk Management Committee, Finance and Investment Committee and Tender Committee.

### QUALIFICATIONS

- Chartered Accountant, Malaysian Institute of Accountants (MIA).
- Chartered Certified Accountant, Association of Chartered Certified Accountants (UK).
- Chartered Secretary, Institute of Chartered Secretaries and Administrators (UK).
- Certified Practising Accountant, CPA Australia.
- Certified Financial Planner and Chartered Financial Consultant (USA).

### MEMBERSHIP OF ASSOCIATIONS

- Chartered Accountant, Malaysian Institute of Accountants.
- Fellow Member, Association of Chartered Certified Accountants (UK).
- Fellow Member, Institute of Chartered Secretaries and Administrators (UK).
- Fellow Member, CPA Australia.
- Founding Board Member and President, Malaysian Alliance of Corporate Directors (MACD).
- NACD Governance Fellow, National Association of Corporate Directors, USA.
- NACD Board Leadership Fellow, National Association of Corporate Directors, USA.
- Vice President II, Federation of Public Listed Companies (FPLC).
- Founding & Executive Committee Member, Global Network of Director Institutes (GNDI).
- IIRC Ambassador, International Integrated Reporting Council, UK.

### WORKING EXPERIENCE AND OCCUPATION

- 2008 - 2020 : Appointed to the Board of Luxchem Corporation Berhad; Senior Independent Director and Chairman of Nomination Committee.
- 2007 - Present : President of Business Transitions Asia Sdn. Bhd.
- 1975 - Present : Professional and business experience spans four decades in accounting, auditing, corporate, financial and business advisory services.
- 2013 - 2016 : Appointed to the Board of Prudential Assurance Malaysia Berhad.
- 2012 - 2013 : Appointed to the Board of Melewar Industrial Group Berhad; Chairman of Risk Management Committee.
- 2011 - 2015 : Appointed to the Board of Integrax Berhad; Senior Independent Director and Chairman of Audit Committee.
- 2004 - 2012 : Appointed to the Board of Mycron Steel Berhad; Chairman of Risk Management Committee.

### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Federation of Public Listed Companies Berhad and Malaysian Alliance of Corporate Directors.

### MEMBERSHIP OF BOARD COMMITTEES

- Member of the Risk Management Committee, Finance & Investment Committee and Tender Committee.

### QUALIFICATIONS

- Diploma in Architecture from Universiti Teknologi Malaysia (UTM).
- Bachelor of Science (BSc) and Bachelor of Architecture (BArch) from the University of Strathclyde, Glasgow.
- Master of Philosophy (MPhil) and Doctor of Philosophy (PhD) from the University of Sheffield, UK.

### MEMBERSHIP OF ASSOCIATIONS

- International Advisory Board of Computer Trade Industry Association (CompTIA) based in the USA.
- Council member at Taylor's University.
- Advisory Panel for International Business School (IBS) in Universiti Teknologi Malaysia (UTM).
- Adjunct Professor at Universiti Teknologi Malaysia and Universiti Sultan Zainal Abidin.
- Visiting Professor at Universiti Teknologi MARA.

### WORKING EXPERIENCE AND OCCUPATION

Founder and President/Group Chief Executive Officer of Prestariang Berhad.

- 2015 - Present : Appointed into the CEO faculty program by the Ministry of Education, Malaysia under the Malaysian Higher Education Blueprint.
- 2003 - Present : Since the inception of Prestariang in 2003, he has overseen the financial and strategic growth of the Company and has formed successful partnerships with global ICT organisations, which include Microsoft, Autodesk, IBM, Oracle, CompTIA, Certiport, Prometric, ASIC and others.
- 2000 - 2002 : Joined FSBM Holdings Berhad. Appointed as an Executive Director.
- 1997 - 2000 : One of the founders of the Multimedia University. Appointed as the Professor and Dean at the newly created Faculty of Creative Multimedia.

### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Institute Sultan Iskandar of Urban Habitat and High Rise, Yayasan Universiti Malaysia.

## Board of Directors' Profile

### RAMANATHAN A/L SATHIAMUTTY

*Independent Non-Executive Director*

**Malaysian, 56, Male**

**Date of Appointment** 16 April 2014

**Length of Tenure** 6 years

**Number of Board Meetings attended in the financial year** 5/5



#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Risk Management Committee.
- Member of the Nomination Committee, Remuneration Committee, Audit Committee, and Tender Committee.

#### QUALIFICATIONS

- Bachelor of Engineering (Honours) Degree in Electrical & Electronic Engineering from University Kebangsaan Malaysia.
- Master of Business Administration (MBA) from Universiti Putra Malaysia.
- Executive Management Programme from the Harvard Business School and INSEAD.

#### MEMBERSHIP OF ASSOCIATIONS

- Member of the advisory boards at INTI College, Universiti Putra Malaysia's Computer Science and Information Technology Faculty and University Tenaga Nasional's International Advisory Council.
- Member of the Board of Governors, University Malaysia of Computer Science & Engineering.
- Adjunct professor at Taylor's University.
- Non-Executive Director at Universiti Kebangsaan Malaysia.

#### WORKING EXPERIENCE AND OCCUPATION

- 2018 - 2019 : Appointed as Celcom Axiata's Advisor to Chief Executive Officer
- 2016 - 2018 : Appointed as Celcom's Chief Transformation Officer
- 2014 - 2016 : Joined Celcom as Chief Technology, Operation and Digitalisation Officer
- 2010 - 2014 : Appointed as IBM Malaysia Sdn. Bhd.'s Managing Director
- 2008 - 2009 : Joined ASEAN as General Manager, Communication Sector
- 2006 - 2007 : Appointed as IBM India's Managing Partner (Bharti Airtel)
- 2004 - 2006 : Appointed as IBM United State's Director, Global Strategic Acquisition
- 2003 - 2003 : Appointed as IBM Korea's Managing Partner, Global Business Consulting
- 2000 - 2002 : Joined Internet Generation Companies (APAC) as its Director, Strategic Investment
- 1996 - 2000 : Appointed as IBM Malaysia's Country Manager, Telecommunication, Media and Utility

#### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Malaysia Airports Holdings Berhad.

### GINNY YEOW MEI YING

*Independent Non-Executive Director*

**Malaysian, 38, Female**

**Date of Appointment** 28 February 2019

**Length of Tenure** 1 year

**Number of Board Meetings attended in the financial year** 4/5



#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Finance and Investment Committee.
- Member of Nomination Committee, Remuneration Committee and Risk Management Committee.

#### QUALIFICATIONS

- English Literature (BA) Hons degree (American and Spanish literature) from University of Warwick, Coventry, England.
- Graduate Diploma in Marketing from Marketing Institute of Singapore.

#### MEMBERSHIP OF ASSOCIATIONS

None

#### WORKING EXPERIENCE AND OCCUPATION

- 2009 - Present : Director of Kaginic Corporation Sdn. Bhd.
- 2011 - 2017 : Joined Kencana Capital Sdn. Bhd. as an Investment Manager.
- 2007 : Joined Kuala Lumpur Regional Centre for Arbitration as Senior Marketing Executive.
- 2005 - 2007 : Joined F3 Strategies (Foundation for the Future) and served as the Corporate Communications Executive.
- 2003 - 2005 : Joined Zenith Media Malaysia and served as a Media Planner.

#### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None.

## Board of Directors' Profile

### BALDESH SINGH A/L MANMOHAN SINGH

*Non-Independent Executive Director,  
Chief Operating Officer*

**Malaysian, 51, Male**

**Date of Appointment** 28 February 2019

**Length of Tenure** 1 year

**Number of Board Meetings attended in the financial year** 5/5



#### MEMBERSHIP OF BOARD COMMITTEES

- Member of Risk Management Committee and Finance & Investment Committee.

#### QUALIFICATIONS

- Chartered Certified Accountant, Chartered Institute of Management Accountants (CIMA)

#### MEMBERSHIP OF ASSOCIATIONS

- Associate Member, Chartered Institute of Management Accountants (CIMA).

#### WORKING EXPERIENCE AND OCCUPATION

- March 2019 - Present : Appointed to the Board and later as the Chief Operating Officer of Prestariang Berhad.
- 2016 - 2019 : Appointed as Chief Financial Officer and Head of Strategy at Liannex Corporation Pte. Ltd. Subsequently, he was appointed as Executive Director and Chief Operating Officer at Eduspec Holdings Berhad until May 2018.
- 2014 - 2016 : Joined Kencana Capital Sdn. Bhd. as Head of Strategy.
- 2011 - 2014 : Joined Sapura Kencana Petroleum Berhad as Vice President, Office of the Executive Vice Chairman.
- 2008 - 2011 : Joined Richfield Brands & Services Pte. Ltd. (SG) as Executive Director of Finance.
- 2002 - 2007 : Joined The Works Partnership Pte. Ltd. based in Hong Kong as Chief Financial Officer.
- 1998 - 2001 : Joined Tajo Berhad as Group Financial Controller, Turnaround Management Team.
- 1995 - 1998 : Joined Melewar Equities as Vice President Small & Medium Industries.
- 1994 - 1995 : Joined Rofia Group as an Accountant.
- 1992 - 1994 : Joined Bumiputra Merchant Bankers Berhad as Corporate Banking Officer.
- 1991 - 1992 : Joined Sunrise Berhad as Management Trainee.

#### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None.

### PROFESSOR EMERITUS DATO' DR HASSAN BIN SAID

*Independent Non-Executive Director*

**Malaysian, 65, Male**

**Date of Appointment** 25 February 2020

**Length of Tenure** Less than a year

**Number of Board Meetings attended in the financial year** 1/1



#### MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Nomination Committee and Remuneration Committee.
- Member of the Audit Committee and Finance & Investment Committee.

#### QUALIFICATIONS

- Doctor of Engineering (Honorary), Brunel University, United Kingdom.
- Doctor in Law (Honorary), University of Nottingham, United Kingdom.
- Doctor Honoris Causa, University of Toulouse Jean Jaures, France.
- Doctor of Human Resource Management (Honorary) Universiti Sains Islam, Malaysia.
- Doctor of Educational Leadership (Honorary) Asia e-University, Malaysia.
- Doctor of Business Administration (Honorary), University of West England, England.
- Doctor of Engineering (Honorary), Birmingham University, England.
- Doctor of Science (Honorary), Multimedia University Malaysia, Malaysia.
- Doctor of Science (Honorary), Universiti Malaysia Perlis, Malaysia.
- PhD (Computer Aided Geographic Design) Brunel University, England.
- Master of Science (Numerical Analysis) Brunel University, England.
- Bachelor of Science (Math) Manchester University, England.

#### MEMBERSHIP OF ASSOCIATIONS

- Fellow, Institute of Mathematics and Application, United Kingdom.
- Emeritus Professor Universiti Sains Malaysia, Malaysia.
- Fellow, Malaysian Mathematical Society.
- Fellow, Academy Science of Malaysia.

#### WORKING EXPERIENCE AND OCCUPATION

- 2019 - Present : Member, Board of Governors, Universiti Sains Malaysia.
- 2019 - Present : Chairman, Board of Governors, University Malaysia of Computer Science and Engineering (UNIMY).
- 2016 - Present : Vice Chancellor, Universiti Teknologi MARA.
- 2008 - 2016 : Vice Chancellor and President, Taylor's University.
- 2005 - 2008 : Director General, Department of Higher Education, Ministry of Higher Education Malaysia.
- 1998 - 2004 : Director, Department of Higher Education, Ministry of Education Malaysia.
- 1995 - 1998 : Deputy Vice Chancellor, Universiti Sains Malaysia.
- 1990 - 1995 : Dean, Universiti Sains Malaysia.
- 1995 - Present : Professor, Universiti Sains Malaysia.
- 1990 - 1995 : Associate Professor, Universiti Sains Malaysia.
- 1984 - 1990 : Lecturer, Universiti Sains Malaysia.

#### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None.



### HAFIDAH AMAN BINTI HASHIM

Independent Non-Executive Director

Malaysian, 51, Female

Date of Appointment 25 February 2020

Length of Tenure Less than a year

Number of Board Meetings attended in the financial year 1/1



#### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of the Tender Committee.
- Member of the Nomination Committee, Remuneration Committee and Audit Committee.

#### QUALIFICATIONS

- Literally Legum Baccalaureus (Honours), University of Hull, United Kingdom.

#### MEMBERSHIP OF ASSOCIATIONS

None.

#### WORKING EXPERIENCE AND OCCUPATION

- 2005 - Current : Partner, Messrs Mohamed Ridza and Co.  
2002 - 2005 : Senior Associate, Messrs Zaid Ibrahim and Co.  
2000 - 2002 : Senior Associate, Messrs Rashid and Lee.  
1995 - 2000 : Head of Banking and Conveyancing Department, Messrs Riza Leong and Partners.

#### DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None.

#### Notes:

- None of the Directors has any family relationship with each other and/or major shareholder of the Company and does not have any conflict of interest with the Company.*
- None of the Directors has convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year.*
- Except as disclosed above, none of the Directors holds any directorship in other public companies and listed issuer.*
- The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of this Annual Report.*
- None of the Directors has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*



# Senior Management Profile

## DR ABU HASAN BIN ISMAIL

*Non-Independent Executive Director,  
President/Group Chief Executive Officer*

### Note:

Please refer to page 28 for Dr Abu Hasan Bin Ismail's complete profile.

## RAJA AZMI BIN ADAM NADARAJAN

*Chief Executive Officer,  
Technology Division & Prestariang SKIN Sdn. Bhd.*

**Malaysian, 48, Male**

### DATE OF APPOINTMENT

March 2017

### QUALIFICATIONS

- BE (Hons) Electrical Engineering, Universiti Teknologi Malaysia.
- Diploma Electrical Engineering, Universiti Teknologi Malaysia.

### WORKING EXPERIENCE AND OCCUPATION

- 2013 - 2016 : Lead Business Consultant and Advisor  
| Prestariang Berhad.
- 2010 - 2013 : Chief Operating Officer and Sales SVP  
| Prestariang Berhad.
- 2008 - 2010 : Services Sales Director (Services Executive)  
| Microsoft Malaysia.
- 2005 - 2007 : Industry Partner Account Manager  
| Microsoft Malaysia.
- 2003 - 2005 : Country Manager  
| ADC KRONE Pte. Ltd.
- 2001 - 2003 : Senior Account and Technical Specialist  
| 3M.
- 1999 - 2001 : Project Manager  
| SPS Corporation Sdn. Bhd.
- 1997 - 1999 : Field Engineer  
| Maxis Sdn. Bhd.

### DIRECTORSHIP OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

*After 11 years with the Company, Mr. Raja Azmi Bin Adam Nadarajan will be leaving Prestariang with effect from 18 October 2020.*

## BALDESH SINGH A/L MANMOHAN SINGH

*Non-Independent Executive Director,  
Chief Operating Officer*

### Note:

Please refer to page 30 for Baldesh Singh A/L Manmohan Singh's complete profile.

## ABDUL RAHIM BIN AWANG

*Chief Financial Officer*

**Malaysian, 55, Male**

### DATE OF APPOINTMENT

March 2020

### QUALIFICATIONS

- Bachelor's Degree majoring in Accounting, St Martin's College (now known as St. Martin's University), Lacey, Washington, United States of America.

### WORKING EXPERIENCE AND OCCUPATION

- 2019 : Acting Group Chief Executive Officer  
| Barakah Offshore Petroleum Berhad.
- 2013 - 2019 : Vice President, Corporate Services  
| Barakah Offshore Petroleum Berhad.
- 2012 - 2013 : Head, Capital Management and Investor Relations  
| Kencana Petroleum Berhad.
- 2007 - 2012 : Head, Corporate Affairs  
| Kencana Petroleum Berhad.
- 2005 - 2007 : Chief Financial Officer  
| Kencana Petroleum Berhad.
- 2004 - 2005 : General Manager, Finance | Kencana HL Sdn. Bhd.
- 2002 - 2005 : Non Executive Director  
| Avenue Securities Sdn. Bhd. and Avenue Asset Management Sdn. Bhd.
- 1995 - 2004 : Manager, Corporate Finance  
| Tongkah Holdings Berhad.
- 1992 - 1995 : Assistant Manager, Corporate Finance  
| Bumiputra Merchant Bankers Berhad.
- 1992 - 1995 : Officer, Corporate Finance  
| Bumiputra Merchant Bankers Berhad.
- 1988 - 1992 : Auditor | Ernst & Young.

### DIRECTORSHIP OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

### CHOK JOON HENG

*Director, Finance and Corporate Services*

Malaysian, 46, Male

#### DATE OF APPOINTMENT

March 2017

#### QUALIFICATIONS

- Association of Chartered Certified Accountants.
- A member of Malaysian Institute of Accountants.

#### WORKING EXPERIENCE AND OCCUPATION

- 2015 - 2016 : Lead Consultant, SKIN  
| Prestariang Technology Sdn. Bhd.
- 2005 - 2014 : Associate Director  
| Crave Capital Sdn. Bhd.
- 2004 - 2005 : Financial Consultant  
| Innovation Associates Outsource Sdn. Bhd.
- 2003 - 2004 : Group Accountant  
| DPS Resources Berhad.
- 2000 - 2003 : Head of Internal Audit  
| TA Enterprise Berhad.
- 1997 - 2000 : Senior Auditor  
| TH Law and Co.

#### DIRECTORSHIP OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

### YASMIN BINTI ABDULLAH

*Senior Vice President, Human Resource and Learning & Development*

Malaysian, 52, Female

#### DATE OF APPOINTMENT

January 2018

#### QUALIFICATIONS

- B Economics (Hons), Universiti Malaya.
- Certified Facilitator (HRDF), DISC Profiling, Forte Profiling, Career Transition and SHL Practitioner.

#### WORKING EXPERIENCE AND OCCUPATION

- 2018 - 2019 : Senior Vice President, Human Capital and Administration  
| Prestariang Berhad.
- 2016 - 2017 : Consulting Director, Talent Management and Leadership Development  
| Integrated Hospitality Consulting Sdn. Bhd.
- 2015 - 2016 : Consulting Director, Talent Management and Leadership Development  
| BTI Consultants Sdn. Bhd.
- 2003 - 2015 : Human Resource and Consulting Director  
| Integrated Hospitality Consulting Sdn. Bhd.
- 1998 - 2003 : Director of Human Resource  
| Pelangi Beach Resort and Burau Bay Resort.
- 1997 - 1998 : Human Resource and Training Manager  
| Sheraton Imperial Kuala Lumpur.
- 1994 - 1997 : Human Resource Manager  
| Pelangi Beach Resort and Burau Beach Resort.

#### DIRECTORSHIP OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

## Senior Management Profile

### DR PETER LEE FUEI SIONG

Director, Talent and Development

Malaysian, 51, Male

### DATE OF APPOINTMENT

March 2019

### QUALIFICATIONS

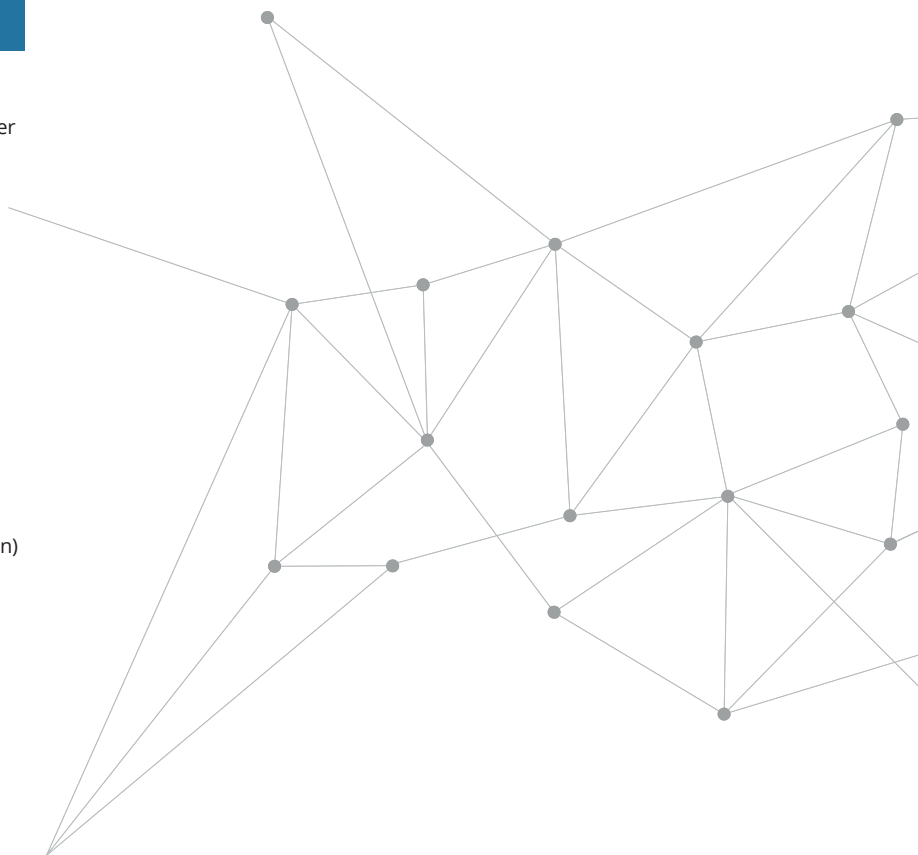
- Bachelor of Medicine and Bachelor of Surgery, Manipal Higher Education Academy.
- Certified SHL Practitioner

### WORKING EXPERIENCE AND OCCUPATION

- 2017 - 2019 : Change Management Director  
| Prestariang Technology Services Sdn. Bhd.
- 2013 - 2016 : Project Consultant and Advisor  
| Brilliance Information Sdn. Bhd.
- 2009 - 2013 : Senior Consultant  
| Bloomberg School of Public Health,  
John Hopkins University.
- 2007 - 2009 : Chief Marketing Officer  
| Brilliance Information Sdn. Bhd.
- 1995 - 2005 : Head of Department, Health Office (Kapit Division)  
| Ministry of Health, Malaysia.
- 1996 - 1999 : Medical Officer  
| Ministry of Health, Malaysia.
- 1995 - 1996 : House Officer  
| Ministry of Health, Malaysia.

### DIRECTORSHIP OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None



### Notes:

- None of the Senior Management has any family relationship with any director and/or major shareholder of the Company.*
- None of the Senior Management has any conflict of interests with the listed issuer.*
- Other than traffic offences, none of the Senior Management has any convictions for offences within the past 5 years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

## Calendar of Events

**2 JULY 2019**

### **MEMORANDUM OF UNDERSTANDING WITH KOLEJ PROFESIONAL BAITULMAL**

University Malaysia of Computer Science and Engineering (UNIMY) along with seven other entities entered into a collaboration by signing a Memorandum of Understanding to produce more industry-ready graduates in driving the nation's digital economy forward.



**10 JULY 2019**

### **VISIT BY MANCHESTER METROPOLITAN UNIVERSITY**

Faculty Head of International, Rick Canavan from Manchester Metropolitan University (MMU) and SPM Solutions Managing Director, Philip Leonard visited UNIMY to explore future collaborations.

UNIMY's representatives, including its Vice Chancellor, Professor Dr. Mokhtar Bin Abdullah, Registrar, Norpisah Mat Isa, Head of Marketing, Patrick Wong Chee Cheong and Academic Dean, Nalena Balachandran were on hand to enlighten the visitors on UNIMY and accompanied them throughout the campus walk-through.



**14 JULY 2019**

### **UNIMY OPEN DAY**

This was one of many in a series of UNIMY's Open Day events. Various activities which included the SPM Physic-O-logy workshop conducted by Cikgu Aswad; Science, Technology, Engineering & Maths (STEM) interactive activities arranged by Cesta 16 and, the fun and easy hour-of-code coding activities, allowed prospective students and the public to effectively engage with the UNIMY fraternity.



**31 JULY 2019**

### **MSWG-ASEAN CORPORATE GOVERNANCE AWARDS 2018**

Prestariang Berhad was awarded with the Corporate Governance Industry Excellence Award (Technology) at Minority Shareholders Watch Group (MSWG) ASEAN Corporate Governance Awards Ceremony 2018 as a testament of its high level of corporate governance practices.

## Calendar of Events



### 3-4 AUGUST 2019 HIGHER EDUCATION FAIR 2019 – MID VALLEY EXHIBITION CENTRE

Resolute on upskilling and fostering more ICT graduates with global mindsets, UNIMY participated in the Higher Education Fair 2019 at Mid Valley Exhibition Centre to engage directly with parents and students who thronged the popular annual exhibition.



### 19 SEPTEMBER 2019 CCMA 2019 PRIZE GIVING CEREMONY

Prestariang was the main sponsor of the Creative Content Master Award (CCMA) 2019 competition where Universiti Teknologi MARA (UiTM) students were declared champions. They walked away with the Main Prize (Overall) with other competitors sharing in the more than RM 20,000 worth of cash prizes plus a trip to Adobe SPIKES, Singapore to further expand their horizon in arts. Looking at its success as a platform for the creative-minded students to express themselves and their ideas, the second season of CCMA was launched to create more industry-ready graduates.



### 18 SEPTEMBER 2019 UNIMY DOTA 2 TOURNAMENT

Celebrating youth and their deep interest in e-sports, UNIMY organised an open Defense of the Ancients (DOTA) 2 Tournament at its very own campus in Cyberjaya.



### 4 OCTOBER 2019 LAUNCHING CEREMONY OF T.A.L.C

Focused on embracing modern workplace and digital transformation among the Ministry of Finance Malaysia workforce, Prestariang unveiled three components under the Master Licensing Agreement (MLA) 3.0: MLA 3.0 Portal, Competency Enhancement Program (CEP) Mobile Application and Treasury Active Learning Centre (T.A.L.C). The event was held at the Ministry of Finance Complex in Putrajaya.

### 27 NOVEMBER 2019 PRESTARIANG 9<sup>TH</sup> AGM

Prestariang held its Ninth Annual General Meeting (AGM) at UNIMY, Cyberjaya, Selangor. Attended by guests, shareholders and proxies. The AGM went smoothly with all the resolutions carried by way of poll voting. The question and answer session saw active engagement between shareholders and the Board.



### 11 JANUARY 2020 F3 WORKSHOP

In line with its new tagline #FutureBeginsAtUNIMY, UNIMY held a Future Fast Forward Awards Workshop. The event witnessed a plethora of ideas from students based on the problem statement of creating a smart university or school for the future.



### 17 JANUARY 2020 MOU SIGNING BETWEEN MAHB AND UNIMY

UNIMY marked their very own history as they signed a memorandum of collaboration with Malaysia Airports Holdings Berhad (MAHB) at their signature Sama-Sama Hotel in Sepang, Selangor. The collaboration encompasses participations of UNIMY students in MAHB projects, ecosystem and also recruitment of UNIMY students for employment.



### 20 JANUARY 2020 LAUNCHING OF APM DIGITAL LEARNING HUB

Akademi Percukaian Malaysia and Prestariang set the APM digital Learning Hub in motion via a launch ceremony at Klana Beach Resort, Port Dickson, Negeri Sembilan.

Aimed at continuous development for Lembaga Hasil Dalam Negeri staff via quality e-learning, this digital learning hub encourages embracing and leveraging on the benefits of digital learning.

## Calendar of Events

### 4 FEBRUARY 2020 CEP REDEMPTION DAY

Playing its role as a Leading Technology and Talent Innovator, CEP Redemption Day was another initiative by Prestariang to uphold its dedication towards encouraging continuous learning and improvement among civil servants under the Competency Enhancement Program (CEP), MLA 3.0. This unique value proposition helps drive digital transformation in the public sector by offering product training, devices and solutions under this redemption program for software purchases.



### 20 FEBRUARY 2020 CYBERSECURITY AWARENESS WORKSHOP

Fully aware of the risk posed in this digital era, Prestariang carried out its fiduciary duty to raise awareness among its clients and partners on Cybersecurity via a complimentary workshop. IT experts from within Prestariang and Mahesa Sankarra of Sakra Academy facilitated the workshop to drill participants on this crucial business aspect.



### 25 FEBRUARY 2020 SIGNING CEREMONY BETWEEN PRESTARIANG AND SERBA DINAMIK

Prestariang Berhad and Serba Dinamik Group Berhad (SDGB) entered into a conditional Share Sale Agreement for SDGB to acquire UNIMY which was owned and operated by Prestariang Education Sdn. Bhd. for RM2.5 million.



### 26 FEBRUARY 2020 MODERN WORKSPACE - TAKING OFF

Eyeing to drive the modern workspace environment into a new norm to replace four-walled offices, Prestariang collaborated with its partners, Autodesk, Adobe, Microsoft Surface, Jabra and Logitech in the Modern Workspace – Taking Off initiative at Star Central, Cyberjaya.

Considering the promises that modern workspace hold in enhancing service delivery via intelligent tools and simplified processes, these offerings are enticing to business owners as it is in line with the Digital Government Transformation in the 11<sup>th</sup> Malaysia Plan, as well as in improving delivery of public services.





### 10 MARCH 2020 SIGNING CEREMONY BETWEEN PSSB AND ROCHESTON

Prestariang Berhad sealed a partnership with the New York based training and accreditation provider, Rocheston Pte. Ltd. as their very first Authorised Training Partner in Malaysia at Star Central, Cyberjaya.



### 11 MARCH 2020 CEP TRAINING

In maximising return of investment for the Government, Prestariang leveraged on the Competency Enhancement Program (CEP) fund in accordance to the existing strategic plan to improve the competency and service delivery for government agencies and statutory bodies via a series of trainings. The CEP training was conducted with focus on fully utilising the array of Microsoft Office products.



### 13 MARCH 2020 SQL DATABASE INFRASTRUCTURE TRAINING

This was a continuation of the CEP, aimed to improve the competency and service delivery of government agencies and statutory bodies via a series of trainings. The training session was held in Star Central, Cyberjaya and the modules were concentrated on effectively administering SQL Database Infrastructure via classroom training.

# Awards and Accolades

## 2020

- Attained Microsoft Gold Certified Cloud Productivity.
- Attained Microsoft Gold Certified Datacenter Competency.
- Attained Microsoft Gold Certified Small and Midmarket Cloud Solutions Competency.
- Attained Microsoft Silver Certified Cloud Platform Competency.
- Attained Microsoft Silver Certified Collaboration and Content Competency.
- Nominated as the Top Performing Partner (Financial Year 2019) for Microsoft Surface (Commercial) by Ingram.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.

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## 2019

- CompTIA Authorised Platinum Partner 2019.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.

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## 2018

- MSWG-ASEAN Corporate Governance 2018 Award Winner-Technology Industry.
- Listed on MSWG-ASEAN Top 100 Companies for CG Disclosures.
- Listed on MSWG-ASEAN Top 100 Companies for Overall CG & Performance.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.
- Attained Microsoft Gold Cloud Productivity Status.

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## 2017

- Listed on MSWG-ASEAN Top 100 Companies for CG Disclosures.
- Listed on MSWG-ASEAN Top 100 Companies for Overall CG & Performance.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.

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## 2016

- Dr Abu Hasan Bin Ismail was appointed into the CEO Faculty Programme Blueprint. The appointment is for the period of September 2015 to September 2017.
- Prestariang Systems Sdn. Bhd. was awarded the Circle of Excellence ATC Award by the EC-Council.
- Prestariang Systems Sdn. Bhd. was awarded ISO 9001:2015 certification by SIRIM QAS International Sdn. Bhd. on 26 August 2016.
- Dr Abu Hasan Bin Ismail was appointed as Adjunct Professor at Universiti Sultan Zainal Abidin on 15 March 2016.
- Prestariang Systems Sdn. Bhd. was awarded as Best Performing Autodesk Education Partner ASEAN Region 2016.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.

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## 2015

- Dr Abu Hasan Bin Ismail received the CEO Award For Business Excellence 2015 by Malaysia Productivity Corporation.
- EC-Council Circle of Excellence Authorised Training Centre 2015.

- Dr Abu Hasan Bin Ismail was appointed into the CEO Faculty Programme by the Ministry of Education Malaysia under the Malaysian Higher Education Blueprint.
- Proficiency in Enterprise Communication (PEC) received the Gold Medal and The Best Award at the Malaysia Technology Expo 2015 (MTE).
- Prestariang was recognised for its contributions towards BIM knowledge sharing & collaboration with Construction IT Department, Construction Industry Development Board Malaysia.
- Prestariang was declared the winner under the E-Agreement Adoption & Partner Quote Adoption by Microsoft (SEA + NZ) category.
- Dr Abu Hasan Bin Ismail was awarded with the Anugerah Ikon Usahawan Bumiputera Controlled Public Listed Companies (BCPLC) 2014-2015.
- Remained as a constituent of the FTSE4Good Bursa Malaysia Index.

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## 2014

- Anugerah Kecemerlangan Industri 2014 from MITI Services Sector: ICT Category Award.
- Forbes: Asia's 200 Best Under A Billion 2013/2014.
- Autodesk Authorised Training Centre 2014.
- A Member of FTSE4Good Bursa Malaysia Index 2014.
- Inclusion in the Minority Shareholder Watchdog Group (MSWG) Top100 ASEAN Corporate Governance Scorecard for 2014.
- Microsoft Partner Network 2014 (Gold Partner).
- Microsoft Authorised Education Reseller 2014 (Gold Partner).
- EC-Council Training Centre of The Year Award (Enterprise) 2014.

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### 2013

- Best of e-Inclusion & e-Community MSC Malaysia APICTA 2013.
- Autodesk Best Performing Reseller in Asia Pacific 2013. Deal of the Year.
- 24<sup>th</sup> International Invention, Innovation & Technology Exhibition (ITEX) 2013. Prestariang's home grown certification, Proficiency in Enterprise Communication (PEC) won the Gold Medal under the Educational category.
- Invention, Innovation & Design Expo - IIDEX 2013. PEC won the Diamond Award (Invention) & Gold Medal.
- IC CITIZEN Outstanding Performance - Global Partner Summit 2013.
- APAC Partner Performance Awards 2013 - IC3 Exam Growth Rate Exceptional Performance for IC CITIZEN.
- EC-Council Circle of Excellence Authorised Training Centre 2013.
- Microsoft Partner Network 2013 (Gold Learning, Silver Volume Licensing).
- CompTIA Excellence Award 2013.

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### 2012

- EC-Council Circle of Excellence Authorised Training Centre 2012.
- Malaysia Venture Capital Awards 2012.
- Innovation in Workforce Enablement 2012 by Prometric.
- Microsoft Partner Network 2012 (Gold Learning, Gold Volume Licensing, Silver Learning & Silver Volume Licensing).
- OSK Small Cap Day 2012 (OSK Top 5 Malaysian Small Cap Companies 2012).

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### 2011

- Microsoft Learning Solution Partner of the Year 2011.
- Certiport Champion of Digital Literacy 2011.
- Autodesk Best Performing Partner in Asia Pacific 2011.
- Autodesk High Achiever Education Authorisation 2011.
- Microsoft Partner Network Gold Volume Licensing 2011.
- EC Council ATC of Year 2011.

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### 2010

- Microsoft Learning Solution Partner of the Year 2010.
- CompTIA Authorised Platinum Partner 2010-2011.
- Microsoft Gold Certified Partner 2010-2011.
- Microsoft Certified Partner 2010-2011.
- Recognition Award for Innovative Venture Capital Backed Companies 2010 by the Malaysian Venture Capital and Private Equity Association.
- EC-Council Circle of Excellence Authorised Training Centre 2010.

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### 2009

- Microsoft Certified Partner for Learning Solution (CPLS) Partner Excellence 2009.
- Microsoft Gold Certified Partner 2009-2010.
- Prometric Most Valued Partner - Most Comprehensive Global IT Certification Programme in Asia.

- EC-Council Authorised Training Centre of The Year 2009.
- Best Performance for Career Education In IBM Software (CEIS Programme).
- Highest Certification Achievement and Commitment in Producing Globally-benchmarked Graduates.
- Member in Good Standing and Afforded All The Privileges and Benefits of this Designation 2009-2010.
- Member in Good Standing of CompTIA (Computing Technology Industry Association) 2009.

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### 2008

- Microsoft Gold Certified Partner 2008-2009.
- Microsoft Certified Partner Learning Solution (CPLS) 2008-2009.
- Asia Pacific Regional Best Practices in Advancing Industry Growth through Innovation in Education 2008.
- Certificate of Acknowledgement for Prestariang Systems Sdn. Bhd., IBM Malaysia Sdn. Bhd. and Universiti Teknologi Mara (UiTM) working together under the Career Education in IBM Software (CEIS) 2008.

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### 2007

- Microsoft Certified Partner for Learning Solution (CPLS) 2007-2008.

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### 2004

- Apple Key Account Win 2004.



## Sustainability Commitment

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## OUR APPROACH

### REPORT OVERVIEW

At Prestariang Berhad (Prestariang), sustainability is key for us to realise both our vision of transforming lives and mission of driving sustainable recurring profit through digital transformation.

The emphasis on incorporating Environmental, Social and Governance (ESG) aspects into most, if not every decision made throughout the Group, has become a focal point for us. We witnessed how the coronavirus disease (COVID-19) severely affected lives and livelihoods as well as businesses and nations on a whole, transforming our perception of 'normal' for individuals and businesses alike.

Since March 2020, we as well as other global citizens were veered into the new normal of living and working under lockdown conditions. Without any firm outcomes on vaccines, we are still existing in an unknown terrain. As we are compelled to reset ourselves to a sustainable normal, sustainability remains our top priority to not only recover and rebuild ourselves, but in also extending our support towards nation building.

In our fifth Sustainability Statement, we aim to disclose the progress made by Prestariang and its Group of Companies (the Group) in managing our material sustainability matters in a clear and transparent manner. This includes our performance, targets and initiatives that are embedded into both of our business operations and corporate culture.

Throughout the financial year 2020 (FY2020), Prestariang has been focusing on consolidating our efforts in achieving our sustainability performance targets set in the last reporting period to generate genuine ESG impacts.

Through aligning our company goals with both FTSE4Good requirements and the United Nations Sustainable Development Goals (UNSDGs), we have experienced steady progress in achieving the short and long term targets which we have set.

Transcending from improving the quality of our disclosure, we are further integrating sustainability and good governance into our corporate culture. This is evident with our on-going adoption of climate change adaptation strategies within our policies, where we are playing a more active role in reducing the adverse impacts on the environment.

In response to the passing of the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 in June 2020, we have also adopted the provision into our very own Prestariang Anti-Bribery and Corruption Policy and Guidelines (PABC Manual). This PABC Manual prohibits anyone acting on behalf of the Company from being involved in any form of irregularities in carrying our business activities. It places the responsibility on our directors, officers, employees, and third parties acting on the Company's behalf to vigorously uphold this commitment when performing work for the Company.

This report has been prepared by the Working Committee (WC) which is responsible for analysing data and comparing sustainability performance targets against our actual progress.

### SUSTAINABILITY PERFORMANCE RECOGNITION

#### FY2020

- Remains as a constituent for FTSE4Good Bursa Malaysia Index.

#### FP2019

- Remained as a constituent for FTSE4Good Bursa Malaysia Index.
- Industry Excellence Award - Technology : MSWG - ASEAN Corporate Governance Award 2018.

## Sustainability Commitment

The analysis is based on measurable objectives via an established checking mechanism to account for our progress for a comprehensive, yet concise reporting to ensure transparency.

During the financial year in review, we pivoted our efforts via a Continuous Improvement Method Cycle in attaining our ESG targets for each of our Sustainability Policy Pillars, which were derived and defined from the identified key material aspects of the Group that are critical to our business and operations.

In an announcement made to Bursa Malaysia Securities Berhad on 25 February 2020, Prestariang entered into a conditional Shares Sale Agreement (SSA) with Serba Dinamik Group Berhad (SDGB) for the proposed disposal of equity interest held in Prestariang Education Sdn. Bhd. (PESB) to SDGB. Upon completion of the Proposed Disposal, PESB shall cease to be a wholly-owned subsidiary of the Company.

### SCOPE OF THE REPORT

#### Reporting Period

This sustainability Statement covers the Group's performance from 1 July 2019 to 30 June 2020, unless otherwise stated.

For comparison purposes, this report includes five (5) years of historical quantitative data for selected indicators. Where data is not available, the most recent data is disclosed.

Following a change in Prestariang's financial period in 2019, our data and performance are measured from 1 July 2018 to 30 June 2019 (FP2019) against our performance from 1 July 2019 to 30 June 2020 (FY2020) to provide clear comparison of our performance.

#### Reporting Cycle

This Sustainability Statement is reported annually, following the Group's financial year.

#### Scope of Reporting

This Sustainability Statement covers Prestariang Berhad and its wholly-owned subsidiary, which includes Prestariang Systems Sdn. Bhd.

This significant subsidiary contributed more than 95% to the Group's business revenue for the reporting period and was therefore assessed. The significant subsidiary is geographically located at the corporate headquarters in Star Central, Cyberjaya, Selangor Darul Ehsan, Malaysia.

The Sustainability Committee (SC) unanimously agreed to include the sustainability performance measurement for our Star Central building, in light of the recent relocation from our former office in NeoCyber to our new headquarters in Star Central on 20 January 2020.

We have also restated our carbon emissions data for the past four (4) financial years/period (2015-2019) to reflect the latest amount of emissions.

### Reference and Guidelines

This report has been prepared in accordance with the following guidelines and frameworks:

- Bursa Malaysia Sustainability Reporting Guide
- Criteria for FTSE4Good Bursa Malaysia Index
- Bursa Malaysia Corporate Governance Guide

These guidelines and frameworks serve to help us deliver a transparent and comprehensive disclosure of our ESG performance to our stakeholders.

### Assurance


During the reporting period, Prestariang has not sought for external assurance for this report. Consideration of external assurance will be done as our reporting matures.

#### FEEDBACK

We value your views and feedback, including any reports of unlawful or unethical behaviour that conflict with our sustainability statement and practices. For enquiries, please contact:

**Mohamed Saiful Amir Bin Sharudin**  
Corporate Communications Department  
Prestariang Berhad

 [ir@prestariang.com.my](mailto:ir@prestariang.com.my)





 (+603) 8689 7000

## SUSTAINABILITY POLICY

Sustainable management has always been an integral aspect of our business. In 2015, our Sustainability Policy was approved and introduced with five (5) principles related to ESG areas, which were aligned to the capability and capacity of our business. This was done to further improve our ESG performance and reduce our impacts on the environment.

### Our Sustainability Policy

<p><b>Mission</b></p> <p>Effectively communicating our sustainable business to employees, customers, distributors and other stakeholders on our commitment in promoting good sustainability practices.</p>	<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>To support stakeholder value creation as key to sustainability;</li> <li>To promote and adopt the best ESG practices and to continuously integrate sustainable practices into our management culture, working environment and business process; and</li> <li>To embrace accountability and transparency as the foundation for business performance.</li> </ul>
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 <p><b>PRINCIPLE 1 : Sustainable Lifelong Learning Environment</b></p> <p>Develop talent through technology. Drive IT compliance through the management and distribution of original software while making software licences affordable.</p>	 <p><b>PRINCIPLE 2 : Stakeholder Engagement &amp; Disclosures</b></p> <p>Support stakeholder value creation as key to sustainability with continuous efforts to build professional relationships with our employees, Government authorities and agencies, the media, fund managers and analysts, and the public at large via planned and targeted programmes and activities.</p>	 <p><b>PRINCIPLE 3 : Commitment to Corporate Responsibilities</b></p> <p>Safeguard human rights within our sphere of influence and contribute to community needs.</p>	 <p><b>PRINCIPLE 4 : Engaging Workplace</b></p> <p>Create an engaging and supportive work culture, provide for a knowledge based organisation while supporting diversity across the workplace and the Boardroom.</p>	 <p><b>PRINCIPLE 5 : Governance to Drive Compliance &amp; Best Practices</b></p> <p>Observe and comply with all relevant legislations, regulations and codes of practice while integrating sustainability into the operations through implementing transparent, effective, ethical and sustainable processes across the business supply chain.</p>
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This policy is reviewed on a regular basis. As of the reporting period, the Sustainability Policy is deemed relevant and will continue to be practiced.

# Sustainability Commitment

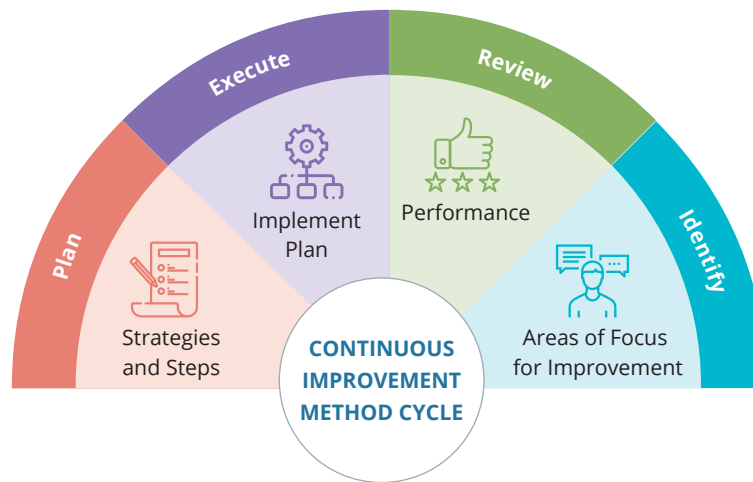
## MANAGEMENT APPROACH

Our sustainability efforts and disclosures are centered on a pragmatic approach to:

- Manage the impact of our business on the environment;
- Enrich communities where we serve;
- Build innovative services responsibly while ramping up on operational excellence and customer centricity; and
- Maintain a progressive and healthy working environment.

This approach was formed based on the five Sustainability Principles of the Sustainability Policy that was introduced in 2015. We have clear, aligned objectives to enable us to achieve both our business goals and the UNSDGs. Our ability to remain agile and adapt quickly, and to power through challenging business cycles represents our commitment to sustainability. Resilience has been a key factor in weathering tough situations without compromising our work ethics and productivity towards our business goals.

The policies, practices, goals, execution, monitoring and management are conducted in a structured manner by the SC through the Continuous Improvement Method Cycle.



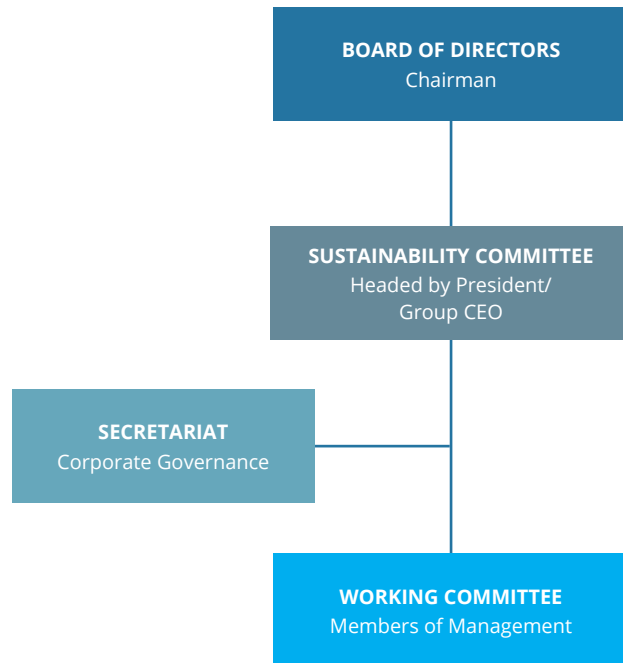
This method allows the Group to systematically execute sustainability plans set by the SC.



## SUSTAINABILITY GOVERNANCE STRUCTURE

Both the Sustainability Policy and the Sustainability Governance Structure were established to represent and assist the Board in meeting its fiduciary duty to mainly oversee that ESG concerns are properly addressed in the Group's business strategy, risk and capital allocation.

Each SC member has specified roles and responsibilities in the development and implementation of sustainability initiatives. These initiatives are also communicated to all employees to ensure that they are on board in ensuring the success of any programme undertaken.



The SC is also tasked to identify gaps in our disclosure and developing the short-term and long-term roadmaps to address these gaps, as well as analysing and benchmarking ESG practices against industry peers.

Through the employment of the Continuous Improvement Methods Cycle, the SC can systematically manage and suggest improvements for the Group's sustainability initiatives. This methodology assists the SC in effectively implementing, executing and monitoring the Group's Sustainability Policy.

## ROLES IN SUSTAINABILITY GOVERNANCE STRUCTURE

### Board of Directors

The growing interest and concern of various stakeholder groups to sustainability has given rise for greater emphasis on the governance element of ESG. The Chairman of the Board of Directors shoulders the task of overseeing that proactive measures are undertaken in identifying and evaluating material ESG and climate change related risks and threats, as well as understanding disruptive market trends, not only in the economic realm but also on environmental and societal concerns.

As sustainability is an ongoing mission, the Board together with the management work in tandem to identify any emerging ESG issues or trends that can materially impact the Group's ability to create long-term sustainable value. Sustainability matters and issues are included in the Board's meeting agenda which are deliberated and decided upon on how best to allocate resources in managing critical ESG risks. The Sustainability Policy as well as strategic plans and goals are reviewed for its relevancy and if required, additions or amendments are enforced.

### Sustainability Committee

The President/Group CEO takes the lead role in the SC which comprises the WC and supported by the Secretariat. The President/Group CEO plays an active role in championing sustainability in the company. As Chairman of the SC, President/Group CEO ensures that action plans are executed optimally for the successful implementation of the sustainability strategies.

## Sustainability Commitment

This also includes the planning of activities to achieve the sustainability and business goals, its targets and Key Performance Indicators (KPIs) which have been approved by the Board. As the SC is also responsible to assess risks and opportunities of ESG concerns, the President/Group CEO delegates specific tasks to the WC for execution. The President/Group CEO is also responsible to approve the annual sustainability report.

### Working Committee

Management team members and Heads of Departments from various subsidiaries and departments form the WC. The WC is responsible for:

- Reviewing the Sustainability Policy annually for relevancy, and making recommendations for the Sustainability Policy for the approval of the Board;
- Ensuring the Board receives sufficient and appropriate information for reviews, risk management and decision making;
- Planning and recommending ESG activities/actions, goals/targets and KPIs for the approval of the Board;
- Executing the approved ESG activities/actions, goals/targets and KPIs with its team members and employees under its supervision;
- Reviewing and endorsing the annual sustainability report; and
- Communicating critical ESG concerns to the Board.

### Secretariat

The Secretariat is headed by the Corporate Governance and Corporate Communications departments where members are tasked to:

- Assist the WC in its administrative activities;
- Assist the WC to review the Sustainability Policy;
- Assist the WC for ESG references, guidelines, tracking performance measures and reviewing the Sustainability Report;
- Assist the SC to review the effectiveness of risk management processes for ESG topics;
- Coordinate and compile the activity reports generated by members for the purpose of deliberation at Management and Board levels;
- Follow up on Board approved activities/actions for the purpose of reporting to the Board; and
- Monitor and report the consolidated sustainability activities/actions to the Board.

### Measuring and Tracking Business Sustainability

With the increasing demand for higher transparency on ESG issues, with each year we seek to improve our tracking mechanism in indicating our progress in each reporting year. The WC is supported by the Secretariat in bench-marking performances, tracking progress and evaluating processes. Since the start of our sustainability journey, our reporting regime has been aligned with Bursa Malaysia's FTSE4Good criteria. In efforts to improve our disclosures, we plan to align our next sustainability report with the Global Reporting Initiative standards.


## STAKEHOLDER ENGAGEMENT

It is vitally important for us to regularly maintain robust relationships by engaging with, listening to and responding effectively to our range of stakeholder groups. These engagement platforms enable us to better understand their concerns and needs as well as to gauge feedback on our Group's activities and reputation.

The interaction between our stakeholder groups are varied and we have succeeded in cultivating meaningful relationships over the years which has helped us achieve many of our organisational goals.




Stakeholder Groups
<ul style="list-style-type: none"> <li>Investment Community (Shareholders, Investors, Fund Managers and Analysts)</li> <li>Employees</li> <li>Customers</li> <li>Industry Groups, Academic Institutions and Strategic Partners</li> <li>Students</li> <li>Vendors/Suppliers</li> <li>Local Communities and Non-Governmental Organisations (NGOs)</li> <li>Government Agencies</li> <li>Media</li> </ul>

## Our Approach to Stakeholder Engagement






Stakeholder Groups	Material Sustainability Areas	Engagement Platform	Frequency	Highlights/Issues Raised
<b>Investment Community (Shareholders, Investors, Fund Managers and Analysts)</b> 	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Sustaining Shareholder Value</li> <li>Sustainable Future Business</li> <li>Market Presence, Branding and Reputation</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> </ul>	Annually	<ul style="list-style-type: none"> <li>31 shareholders and proxies attended Prestariang's 9<sup>th</sup> <b>Annual General Meeting</b> to review the Group's annual performance and to vote on resolutions tabled.</li> </ul>
		<ul style="list-style-type: none"> <li>Analyst Meetings and Briefings</li> </ul>	As needed	<ul style="list-style-type: none"> <li>Two-way communication with the investment community throughout the year via regular <b>Meetings</b> and <b>Briefings</b>.</li> </ul>
		<ul style="list-style-type: none"> <li>Reports</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Prestariang's quarterly financial results were announced in the <b>Financial Reports</b> and presentations.</li> </ul>
		<ul style="list-style-type: none"> <li>Corporate Website</li> </ul>	As needed	<ul style="list-style-type: none"> <li>Provided real-time reports on Prestariang's share price, presentations, annual reports, announcements and press releases on Prestariang's <b>Corporate Website</b>.</li> </ul>
		<ul style="list-style-type: none"> <li>Interviews/ teleconferences</li> </ul>	As needed	<ul style="list-style-type: none"> <li>Shared financial performance, business direction and strategies, and sustainability initiatives via <b>Interviews</b> and <b>Teleconferences</b>.</li> </ul>

# Sustainability Commitment

## Our Approach to Stakeholder Engagement

Stakeholder Groups	Material Sustainability Areas	Engagement Platform	Frequency	Highlights/Issues Raised
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employees' Satisfaction</li> <li>Employee Engagement</li> <li>Career Development</li> <li>Diversity and Equal Opportunities</li> <li>Health, Safety and Environment</li> <li>Human and Labour Rights</li> </ul>	Employee Engagement Surveys	Every two (2) years	<ul style="list-style-type: none"> <li>Periodic engagement with employees through the biennial <b>Employee Engagement Survey</b> to understand their needs.</li> </ul>
		Events	Based on scheduled plan	<ul style="list-style-type: none"> <li>Periodic employee engagement through <b>Events</b> and activities such as Appreciation Luncheon, Birthday Bash and Bowling Day.</li> </ul>
		Trainings and e-Learning	As needed	<ul style="list-style-type: none"> <li><b>Trainings</b> and <b>e-Learning</b> sessions were conducted throughout the financial year to drive employees' development, as well as to ensure standards and applicable laws are adhered to in day-to-day operations.</li> </ul>
		Internal Bulletins	As needed	<ul style="list-style-type: none"> <li>Regular <b>Internal Bulletins</b> were distributed electronically which serves as a continuous education and awareness-creation platform among Prestariang's employees.</li> </ul>
		Employee Performance Management	Yearly	<ul style="list-style-type: none"> <li>Employees' contributions and achievements are recognised via the annual <b>Employee Performance Management</b>.</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Customers' Satisfaction</li> <li>Quality Service Delivery</li> <li>Promotional/Loyalty Programme</li> <li>Sustainable Customer Service</li> <li>Market Presence, Branding and Reputation</li> </ul>	Satisfaction Surveys	Yearly	<ul style="list-style-type: none"> <li><b>Satisfaction Surveys</b> were carried out regularly to derive feedback from customers. A total of 28 responses with regards to our services and products were received for the financial year under review.</li> </ul>
		Meetings	Based on project scheduled plan	<ul style="list-style-type: none"> <li>Regular <b>Meetings</b> were held encompassing project matters - delivery, timeline, technical and commercial issues, as well as quality management.</li> </ul>
		Tech Updates	As needed	<ul style="list-style-type: none"> <li>Hosted a <b>Tech Update</b> programme to showcase our latest services and offerings whilst providing an interactive platform for knowledge sharing related to the latest technological trend.</li> </ul>
		Events and Programmes	Based on scheduled plan	<ul style="list-style-type: none"> <li>Organised various <b>Events</b> and <b>Programmes</b> involving our clients such as Creative Content Master Award, launching ceremonies, complementary workshops and CEP Redemption Day.</li> </ul>
<b>Industry Groups, Academic Institutions and Strategic Partners</b> 	<ul style="list-style-type: none"> <li>Possible Collaborations</li> <li>Joint Value Creation</li> <li>Quality Service Delivery</li> <li>Compliance and Regulations</li> <li>On-going Dialogues</li> </ul>	Collaborations	As needed	<ul style="list-style-type: none"> <li>Prestariang and its subsidiaries <b>Collaborated</b> with various partners in creating business and value for our stakeholders, namely:                             <ul style="list-style-type: none"> <li>&gt; Rocheston Pte Ltd</li> <li>&gt; Skillsoft Ltd</li> <li>&gt; SAP SE</li> <li>&gt; Adobe</li> <li>&gt; Google</li> <li>&gt; Amazon</li> </ul> </li> </ul>
		Audit	As needed	<ul style="list-style-type: none"> <li>Regular <b>Audits</b> were performed to ensure consistent quality of Prestariang's services.                             <ul style="list-style-type: none"> <li>&gt; Microsoft Partners Audit</li> </ul> </li> </ul>

## Our Approach to Stakeholder Engagement

Stakeholder Groups	Material Sustainability Areas	Engagement Platform	Frequency	Highlights/Issues Raised
<b>Students</b> 	<ul style="list-style-type: none"> <li>• Social Engagements in Enabling Youth</li> <li>• Talent Development</li> <li>• Market Presence, Branding and Reputation</li> </ul>	• Events	Based on scheduled plan	• Regular engagement with students and graduates through various <b>Events</b> such as career fairs and exhibitions.
		• Workshops	Based on scheduled plan	• Organised few <b>Workshops</b> to enrich students' knowledge and fostering employability early on, such as Adobe Workshop and Market Demand for IR 4.0 Talents.
		• Competitions	Annually for selected students	• Organised various <b>Competitions</b> such as the Content Creative Master Award (CCMA) which exposed students to industrial aspects of creative industries. Gaming competitions such as Defense of the Ancients (DOTA) 2 Tournaments were also organised to encourage social skills among youth through similar interests in e-Sport.
		• Internships and Training Programme	As needed	Prestariang and its subsidiaries have primed young individuals to be industry-ready and employable via its <b>Internships</b> and <b>Training Programme</b> .
<b>Vendors/Suppliers</b> 	<ul style="list-style-type: none"> <li>• Performance Monitoring</li> <li>• Sustainable Supply Chain Practices</li> </ul>	• Vendor Performance Review	Annually	• Evaluation of vendors were done via the annual <b>Vendor Performance Review</b> . A total of 109 vendors were reviewed for the financial year under review.
<b>Local Communities and NGOs</b> 	<ul style="list-style-type: none"> <li>• Community Investment</li> <li>• Local Social Operating Licenses</li> <li>• Market Presence, Branding and Reputation</li> </ul>	• Donations and Sponsorships	As needed	<ul style="list-style-type: none"> <li>• Building positive community relationships and attending to their needs.</li> <li>• Upskilling and improving knowledge.</li> <li>• Promoting brand trust.</li> </ul>
<b>Government Agencies</b> 	<ul style="list-style-type: none"> <li>• Compliance and Regulation</li> <li>• Ethics and Integrity</li> <li>• Quality Service Delivery</li> <li>• Continuous Improvements of Processes</li> </ul>	• Audits	As needed	<ul style="list-style-type: none"> <li>• Regulatory <b>Audits</b> were performed to ensure compliance with applicable standards, quality service delivery and continuous improvements of processes.                             <ul style="list-style-type: none"> <li>➢ ISO Annual <b>Audit</b>.</li> </ul> </li> </ul>
		• Trainings and Workshops	As needed	<ul style="list-style-type: none"> <li>• Various <b>Trainings</b> and <b>Workshops</b> were held during the year under review to drive compliance and awareness across the Group.                             <ul style="list-style-type: none"> <li>➢ Prestariang Anti-Corruption Talk series</li> </ul> </li> </ul>
<b>Media</b> 	<ul style="list-style-type: none"> <li>• Creating corporate transparency through media coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Press Releases</li> <li>• Interviews</li> <li>• Advertising</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly and as needed</li> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting the Group through product branding and enhancing our reputation, as and when required.</li> </ul>

# Sustainability Commitment

## SUSTAINABILITY GOALS

### OUR SUSTAINABILITY FOCUSED AGENDAS

Following the Materiality Assessment which was conducted in 2019, the Group had identified five (5) highly relevant Materiality Matters that correlate with the UNSDGs and the requirements of FTSE4Good (Please refer to page 56 of our Annual Report 2019).

The five (5) highly relevant Materiality Matters are:

<b>ENVIRONMENTAL</b>
<p style="text-align: center;"><b>Green IT Practices</b></p> <p>Minimise negative impacts of IT and business operations in an environmentally-friendly manner.</p>
<b>SOCIAL</b>
<p style="text-align: center;"><b>Recruitment, Career, Training and Development</b></p> <p>Adhering to Equal Opportunity hiring practices, while nurturing employee career advancement through training and education.</p>
<b>ECONOMIC &amp; GOVERNANCE</b>
<p style="text-align: center;"><b>Innovation/Technology</b></p> <p>Embarking on a journey where the importance of technology as a source of innovation is a critical success factor for increased market competitiveness.</p> <p style="text-align: center;"><b>Ethics and Integrity</b></p> <p>Business conduct of the Company and its personnel in business dealings and ensuring all transactions are conducted in a transparent manner, honestly and morally.</p> <p style="text-align: center;"><b>Customer Satisfaction</b></p> <p>Assessing dissatisfaction of customers through official complaints.</p>

### SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGS)

We continue to move towards aligning our efforts to, and achieving the UNSDGs which are relevant to our operations, by specifically focusing on five identified UNSDGs.

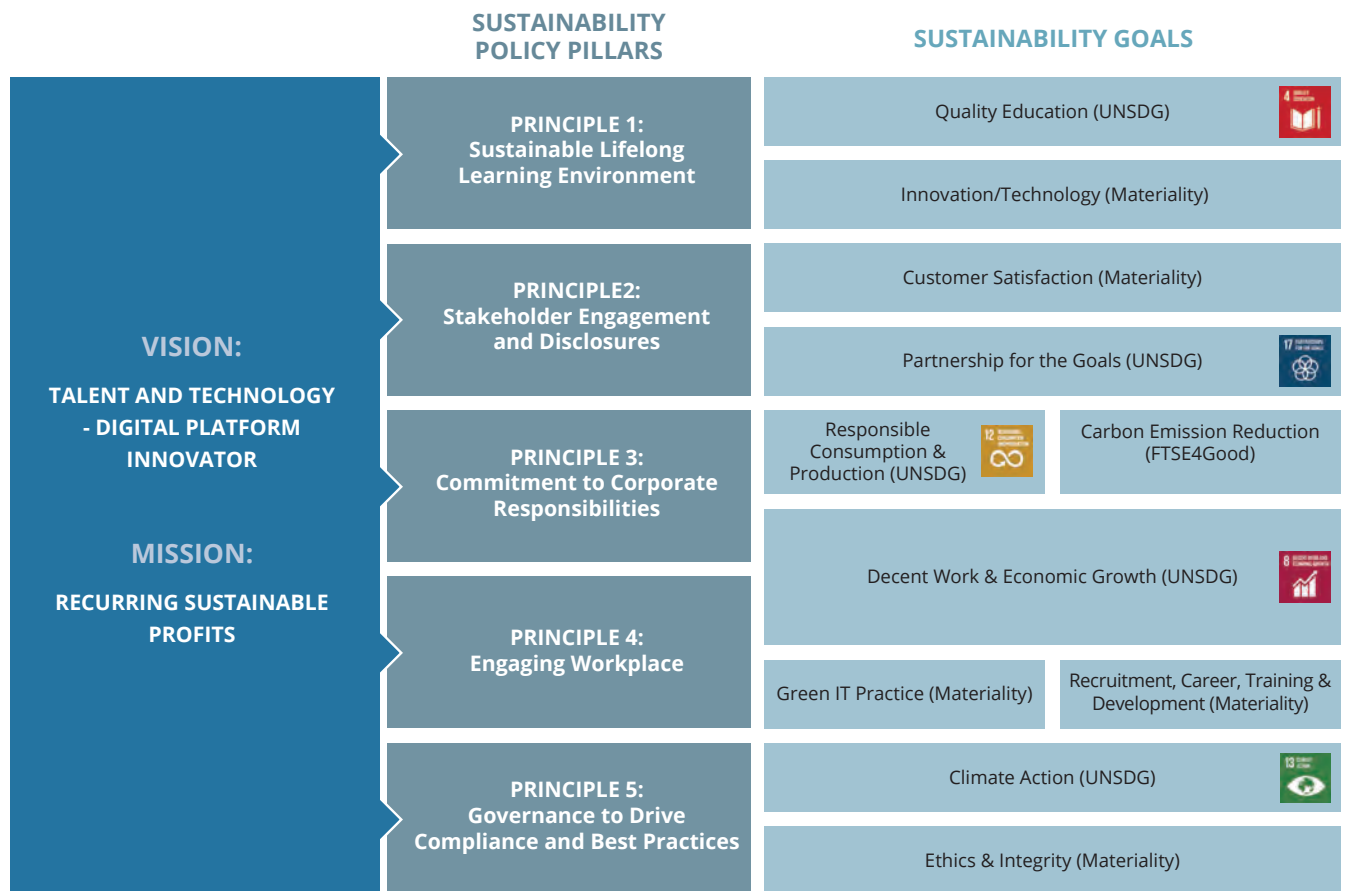
During the reporting year, we continued with the journey to embed and align the UNSDGs into our sustainability initiatives.

<b>4</b> QUALITY EDUCATION 	<p>Improve the quality of life by having access to quality education which can equip locals with the tools required to develop innovative solutions.</p>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<p>Promote inclusivity, diversity and sustainable economic growth, employment and decent work for all, including youth and persons with disabilities.</p> <p>Support the eradication of forced labour, child labour and human trafficking by not hiring such individuals as employees. Protect labour rights and promote a safe and secure working environment for all employees.</p>
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<p>Promote sustainable management and efficient use of production resources. Reduce waste generation through prevention, reduction, recycling and reuse. Adopt sustainable practices and to integrate our sustainability efforts into a report.</p> <p>Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p>
<b>13</b> CLIMATE ACTION 	<p>Integrate climate change measures into policies, strategies and planning.</p>
<b>17</b> PARTNERSHIPS FOR THE GOALS 	<p>Enhance the global partnership for sustainable development that mobilise and share knowledge, expertise, technology and financial resources.</p> <p>Support initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.</p>

In the reporting period, the SC further consolidated all identified goals into meaningful attributes which are aligned to both the identified UNSDGs and criteria of FTSE4Good, towards achieving the Group's sustainability goals. These sustainability goals were then assigned with KPIs, to achieve short-term and long-term targets.

Prestariang is committed to its Sustainability Goals, which have evolved and are in relation to the Company's Vision and Mission. This further correlates with the five (5) Sustainability Principles, which are derived from the Sustainability Policy as depicted below:

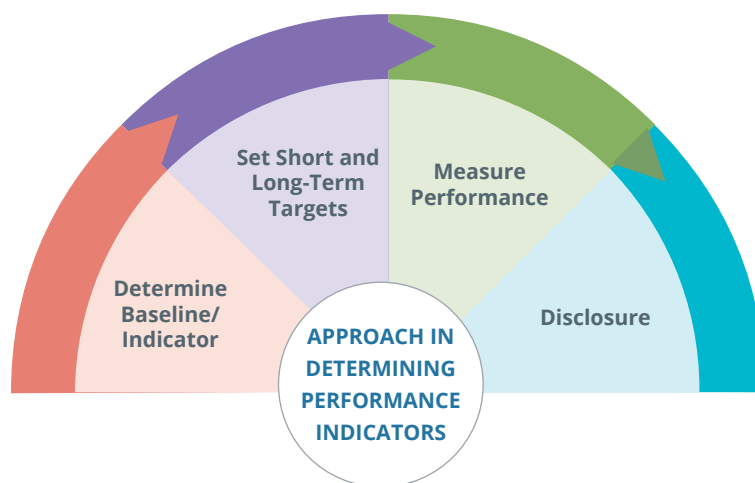
## SUSTAINABILITY FOCUSED AREAS



## Sustainability Commitment

### PERFORMANCE INDICATORS AND TARGETS

In line with our course of business, we have narrowed our focus to 11 indicators against the initial 13 in the previous reporting year. In the same time, we have also re-calibrated our goals to better consolidate our sustainability efforts. The WC has been tasked to ensure that the identified indicators and targets have been cascaded to employees who will be responsible to take the necessary action in achieving the targets set.



## ENVIRONMENT

GOAL	BASELINE/INDICATOR	SHORT-TERM TARGETS (< 5 YEARS)	LONG-TERM TARGETS (> 5 YEARS)	PROGRESS
<b>1. Carbon Emissions Reduction</b>	Emission per employee per year (Average of <b>2.7 MT CO<sub>2</sub>-eq</b> per employee following average emissions of employees in the United States of America).	Reduce and maintain less than <b>2.5 MT CO<sub>2</sub>-eq</b> per employee per year for Scope 2.	Maintain less than <b>2.0 MT CO<sub>2</sub>-eq</b> per employee per year for Scope 2.	<b>2020</b> <b>1.76 MT CO<sub>2</sub>-eq</b> per employee per year for Scope 2.
<b>2. Waste Management and Consumption Reduction</b>	Paper reams' usage per employee per year (based on <b>5.4</b> paper reams' usage per employee in 2017).	Reduce and maintain to less than <b>5</b> paper reams' usage per employee per year.	Maintain less than <b>4</b> paper reams' usage per employee per year.	<b>2020</b> <b>2.75</b> paper reams per employee per year.
<b>3. Energy Management and Consumption Reduction</b>	Average Energy use per employee per year for 2019 ( <b>3,006 kWh</b> ).  This baseline recalibration was driven by our relocation to the new Star Central building.	Reduce and maintain less than <b>3,000 kWh</b> per employee per year.	Maintain less than <b>2,800 kWh</b> per employee per year.	<b>2020</b> <b>2,537 kWh</b> per employee per year.
<b>4. Climate Change / Environment Measures Incorporated into Policies, Strategies and Planning</b>	Number of policies approved.	All policies within the Company revised to add climate change impact considerations.	New policies with considerations on climate change impact.	<b>2020</b> Policies are currently being revised within the Company to add climate change impact considerations.



## SOCIAL

GOAL	BASELINE/INDICATOR	SHORT-TERM TARGETS (< 5 YEARS)	LONG-TERM TARGETS (> 5 YEARS)	PROGRESS
<b>5. Maintaining High Level of Customer Satisfaction</b>	Official customer complaints: Amounting to <b>2 official complaints</b> in 2018.	Maintain less than <b>2 official complaints</b> year.	Towards <b>zero complaints</b> .	<b>2020</b> Recorded <b>2 official customer complaints</b> which were addressed accordingly.
<b>6. Promote Inclusivity, Diversity, Employment and Equal Opportunity</b>	Turnover rate (Average turnover rate for technology industry = <b>11%</b> ).	Reduce and maintain an average of <b>5%</b> or less turnover rate per year.	Further reduce and maintain our average turnover to <b>3%</b> or less per year.	<b>2020</b> Reduced the turnover rate to an average of <b>1%</b> per year.
<b>7. Maintaining Decent Work and Fair Income</b>	The baseline was based on: - Malaysia's minimum monthly wage. - Industry benchmark.	All employees are <b>paid above minimum wage</b> and <b>equal to industry benchmark</b> .	All employees are <b>paid above market rate</b> .	<b>2020</b> All employees are <b>paid above minimum wage</b> and <b>equal to industry benchmark</b> .
<b>8. Driving training and development for employees</b>	Average training man days (Average <b>8</b> training man days).	Fulfill or exceed an average of <b>8</b> training man days every year.	To ensure every employee is professionally certified.	<b>2020</b> Recorded an average of <b>2.85</b> training man days.
<b>9. Developing and Implementing Succession Planning and Career Development</b>	Established sources of successors from both internal and external sources.	To have the first tier successors for all positions.	To have up to the second tier of successors for all positions.	<b>2020</b> The first tier successors are currently being obtained for all positions.

## ECONOMIC AND GOVERNANCE

GOAL	BASELINE/INDICATOR	SHORT-TERM TARGETS (< 5 YEARS)	LONG-TERM TARGETS (> 5 YEARS)	PROGRESS
<b>10. Creating an Innovative Talent and Technology Service Delivery Culture by Leveraging on a Digital Platform</b>	Diversification of services via cloud offerings in driving innovation.	Towards cloud certification by 2020.	N/A	<b>2020</b> Obtained 5 Microsoft Competencies under multiple categories, including <b>Cloud Productivity</b> .
<b>11. Maintaining Good Governance</b>	<b>FTSE4Good Rating</b> and Bursa Malaysia's Sustainability Disclosure Review.	Maintaining <b>4.0</b> and above for <b>FTSE4Good Rating</b> .	Achieving tier 1 overall ranking by Bursa Malaysia for sustainability disclosure review by 2030.	<b>2020</b> Maintained a <b>FTSE4Good ESG rating</b> of <b>4.8</b> under the Industry Classification Benchmark: Technology.

# Sustainability Commitment

## SUSTAINABILITY RISKS AND OPPORTUNITIES

The SC conducted a review of the existing risks and has concluded that there has been no material changes from the previous reporting period.

## RISK

<b>Technology Evolution</b>	<p><b>HIGH RISK</b></p> <p>Technology is both a key enabler as well as a potential source of significant disruption to our business model in the long run. The rapid rate of technological advances and disruptions in the ICT landscape lead to the shift in market demands.</p>	<p><b>ACTION/MITIGATION PLAN</b></p> <ul style="list-style-type: none"> <li>Periodically review the business model.</li> <li>Upgrading capabilities to provide better service experiences.</li> <li>Continuously exploring and embracing new technological developments.</li> </ul>
<b>Carbon Footprint</b>	<p><b>MEDIUM RISK</b></p> <p>Risk of increasing carbon footprint at Prestariang project sites nationwide.</p> <p>Business travels and conducting business events are essential, and sometimes are requirements of the project deliverables.</p>	<p><b>ACTION/MITIGATION PLAN</b></p> <ul style="list-style-type: none"> <li>For business meetings, employees have opted for online meetings via conference calls or video conferencing as an alternative option where suitable.</li> <li>Prestariang engages local vendors to arrange and occasionally conduct events where necessary, in order to reduce employees carbon footprint for outstation events.</li> <li>State level business events were reduced to regional business events instead to lower carbon footprint and optimise financial operations</li> </ul>
<b>Product Relevance</b>	<p><b>HIGH RISK</b></p> <p>The obsolescence of products and services as a result of technological updates e.g. Cloud services.</p> <p>The shift in market demand.</p>	<p><b>ACTION/MITIGATION PLAN</b></p> <ul style="list-style-type: none"> <li>Focusing on product development with innovative solutions that can be commercialised into winning products and services.</li> <li>Conducting reviews and refreshing products and services periodically to stay relevant with users and industry expectations.</li> <li>Continue to leverage on strategic partnerships and alliances to create value.</li> </ul>
<b>Talent Retention</b>	<p><b>MEDIUM RISK</b></p> <p>Our Talents being the heart of the Group have the ability and experience to carry out the daily business operations, meet customers' needs and ensure customer satisfaction.</p> <p>The termination of the SKIN project has resulted in the rationalisation of manpower that led to the termination of employment.</p>	<p><b>ACTION/MITIGATION PLAN</b></p> <ul style="list-style-type: none"> <li>Developing talents for succession planning.</li> <li>Developing quality employee engagements and training programmes, as well as realign talents' competencies to organisational needs.</li> <li>Conducting periodic Employee Engagement Surveys to assess their level of engagement with Prestariang and solicit employees' views.</li> <li>Optimising manpower productivity through right-sizing exercises based on business needs.</li> </ul>

<p><b>Financial Management</b></p>	<p><b>HIGH RISK</b></p> <p>The Cabinet's decision to terminate the SKIN project by way of expropriation has disrupted the plans and the financial projections of the Group.</p> <p>The Group has filed and served its Originating Summons dated 15 April 2019 against the Government of Malaysia as Defendant claiming the amount of RM733 million in relation to the termination of the SKIN by expropriation.</p> <p>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.</p>	<p><b>ACTION/MITIGATION PLAN</b></p> <ul style="list-style-type: none"> <li>• Implement rationalisation plan to improve cashflow position, which includes operating cost reduction, monetisation of non-core assets and equity fund raising.</li> <li>• Reviewed the business operations and working capital needs, ensuring timely collection of receivables; favourable payment terms from suppliers, minimising inventory and maintaining sufficient bank facilities to support the existing business operations.</li> <li>• Continuously monitoring the extent of credit risk to an acceptable level.</li> </ul>
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## OPPORTUNITY

<p><b>Investments in Sustainability and Green Processes</b></p>	<p><b>MEDIUM PLAN IMPLEMENTATION</b></p> <p>Factoring ESG matters in all decision making which is embedded throughout the business while reducing wastage that impacts the environment and becoming prudent on operational expenditure.</p>	<p><b>ACTION PLAN</b></p> <ul style="list-style-type: none"> <li>• Conducting reviews on business operations processes which include sustainability, as well as green IT processes and policies.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Transformational Business</b></li> <li>• <b>Dynamic Business Model</b></li> </ul>	<p><b>MEDIUM PLAN IMPLEMENTATION</b></p> <p>Prestariang's business model allows the Group to have a structure yet it is agile to adapt to new technology and talent services.</p>	<p><b>ACTION PLAN</b></p> <ul style="list-style-type: none"> <li>• Realigning existing core businesses to focus on profitable business segments.</li> <li>• Extending value added products and services to the existing core businesses.</li> <li>• Developing new businesses which are aligned to Industry 4.0 specifically on growing the Government's digitalisation agenda.</li> <li>• Providing Cloud services, project management, hardware and Software Asset Management (SAM).</li> <li>• Providing holistic talent management services which includes profiling.</li> </ul>
<p><b>Innovative Learning</b></p>	<p><b>MEDIUM PLAN IMPLEMENTATION</b></p> <p>Aligning with sustainability activities, the Group is committed to find different and innovative learning environments to lessen the environmental impact, yet providing effective learning experiences for both trainers and students.</p>	<p><b>ACTION PLAN</b></p> <ul style="list-style-type: none"> <li>• Seizing the online learning platform to develop better services and learning experience.</li> <li>• Digitalisation of services leads to reduced consumption of resources – reduced trainers, logistic expenditures, paper usage, less time taken, etc.</li> </ul>

## Sustainability Commitment



### PRINCIPLE 1: SUSTAINABLE LIFELONG LEARNING ENVIRONMENT

#### STEWARDSHIP OF PRODUCTS & SERVICES

- Developing ways to empower communities to experience sustainable and inclusive education through technology and talent services that we provide so that they can create innovative solutions.
- Creating an innovative Talent and Technology Service Delivery Culture by leveraging on a digital platform.



MATERIALITY  
Innovation/Technology

#### ENABLING TRANSFORMATION, EMBRACING DIGITALISATION

Our commitment in driving and aligning the nation's digital economy to the Fourth Industrial Revolution (IR 4.0) and cloud computing areas is portrayed via our business model (please refer to Prestariang Business Model, page 5). This commitment has propelled us to understand the present needs of our customers and position ourselves better in delivering quality products and services.

One area of focus in the near term is on enhancing the short technical courses as well as soft skills being offered under our Talent Management Services of Training and Certification. We will be leveraging on our technological know-how in delivering education, which is headed into a purely online modality. The push will be in increasing IR 4.0-ready talents via reskilling and upskilling.

In the year under review, we obtained multiple Microsoft Competencies under Applications and Infrastructure, and Modern Workplace and Security:

- Gold Certified Cloud Productivity
- Gold Certified Datacenter
- Gold Certified Small and Midmarket Cloud Solutions
- Silver Certified Cloud Platform
- Silver Certified Collaboration and Content

These competencies are manifestations of our dedication to better our products and services in helping our customers to shift towards cloud computing and attain their digital transformation goals.



Our Software Asset Management, Software Procurement Lifecycle Management and Multi-Cloud Management Services have empowered more than 90 clients, with more than 490,000 software licenses distributed. These have impacted not only individuals and businesses, but also the Government and its agencies which has enabled them to innovate and improve delivery of their services.

To complement our digital solution offerings in tandem with the nation's march towards achieving a digital economy, Prestariang plays the pivotal role in producing new and sustaining existing talents in Malaysia. This is underpinned by our three-pronged approach in driving competencies, nurturing career development and transforming talents to proactively embracing IR 4.0:

- Talent Management Services
- Academy
- Education

## Sustainability Commitment

In our effort to produce and sustain talents, we offer over 60 globally-recognised certification courses nationwide for skilling, reskilling and upskilling in meeting current industry demands for tech-savvy talents. We have cultivated strong partnerships with global IT players which include Microsoft, Adobe, CompTIA, Skillsoft, Autodesk, Oracle and EC-Council in providing quality education.

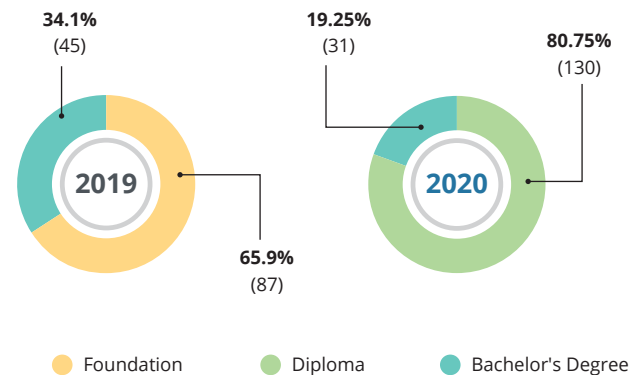
From the technical and vocational perspectives, Prestariang Institute (PSTI) via our Technical and Vocational Education and Training (TVET) programmes are skewed exclusively in meeting the needs for welding experts nationwide. We achieved a 100% graduation rate for our first batch of Sijil Kemahiran Malaysia 3 TVET Programme and we have enrolled the third batch of students in the year under review.

Being the largest ICT training and certification provider in the country, we proactively explore future possibilities to deliver a sustainable stream of digital talents. We regularly engage with businesses, organisations and professional bodies to envisage the nation's need, from both talent and technology perspectives.

Shifting towards our Education segment, University Malaysia of Computer Science & Engineering (UNIMY) has been successful in producing a steady stream of industry-ready IT graduates, specialising in key areas such as Cyber Security, Big Data and Coding. For the year under review, a total of 103 students were enrolled. We take pride in these efforts in providing a breeding ground of technopreneurs to catalyse future sustainable businesses for generations to come.

On 25 February 2020 Prestariang entered into a conditional Share Sale Agreement with Serba Dinamik Group Bhd for the acquisition of the UNIMY. This was part of the Group's rationalisation plan to divest loss-making interests to ensure the business sustainability of both the Group and UNIMY, moving forward.

UNIMY Graduates	FP2019	FY2020
Foundation	87	0
Diploma	0	130
Bachelor's Degree	45	31
Master's Degree	0	0
<b>Total</b>	132	161



### Accomplishments in FY2020

In the financial year under review, we have accomplished the following:



Distributed more than  
**490,000**  
Software licenses



Trained and certified  
**4,058**  
individuals on various  
softwares



Obtained  
**5 New**  
**Competencies**  
by Microsoft



Enrolled our third batch  
of students for  
**Sijil Kemahiran**  
**Malaysia 3**  
TVET programme



Achieved  
**100%**  
**Graduation**  
for our first batch  
of students under  
TVET Programme

# Sustainability Commitment



## PRINCIPLE 2: STAKEHOLDER ENGAGEMENT AND DISCLOSURE

### CREATING MEANINGFUL RELATIONSHIPS

The second principle of our Sustainability Policy Pillars portrays how stakeholder engagement is essential to our sustainability strategy. Through regular engagement with our multiple stakeholder groups, we have kept ourselves abreast of current and emerging issues which concern our stakeholders.

Effective engagement is key in achieving the Group's short-term and long-term sustainability goals as we need to properly respond to requests, queries and feedback.

During the year in review, we consistently engaged with our stakeholders, with emphasis on improving our market positioning by way of delivering a wider range of products and services to our customers. This effort was to ensure our resilience and in establishing a stronger footing in driving sustainable recurring revenues.

Our corporate website was refined in the year under review to portray our professionalism in meeting the needs of our investors and customers. We also increased the visibility of our new and existing offerings and ensured transparency in all our dealings.

Prestariang's consistent interactions via briefings, meetings, site visits, tele-conferences and client-driven audits remained, as these were the avenues that help us to better understand the needs of our stakeholders. This is the embodiment of our commitment in nurturing trust and relationships with our various stakeholder groups.

### COMMITMENT TO CUSTOMERS

We seek to:

- Constantly improve ourselves to provide the best possible solutions to our customers and their ecosystems.
- Maintain customer satisfaction.
- Mobilise and share knowledge, expertise, technology and financial resource.



MATERIALITY  
Customer Satisfaction

### CUSTOMER-FOCUSED EXCELLENCE

Customer satisfaction remained as one of our identified material issues. This is in line with our shared values of Customers as Our Focus, and our Sustainability Goal of maintaining a high level of Customer Satisfaction (please refer to page 53).

For the year under review, we conducted a Customers' Satisfaction Survey where we received 28 responses from our key clients. A total of 89% of them were satisfied with our overall services with 85% in favour of continuing the use of our framework and services. We recorded an 8.4% dissatisfaction rate among our customers where remedial action was taken immediately to address their concerns.

# 89%

Satisfied with  
our overall services



Customers'  
Satisfaction  
Survey

# 85%

In favour of continuing the use of  
our framework and services

# 8.4%

Dissatisfaction rate  
among our customers

## EFFECTIVE CHANNELS FOR FEEDBACK AND COMPLAINTS

In ensuring consistent service quality levels at all time, our established streamlined, single-channeled customer service platform allows us to handle enquiries, feedback, concerns or complaints on any of our services or subsidiaries. The platform allows us to systematically track, manage and monitor all feedback in order to serve our customers better.

Customer centricity is core to our business and as such, we are fully vested in resolving any business challenges and in improving operational efficiency. We want to ensure that our customers are satisfied at every touchpoint within our organisation to enable continuous delivery of quality products and services. In ensuring continuous positive customer experience, our systematic approach is illustrated below:



For feedback and inquiries, please contact:

**PRESTARIANG®**

+603 8689 7000

+603 8689 7009

inquiry@prestariang.com.my

In the year under review, we have recorded two (2) official complaints from our customers.

	Complaints	Complaints Addressed
FY2018	2	2
FP2019	3	3
<b>FY2020</b>	<b>2</b>	<b>2</b>

## DATA PRIVACY

Data privacy remains as Prestariang's top priority. We are committed to comply with the applicable privacy and personal data protection laws and in ensuring that our collection, use, processing and storage of personal data relating to our individual end-customers, business-to-business customers, employees, directors as well the third parties with whom we work with, are consistent with international and local applicable laws, as well as our internal policies and procedures to avoid any loss, misuse and unauthorised alteration. The information or data collected will only be used for their original intended purpose only, unless specifically agreed otherwise.

We uphold the Personal Data Protection Act (PDPA) 2015 and our stand is translated via our strict data protection policy, which is intended to protect personal information and data gathered or to be gathered throughout any dealings with Prestariang.

Our approach to privacy and personal data protection is outlined in the Personal Data Protection (PDP) Notice, which is available on our website and featured on notice of agreements for subscribers of our services.

The notice sets out how we collect and handle personal information in accordance with the PDPA while our document control policy spells out the internal guidelines for employees in handling data, including personal data.

## Sustainability Commitment

The process of securing privacy is by using technical, logical and procedural measures, such as multi-factor authentication, that are designed to help detect and prevent fraud and misuse of customer information.

We routinely patch our systems with security updates and we work to protect our systems from unauthorised internal or external access using numerous commercially available computer security products, as well as internally developed security procedures and practices.

Prestariang reported zero cyberattacks incidents and zero breach of data privacy during the reporting period.

### SHAREHOLDER ENGAGEMENT AND INVESTOR RELATIONS

We are committed in the dissemination all information on financial results, operational performance, business strategies and other corporate matters accurately and in a timely manner. Where necessary, pertinent information is filed with regulators in accordance with the relevant legal and regulatory requirements.

Our dedicated Investor Relations (IR) Team effectively executes our Investor Relations Policy which includes guidelines on stakeholder engagement. The Policy outlines the processes and practices which ensures effective communications channels by authorised personnel for the release of information to internal and external stakeholders. The policy also dictates the review and release of information to regulatory authorities to facilitate full disclosure of the Company's material information.

Through our robust IR engagement, we have achieved commendable recognition among shareholders which has contributed to our efforts in developing new business opportunities.

The IR team is responsible for organising and planning regular meetings, roadshows, conference calls and site visits to keep our shareholders and the investment community updated on our strategic developments, financial performance as well as on ESG matters.

All relevant information, reports, policies and updates are published on our website at <http://www.prestariang.com.my> in a timely manner. Stakeholders may also submit enquiries via email at [ir@prestariang.com.my](mailto:ir@prestariang.com.my).

Our commitment to foster good investor relations is by consistently building and gaining trust among investors. We strive for clarity, transparency and accuracy in maintaining a balanced and consistent level of disclosure at all times in order to generate value at both ends of the spectrum.

### Financial Results

The Group's quarterly financial results are released within the time stipulated by Bursa Malaysia which provides shareholders with the latest information on the Group's performance and operations. We organise an analyst briefing after the release of each quarter's financial results and materials which are presented during these briefing sessions are made available to investors upon request. The information is also uploaded on the Company's website.

Announcement of Quarterly Results	
6 <sup>th</sup> Quarter Result FP2019	30 August 2019
1 <sup>st</sup> Quarter Result FY2020	29 November 2019
2 <sup>nd</sup> Quarter Result FY2020	25 February 2020
3 <sup>rd</sup> Quarter Result FY2020	22 May 2020
4 <sup>th</sup> Quarter Result FY2020	27 August 2020

### Shareholder Base

We have a shareholder base of 6,407 institutional and retail/private shareholders as at 30 June 2020. Maybank Trustees Berhad - Areca Dynamic Growth Fund is our major shareholder with equity holdings of 14.55% of our total share capital. Foreign shareholding accounted for 1.84% of the total.

As a Shariah-Compliant company, Prestariang is committed to responsible investments that are free from usury, gambling and ambiguity while striving for steady and sustainable profitability.





*Prestariang's dedicated Investor Relations section in the company website keeps the investor community abreast with our ongoing developments.*

## Share Performance

During the financial year under review, our share price drifted sideways on a plateau trend, with the share price hovering at RM0.425 towards the third quarter. However, the share price took a dip within Q3 due to the onset of COVID-19, resulting in an all-time low of RM0.100.

The share price eventually regained towards the end of June 2020 and stabilised at an average of RM0.513. Prestariang continued to receive support from both institutional and retail investors with total average traded volumes of 16.8 million shares per day. The price opened at RM0.420 on 1 June 2019 and closed at RM0.400 on 30 June 2020.

## Dividend Payout

Financial Year/Period	2015	2016	2017	2019	2020
Total Gross Dividend per Share (sen)	3.75	3.00	2.75	0.70	<b>0.00</b>
Share Price (RM)	2.97	2.06	1.52	0.41	<b>0.40</b>
Number of Shares (including treasury shares)	484,000,000	484,000,000	484,000,000	484,000,000	<b>532,230,100</b>

## Dividend Policy

Prestariang's Dividend Policy, which has been resolved and approved by the Board since February 2016 was to reward our shareholders for their commitment to the Group. The policy sets the distribution of dividends at a minimum of 50% of PAT.

The recommendation and payments of dividend however, are dependent on the following factors:

- Availability of adequate distributable reserves and cash flows;
- Operating cash flow requirements and financial commitments;
- Anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- Any material impact of tax laws and other regulatory requirements.

Actual dividends proposed and declared may vary, depending on financial performance and cash flows, and could be waived if the payment of dividend may impact adversely on the cash flow and operations of the Group.

## Returns to Shareholders

For the financial year ended on 30 June 2020, the Board of Directors did not declare any dividend. This decision was a result of our rationalisation plan that includes among others, cost cutting measures to improve our Group's cash flow and to increase our working capital.

# Sustainability Commitment



## PRINCIPLE 3: COMMITMENT TO CORPORATE RESPONSIBILITIES

### CORPORATE CITIZENSHIP COMMITMENTS

- We continue to build better lives, especially in enhancing education opportunities and lifelong learning.
- This is our steadfast contribution and definition towards quality sustainable education for the betterment of local communities, their children and society in its entirety.
- We are committed to take responsibility of our environmental consumption and production which may impact the lives of the community that surrounds us.



FTSE4Good  
Reduction of GHG

### DIGITISING EDUCATION AND LIFELONG LEARNING

At Prestariang, we are committed to our aspirations of building better lives by championing and enabling quality education and lifelong learning. With COVID-19 limiting all the potential of what physical classroom learning can do, it is our fiduciary duty to make education accessible and lifelong learning possible by leveraging on the virtual classroom and e-learning avenues.

As a leading technology and talent innovator, we are strategically positioned to offer education in elevating the social and economic conditions of society. Beyond tertiary education, the process of skilling and upskilling promotes empowerment even during a crisis period such as the COVID-19 pandemic.

Leveraging on our technical expertise, we have earnestly undertaken the following initiatives during the reporting period to ensure continuity of lifelong learning:

- Switched to Virtual Instructor-Led Training for all our classes
- Provided a wide array of courses for skilling and upskilling via our e-learning offerings
- Collaborated with Rocheston for a Virtual Cyber Security Conference
- Collaborated with Skillsoft for the Driving Digital Transformation in Modern Workspace Webinar

### EMPOWERING COMMUNITIES

Our approach in empowering our communities has always been through various value creation via several initiatives. As a technology and talent innovator, our strategic focus is fixed towards raising employability of individuals through education, improving quality of lives and living standards as highlighted in our Corporate Citizenship Commitments.

### ENGAGING EFFECTIVELY WITH MILLENNIALS

Yayasan Universiti Malaysia (YUM) was established to support quality education in efforts to develop an industry-ready reservoir of digital talents in Malaysia. As part of our fiduciary duty as a Shariah-compliant counter, Prestariang supports the YUM Foundation by offering deserving Malaysian students from the lower income group to further their tertiary education in information and communications technology (ICT).



### Scholarship & Financial Assistance

Students having the intention to pursue their studies at UNIMY or are currently studying here may apply for financial assistance to support their studies either at Foundation or Undergraduate level.

In recognising the academic achievements of these students, high achievers are rewarded with scholarships and other types of sponsorships to enable them to pursue their foundation, diploma or bachelor's degrees. The types of sponsorships are based on students' individual academic achievements, where priority is given to those who achieve merits. This includes full scholarship for tuition fees and resource fees for students who attained 8As for Sijil Tinggi Pelajaran Malaysia (STPM) or 3.70 CGPA or higher for foundation and diploma, or its equivalent respectively.

For the financial year under review, we have sponsored RM50,000.00 as part of our community investment to support the YUM foundation and its cause.

### PROMOTING EMPLOYMENT OPPORTUNITIES FOR YOUTHS

In line with our status as a Leading Technology and Talent Innovator, building better lives by curbing youth unemployment is top in our agenda as stated under **Principle 1: Sustainable Lifelong Learning Environment** and as part of our **Corporate Citizenship Commitments**. We acknowledge that rapid revising of skills required for employment is a constant challenge. Therefore, we are mindful of seeking innovative methodologies to support youth education and in further providing them with industry exposure from the get go.

In championing this cause, our Internship Programme provides students with the opportunity of first-hand experience as to the workings of a high-technology company. The Professional Training and Education for Growing Entrepreneurs or Protégé programme on the other hand is aimed to curb youth employment by ramping up their employability.



### INTERNSHIP PROGRAMME AND TEMPORARY EMPLOYMENT

In Prestariang, final year undergraduates under this internship programme undergo industrial training which range from three to six months, regardless of their disciplines. Based on their education and curricular backgrounds, the interns are streamed into the different departments across the Group to allow them the opportunity to apply their classroom learning in a professional environment. Interns undergo a selection process based on their eligibility and set criteria.

The internship programme is available for deserving students while our temporary employment programme is available for unemployed youths, akin to the practice stated within our Internship Policy. The said policy is reviewed yearly or as and when needed.

## Sustainability Commitment

Allowances for Interns and Temporary Employees are currently set at:



**Degree**  
**RM1,000**  
per month

**Diploma**  
**≥ RM800**  
per month

Description/Financial Year	2016	2017	2019	2020
Number of Interns and Temporary Employees	21	48	7	4

### INTERNSHIP POLICY

- Equal employment opportunity for the underprivileged groups, which include those with:
  - Deprived backgrounds;
  - Poor social status; and/or
  - No formal education or qualifications.
- Placement programme opportunities for unemployed youths, apprenticeships and graduate placements.

## protégé

### Prestariang Protégé

The Professional Training and Education for Growing Entrepreneurs (Protégé) was launched by the Malaysian Government in January 2019 and is a continuation of Skim Latihan 1Malaysia (SL1M). This entrepreneurial and marketplace training programme was established to develop and guide youths in collaboration with industry experts. Accordingly, Prestariang plays an active role in supporting and executing the Protégé programme in accordance to the Government's 1PP/PK 1.2 Order.

This 12-month programme, which primarily targets unemployed youth, involves protégés to assimilate themselves with the working environment via on-the-job training and developing various core soft-skills via training programmes.

As at June 2020, a total of 104 protégés, all below the age of 30, were enrolled under Prestariang's Protégé programme.



### Total Number of Protégés

**104**

#### By Gender



## Soft-Skills Training

Part of the Protégé programme includes short training sessions on key soft-skills. Through deeper understanding of communication skills, critical thinking, organisational adaptability, professionalism and etiquette, protégés will be better equipped in managing themselves in a real work environment which also sets them apart from purely academically trained individuals.

## On-The-Job Mentoring

Leveraging on Prestariang's existing talents as Mentors, each protégé is assigned to a supervisor. The supervisor is tasked to nurture the protégé with knowledge, skills and experiences. By raising the confidence levels of the proteges, it increases their employability rate in securing jobs by the end of the programme.

The protégés are also given tasks and KPIs to be achieved, in line with their qualifications. Each mentor closely monitors their protégé's development via two appraisal sessions, which are held on the sixth and 12<sup>th</sup> month of the programme.

As of June 2020, a total of 104 individuals registered under Prestariang's Protégé programme with an 86.54% employability rate recorded.

- 22 of them were employed by Prestariang
- 25 of them were employed by other companies within the 12-month training period
- 4 of them were employed after they completed the programme.
- 8 of them ended their training preterm for better prospects.
- 31 of them completed their training and were deemed as employable.

The remaining 13.46% (14 protégés) are still undergoing the programme. It is expected for all 14 protégés to be employable and industry-ready by the end of their 12-month training period.

Driven by how infallible the Prestariang Protégé programme is in curbing both unemployment and financial distress among local graduates, we are committed to expand the programme to reach a bigger audience. Prestariang aspires to obtain 100% employability for a total of 105 protégés by year 2021.

## CORPORATE ENVIRONMENTAL RESPONSIBILITY

In the face of climate change and environmental deterioration, Prestariang is focused on managing our environmental and carbon footprint better in line with both our short-term and long-term sustainability goals. Since 2014, measurement of our carbon impact from consumption of natural resources has been the key portion of our disclosure. We will continue to improve on ways and measures to reduce our carbon footprint in order to make our operations more sustainable.

### COMMITMENT TO THE ENVIRONMENT



Monitor excessive water discharge, electricity usage, paper usage and proper waste disposal.



Instilling a culture that supports a lifelong learning environment in the workplace and the community in which we operate.



Proactively seek to adopt best practices and standards to promote the 3Rs "Reduce, Reuse and Recycle" process.






Creating awareness and encouraging participation of our employees.

# Sustainability Commitment

## OPERATING SUSTAINABLY - OUR ENVIRONMENTAL GOALS

We are committed towards reducing our total overall greenhouse gas emission to less than 2.5 MT CO<sub>2</sub>-eq emission per employee per year as shown in our goals below, which was set in FP2019:

GOALS		FP2019*	FY2020*
	<p><b>Reduce Carbon Emission</b>  <b>Short-Term:</b>                      Reduce and maintain less than 2.5 MT CO<sub>2</sub>-eq emission per employee per year for Scope 2 by 2024.  <b>Long-Term:</b>                      Reduce to less than 2.0 MT CO<sub>2</sub>-eq emission per employee per year for Scope 2 by 2030.</p>	2.09	<b>1.76</b>
	<p><b>Reduce Paper Waste</b>  <b>Short-Term:</b>                      Reduce and maintain to less than 5 paper reams per employee per year by 2024.  <b>Long-Term:</b>                      Maintain less than 4 paper reams per employee by 2030.</p>	2.10	<b>2.75</b>
	<p><b>Reduce Energy Consumption</b>  <b>Short-Term:</b>                      Reduce and maintain less than 3,000 kWh per employee per year by 2024.  <b>Long-Term:</b>                      Maintain less than 2,800 kWh per employee per day by 2030.</p>	3,006	<b>2,537</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

## Carbon Emissions

Monitoring our carbon emissions helps us to identify, measure and track the carbon footprint of our business activities. This includes indirect emissions associated with the consumption of purchased electricity (Scope 2) and other indirect emissions associated with paper use and employee business travel (Scope 3). We do not produce any direct emissions (Scope 1) in our day-to-day operations.

Based on our set goals, we have successfully reduced and maintained our Scope 2 carbon emission per employee lower than 2.5 MT CO<sub>2</sub>-eq consistently from FY2015 all the way to FY2020. For the financial year under review, we have recorded 1.76 MT CO<sub>2</sub>-eq Scope 2 carbon emissions per employee a reduction of 15.80% from 2.09 MT CO<sub>2</sub>-eq recorded in the last financial period.

We are committed to maintain less than 2.5 MT CO<sub>2</sub>-eq emission per employee for Scope 2, to reach our short-term goal by financial year 2024.

Our carbon emissions data and disclosures are not verified by any independent third party nor set against any standards and level of assurance. Consideration of external assurance will be done as our reporting matures.

## Total Carbon Emissions

(MT CO <sub>2</sub> -eq)	FY2015	FY2016	FY2017	FP2019*	FY2020*
Scope 2: Indirect Emissions	193.23	203.39	200.89	446.44	<b>160.22</b>
Scope 3: Paper Use	-	-	25.81	10.16	<b>5.58</b>
Scope 3: Employee Commute	-	-	332.21	322.22	<b>88.91</b>
Scope 3: Business Travel - Road Bound	-	-	43.95	1.71	<b>0.99</b>
Scope 3: Business Travel - Local Air Travel	-	-	-	4.27	<b>3.68</b>
<b>Total</b>	<b>193.23</b>	<b>203.39</b>	<b>602.86</b>	<b>794.80</b>	<b>259.38</b>

## Scope 2 Carbon Emission for Employee

(MT CO <sub>2</sub> -eq)	FY2015	FY2016	FY2017	FP2019*	FY2020*
Scope 2: Energy Carbon Emission per Employee	1.36	1.36	0.94	2.09	<b>1.76</b>
Variance	-	0.00%	-30.88%	122.34%	<b>-15.80%</b>

## Energy Use

For the year under review, our energy consumption remains as our only indirect source of emissions under Scope 2. We use electricity as our singular source of energy. Our energy consumption data and disclosures are not verified by any third party independent verification nor assured by any standards and level of assurance. Consideration of external assurance will be done as our reporting matures.

Description	FY2015	FY2016	FY2017	FP2019*	FY2020*
Energy Use (kWh)	278,432	293,062	289,471	643,289	<b>230,866</b>
Variance	-	5.25%	-1.23%	122.23%	<b>-64.11%</b>
Energy Use per Employee (kWh)	1,961	1,954	1,359	3,006	<b>2,537</b>
Variance	-	-0.36%	-30.45%	121.19%	<b>-15.60%</b>
Energy Carbon Emission (MT CO <sub>2</sub> -eq)	193.23	203.39	200.89	446.44	<b>160.22</b>
Variance	-	5.26%	-1.23%	122.23%	<b>-64.11%</b>
Energy Carbon Emission per Employee (MT CO <sub>2</sub> -eq)	1.36	1.36	0.94	2.09	<b>1.76</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

Note:

1. This year, we included data on the energy consumption of all our buildings (Prestariang Training Centre in NeoCyber and our Headquarters in Star Central).
2. The 2017 figure does not include the newly owned Headquarters in Star Central.
3. Our electricity data does not include consumption by our tenants (University Malaysia of Computer Science and Engineering, which occupies the Ground, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> floors).
4. The energy intensity, which is measured in Energy Use per Employee was calculated by dividing total energy consumption with the total number of employees.

## Sustainability Commitment

### Paper Use

Paper use formed our secondary source of emissions under Scope 3. We have been tracking our paper use since 2017. The baseline for new paper use is set at 5.40 reams per employee per year, based on our baseline performance in financial year 2017. We calculated our carbon emissions based on the Paper Calculator 4.0, which is available at <http://c.environmentalpaper.org>.

For the financial year under review, we have reduced our consumption of paper by 44.44% against the 2019 period, recording a total of 250 reams altogether for FY2020, against our consumption of 450 reams in the last financial period. This contributed to 45.08% reduction in carbon emissions from paper use. The reduction of our operational size, whilst maintaining the normal course of operations however, contributed to the increase of the number of reams per employee despite the lower amount of purchased paper and carbon emissions derived from its use.

We are committed to further reduce our paper consumption and its impact by adapting digitalisation in keeping ourselves on track towards both of our short-term and long-term sustainability goals.

Description	FY2017	FP2019*	FY2020*
Paper Use (reams)	1,151	450	<b>250</b>
Paper Use (reams) per employee	**5.40	2.10	<b>2.75</b>
Paper Use (tonnes)	2.87	1.13	<b>0.62</b>
Variance	-	-60.63%	<b>-45.13%</b>
Carbon Emission from Paper (MT CO <sub>2</sub> -eq)	25.81	10.16	<b>5.58</b>

\*\* Updated paper use (reams) per employee data for 2017

### Employee Commute

In improving the measurements of our Scope 3 emissions, we have taken into account, employee travel to and from our offices with their private vehicles as well. This is a part of our efforts in managing our carbon footprint better, while serving as an improvement of our disclosure against the previous reporting period.

During the reporting period, employee commute emerged as our primary source of Scope 3 emissions. In the financial year under review, we have managed to reduce the total mileage of employee commute by 66.16% against the 2019 period, recording a total of 532,350 km of employee commute, producing 88.91 MT CO<sub>2</sub>-eq carbon emissions. This is mainly resulted from the reduction of our operational size, coupled with our 'Work from Home' arrangements due to the onset of COVID-19.

Description	FY2017	FP2019*	FY2020*
Employee Commute Mileage (km)	1,565,550	1,572,900	<b>532,350</b>
Carbon Emissions from Employee Commute (MT CO <sub>2</sub> -eq)	332.21	332.22	<b>88.91</b>
Variance	-	0.00%	<b>-73.24%</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020



## Sustainability Commitment

In calculating the carbon emissions from employee commuting activities, we made the following assumptions/facts:

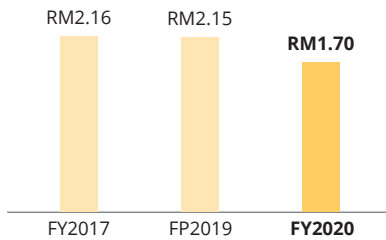


**Daily travel per employee**  
(to and from work and occasional meetings at external locations – 30 km)






**Average vehicle fuel consumption**  
of 8 litres per 100 km

Default fuel of **RON 95** petrol at an average price of:



The calculations based on these assumptions/facts are as follows:

	FY2017	FP2019	FY2020
 Total travel	<b>1,565,550</b> km 213 employees x 30 km x 245 days	<b>1,572,900</b> km 214 employees x 30 km x 245 days	<b>532,350</b> km 91 employees x 30 km x 195 days
 Total fuel consumed	<b>125,244</b> litres 1,565,550/100 km x 8 litres	<b>125,832</b> litres 1,572,900/100 km x 8 litres	<b>42,588</b> litres 532,350 km/100 km x 8 litres
 Total cost	<b>RM270,527</b> 125,244 litres x RM2.16 per litre	<b>RM270,539</b> 125,832 litres x RM2.15 per litre	<b>RM72,400</b> 42,588 litres x RM1.70 per litre

Total carbon emissions from employee commute for the three financial years were as follows:



FY2017  
**332.21 MT CO<sub>2</sub>-eq**

FP2019  
**332.22 MT CO<sub>2</sub>-eq**

FY2020  
**88.91 MT CO<sub>2</sub>-eq**

The above calculations were derived using the carbon calculator from Greentech Malaysia.

Estimated number of days at the workplace per employee, calculated according to the following formula:



FY2017

(52 weeks x 5 days)  
– 15 public holidays



FP2019

(52 weeks x 5 days)  
– 15 public holidays



FY2020

(52 weeks – 10 weeks for WFH during MCO) x 5 days  
(– 15 public holidays)

Average number of employees:



FY2017



FP2019



FY2020

# Sustainability Commitment

## Business Travel

Business travel formed our tertiary source of emissions under Scope 3. We have been monitoring our road-bound business travel, as well as our domestic air business travel as a part of our effort to reduce our carbon footprint.

Description	FY2017	FP2019*	FY2020*
Road-bound Business Travel Mileage (km)	207,114	8,095	<b>5,906</b>
Carbon Emissions from Road-bound Business Travel (MT CO <sub>2</sub> -eq)	43.95	1.71	<b>0.99</b>
Variance	-	-96.11%	<b>-42.11%</b>
Domestic Air Business Travel Mileage (km)	-	39,548	<b>34,109</b>
Carbon Emissions from Domestic Air Business Travel (MT CO <sub>2</sub> -eq)	-	4.27	<b>3.68</b>
Variance	-	-	<b>-13.82%</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

In the case of air travel, our carbon emissions conversion is based on the calculations provided by <http://carbonindependent.org>, which provides estimates for a Boeing 747-400 or its equivalent:



FP2019  
**39,548** km

FY2020  
**34,109** km

As such, the total carbon emissions for air travel for those years were as follows:



FP2019  
**4.27 MT CO<sub>2</sub>-eq**

FY2020  
**3.68 MT CO<sub>2</sub>-eq**

The calculations for carbon emissions for air business travel were based on the following formula:

115g CO<sub>2</sub>-eq  
per passenger per km for short flights

101g CO<sub>2</sub>-eq  
per passenger per km for long flights

Average of 108g CO<sub>2</sub>-eq  
per passenger per km for all flights

Therefore, our total carbon emissions (Scope 2 and Scope 3) for the three years are as follows:



FY2017  
**602.86 MT CO<sub>2</sub>-eq** or  
**2.83 MT CO<sub>2</sub>-eq**  
per employee  
(Not inclusive of Air Travel)

FP2019  
**794.80 MT CO<sub>2</sub>-eq** or  
**3.71 MT CO<sub>2</sub>-eq**  
per employee

**FY2020**  
**259.38 MT CO<sub>2</sub>-eq** or  
**2.85 MT CO<sub>2</sub>-eq**  
per employee

## Water Use

Water is an important element for our operations and businesses where all employees have been requested to practice responsible water consumption. The water that we consume is obtained from the municipal water supply. For financial years 2017, 2019 and 2020, estimations were used for one of our buildings in NeoCyber due to a technical metering problem. The estimations were provided by the Joint Management Body (JMB) of NeoCyber building. Thus, for the said financial years, accurate measurement of performance and comparison cannot be made.

However, our commitment to consistently improve our disclosure is not dampened by this development. We are in the midst of resolving the issue with the JMB, and actual data will be restated in our future report, once it becomes available.

Taking advantage of the high annual rainfall in Malaysia, we introduced the rainwater harvesting initiative in 2014 which has contributed to reducing consumption of public water supply annually. The harvested rainwater provides a source of alternative water usage for non-potable purposes which includes washing corridors, grounds maintenance, irrigating drains and watering plants. Efforts are being made to measure the collected rainwater in the future.

To date, the carbon emission by water use remains irrelevant.

Description	FY2015	FY2016	FY2017	FP2019*	FY2020*
Water Use (m3)	626	492	271	287	<b>437</b>
Variance	-	-21.41%	-44.92%	5.90%	<b>52.27%</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

## Internal Carbon Pricing

Our internal carbon pricing were set based on the United Nations Global Compact recommendation of USD100/MT CO<sub>2</sub>-eq, to be at par with other Technology peers worldwide.

Scope	FY2015	FY2016	FY2017	FP2019*	FY2020*
Scope 2 (USD)	19,323	20,339	20,089	44,644	<b>16,022</b>
Scope 3 (USD)	-	-	40,197	34,836	<b>9,916</b>
<b>Total (USD)</b>	<b>19,323</b>	<b>20,339</b>	<b>60,286</b>	<b>79,480</b>	<b>25,938</b>
<b>Total (RM)**</b>	<b>77,292</b>	<b>81,356</b>	<b>241,144</b>	<b>317,920</b>	<b>103,754</b>

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

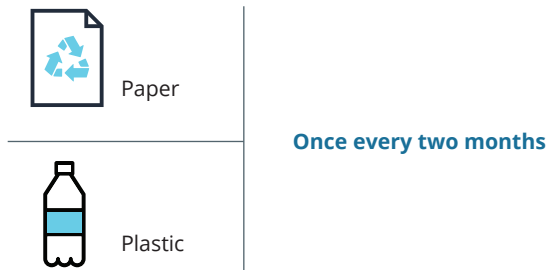
\*\* Assumption that 1 USD = RM4.00

# Sustainability Commitment

## Recycling

During the year in review, our recycling activities were softened in comparison with the previous years. This is due to the reduction of employees, resulting in less waste produced which in turn, led to the low recycling rate.

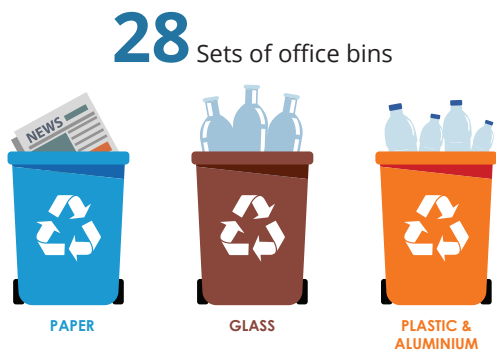
### Frequency of Recycling for FY2020



Despite the low intensity of the recycling rate, we are still highly committed in instilling the recycling culture among our employees. We have ramped up our efforts to nurture 3R (Reduce, Reuse and Recycle) recycling culture within our day-to-day operations by allocating 3R bins in our new corporate office.

Aiming to ease segregation at source as a continuous promotion for segregation of waste by employees, this initiative was extended to all tenants in the entire Star Central building.

Allocation of 3R bins:



## Savings Through Reuse of Material

During the reporting period, we saved RM44.20 from recycling paper, plastic and steel collected. We intend to increase our recycling activities during the next reporting period.



## Going Paperless with Digital Annual Report

As part of our efforts to reduce our carbon footprint, we are pleased to have our shareholders onboard with the Company's dedication to environmental sustainability.

During the 9<sup>th</sup> Annual General Meeting, which was held on 27 November 2019, shareholders approved the proposed adoption to the new constitution of the Company, which included the digital distribution of our annual report. The interactive Portable Document Format (PDF) annual report version will be made available in our corporate website <http://www.prestariang.com.my> from the 2020 Annual Report onwards.

Following the digitalisation of our annual report, all circulars, notifications and related documents will be made available in digital format as well in the future.





## PRINCIPLE 4: ENGAGING WORKPLACE

### COMMITMENT TO OUR EMPLOYEES

- We are committed to provide our employees with a stable, diversified and innovative work environment where there is equal opportunity for learning and growth.



**MATERIALITY**  
Recruitment, Career, Training  
and Development

#### KEEPING OUR PEOPLE SAFE

Since inception, Prestariang has always been committed to provide our employees with a stable, and conducive work environment where there is equal opportunity for innovating, learning and growing. However, with the spread of the COVID-19, it is without doubt that the safety and health of employees have not only been compromised but job security and livelihoods as well.

As the health and safety of our people are top in our priorities, we enforced the Work From Home (WFH) Policy and began to serve our clients remotely, effective 18 March 2020. In addition to the mandatory instruction to WFH, we also suspended all business travels and events, not only to keep our people safe, but as a proactive step to curb any potential spread of COVID-19 in the community where we serve as well.

This mandatory WFH instruction was in line with the Movement Control Order (MCO) issued by the Government of Malaysia on 18 March 2020. Despite the unprecedented measures undertaken during this trying period, we continued to support our people in coping with business as usual.

We undertook the following measures throughout the MCO:

1. Ensured full salary being paid, on time, for all of our people;
2. Provided hardware and peripheral for our people to set their 'at-home' offices;
3. Provided additional internet allowance to facilitate employees with better internet access; and
4. Provided resource guides and trainings for continuous learning during the WFH period.

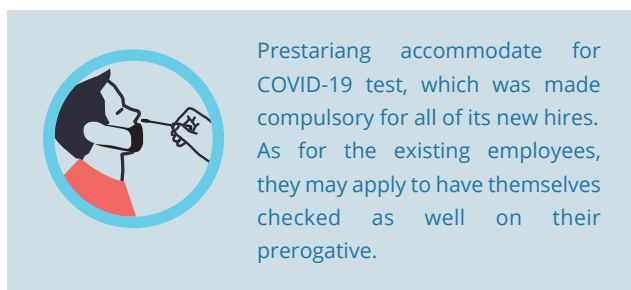
Despite the uncertainty during the outbreak period, we were able to avoid any temporary or permanent manpower reduction, or any other adverse measures.

While the mandatory WFH continued to be in effect, the Management laid down the guidelines as instituted by the Ministry of Health, and recommendations by the World Health Organisation on the health and safety measures. These guidelines contained measures to be taken in planning and managing the return of our employees to full capacity, and in adapting to the new normal to curb the spread of COVID-19.

## Sustainability Commitment

The following measures were undertaken to help prevent the spread of infections in our workplace:

1. Ensured physical distancing, where possible at all times;
2. Promoted hygiene and good practices in the workplace;
3. Enforced mandatory screening pre-entry, usage of the provided IR thermometer, masks and hand sanitisers; and
4. Enforced mandatory MySejahtera QR Code scanning pre-entry, to support the Government in managing the COVID-19 outbreak.



Despite the quick transition to the WFH model in the face of COVID-19, we did not hasten to get everyone back into the office even after the MCO was lifted. The Management allowed employees to continue WFH until they were confident enough and ensured that their personal affairs were taken care of sufficiently, prior to returning to the office.

Although the Government announced the implementation of the Recovery Movement Control Order (RMCO) on 15 June 2020, only half of our workforce returned to the office, while the remaining employees continued WFH. We gradually and carefully increased the headcount at the office, with all necessary precautions in place and had everyone on board by 15 July 2020.

With the prompt action taken to protect the health and safety of our people as well as the community where we serve, there was no record of infection among our employees for the reporting period. Thus, we will ensure adequate emphasis in our policies and procedures in addressing the health and safety of our employees at all times.

### Professional Membership

As a member of the Malaysian Employers Federation (MEF), we have access to various services offered by the body with respect to human resource and industrial relations, market surveys and employment information, workplace training and development, as well as occupational health and safety programmes.

We are also a member of the Malaysian Institute of Management (MIM), which provides professional certifications and education programmes in the form of in-house and international training programmes to drive professional career aspirations and organisational growth among our employees.

In ensuring the best for our people, we translate our commitment to employees with the following best practices and standards:

- Labour Practice, Compliance, Policies and Human Rights
- Equal Opportunity Employer
- Advocate Freedom of Association and Expression
- Discourage Excessive Working Hours
- Commitment to Exceed Minimum Wage
- Rights to Trade Union and Collective Bargaining
- Compensation and Benefits
- Employee Handbook: On-Board Training and Accessibility
- Incidents, Whistle Blowing and Grievance

**During the year in review, we recorded zero instances of non-compliance with labour standards.**

### Compliance to Regulations and Laws

1. Employment Act 1955
2. Child Act 2001
3. Children and Young Persons (Employment) (Amendment) Act 2019
4. Industrial Relations Act 1967
5. Anti-Corruption Commission Act 2009
6. Official Secrets Act 1972
7. Minimum Retirement Age (Exemption) Order 2016.
8. Industrial Relations Act 1967
9. Minimum Wage Order 2018
10. Whistleblower Protection Act 2010
11. Employment Termination and Lay-Off Benefits Regulations 1980
12. Subscribe to Universal Declaration of Human Rights (UDHR)
13. Personal Data Protection Act 2010
14. Employees Provident Fund Act 1991
15. Employees' Social Security Act 1969
16. Employment Insurance System Act 2017
17. Trade Unions Act 1959
18. Occupational Safety and Health Act 1994
19. Workmen's Compensation Act 1952

### Labour Practice, Compliance, Policies and Human Rights

In attracting top talents, we are committed to creating a work environment that protects our employees' rights by complying with all applicable laws and regulations as stated herein. To date, we have recorded zero instances of non-compliance with labour standards.

### Equal Opportunity Employer

We are an Equal Opportunity Employer. Consistent with the Universal Declaration of Human Rights (UDHR). We are committed to practicing equal employment opportunities for all employees based on merit, free from discrimination and providing non-discriminatory, fair employee wages and salary.

All employment decisions are based on business needs, job requirements and qualifications, disregarding race, colour, religion, gender, age, sexual orientations, physical/mental/sensory disabilities, political beliefs and nationality. We do not practise any child and young persons labour and are not involved in any kind of forced labour work. We respect the rights of employees to practice their religion during their working hours. As stated in our Employee Handbook, we will not tolerate discrimination based on any of these characteristics.

### Advocate Freedom of Association and Expression

We uphold freedom of association, compliant with the Federal Constitution and other applicable laws in that regard. Our employees have the right to freedom of speech and expression, in line with Prestariang's Employee Code of Conduct and Whistle Blowing Policy.

### Discourage Excessive Working Hours

We take work-life balance very seriously. We comply with local labour laws with regards to working hours and public holidays and have yet to record any incidents of non-compliance to labour standards. Committed to help our employees achieve a work-life balance, we also allow flexible working hours to accommodate specific needs of our employees as addressed in our Employee Handbook.

## Sustainability Commitment

### Commitment to Exceed Minimum Wage

We not only comply with the Minimum Wage Order 2018 regulations, but we go above and beyond by ensuring that permanent and contract employees are paid a minimum of RM2,000.00 gross salary, which exceeds the local minimum wage of RM1,100.00.

### Rights to Trade Union and Collective Bargaining

In compliance with the Industrial Relations Act 1967, we respect the rights for non-executives, trade workers and/or general workers to participate or form trade unions provided for under the National Union of Commercial Workers (NUCW). As per the reporting period, no trade unions were formed. Therefore, we would like to highlight that we are a non-unionised organisation and rendering the Collective Bargaining as inapplicable without a Trade Union.

### Compensation and Benefits

We are committed to provide on-time salary payment to employees, which is above the statutory minimum wage, and pay overtime compensation in accordance with the labour laws and regulations. All employees and protégés are provided with Medical Benefits.

### Employee Handbook: On-Board Training and Accessibility

The Employee Handbook is given out to all new hires during the on-boarding training sessions. It contains all the terms and conditions of employment as well as the Company's pledge to foster safe, inclusive, and respectful workplaces and freedom to association and expression.

The Handbook is reviewed annually and was updated in 2019, which incorporated updated laws and regulations as well as the Government's mandate. The Handbook also explicitly states that we provide all employees and applicants for employment with fair and equal employment opportunities without regard to race, colour, ethnicity, national origin, religion, beliefs, age, sexual orientation, expression, marital status, gender or gender identity, disability and any other legally protected status.

All employment policies and guidelines, including the Handbook are communicated globally, made available and accessible to all employees, locally and internationally, in English (as our official language for online communication) and in Bahasa Malaysia via our internal employee portal.

### Incidents, Whistle Blowing and Grievance

We have established a grievance policy within the Company to ensure constructive methods of voicing concerns and proper methods in addressing any issues raised. The Employee Handbook outlines details on filing complaints or reporting dissatisfaction/discontent arising from work related issues, including bullying and harassment.

We have recorded zero incidents, whistle blowing or grievance to date.

Employees are also encouraged to raise their concerns with regards to unethical or unlawful behaviour and organisational integrity by leveraging on our Whistle Blowing Policy. The policy is designed to enable an employee of the Company to raise their concerns internally, at a high level and to disclose information which the individual believes shows malpractice or impropriety.

Our Whistle Blowing Policy and Grievance Procedure are presented on page 99 in the Corporate Governance Overview Statement and on page 79 respectively, which are also available on our website <https://www.prestariang.com.my> as well.

**There were no grievances or incidents recorded from employees during the year under review.**



### GRIEVANCE PROCEDURE

#### STAGE 01

Submit notice of grievance to his or her immediate supervisor within six (6) working days from the actual date of incident. Investigation of complaint is to be carried out, if necessary. The grievance will be addressed within ten (10) working days.

#### STAGE 02

If the grievance is not resolved, the said immediate supervisor will refer it to the employee's department/business head and discussions will be held with the said employee. The grievance will be addressed within the next six (6) working days.

#### STAGE 03

If the grievance is yet to be resolved, the Head of Department/Business will refer it to the Human Resource Department (HRD) and discussions will be held with the said employee, which will involve the immediate supervisor and department/business head as well.

#### STAGE 04

If the grievance remains unsolved, the HR Manager will extend the case to the Chief Executive Officer (CEO) or Grievance Panel for them to make a decision within six (6) working days. The employee may appeal on the decision, where the final decision will be made by the CEO.

### INSPIRING INCLUSIVITY AND DIVERSITY IN THE WORKPLACE

At Prestariang, we encourage the recruiting of a workforce which includes individuals from different backgrounds, ethnicities, abilities and ages to create a well-rounded culture within the Group. The HRD goes beyond a checklist mentality in cultivating a workplace culture that breeds inclusion while exploring various methods of learning opportunities to keep employees as well as leadership engaged.

Meaningful employee engagement activities were conducted regularly throughout the year which included festive celebrations, sports events and recreational activities. This has been proven to be an effective measure in bridging gaps and strengthening relationships among employees at all levels of the organisation.

The Employee Engagement Survey is conducted every two (2) years to allow employees to be heard and freely voice their feelings and opinions in the workplace. The feedback garnered allows for modifications and improvements in employee engagement efforts.

All employees are subjected to the annual employee performance appraisal where their performance are assessed. The assessments assist in chartering an employee's career path, identifying strengths and performance gaps as well as goal-setting and improving communications between employees and their managers.

We are mindful about engaging and retaining productive employees and have set the target for employee turnover rate below 10%. For the reporting period the turnover rate was 1% compared with 2% registered in 2019 and 10.78% in 2017.

## Sustainability Commitment

Strategies and principles to maintain a culture of inclusivity, diversity and active engagement as a virtue are as follows:

- Properly balance the needs of the employees and the needs of the Company.
- Providing training and development in areas of leadership and technology enhancements especially digital disruptions.
- Hiring the most qualified employees; getting the right talents with the right job fit and skills.
- Obligated to employ and develop local talents as part of our commitment to the community, to drive and sustain the local economy.
- Retaining our valued employees by implementing the following initiatives:
  - o Assuring effective leadership qualities in our managers;
  - o Providing competitive wages and benefits;
  - o Implementing continuous Learning and Development Programmes;
  - o Conducting career development training and coaching;
  - o Conducting exit interviews;
  - o Supplying relevant feedback to management via the Employee Satisfaction Survey; and
  - o Enhancing two-way communication between employees and management.
- Emphasis on leadership development programmes specifically for potential successors to ensure future leaders are well equipped for leadership management and are ready to take over the key positions within the organisation.
- Maintaining the procedures of employee grievance, whistle blowing and complaints, and its easy accessibility to employees.
- Allowing employees to perform voluntary work or activities such as charitable work and personal donations for the wellbeing of the community.

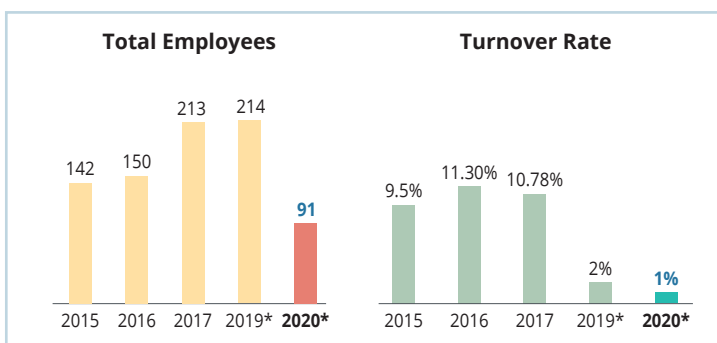
### Employee Demographics

As of 30 June 2020, we had 91 employees, a reduction of 58% compared with 214 employees as of 30 June 2019. The reduction of manpower was mainly contributed by the termination of *Sistem Kawalan Imigresen Nasional* (SKIN) Project on 19 January 2019. As such, the Company underwent a business consolidation strategic exercise, triggered by the need to cease operations of the SKIN Project which resulted in the inevitable retrenchment of some employees.

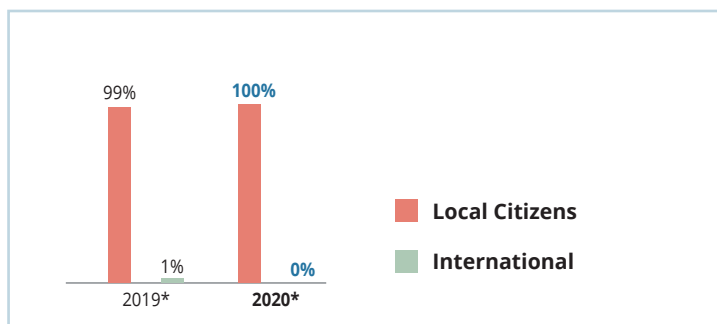
In terms of gender diversity across the workplace, Prestariang's female to male ratio for 2020 was higher at 51% female to 49% male, against the 43% female to 57% male registered in 2019.

Please note that the data disclosed does not include Universiti Malaysia of Computer Science and Engineering's (UNIMY) headcount nor its sustainability performance. This is due to having a fair comparison of employee demography and performance.

### Employee Breakdown



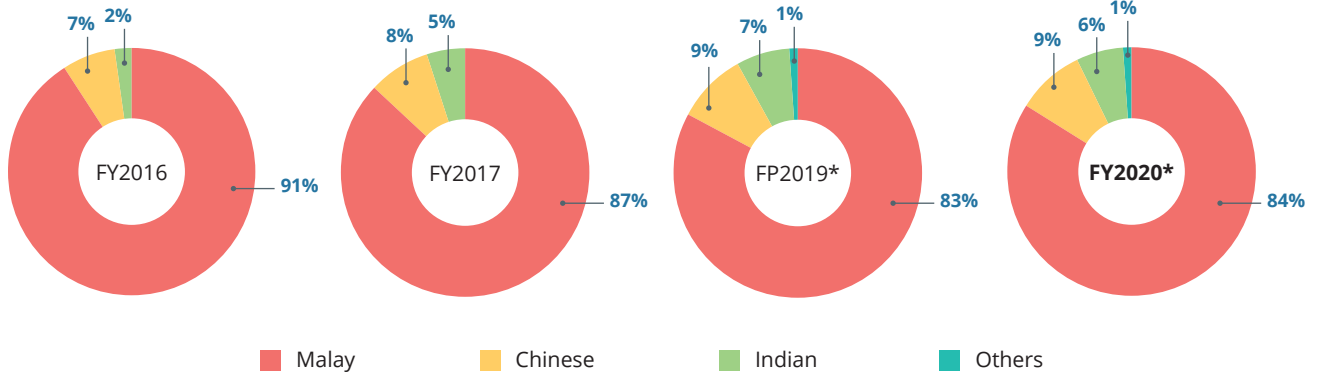
### Percentage of Employees by Nationality



\* 2019 : 1 July 2018 – 30 June 2019

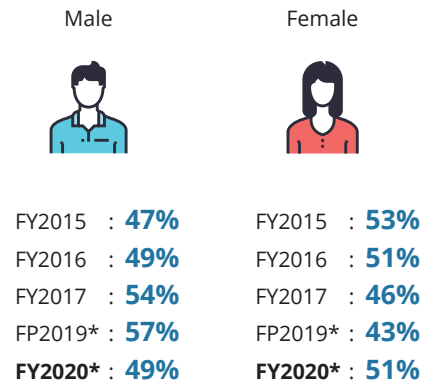
\* 2020 : 1 July 2019 – 30 June 2020

## Percentage of Employees by Race

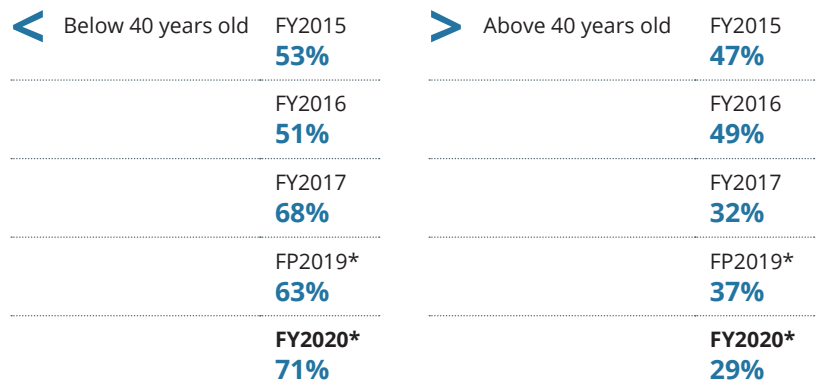


\* 2019 : 1 July 2018 – 30 June 2019  
 \* 2020 : 1 July 2019 – 30 June 2020

## Percentage of Employees by Gender



## Percentage of Employees by Age



## Percentage of Employees by Education



Education Level	FY2015	FY2016	FY2017	FP2019*	FY2020*
PhD and Masters	18%	19%	24%	7%	4%
Degree	63%	59%	58%	69%	71%
Diploma	19%	22%	18%	24%	25%

\* 2019 : 1 July 2018 – 30 June 2019  
 \* 2020 : 1 July 2019 – 30 June 2020

# Sustainability Commitment

## DRIVING TALENT AND DEVELOPMENT GROWTH VIA DIGITALISATION

Whilst keeping our people safe, our focus on providing opportunities for their learning and personal growth remains unchanged. This is a key aspect to further improve the Group's performance as well as being prepared in facing challenges especially during disruptions such as COVID-19.

The cost of training in 2020 decreased from RM572,282 in 2019 to RM201,809. This was mainly due to the halting of classroom trainings during the lockdown period and ensuing RMCO which was enforced by the Government till the end of 2020. The majority of our training budget for 2020 was allocated for technical trainings and certifications while the remaining allocation was for leadership, awareness and soft-skills training programmes.

The decrease was also attributable to the lower headcount as compared with the previous financial year, and was also due to our digitalisation efforts in inculcating e-learning, which underpins our talent and development growth.

### Training and Development



### Training Programmes

FP2019\*

#### Technical

No	Training Course	Training Provider
1	PRINCE2 Foundation Certification (Class)	Quint Wellington Redwood Malaysia Sdn. Bhd.
2	Automation with Ansible I	RedHat System
3	Open Shift Administrator 1 (OCPA)	RedHat System
4	Red Hat Satellite 6 Administration	RedHat System
5	Redhat Certification System Administrator	RedHat System
6	Open Shift Administrator 1 (OCPA)	RedHat System

\* 2019 : 1 July 2018 - 30 June 2019

\* 2020 : 1 July 2019 - 30 June 2020

No	Training Course	Training Provider
7	Certified Information Security Awareness Manager	CyberSecurity Malaysia & Cyber Intelligence Sdn. Bhd.
8	ISO/IEC: 2013 Information Security Management System Lead Implementer	AKATI Consulting (M) Sdn. Bhd.
9	OpenShift Enterprise Development (OCPD1)	RedHat System
10	Effective Safety and Health Committee (ESHC)	NIOSH
11	Seminar on BCMS & ISMS/ITSMS Certification Schemes	SIRIM QAS International Sdn. Bhd.
12	Microsoft M365/O365	Educloud

## Training Programmes

FP2019\*

### Technical

No	Training Course	Training Provider
13	IREB Certified Professional for Requirements Engineering (CPRE)	Priceworks Sdn. Bhd.
14	PRINCE2 Foundation Certification (Exam)	Quint Wellington Redwood Malaysia Sdn. Bhd.
15	Implementing an Advance Server Infrastructure	Inhouse
16	Contractual Risk Management	Zenith Bizness Excellence
17	Arista CloudVision Test Drive	Iverson

No	Training Course	Training Provider
18	SKIN-ITIL Awareness	F5 Networks
19	Threat Prevention and Traps Workshop	Paloalto Networks
20	CISCO ACI Power Workshop	CISCO System
21	PMP Certification Preparation Course	Bridgit Sdn. Bhd.
22	SAP Ariba Innovation Day	SAP
23	Ingram Microsoft Cloud Marketplace	Ingram Micro Sdn. Bhd.
24	Jom Guna Levi	HRDF

### Non-Technical

No	Training Course	Training Provider
25	HRDF Train-the Trainer Certification Programme	Comfori
26	The Art of Public Speaking	Inhouse
27	MFRS 15 - Revenue from Contracts with Customers	Malaysian Institute of Accountants
28	Microsoft: Upselling M365/ O365 Workshop & Planning	Microsoft
29	SKIN- Update on legal matters	Naqis & Partners
30	What is the Make Up of a Competent Company Secretary and Secretarial Practice Under Companies Act 2016	N/A
31	Onboarding Training for Skillsoft Product	Skillsoft Asia Pacific Pte. Ltd.
32	Upsell Briefing : Digital Marketing & Big Data Training	Seonologies
33	Top Grooming for Women@Workplace	Freelance: Emma Mohammad
34	Documentation Evidence in Compliance to Risk Management Requirements	SIRIM STS Sdn. Bhd.
35	SIRIM STS Customer Day 2018	SIRIM Berhad

No	Training Course	Training Provider
36	Conference for Government ICT Officers of Malaysia	Config Malaysia
37	Gearing Up Corporate Liability	Malaysia Anti-Corruption Academy
38	Integrated Report - Bringing Numbers to Life	MAICSA
39	HRDF Briefing	HRDF
40	2019 Budget Seminar	Malaysian Institute of Accountants
41	Latest Developments on MFRS 16	MAICSA
42	Be A Talent Sourcing Pro	Jobstreet
43	Open Learning Conference 2018	Open Learning
44	Digital Talent Report 2017 Sharing Session 2	MDEC
45	Adobe Partners Training Enablement	Star Central
46	ESG Seminar For FTSE4GOOD Bursa Malaysia	Bursa Malaysia
47	Unlock Shareholder Value With Compelling And Effective Storytelling	Bursa Malaysia

# Sustainability Commitment

## Training Programmes

FY2020\*

### Technical

No	Training Course	Training Provider
1	Commercial Licensing Roadshow - Accelerating the Customer Journey to Cloud	Microsoft Malaysia
2	GRI Standards Certified Training on Sustainability Reporting	Safety Health & Environmental Management Services International
3	LHDNM- MEF Seminar 2020	Malaysian Employers Federation (MEF)
4	Seminar on Service Tax	Persatuan Pegawai Kanan Kastam Malaysia WPKL
5	Important Industrial and Higher Court Decision of 2019	LS Human Capital Sdn. Bhd.

### Non-Technical

No	Training Course	Training Provider
6	Certified professional In Business Strategy, Finance and Leadership Management	Allied View
7	Soft Skills Training Digital Marketing	SIRIM
8	SSM National Conference 2019 Future Proofing Business in The Digital Age	SSM
9	Business Writing Skills Workshop	Yasmin Abdullah
10	Preparing for Corporate Liability for Corruption of Offences Advanced Masterclass Adequate Procedure and ISO 37001 Anti Bribery Management System	Thompson Reuters
11	Induction to Section 17A MACC Act 2009	Sherliza Samantha Asli
12	Malaysian Anti-Corruption Commission Act 2009 - Section 17A Corporate Liability	MACC
13	Company Secretary as Governance Professional	The Malaysian Institute of Chartered Secretaries and Administrators
14	Managing in a Crisis	Percipio
15	Expert Insights on Managing Risk	Percipio
16	Assessing Your Organization's Risks	Percipio
17	Responding Effectively to Risks	Percipio
18	Establishing Effective Virtual Teams	Percipio

\* 2019 : 1 July 2018 – 30 June 2019

\* 2020 : 1 July 2019 – 30 June 2020

## Training Programmes

FY2020\*

### Non-Technical

No	Training Course	Training Provider
19	Expert Insights on Managing Virtual Teams	Percipio
20	Facing Virtual Team Challenges	Percipio
21	Leadership Insights on Leading Virtually	Percipio
22	Microsoft Teams: Getting to Know the Application	Percipio
23	Microsoft Teams: Using Teams & Channels	Percipio
24	Microsoft Teams: Communicating via the App	Percipio
25	Microsoft Teams: Formatting, Illustrating & Reacting to Messages	Percipio
26	Microsoft Teams: Creating, Finding & Organizing Files	Percipio
27	Microsoft Teams: Working with Apps, Tabs & Wiki	Percipio
28	Best Practices for Digital Transformation	Percipio
29	Rethinking Business Models to Enable Digital Transformation	Percipio
30	Knowing When to Take Strategic Risks	Percipio
31	Understanding the Digital Customer	Percipio
32	Optimizing the Customer Experience	Percipio
33	Building Career Development Programs and Succession Planning	Percipio
34	Make The Time You Need: Get Organized	Percipio
35	Organize Your Physical and Digital Workspace	Percipio
36	Maximize Your Productivity by Managing Time and Tasks	Percipio
37	Developing Your Business Ethics	Percipio
38	Being a Responsible Corporate Digital Citizen	Percipio
39	Developing and Supporting an Agile Mind-set	Percipio
40	Embracing an Agile Culture for Business Growth	Percipio
41	Excel 2019: Inserting & Manipulating Data	Percipio
42	Excel 2019: Using Basic Formulas	Percipio

**Prestariang consistently contributes 1% of total salary into the Human Resource Development Fund (HRDF) for claimable training.**

### Supporting Employees Career Advancement

Our commitment to equal personal growth is reflected in our mission to execute strategic Succession Planning and Employee Competency Development for our employees. With regards to the Employee Competency Development, we conduct an employee performance review annually where our employees are given the opportunity to undergo career development assessments, personal growth assessments, as well as receiving promotions and bonuses.

## Sustainability Commitment

The Human Resource Policy outlines effective ways to deal with under-performing employees. Specific training and coaching are conducted according to the needs of these employees. The methods employed have proven to be successful and has resulted in improved employee morale and motivation, as well as better retention among our employees. In the past, we have prioritised retraining internal placements for vacancies before hiring externally.

To ensure continuous improvements, all employees must be assessed with an annual performance evaluation. We have also planned to further amplify our competency development process through a more structured and holistic approach, with goals to provide our employees with relevant skills and competencies in preparation for IR 4.0. It is pertinent to increase our employees' competency levels and capabilities to ensure the Company's goals are met in ensuring its sustainability, moving forward.

### Succession Planning

Currently, we are in the midst of establishing a more structured succession plan for all levels of employment. The plan is currently pending Management approval and is expected to be reported in the next reporting period.

### CREATING A POSITIVE WORK ENVIRONMENT

In 2017, the Health, Safety and Environment (HSE) Policy was enforced and the Employee Handbook outlines requirements for all employees to abide by all relevant health, safety and environmental laws and regulations across all business units and working locations.

Since then, we have consciously improved the workplace environment and in ensuring that our employees have the right resources to perform their work productively and safely.

Where necessary, we practice flexible working hours to accommodate the specific needs of our employees as per our Employee Handbook. In stressing the importance of HSE in the workplace, several programmes including safety briefings to new employees, emergency preparedness and response, incident reporting and investigations are regularly conducted at our premise.

We also held meetings, workplace inspections and audits on a regular basis to monitor and evaluate the effectiveness of our various programmes so as to ensure continuous improvements in our efforts to promote HSE.

To date, zero HSE incidents were recorded. The HSE policy is set for a review on a need basis. The said policy is deemed relevant and will continue to be practiced.

### Green ICT Practices

The Green ICT Practices has been a regular convention in the office. These practices have enabled us to rely on ICT to conserve natural resources and to take necessary precautions to reduce our environmental footprint. Our Green ICT Practices adheres to the Personal Data Protection Standard 2015, ISO/IEC 27001:2013, MAMPU ICT Security Policy version 5.3, and Information Technology Infrastructure Library (ITIL). It is also inter-related to our Procurement Policy, Employee Code of Conduct and Employee Handbook.

The Information Technology Security Standards (IITS) policy was formulated to encompass Green ICT Strategies in January 2018. This policy laid out practical guidelines to reduce the effect of climate change and improving environmental performance through smart ICT usage. This is executed by reducing and efficiently using energy and consequently contributing to a considerable amount of financial savings. The IITS will be reviewed yearly and is in line with the Information Security Management Systems (ISMS) practices which includes:

#### Device Consolidation

Where possible, to reduce the number of electronic devices used by an individual so as to cut down indirect consumption;

#### Green Disposal

Ensure proper disposal or resale of equipment that is no longer required; and

#### Hardware Acquisition

To include 'compliance to relevant green standards' as one of the tender specifications, whenever applicable.



## Green ICT Practice



### Printing and Printers

- All printers used are to be Energy Star certified.
- Printer consolidation policy: reduce the number of single printers and apply networked multifunction devices (MFDs).
- Encourage employees to print both sides of the paper.



### Computers

- Utilise energy efficient chips and disk drives for computers used by our personnel and customers.
- Leverage on cloud computing for personal computers and mobile devices such as tablets and smart phones.
- Reduce energy consumption through active power management on computers (standby/hibernate after 10 minutes of inactivity).
- Turn off computers, lighting and cooling systems when not in use.



### Data Centres and Servers

- Reduce the energy consumption of data centres by relocating data onto various cloud services.
- Server Optimisation: implement storage virtualisation and capacity management, and convert existing physical servers to virtual servers.



### Data Privacy, Confidentiality and Security

- Apply remote access, data transfer and audit trail monitoring guidelines that are in line with ISMS practices as well as the Personal Data Protection Act 2010.



### Energy Consumption

- Energy efficient mechanical and electrical systems to achieve optimal efficiency.
- Replacing conventional lighting to energy saving lighting.
- Make use of natural light, automated energy-efficient cooling systems and energy efficient office equipment.



### Recycle, Reuse, Reduce

- Utilise recycling bins for paper, plastic and glass waste which are located within the office premise.
- Utilise used paper for claim submissions and for ancillary uses.
- Minimise general waste and encourage alternatives to conventional waste disposal, such as "Bring Your Own" food containers.
- Make use of natural light, automated energy-efficient cooling systems and other office equipment.
- Encourage employees to sort materials before disposal to help lower GHG emissions.



### Green Conduct

- Conduct environmentally-conscious and paperless meetings.
- Utilise secured email, thumb drives and cloud services as alternative means of distribution instead of printed copies.
- Encourage video or voice conferencing in meetings to save time and reduce carbon footprint from traveling.
- Use paper brands that are endorsed for their environmental policies and commitment to zero deforestation.

## Sustainability Commitment

### Employee Engagement Activities 2019/2020



#### 22 NOVEMBER 2019 PRESTARIANG EMPLOYEES' BIRTHDAY BASH

Food, games, presents and loads of balloons were the order of the day in recognising our employees' birthdays. The special day saw employees enthusiastically decorating the party area with everyone in high spirits. It was a sure-fire way of strengthening team bonding as well as rewarding and motivating our employees to keep on moving forward.



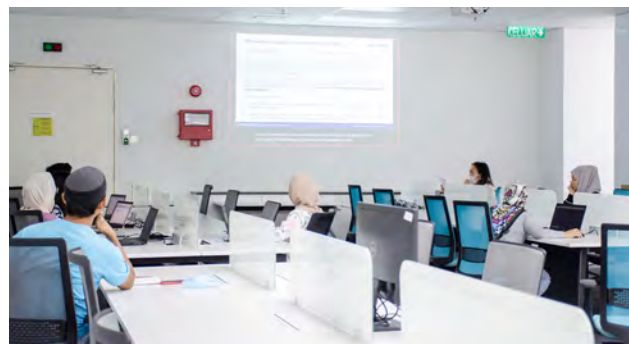
#### 5 DECEMBER 2019 BOWLING DAY

Prestariang sponsored a day of bowling for enthusiasts among our employees at IOI City Mall, Putrajaya. Employees and their family members as well as our Management Team pitted their skills against one another. It was a novel team building exercise to inculcate sports and encouraging interpersonal relationships among one another.



#### 28 FEBRUARY 2020 PRESTARIANG EMPLOYEES' BIRTHDAY BASH

Another birthday celebration was organised to fete employees who reached this momentous milestone in their lives. The party area was gaily decorated with balloons and employees were treated to sumptuous food and participated in fun games. Presents were exchanged and the get together was ideal to improve employee engagement.



#### 19 JUNE 2020 PRESTARIANG ANTI-CORRUPTION TALK (1<sup>ST</sup> SESSION)

With the implementation of the corporate liability provision including commercial organisations under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 that came into effect on 1 June 2020, an anti-corruption talk was held to ensure holistic understanding of the new provision among our employees.

### Major Employee Engagement Activities 2019/2020



**8 JULY 2020**

#### **PRESTARIANG APPRECIATION LUNCH**

Prestariang celebrated its people with an informal luncheon gathering at Grand Hyatt, Kuala Lumpur in cherishing their hard work and efforts.

It was also to strengthen the camaraderie among employees and to work towards achieving future success.

**13 JULY 2020**

#### **PRESTARIANG ANTI-CORRUPTION TALK (2<sup>ND</sup> SESSION)**

Setting itself towards successfully adopting the MACC Act 2009, the Group invited MACC Assistant Commissioner, Mohd Nur Lokman Bin Samigan to clear any air of uncertainty and ambiguity on the topic of corruption and gratification.



**27 AUGUST 2020**

#### **MERDEKA CELEBRATION PHOTO CONTEST**

Fully immersed in the spirit of Merdeka, Prestariang employees submitted their photos with the 'jalur gemilang'. The selected winning entries were then montaged into a website banner to commemorate the nation's independence.



### PRINCIPLE 5: GOVERNANCE TO DRIVE COMPLIANCE AND BEST PRACTICES

#### COMMITMENT TO GOOD GOVERNANCE

- Comply with all relevant legislation, regulations and codes of practice.
- Maintain the highest standards of corporate governance, sustainability governance and best practices in the business and affairs of the Company and its Group of Companies.



**MATERIALITY**  
Ethics & Integrity

Transcending from solely improving the quality of our disclosure, we are further integrating sustainability and good governance into our corporate culture. This is evident with our on-going adoption of climate change impacts within our policies, alongside embracing the newly amended MACC Act 2018 in FY2020.

As such, Prestariang has embedded Sustainability initiatives into the following Corporate Plans and Company Policies:

- Code of Conduct
- Employee Handbook
- Procurement Policy
- Health, Safety and Environment Policy
- Nomination Policy
- Information Technology Security Standards Policy
- Diversity
- Equal Employment & Gender Equality
- Women on Board
- Whistle Blowing Policy and Grievance Procedures
- Good Risk Management
- Anti-Bribery and Corruption Manual

As part of our efforts to encourage and adopt more sustainability practices within the Group and to address concerns when they arise, all policies are reviewed yearly or as and when needed.

#### CORPORATE GOVERNANCE

The Board acknowledges the importance of promoting sustainability by giving due attention to ESG aspects of business which emphasise sustainability. As highlighted in the Board Charter, the Board's primary priority is to lead and oversee the business of the Company and to ensure that the conduct of the Group's operations promotes business sustainability, integrity and are in compliance with relevant law, rules and regulations.



FTSE4Good

Since 2014, we have remained a constituent of the FTSE4Good Bursa Malaysia Index. This reflects our dedication towards addressing ESG risks.

## Corporate Governance Framework

The Corporate Governance Framework encapsulates the tools necessary for addressing governance risks which outlines the end-to-end spectrum in ensuring that all responsibilities in the organisation are appropriately followed with transparent decision-making processes to safeguard the interest of all stakeholders. It enables smooth interaction between the Board and its stakeholders, which include the Board Sub-Committees, key management personnel and cascaded to all employees in the organisation.

The Group adheres to the following statutory requirements, best practices and guidelines:

- I. Companies Act 2016 (CA 2016);
- II. Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR);
- III. Malaysian Code of Corporate Governance (the Code); and
- IV. Corporate Governance Guide: Moving from Aspiration to Actualisation (CG Guide) 3<sup>rd</sup> Edition.

During the year in review, we renewed our ISO 9001:2015 certification, encompassing customers under direct business transactions, renewals and true up transactions. This is in line with our commitment to fulfil the expectations of our customers and stakeholders whilst maintaining a high compliance standard in delivering our products and services.

**QUALITY POLICY (VERSION 3.0)**

We are committed to satisfying the needs and exceeding the expectations of our customers and stakeholders and comply with statutory and regulatory requirements in the distribution and management of software licenses.

We are also committed to continually improve the effectiveness of our Quality Management System.



*Prestariang successfully renewed its ISO9001:2015 certification during the year in review.*



*We are affixed in delivering our stakeholders' expectation of greater transparency, accountability and better governance in business and ESG performance.*

# Sustainability Commitment

## DELIVERING SERVICE EXCELLENCE

Our core values serve as a foundation in effectively executing our mission to attain our vision. We strive to incorporate our values in our daily interactions where customer-centricity, quality of service, delivery and integrity are foremost in serving the needs of our clients and customers. This is also reflective in how our employees communicate and interact with each other on a daily basis. By consciously applying the principle of treating others as how one would want to be treated, we are mindful of maintaining an above average customer service experience at all contact points.

### Benchmarking

Undergoing the benchmarking process allows us to improve the effectiveness and efficiency of our business. It also helps us identify gaps in our performance, improve the quality of our products and services as well as keeping track on our progress in achieving our goals. As we have formed partnership with several global strategic partners, we benchmark against the best practices of our business partners, which we often adopt and apply throughout our value chain to sustain our reputation as a trusted partner, employer of choice and preferred company for investors.

### Code of Conduct

Prestariang strictly enforces ethical conduct that is contained in the Company's Code of Conduct. This Code includes recommendations on professional conduct, code of ethics, guide on giving and receiving gifts, whistle blowing, business amenities and relationship with government employees, use and dissemination of proprietary and confidential information, and conflict of interest as well as copyrights concerns. The Code also suggests that employees refrain from any behaviour which can be construed as anti-competitive practice. The Code of Conduct is communicated to all employees through timely training sessions, which include on-boarding programmes for new hires.

More information on whistle blowing and grievance can be found within the Corporate Governance Overview Statement on page 99 and also in our corporate website at <http://www.prestariang.com.my>

### Quality Management

Through its wholly owned subsidiary, Prestariang Systems Sdn. Bhd., Prestariang has successfully renewed the ISO 9001:2015 Quality Management System certification by SIRIM QAS International Sdn. Bhd. since August 2016. The certification covers the distribution and management of Microsoft software licenses to Government Agencies under MLA 2.0 and MLA3.0. SIRIM QAS International has awarded our ISO 9001:2015 with a renewal until year 2022.

### Anti-Corruption

The Group rejects all forms of bribery, corruption or other type of unethical inducement, and will not tolerate such behaviour from our employees and vendors, which are stipulated in the Employee Handbook, Code of Conduct and Procurement Policy. We also comply with the Anti-Corruption Legislation of Malaysia under the Malaysian Anti-Corruption Commission Act 2009 (Act 694). To ensure all employees are committed to complying with this practice, communication and enforcement through the on-boarding process, and updates are made available and accessible anywhere locally and internationally, in English and Bahasa Malaysia via our internal employee portal.

### Customer Privacy and Policy

We continue to comply with requirements under the Personal Data Protection Act 2015 (PDPA) as stated on pages 61 to 62. We conduct training programmes for employees on PDPA on a regular basis to instill awareness and to ensure compliance with all applicable laws and regulations related to the PDPA.

### Public Policy

The Group practices against corruption and does not permit or condone bribes, kickbacks or any other illegal, secret or improper payments, gifts, transfers or receipts when dealing with the Government. Employees are to refrain from giving public statements to members of the public or news media without proper clearance by the President/Group CEO.

## SUPPLY CHAIN MANAGEMENT AND PROCUREMENT PRACTICE

Over the years, we have established good long-term relationships with our suppliers and contractors/vendors. The importance of maintaining an effective supplier relationship management has contributed towards overcoming risks of non-compliance, as well as deterring any labour, health and safety, environmental and ethical violations. Effective open communication with our suppliers which is based on respect and trust forms the cornerstone of the successful collaboration we have experienced over the years.

### Local Suppliers Procurement Practice Policies

Under our Procurement Policy 2017, our vendors are carefully selected through a rigorous process of quality, integrity, service and product value, taking into consideration our ESG concerns. The Company prioritises local vendor sourcing as part of Prestariang's effort to ensure security of supply as well as developing economic growth among the local industries.

Further information on the Procurement practices is available on our website <http://www.prestariang.com.my>

### Assessments of New and Existing Vendors

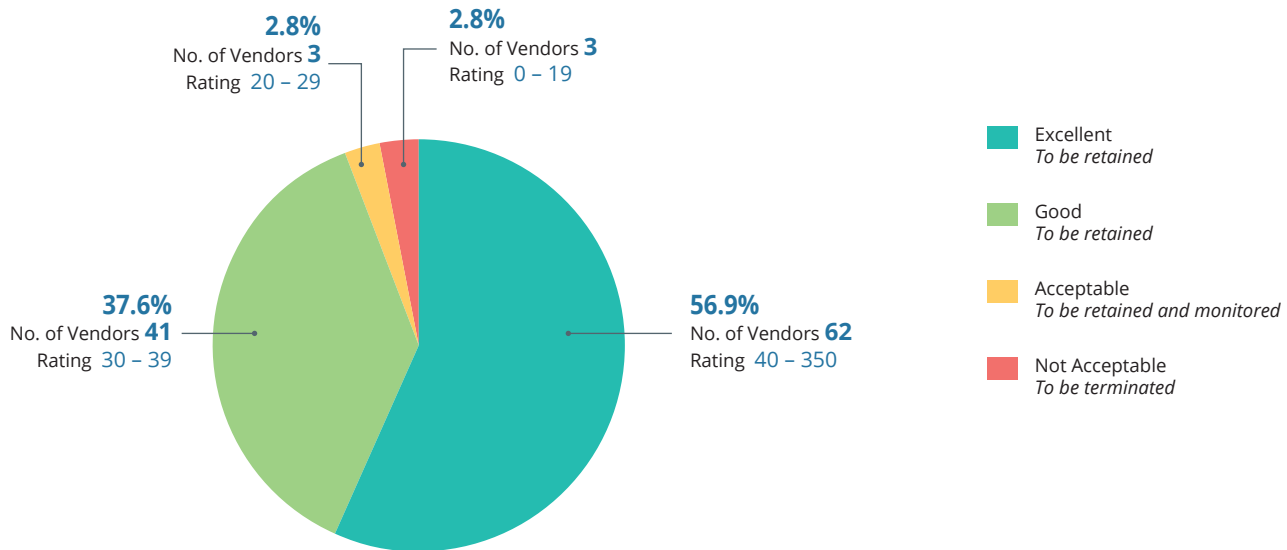
Prestariang follows an annual Vendor Performance Review (VPR) where our vendors are rated and evaluated based on the following criteria:

- |   |                              |    |  |
|---|------------------------------|----|--|
| 1 | Quality Meets Specification  | 6  | Responsiveness                             |
| 2 | Quantity Meets Specification | 7  | Vendor Accessibility                       |
| 3 | Delivery Timeliness          | 8  | Working Relationship                       |
| 4 | Adequate Equipment and Stock | 9  | Accuracy and Completeness of Documentation |
| 5 | Technical Competency         | 10 | Compliance with Contract /LOA/Terms        |

# Sustainability Commitment

## Results of Vendor Performance Review

A total of 109 of our vendors (encompassing both local and international) were rated and evaluated via the Vendor Performance Review (VPR) for the financial year under review. We have retained 97.3% of our vendors and deemed the other 2.8% of them as 'to be terminated' due to their poor performance. Out of 97.3% of vendors that have been retained, 2.8% of them will be monitored in terms of their future performance.



## BUSINESS CONTINUITY AND FUTURE INNOVATIONS

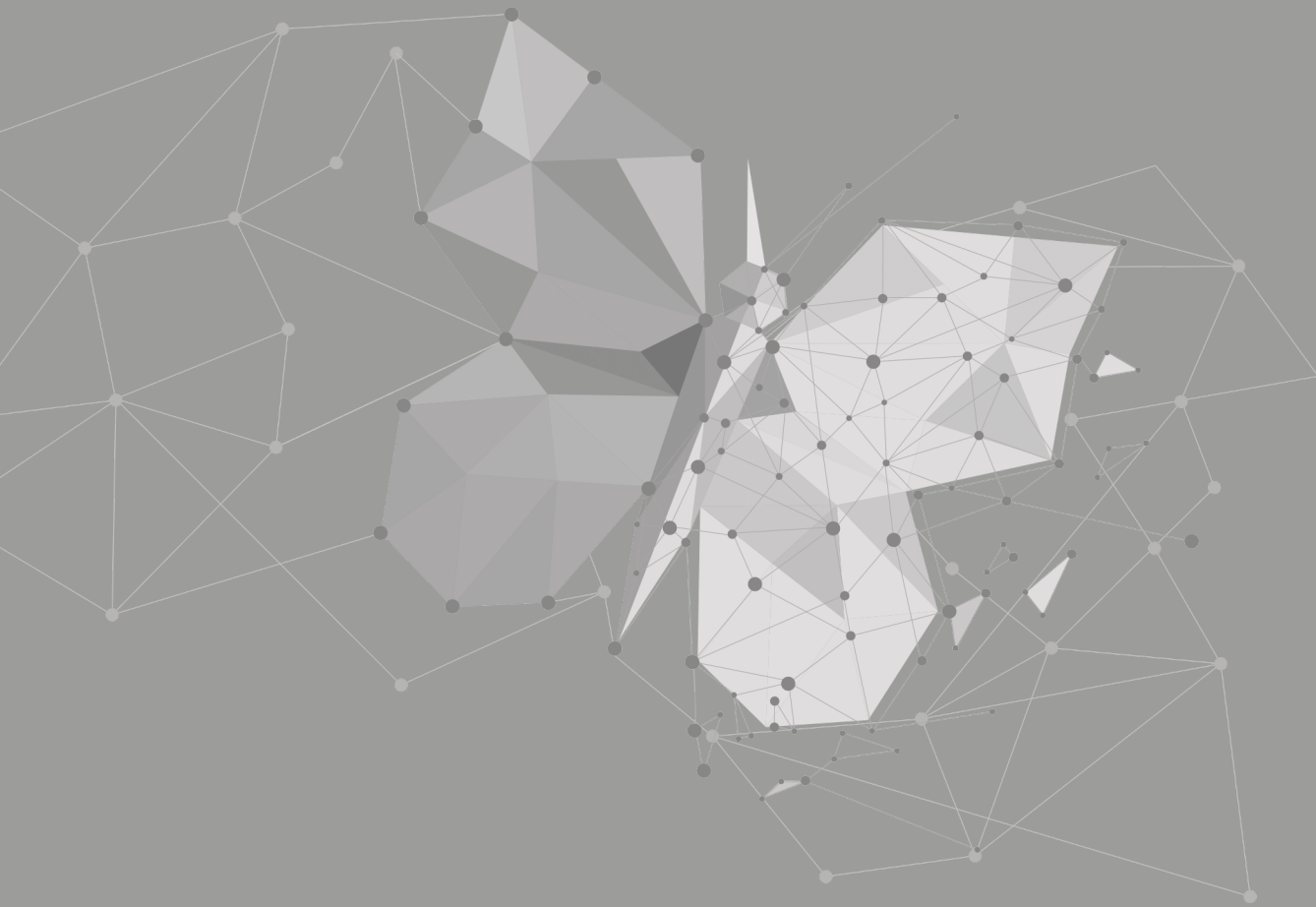
The Board of Directors and Senior Management conduct annual meetings with attention to business continuity where Risk Management is vital in for the Company to operate effectively.

Technology has helped to accelerate and expand access which has kept our entire Group connected especially during crisis periods. It is crucial for every department within the Group to effectively engage with each other which is the task of our IT Department to oversee and handle the current system, and advise on updates for a smoother and progressive transition into future. By having a well-constructed crisis plan in place, we can be better prepared and respond more effectively by coordinating well internally to maintain business as usual as well as continuing to engage effectively with all our stakeholders even during disruptions.

Looking ahead as a Group, we will strive towards consolidating our efforts in realising all our Performance Indicators and Targets to support our sustainability focused agendas.

Our sustainability journey is not an overnight task. Rather, it is a catalyst to balance both economic and environmental concerns by way of embracing innovation, creating new opportunities and ultimately, to ensure that the fruits of our collaborative efforts can be enjoyed not only by us, but by all our stakeholders as well.





# Transparency

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# Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Prestariang Berhad (“the Company”) recognises the importance and is committed in maintaining the highest standards of corporate governance and best practices in the business and affairs of the Company and its group of companies (“the Group”).

The Board, Management and employees of the Group affirm their commitment in ensuring that the Group is at the fore front of good governance. In this regard, the Group adheres and reports to the following statutory requirements, best practices and guidelines: -

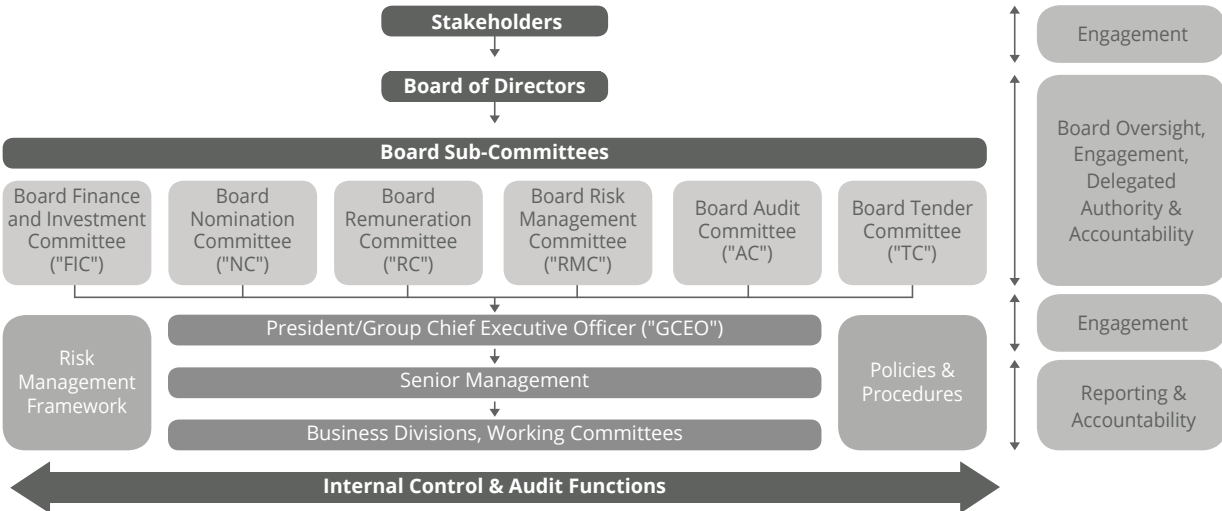
- i. Companies Act 2016 (“CA 2016”)
- ii. Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”)
- iii. Malaysian Code on Corporate Governance (“the Code”)
- iv. Corporate Governance Guide: Moving from Aspiration to Actualisation (“CG Guide”).

That this Corporate Governance Overview Statement (“this Statement”) is prepared in compliance with the MMLR and guided by the key principles set out in the Code. It is to be read together with the Company’s Corporate Governance Report (“CG Report”) which detailed out on how the Company applies the Code. The CG Report can be downloaded through the Company’s website: <https://www.prestariang.com.my/> or through the announcement published on the website of Bursa Malaysia.

The Principles and Practices encompass in the Code also serves as a fundamental guide to the Board in discharging its duties and responsibilities to act in the best interest of the Group and the Company, and managing the business and affairs of both the Group and the Company efficiently and effectively while safeguarding and enhancing the shareholders’ value.

The Board views the corporate governance as synonymous with the four (4) prerequisites of a responsible corporate citizen, namely transparency, accountability, integrity and corporate performance. In recognition of the Group and the Company’s efforts, the Company continues to be listed in FTSE4Good Bursa Malaysia Index which is the Environmental, Social & Governance Index (ESG) introduced by Bursa Malaysia to measure listed companies’ responsibility in environmental, social and corporate governance. It is a collaboration with Financial Times Stock Exchange (FTSE) as part of the globally benchmarked FTSE4Good Index Series and is aligned with other leading global Environmental, Social & Governance frameworks such as the Global Reporting Initiative and the Carbon Disclosure Project.

The diagram below describes the governance framework of the Group to show the interaction between the Board and its stakeholders. The Group has also in place processes to ensure delegation flows through the Board and its committees and into the organisation.



# Corporate Governance Overview Statement

In this Statement, the Board is pleased to share and explain how the Group has applied the following three (3) principles set out in the Code:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

## **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

### **BOARD RESPONSIBILITIES**

The Company recognises the pivotal role played by the Board in the stewardship of its strategic business direction and ultimately in the enhancement of its long-term shareholder value.

The Board remains resolute and upholds its responsibility in governing, guiding and monitoring the direction of the Company with the eventual objective of enhancing long term sustainable value creation aligned with shareholders' interests whilst taking into account the long-term interests of all stakeholders, including shareholders, employees, customers, business associates and the communities in which the Group and the Company conducts its business.

The Company is led and controlled by an effective Board comprising of two (2) Executive Directors, namely Dr. Abu Hasan Bin Ismail, the President/Group Chief Executive Officer ("President/GCEO") and Mr. Baldesh Singh A/L Manmohan Singh, the Chief Operating Officer ("COO") together with five (5) Independent Non-Executive Directors drawn from various professional backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Company's business operations.

### **Board Charter**

Based on the Board Charter of the Company, the Board's primary commitment is to lead and oversee the business of the Company and to ensure that the conduct of the Group's operations promotes business sustainability, integrity and complies with the relevant law, rules and regulations.

The Board's roles are:-

- to represent and serve the interests of shareholders by overseeing and evaluating the Company's strategies, policies and performance;
- to ensure the shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- to review, approve and monitor the strategic business plans, goals and key policies proposed by Management to ensure sustainability and optimization of long term returns for the Group;
- to identify, continuously assess and manage the principal risks affecting the Group and to ensure the implementation of appropriate systems to manage these risks;
- to plan succession, including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group;
- to develop and implement an investor relations programme or shareholder communications policy for the Company;
- to review the adequacy and integrity of the Company's internal control and risk management systems as well as management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

## Corporate Governance Overview Statement

- to determine the remuneration of Executive Directors and Non-Executive Directors of the Group, with the individuals concerned abstaining from discussions of their own remuneration; and
- to ensure that the Company has appropriate corporate structures including standards of ethical behaviour as stated in the Directors' Code of Ethics and promoting a culture of corporate responsibility.

Matters that are reserved for the Board is clearly stated in the Board Charter which is subject to review from time to time. A copy of the Board Charter that also spells out the terms of reference of each of the Board Committee is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

### Directors' Code of Ethics

The Board is aware of and has formalised a Directors' Code of Ethics that establish a corporate culture that engenders ethical conduct

The adopted Directors' Code of Ethics described the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their responsibilities as Directors of the Company. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always prioritise and taken into consideration. The Directors are required from time to time to declare their direct and indirect interests in the Company and related companies. It is also the Directors' responsibility to declare to the Board whether they and any person(s) connected to them have any potential or actual conflict of interest in any transaction or in any contract or proposed contract with the Company or any of its related companies. Any Director and/or person(s) connected to him who has an interest in any related party transaction shall abstain from voting and involve in the Board's deliberation on the resolution of which they have interest.

The Director's Code of Ethics is highlighted in the Board Charter which is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

### Chairman and President/GCEO

The roles of the Chairman and the President/GCEO are held by different individuals which are segregated and clearly defined by their individual position descriptions. The Chairman is responsible in providing leadership for the Board to ensure that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The key roles and responsibilities of the Chairman as set out in the Board Charter of the Company include:-

- to provide governance in matters requiring corporate justice and integrity;
- to manage Board's communications and effectiveness and effective supervision over management;
- to create conditions for good decision-making during Board's and shareholders' meetings;
- to ensure Board's proceedings are in compliance with good conduct and best practices;
- to protect the interest and provide for the information needs of various stakeholders;
- to maintain good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations;
- to ensure that quality information to facilitate decision-making is delivered to the Board on timely manner; and
- to ensure compliance with all relevant regulations and legislation.

The Board reviews, approves and monitors the strategic business plans, goals and activities proposed by Management from time to time to ensure sustainability and optimisation of long term returns for the Group.

# Corporate Governance Overview Statement

## Company Secretaries

The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries advise the Board on the Company's Constitution, Board's policies and procedures as well as the compliance with the relevant regulatory requirements, codes or guidance and legislations. The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable, on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia. The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, and timely communication of decisions made and in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Bursa Malaysia MMLR.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

## Supply of Information

All members of the Board are supplied with information in a timely manner. Board reports and meeting papers are circulated in advance prior to the Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings. Minutes of meetings, which accurately reflect the deliberation and decisions of the Board are also circulated within a reasonable period of time upon conclusion of each meeting.

Each Director has access to information pertaining to the Company's and the Group's business and affairs to enable them to discharge their duties accordingly. In addition, certain matters are reserved specifically for the Board's decision. These include approval of material acquisitions and disposals of assets, major corporate plans, financial results, and Board appointments.

The Directors also have direct access to the advice of the Company Secretaries, independent professional advisors and internal and external auditors, as and when appropriate, at the Company's expense.

The Board members are at liberty to seek independent professional advice on matters relating to the fulfilment of their roles and responsibilities. The cost of procuring these professional services will be borne by the Company.

## Code of Conduct and Whistle Blowing Policy

The Company has adopted the Code of Conduct that inclusive of the Whistle-Blowing Policy to uphold the integrity and cultivate ethical business conduct by the employees.

The Code of Conduct contains policies and guidelines relating to the standards and ethics that all employees are expected to observe and obey during the course of their employment in the Company whereas the Whistle Blowing Policy is designed to enable employees of the Company to raise concern and disclose information which the individual believes shows malpractice or impropriety.

As at the date of this Statement, the Company has not received any complaint under this procedure.

A copy of the Code of Conduct that contains the Whistle Blowing Policy is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

# Corporate Governance Overview Statement

## Anti-Bribery and Corruption Manual

Following the passing of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and amendments to Paragraph 15.29 of the Bursa Malaysia MMLR which taken effect from 1 June 2020, the Company has established and incorporated into the Company's Anti-Bribery and Corruption Guidelines to provide a procedure to ensure that the Company, employees, Directors, its Subsidiaries, contractors, subcontractors, consultants, agents and representatives conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations.

A copy of the Anti-Bribery and Corruption Manual (which should be read in conjunction with the Code of Conduct and Whistle Blowing Policy) is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

## Policy on Sustainability

The Board acknowledges the importance of promoting sustainability by giving attention to environmental, social and governance aspects of business which underpin sustainability.

In line with the approved Sustainability Policy which enforces the Group's commitment to its employees, customers, distributors and other stakeholders in promoting good sustainability practices, the Company has implemented various sustainability activities as set up on pages 43 to 94 of this 2020 Annual Report.

The Board and the Company continue to seek improvements on all aspects of sustainability and measure progress accordingly.

The Sustainability Policy is highlighted on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

## Financial Reporting

The Board aims to provide a balanced and meaningful assessment of the Group's and the Company's financial performance and prospects through the annual financial statements, quarterly announcements of results to shareholders and the Management Discussion and Analysis in the Annual Report.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the quality of the Group's and Company's annual and interim financial statements. It also reviews the appropriateness of the Group's and Company's accounting standards and regulatory requirements.

The Audit Committee had conducted an assessment and obtained confirmation from the External Auditors that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

The Company has established a transparent arrangement with the Auditors to meet their professional requirements. Key features underlying the relationship of the Audit Committee with the Internal and External Auditors are included in the Audit Committee Report on pages 115 to 118 of this Annual Report.

The Audit Committee meets with the external auditors privately and whenever necessary, without the presence of the other directors or Management, to exchange independent views on matters which require the Audit Committee's attention.

The Audit Committee has conducted an annual assessment on the External Auditors to ensure the External Auditors continue to be suitable and independent.

# Corporate Governance Overview Statement

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group and the Company is set out on page 124 of this Annual Report.

## BOARD COMPOSITION

At present, the Board consists of seven (7) members, comprising two (2) Executive Directors, one (1) Senior Independent Non-Executive Director and four (4) Independent Non-Executive Directors. There are two (2) women out of the seven (7) Directors on the Board.

The Executive Directors are responsible for providing strategic leadership and overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities.

The Non-Executive Directors are independent from Management. Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address the matters concerning the management and oversight of the Company's business and operations.

The Nomination Committee will, from time to time, review the independency of the Independent Non-Executive Directors by adopting the concept of independence in tandem with the definition of Independent Director in Paragraph 1.01 of the Bursa Malaysia MMLR. Through the recommendation of the Nomination Committee, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

The status of the Directors' directorship as at the date of writing this Statement are as follows:

Directors	Status
Paul Chan Wan Siew	Senior Independent Non-Executive Director, Interim Chairman
Ramanathan A/L Sathiamutty	Independent Non-Executive Director
Dr. Abu Hasan Bin Ismail	Non-Independent Executive Director
Baldesh Singh A/L Manmohan Singh	Non-Independent Executive Director
Ginny Yeow Mei Ying	Independent Non-Executive Director
Professor Emeritus Dato' Dr. Hassan Bin Said (Appointed w.e.f. 25 February 2020)	Independent Non-Executive Director
Hafidah Aman Binti Hashim (Appointed w.e.f. 25 February 2020)	Independent Non-Executive Director

The Company complies with Bursa Malaysia MMLR with regards to Board's composition and the required ratio of Independent Directors. The profiles of the Directors are set out on pages 28 to 31 of this Annual Report.

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must provide justification and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it intends to retain the Director as an Independent Director.

## Corporate Governance Overview Statement

At the time of writing this Statement, the tenure of the Senior Independent Non-Executive Director of the Company namely, Mr. Paul Chan Wan Siew is nine (9) years and ten (10) months which has exceeded the cumulative term of nine (9) years at the forthcoming AGM. Both the Nomination Committee and the Board have assessed the independence of Mr. Paul Chan Wan Siew and were satisfied with the skills performed as well as the independent judgement that he brought to the Board. In view thereof, the Board recommends and supports his retention as an Independent Director of the Company which is tabled for the shareholders' approval at the forthcoming AGM based on the following justifications:-

- (a) Mr. Paul Chan Wan Siew has met the independence guidelines as set out in Paragraph 1.01 of the Bursa Malaysia MMLR;
- (b) He has not been entering nor is expected to enter into transaction(s) especially material contract(s) with the Group and/or the Company which would cause any conflict of interest with the Group and/or the Company;
- (c) He does not have any relationship which would interfere with his independent judgement in carrying out his function as an Independent Director; and
- (d) He is familiar with the Group's activities and is able to provide tremendous insight to facilitate the decision-making processes of the Group.

The Board will ensure to review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.

On boardroom diversity, the Board is supportive of and have complied with the boardroom gender diversity as recommended by the Code. The Board currently consists of two (2) female directors and targets to improve further on the gender diversity ratio with right mix of skills that will be contributed in achieving the Company's goal and mission.

The Directors, with their diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance, information technology and investment.

In accordance with the Company's Constitution, one-third (1/3) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments. Pursuant to the Clause 119 of the Company's Constitution, Mr. Paul Chan Wan Siew and Dr. Abu Hassan Bin Ismail are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Professor Emeritus Dato' Dr. Hassan Bin Said and Puan Hafidah Aman Binti Hashim, who were appointed on 25 February 2020 are subject to retirement pursuant to Clause 118 of the Company's Constitution and being eligible, have offered themselves for re-election at this forthcoming AGM.

The right for the shareholders to vote annually for election/re-election of all directors is explicitly provided in the Company's Constitution and Board Charter. The results of shareholders voting in the AGM are disclosed in detail in the AGM minutes as published in our website.

### Meetings

Board meetings for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and pencil the next year's Board meetings into their respective meeting schedules.

During the financial year under review, the Board met on five (5) occasions, deliberating upon and considering a variety of matters including the Group's and the Company's financial results, major investments, strategic decisions and the overall direction of the Group and the Company. All Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Malaysia MMLR.



## Corporate Governance Overview Statement

Agenda and matters for discussion are prepared and circulated in advance of each meeting. All proceedings from Board meetings are recorded and the minutes are maintained by the Company Secretaries.

Details of Directors attendance at meetings of the Board during the financial year under review are as follows:

Name of Directors	No. of Meetings Attended
Paul Chan Wan Siew	5/5
Ramanathan A/L Sathiamutty	5/5
Dr. Abu Hasan Bin Ismail	5/5
Baldesh Singh A/L Manmohan Singh	5/5
Ginny Yeow Mei Ying	4/5
Professor Emeritus Dato' Dr. Hassan Bin Said <i>(Appointed w.e.f. 25 February 2020)</i>	1/1
Hafidah Aman Binti Hashim <i>(Appointed w.e.f. 25 February 2020)</i>	1/1

### Directors' Training

Amongst others, the training programmes/seminars/forums attended by the Directors during the financial year are as follows:

Name of Directors	Trainings Programmes/Seminars/Forums Attended
Paul Chan Wan Siew	<ul style="list-style-type: none"> <li>• Malaysian Institute of Chartered Secretaries and Administrators Annual Conference 2019 / Next Dimension in Governance</li> <li>• Small and Medium-sized Enterprises Investment Program</li> <li>• Digital Human Resources &amp; Talent Management Conference</li> <li>• Asia Sustainability Reporting Summit</li> <li>• Singapore Institute of Directors National Conference, Singapore</li> <li>• National Association of Corporate Directors Global Board Leaders' Summit in Washington, DC, United States of America</li> <li>• Institute of Corporate Directors Malaysia Conference</li> <li>• Leadership in a Disruptive World</li> <li>• Malaysian Institute of Accountants/Trust &amp; Sustainability Conference</li> <li>• United Nations International Std for Accounting Reporting (UN-ISAR) Conference</li> <li>• International Integrated Reporting Council Forum</li> <li>• Future Boards Cross-Border Forum, Royal Norwegian Embassy in Bangkok, Thailand</li> <li>• International Federation of Accountants: Future-Ready Accountancy Profession Conference</li> <li>• KPMG Board Leadership Conference 2020 in Huntington Beach, California</li> <li>• Consumer Electronic Show/Forum 2020, Las Vegas</li> </ul>
Ramanathan A/L Sathiamutty	<ul style="list-style-type: none"> <li>• Malaysian Anti-Corruption Commission Section 17 in Selangor, Malaysia</li> <li>• ACDM in Beijing, china</li> <li>• Cloud technology, Dell Technologies</li> </ul>

## Corporate Governance Overview Statement

Name of Directors	Trainings Programmes/Seminars/Forums Attended
Baldesh Singh A/L Manmohan Singh	<ul style="list-style-type: none"> <li>• Amazon Web Services Public Sector Summit SG</li> <li>• Fire Side Chat with Michel Putnik Amazon Worldwide Business Development – Manufacturing</li> <li>• Amazon Workshop on Government Procurement</li> <li>• Google for Public Sector Workshop</li> </ul>
Ginny Yeow Mei Ying	<ul style="list-style-type: none"> <li>• JP Morgan Series Outlook 2020 - Prepared for challenges, focused on opportunity</li> <li>• Withersworldwide Conference - Opportunities in Private Debt, Business Reorganisation and Special Situations</li> <li>• HSBC Webinar - Navigating extreme market volatility</li> <li>• Bloomberg Webinar - The future of data driven digital</li> <li>• Franklin Templeton Webinar - Digital Transformation</li> </ul>
Professor Emeritus Dato' Dr. Hassan Bin Said <i>(Appointed w.e.f. 25 February 2020)</i>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme for Directors of Public Listed Companies</li> </ul>
Hafidah Aman Binti Hashim <i>(Appointed w.e.f. 25 February 2020)</i>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme for Directors of Public Listed Companies</li> </ul>

All Directors have attended the training programme(s) during the financial year, save for Dr. Abu Hasan Bin Ismail who has been keeping abreast on latest regulatory updates from the Company Secretaries and industry including information on the Group's businesses and operations, risk management activities and other initiatives undertaken from Management.

The Board, with the assistance of the Nomination Committee would determine a continuous education programme for Board members to upgrade their skills in enhancing their effective contribution.

### Protocol for accepting new directorships and time commitment

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman and indicate the amount of time that will be spent on the new appointment. The directors are expected to devote sufficient time to discharge their duties as directors of the Company.

In accordance with the Board Charter, each newly appointed director shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following documents are given:-

- Board Charter;
- Constitution;
- Directors' Code of Ethics;
- Board Committees' composition and Terms of Reference;
- Latest business plans;
- Latest annual reports and financial statements; and
- Organisation chart.

# Corporate Governance Overview Statement

## Committees established by the Board

The Board delegates certain responsibilities to the Board Committees, namely the Audit Committee, Nomination Committee, Risk Management Committee, Remuneration Committee, Finance and Investment Committee and Tender Committee in order to enhance business and operational efficiencies as well as efficacies of the Group.

All Board Committees have its own written terms of reference and the Board receives all minutes and reports of their proceedings and deliberations, where relevant. The Chairman of the various Board Committees report to the Board on the outcome of the respective Board Committee meetings. Such reports are incorporated in the minutes of the full Board meetings.

A copy of the Board Charter that includes the Terms of Reference of each of the Board Committees are available on the Company's [website at www.prestariang.com.my](http://www.prestariang.com.my).

### *Audit Committee*

The Company's Audit Committee comprises solely of Independent Non-Executive Director and the Chairman was elected amongst the members of the Audit Committee.

The Audit Committee is responsible to assist the Board in ensuring the adequacy and effectiveness of internal controls. The Executive Directors, Chief Financial Officer, Senior Manager of Legal and Secretarial and the internal auditors, have attended the Audit Committee meeting by invitation. Where appropriate, the external auditors are invited to attend the Audit Committee meeting to brief the Audit Committee and provide responses to queries raised by the Audit Committee in respect of the Company's Financial Statements and reporting requirements.

With the view to maintain an independent and effective Audit Committee, majority of its members are financially literate, possess the appropriate level of expertise and experience, and has the strong understanding of the Company's businesses.

The detailed information on the Audit Committee with regards to its composition, activities and its report during the financial year ended 30 June 2020 are set out in the Audit Committee Report of this Annual Report.

### *Nomination Committee*

The Company's Nomination Committee comprises wholly of Independent Non-Executive Directors where Professor Emeritus Dato' Dr. Hassan Bin Said was appointed as the Chairman of the Nomination Committee in place of Mr. Paul Chan Wan Siew on 25 February 2020.

The Nomination Committee meets at least once a year and at such additional meetings when required. The composition of Nomination Committee is set out as below:-

Name	No. of Meetings Attended
Professor Emeritus Dato' Dr. Hassan Bin Said ( <i>Appointed as Chairman w.e.f. 25 February 2020</i> )	-
Ramanathan A/L Sathiamutty	3/3
Ginny Yeow Mei Ying	3/3
Hafidah Aman Binti Hashim ( <i>Appointed w.e.f. 25 February 2020</i> )	-

## Corporate Governance Overview Statement

During the financial year under review, the Nomination Committee had actively carried out the Board recruitment exercise, and was mindful of the need to achieve diversity in the aspects of ethnicity, age and gender in shortlisting the potential candidates which were obtained from internal as well as external independent sources.

The main activities carried out by the Nomination Committee during the financial year under review are as follows:-

- reviewed the Directors who are subject to retirement by rotation pursuant to the Company's Articles of Association;
- assessed the performance of the Board and Board Committees;
- assessed the independence of the Independent Directors of the Company;
- reviewed and assessed the tenure of Mr. Paul Chan Wan Siew, Independent Director who has reached and exceeded a cumulative term of nine (9) years and to recommend his retention as Independent Director of the Company at the Company's AGM in accordance with the MCGG;
- reviewed and recommended to the Board the revised terms of reference of the Nomination Committee;
- reviewed and recommended to the Board the adoption of Nomination Policy;
- reviewed the composition of the Company's Board;
- reviewed and recommended to the Board on the appointment of Professor Emeritus Dato' Dr. Hassan Bin Said and Puan Hafidah Aman Binti Hashim as the Independent Non-Executive Directors of the Company;
- reviewed and recommended to the Board on the appointment of Encik Abdul Rahim Bin Awang as the Chief Financial Officer of the Company; and
- reviewed and recommended to the Board on the change of composition of Board Committees.

The Nomination Committee has adopted a Nomination Policy in ensuring the effective composition of the members of the Board as well as making recommendations to the Board on the appointment, re-appointment and succession planning for Directors.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors in assessing the suitability of the proposed candidate.

The Board had also agreed on the selection criteria for the proposed new Directors on the Board taking into consideration the appropriate mix of skills, experience and strength in qualities which would be relevant for the Board in order to ensure its ability to meet shifting competitive landscape and technological changes faced by the Group, and with reference to the Company's objectives and strategic goals.

A copy of the Nomination Policy is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

The periodical review of the Board's performance is provided in the Board Charter whereby annual assessment is carried out at the end of each financial year. The annual assessments for the performance of Board, individual director and Committees were conducted for the financial year ended 30 June 2020. Directors and Committees provided anonymous feedback on their peers' performance and individual performance contribution to the Board and respective Committees. The results were then collated by the Company Secretaries and tabled to the Nomination Committee for deliberation.

Each Director was provided feedback on their contribution to the Board and its Committees. The review supported the Board's decision to endorse all retiring Directors standing for election. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) are discussed and circulated to the Board. The results affirmed that the Board and each of its Committees continue to operate effectively.

## Corporate Governance Overview Statement

### Remuneration Committee

The Remuneration Committee is made up wholly of four (4) Independent Non-Executive Directors and is presently chaired by Professor Emeritus Dato' Dr. Hassan Bin Said.

The Remuneration Committee meets at least once a year or as and when required. The composition of Remuneration Committee and the number of meetings held are set out as below:-

Name	No. of Meetings Attended
Professor Emeritus Dato' Dr. Hassan Bin Said <i>(Appointed as Chairman w.e.f. 25 February 2020)</i>	-
Ramanathan A/L Sathiamutty	4/4
Ginny Yeow Mei Ying	4/4
Hafidah Aman Binti Hashim <i>(Appointed w.e.f. 25 February 2020)</i>	-

The summary of activities of the Remuneration Committee during the financial year under review are as follows:

- reviewed and recommended to the Board on the rationalisation of salary for the President/ Group Chief Executive Officer and Chief Financial Officer;
- reviewed and recommended to the Board on the employee cost rationalisation exercise for the Company and Group;
- reviewed and recommended to the Board the proposed directors' fees for the financial year ended 30 June 2019;
- reviewed and recommended to the Board the proposed payment of Directors' benefits from 28 November 2019 until the next AGM of the Company;
- reviewed and recommended to the Board on the key performance indicators for the year 2020 of the President/Group Chief Executive Officer and C-Suite level officers;
- reviewed and recommended to the Board on the remuneration package for Encik Abdul Rahim Bin Awang as the Chief Financial Officer;
- reviewed and recommended to the Board on the remuneration for senior leadership team; and
- reviewed and recommended to the Board on the mutual separation scheme package for senior management of the Company.

The Remuneration Committee is responsible for recommending the compensation and remuneration packages for the Executive Directors as well as key senior management. In formulating the recommended remuneration packages, the Remuneration Committee has taken into consideration the information prepared by Management and independent consultants based on data of comparable companies.

The Remuneration Committee from time to time has evaluated the compensation and remuneration packages for the Non-Executive Directors guided by the market rates and benchmarking of similar companies based on the market capitalisation and industry whilst taking into consideration Board members' required experiences, competencies, efforts and the scope of the Board's works, including the number of meetings. The directors' remuneration is further determined at levels which would continue to attract and retain high calibre directors.

## Corporate Governance Overview Statement

The Executive Directors do not receive any directors' fee for directorships held in Prestariang and its subsidiaries, while Non-Executive Directors receive remuneration package consisting of the following components:-

Fixed	Variable
<ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits</li> <li>• Directors and Officers Liability Insurance</li> <li>• Benefits-in-kind e.g. company car</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul>

The Board, as a whole determines the remuneration of Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Directors the fees which shall be voted for approval by the shareholders annually during the AGM.

The details of remuneration of Directors who served during the financial year ended 30 June 2020 are as follows:-

	Directors' fee (RM)	Salary (RM)	Bonus (RM)	EPF Contribution (RM)	Benefit-In-Kind (RM)	Other Emoluments (RM)	Total (RM)
<b>COMPANY</b>							
<b>Non-Executive Directors</b>							
Paul Chan Wan Siew	93,000.00	-	-	-	-	48,000.00	141,000.00
Ramanathan A/L Sathiamutty	72,000.00	-	-	-	-	40,800.00	112,800.00
Ginny Yeow Mei Ying	72,000.00	-	-	-	-	34,400.00	106,400.00
Professor Emeritus Dato' Dr. Hassan Bin Said <i>(Appointed w.e.f 25 February 2020)</i>	24,000.00	-	-	-	-	12,400.00	36,400.00
Hafidah Aman Binti Hashim <i>(Appointed w.e.f 25 February 2020)</i>	24,000.00	-	-	-	-	12,400.00	36,400.00
Dato' Maznah binti Abdul Jalil <i>(Retired w.e.f 27 November 2019)</i>	45,000.00	-	-	-	-	4,800.00	49,800.00
<b>Subtotal</b>	<b>330,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,800.00</b>	<b>482,800.00</b>

## Corporate Governance Overview Statement

	Directors' fee (RM)	Salary (RM)	Bonus (RM)	EPF Contribution (RM)	Benefit-In-Kind (RM)	Other Emoluments (RM)	Total (RM)
<b>Executive Directors</b>							
Dr. Abu Hasan Bin Ismail	-	545,600.00	-	79,872.00	-	120,000.00	745,472.00
Baldesh Singh A/L Manmohan Singh	-	360,000.00	-	50,328.00	-	59,400.00	469,728.00
<b>Subtotal</b>	<b>-</b>	<b>905,600.00</b>	<b>-</b>	<b>130,200.00</b>	<b>-</b>	<b>179,400.00</b>	<b>1,215,200.00</b>
<b>TOTAL</b>	<b>330,000.00</b>	<b>905,600.00</b>	<b>-</b>	<b>130,200.00</b>	<b>-</b>	<b>332,200.00</b>	<b>1,698,000.00</b>
<b>GROUP</b>							
<b>Non-Executive Directors</b>							
Paul Chan Wan Siew	93,000.00	-	-	-	-	48,000.00	141,000.00
Ramanathan A/L Sathiamutty	72,000.00	-	-	-	-	40,800.00	112,800.00
Ginny Yeow Mei Ying	72,000.00	-	-	-	-	34,400.00	106,400.00
Professor Emeritus Dato' Dr. Hassan Bin Said <i>(Appointed w.e.f 25 February 2020)</i>	24,000.00	-	-	-	-	12,400.00	36,400.00
Hafidah Aman Binti Hashim <i>(Appointed w.e.f 25 February 2020)</i>	24,000.00	-	-	-	-	12,400.00	36,400.00
Dato' Maznah binti Abdul Jalil <i>(Retired w.e.f 27 November 2019)</i>	45,000.00	-	-	-	-	4,800.00	49,800.00
<b>Subtotal</b>	<b>330,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,800.00</b>	<b>482,800.00</b>
<b>Executive Directors</b>							
Dr. Abu Hasan Bin Ismail	-	545,600.00	-	79,872.00	-	120,000.00	745,472.00
Baldesh Singh A/L Manmohan Singh	-	360,000.00	-	50,328.00	-	59,400.00	469,728.00
<b>Subtotal</b>	<b>-</b>	<b>905,600.00</b>	<b>-</b>	<b>130,200.00</b>	<b>-</b>	<b>179,400.00</b>	<b>1,215,200.00</b>
<b>TOTAL</b>	<b>330,000.00</b>	<b>905,600.00</b>	<b>-</b>	<b>130,200.00</b>	<b>-</b>	<b>332,200.00</b>	<b>1,698,000.00</b>

# Corporate Governance Overview Statement

The details of remuneration of top five key senior management who served during the financial year ended 30 June 2020 are further disclosed in the CG Report which is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my) or through the announcement published on the website of Bursa Securities.

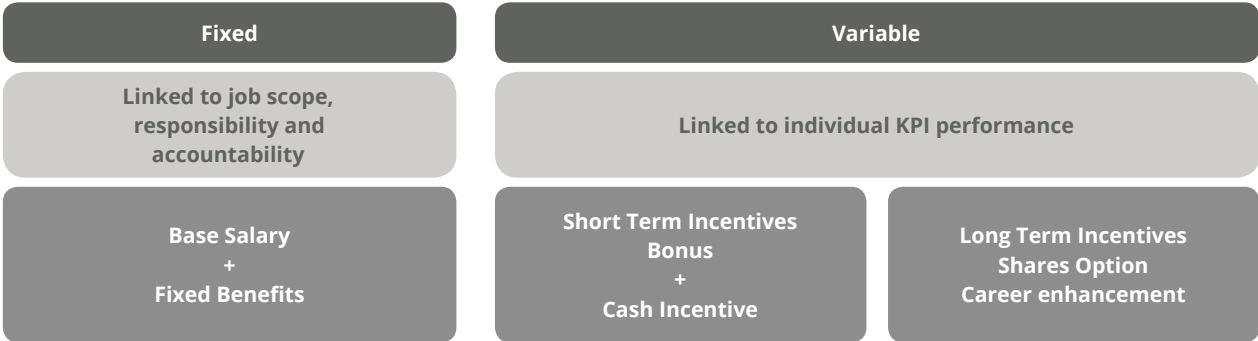
### Remuneration Policy

The Company has in place a remuneration policy for the Directors and key senior management personnel which takes into account the demands, complexities, and performance of the Group as well as skills and experience required.

A copy of the remuneration policy which discloses high level principles and a detailed process for setting remuneration is available on the Company's website at [www.prestariang.com.my](http://www.prestariang.com.my).

The remuneration of senior management is determined at Board level and does not require shareholders' approval.

The Executive Director and senior management receive a competitive remuneration package consisting of the following components:-



The long-term variable components through shares option and career enhancement within the Group of Companies aims to attract, motivate, retain and reward key employee of requisite quality that increases productivity and profitability of the Group in the long run.

Under the Remuneration Policy, claw-back or malus provision exists whereby if it is proved after the grant of variable components to members of the Executive Director and Senior Management that the bonus and cash incentives were paid erroneously, the Company may in exceptional cases reclaim in full or in part variable components.

Variable pay awards may be made subject to adjustment events. At the discretion of Remuneration Committee, such an award may be adjusted before delivery (malus) or reclaimed after delivery (clawback) if an adjustment event occurs.

### Finance and Investment Committee

The Finance and Investment Committee is made up of a majority of Non-Executive Directors with Ms. Ginny Yeow Mei Ying acting as the Chairperson. The committee members meet as when required where the composition of the Finance and Investment Committee and the number of meetings held are set out as follows:-



## Corporate Governance Overview Statement

Name	No. of Meetings Attended
Ginny Yeow Mei Ying ( <i>Appointed as Chairperson w.e.f. 25 February 2020</i> )	1/1
Professor Emeritus Dato' Dr. Hassan Bin Said	-
Dr. Abu Hasan Bin Ismail	1/1
Baldesh Singh A/L Manmohan Singh	1/1
Paul Chan Wan Siew	1/1

### Tender Committee

The objective of the Tender Committee is to assist the Board in recommending the procurement within Prestariang Services Group. The Committee members were selected and appointed among the members of the Board and inclusive of the Chief Finance Officer of the Company under the lead of Puan Hafidah Aman Binti Hashim as the Chairperson.

The composition of the Tender Committee are as follows:

Name
Hafidah Aman Binti Hashim ( <i>Appointed as Chairperson w.e.f. 25 February 2020</i> )
Dr. Abu Hasan Bin Ismail
Paul Chan Wan Siew
Ramanathan A/L Sathiamutty
Abdul Rahim Bin Awang

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The composition and details of activities carried out by the Audit Committee during the financial year under review are set out in the Audit Committee Report of this Annual Report.

### RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Internal Control

The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Board is of the view that the system of internal control and risk management in place during the year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. The Statement on Risk Management and Internal Control furnished on pages 119 to 122 of this Annual Report provides an overview of the Internal Control within the Group during the financial year under review.

# Corporate Governance Overview Statement

## Internal Audit

During the financial year under review, the internal audit activity continued to be outsourced to KPMG Management and Risk Consulting Sdn. Bhd. to provide internal audit services for greater independence in internal audit function.

A summary of the activities of the Audit Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 115 to 118 of this Annual Report.

## Risk Management Committee

The Risk Management Committee is made up of a majority of Independent Directors and currently chaired by Mr. Ramanathan A/L Sathiamutty.

The Risk Management Committee is responsible for reviewing and recommending risk management policies and strategies for the Company. It also assists the Board in fulfilling corporate governance, risk management and statutory responsibilities in order to manage overall risk exposure.

During the financial year under review, the Risk Management Committee held four (4) meetings and details of attendance of its members are as follows:-

Name	No. of Meetings Attended
Ramanathan A/L Sathiamutty (Chairman)	4/4
Dr. Abu Hasan Bin Ismail	4/4
Paul Chan Wan Siew	4/4
Baldesh Singh A/L Manmohan Singh	4/4
Ginny Yeow Mei Ying	4/4

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Communication with Stakeholders

The Company recognises the importance of communicating with its shareholders and other stakeholders as it is a key component to uphold the principles and best practices of corporate governance for the Group and the Company.

The Board has developed and adopted as part of its Investor Relations (“IR”) Policy guidelines on stakeholder engagement which stipulate the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders. The Company executes its IR programme following the framework as set out in the IR Policy. The Policy provides comprehensive guides, processes and procedures around for which the programme is structured including corporate disclosures. The approved IR Policy is published in the Company’s website at [https://prestariang.listedcompany.com/misc/prestariang\\_ir\\_policy16.pdf](https://prestariang.listedcompany.com/misc/prestariang_ir_policy16.pdf).

## Corporate Governance Overview Statement

In maintaining the commitment to effective communication with shareholders and stakeholders, the Company adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders. This practice of disclosure of information is not just established to comply with Bursa Malaysia MMLR pertaining to continuing disclosure, but it also adopts the best practices as recommended with regards to strengthening engagement and communication with its shareholders. Where possible and applicable, the Company also provides additional disclosure of information on a voluntary basis. The Company believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

In addition, the Company makes various announcements through Bursa Malaysia, in particular, the timely release of the quarterly results within two (2) months from the close of a particular quarter. Summaries of the quarterly and full year results together with the full announcements are available at the Company's website and Bursa Malaysia's website.

Another important medium is initiating dialogues with the shareholders and stakeholders frequently. Media coverage on the Group is initiated at regular intervals to provide wider publicity and improve the understanding of the Group's business.

### Investor Relations

The annual report is a main channel of communication between the Company and its shareholders and stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Group and the Company during the year under review. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Malaysia MMLR.

Along with good corporate governance practices, the Company adheres to corporate disclosure policies in providing greater disclosure and transparency through all its communications with its shareholders, investors and the general public. A dedicated section on Corporate Governance which sets out the information on the Company's announcements to the regulators, financial results, the Board Charter and policies, Directors' Code of Ethics and the Company's Annual Reports is available on the Company's website to effectively disseminate information to all shareholders.

The Company strives to promote and encourage bilateral communications with its shareholders through participation at its general meetings and also ensures timely dissemination of any information to investors, analysts and the general public.

The Group and the Company maintain the following website that allows all shareholders and investors access to information about the Group and the Company: [www.prestariang.com.my](http://www.prestariang.com.my).

Any further information regarding the Group and the Company may also be obtained from the following communication channels:

#### Corporate Governance

Telephone : 03-8689 7000

Facsimile : 03-8689 7009

Email : [inquiry@prestariang.com.my](mailto:inquiry@prestariang.com.my)

A summary of the corporate activities is set out on pages 35 to 39 of this Annual Report.

# Corporate Governance Overview Statement

## Conduct of General Meetings

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Directors and Senior Management. The shareholders are given at least 28 days from the date of notice of AGM which is 23 October 2020 until the AGM date of 25 November 2020. Sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM.

At the Company's AGM, the President/GCEO of the Company presents a comprehensive and concise review of the Group's financial performance and value created for shareholders. This review is supported by visual and graphical presentation of the Group's performance. The Board and the senior management are present during the AGM to answer any enquiries from the shareholders.

## Poll Voting

During the Ninth AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. This is in line with Paragraph 8.29A of the Bursa Malaysia MMLR on the requirement for poll voting by which one share one vote principle applies for resolutions set out in the notice of general meetings which applies for general meetings held on or after 1 July 2016.

An independent scrutineer was also appointed to scrutinise the polling process. The Board will consider and explore the suitability and feasibility of adopting electronic voting in coming years to facilitate greater shareholders participation at general meeting, and to ensure accurate and efficient outcomes of the poll voting process.

**This CG Overview Statement was approved by the Board of Directors on 30 September 2020.**

# Audit Committee Report

The Board of Directors (“**Board**”) of Prestariang Berhad (“**the Company**”) is pleased to present the Audit Committee Report for the financial year ended (“**FYE**”) 30 June 2020.

## OBJECTIVES

The objectives of the Audit Committee are as follows:-

- reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality, and ensure compliance with the company’s policies; and
- ensuring that proper processes and procedures are in place to comply with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

## COMPOSITION OF THE AUDIT COMMITTEE AND MEETINGS

The Audit Committee comprises of four (4) Directors whom all are Independent Non-Executive Directors and the Audit Committee Chairman was elected amongst the members of the Audit Committee themselves.

The Audit Committee meets at least four (4) times annually. During the financial year under review, the Audit Committee held five (5) meetings with details of attendance of the members as shown below:

Name	Designation	No. of Meetings Attended
Paul Chan Wan Siew	Chairman/ Senior Independent Non-Executive Director	5/5
Ramanathan A/L Sathiamutty	Member/ Independent Non-Executive Director	5/5
Professor Emeritus Dato’ Dr. Hassan Bin Said <i>(Appointed w.e.f. 25 February 2020)</i>	Member/ Independent Non-Executive Director	2/2
Hafidah Aman Binti Hashim <i>(Appointed w.e.f. 25 February 2020)</i>	Member/ Independent Non-Executive Director	2/2

All members of the Audit Committee are financially literate and equipped with the required business skills. The majority of the Audit Committee members are financial experts with notable experience in the financial industry in particular accounting, auditing, corporate finance, investment, and business advisory. Mr. Paul Chan Wan Siew is a member of the Malaysian Institute of Accountants.

## TERMS OF REFERENCE

The Terms of Reference of the Audit Committee, outlining the Audit Committee’s composition, retirement, and resignation, proceeding of meeting, authority, duties, and responsibilities, is available in the Company’s website at [www.prestariang.com.my](http://www.prestariang.com.my).

# Audit Committee Report

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

### i. Financial Reports

- a) Reviewed the quarterly financial statements pertaining thereto and made recommendations to the Board for approval of the same as follows:-

Date of Meetings	Review of Quarterly Financial Statements
27 November 2019	First quarter results for the FYE 30 June 2020
25 February 2020	Second quarter results for the FYE 30 June 2020
20 May 2020	Third quarter results for the FYE 30 June 2020
26 August 2020	Fourth quarter results for the FYE 30 June 2020

The review was to ensure the Company's quarterly results were prepared in accordance with: -

- Malaysian Financial Reporting Standard;
  - International Accounting Standards 34- Interim Financial Reporting Standards;
  - Disclosure provisions of the Bursa Securities MMLR; and
  - Companies Act 2016.
- b) Reviewed and made recommendations to the Board in respect of the unaudited financial statements of the Group and the Company for the FYE 30 June 2019 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with all the regulatory requirements. In addition, the Audit Committee had reviewed the Audit Planning Memorandum for the FYE 30 June 2020 prepared by the External Auditors at the meeting held on 20 May 2020.

### ii. External Auditors

- a) Reviewed and discussed with the External Auditors at the meetings held on 29 August 2019 and 20 May 2020, the Audit Review Memorandum for the FPE 30 June 2019 and Audit Planning Memorandum for the FYE 30 June 2020, respectively. Discussed and considered the significant accounting adjustment and auditing issues arising from interim audit as well as the final audit with the external auditors. The Audit Committee also had one (1) private discussions with the External Auditors on 20 May 2020 without the presence of Management and Executive Directors to review on the issues highlighted in the Audit Planning Memorandum for the FYE 30 June 2020.
- b) Messrs. Crowe Malaysia PLT declared their independence and confirmed that they were not aware of any relationship between Messrs. Crowe Malaysia PLT and the Group that, in their professional judgement, might reasonably be thought to impair their independence.
- c) Evaluated the performance of the External Auditors covering areas such as quality of services and sufficiency of resources provided, audit communication and interaction, auditor objectivity, independence, and professional skepticism and as well as the audit fees. Based on the evaluation, the Audit Committee had recommended to the Board for approval, the re-appointment of the External Auditors until the conclusion of the next Annual General Meeting.

## Audit Committee Report

### iii. Internal Audit

The Company has outsourced its internal audit function to KPMG Management and Risk Consulting Sdn. Bhd., an independent professional services firm, to assist the Audit Committee in discharging its duties and responsibilities more effectively.

The Audit Committee reviewed and discussed with the Internal Auditors at the meetings held on 10 June 2020. The Internal Audit Report covered the internal control review on Human Resource Management and Governance for Prestariang Berhad, Prestariang Systems Sdn Bhd, Prestariang O&G Sdn Bhd and University Malaysia of Computer Science & Engineering.

The AC also reviewed the significant audit findings, recommendations to improve any weakness or non-compliance, follow-up report and the respective' responses from the Management thereto during the meeting held on 10 June 2020.

### iv. Related Party Transactions ("RPTs")

The Audit Committee reviewed significant RPTs entered into/to be entered into by the Group to ensure that the transactions were in the best interest of the Group; were fair, reasonable and on Group's normal commercial terms; and not detrimental to the interest of the minority shareholders of Prestariang.

The RPTs of the Group were reviewed on a quarterly basis at its meetings held on 29 August 2019, 27 November 2019, 25 February 2020, 20 May 2020, and 26 August 2020.

### v. Annual Report

The Audit Committee reviewed and recommended to the Board for approval, the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report.

## INTERNAL AUDIT FUNCTION

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

To this end, the functions of the internal auditors are to:

- (i) perform audit work in accordance with the pre-approved internal audit plan;
- (ii) carry out reviews on the systems of internal control of the Group and the Company;
- (iii) review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (iv) provide recommendations, if any, for the improvement of the control policies and procedures.

## Audit Committee Report

The Audit Committee and Board are satisfied with the performance of the internal auditors, KPMG Management and Risk Consulting Sdn. Bhd., in the provision of outsourced internal audit services to the Group and the Company. The fees incurred for the internal audit function in respect of the financial year ended 30 June 2020 is RM37,000 excluding Sales and Service Tax and out-of-pocket expenses.

During the financial year under review, the internal auditors completed an audit cycle focused on key controls deployed by the Management at Prestariang Berhad, Prestariang Systems Sdn Bhd, Prestariang O&G Sdn Bhd and University Malaysia of Computer Science & Engineering, in respect of the following processes as approved by the Audit Committee:

- **Human Resource Management**

- o Ascertain if manpower plan is developed and periodic reviews are performed;
- o Review the recruitment process, namely sourcing and evaluation of candidates, issuance of letter of appointment and on-boarding of new recruits;
- o Check adequacy and effectiveness in monitoring staff performance, namely establishment of job description, key performance indicators and periodic performance evaluation;
- o Contingency planning/succession planning in place and assess its adequacy and effectiveness;
- o Adequacy and effectiveness of training programs and utilization of training evaluation/postmortem review;
- o Whether there is an adequate and appropriate training budget;
- o Assess the adequacy of process to process staff resignation, including conduct of exit interviews and handover of documents and information from resigned employees; and
- o Deployment of code of conduct/code of ethics for employee (including conflict of interest situations and declaration by affected employees) and whistle blowing mechanism.



# Statement on Risk Management and Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance (“Code”) recommends that the Board of Directors (“Board”) of the listed companies should maintain a sound risk management and internal control framework in order to safeguard shareholders’ investments and the Group’s and the Company’s assets. Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements, Practices 9.1 and 9.2 of the Malaysian Code on Corporate Governance also require the Board of the listed companies to include a statement on the state of their internal controls in their annual reports.

In view of the above, the Board of the Company is pleased to present the following statement that has been prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (SRMIC) issued by Bursa Malaysia.

## BOARD RESPONSIBILITY

The Board recognises its responsibility in upholding an effective and adequate risk management and internal control system, which contributes a material part in good corporate governance. In line with that, the Board acknowledges its main responsibility in ensuring the principal and significant risks of the Group and the Company are identified and properly managed by the risk management and internal control system of the Group and the Company.

The Board has also established an on-going process for identifying, evaluating, and managing significant risks faced by the Group and the Company and to regularly review this process in conjunction with the SRMIC.

Management is assigned with the role of assisting the Board on the implementation of the Board’s policies and procedures on risk management and control by identifying and assessing the various risks that could affect the operation of the Group and the Company, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

From time to time, the Board received assurance from the President/Group Chief Executive Officer (“GCEO”), Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”) that the risk management and internal control system in place is operating in an adequate and effective manner, and that it is sufficient to safeguard the interest of the Group and the Company.

The Board acknowledges that a sound risk management and internal control system provides reasonable but not absolute assurance, that the Group and the Company will not be hindered in achieving its business objectives in the ordinary course of business.

## CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The day to day operations of the Group and the Company is overseen by the President/GCEO with the assistance of COO and CEOs of the business divisions. This control is exercised through Senior Management in respect of commercial, financial, and operational aspects of the Group and the Company. The President/ GCEO, CEOs of the business divisions and Senior Management meet regularly to deliberate on such matters.

Internal control is a process, enforced by the Board of Directors and the Management of the Group and the Company. It is designed to provide reasonable assurance regarding the achievement of Prestariang Group’s objectives and to safeguard shareholders’ investment and assets. Although it is impossible to provide complete assurance through any control system, the control systems must be designed and applied to manage the likelihood and impact of risk to acceptable levels. The Group adopts Risks Management Framework with the internal control system is principally aligned with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) “Internal Control - Integrated Framework model”.

Risks identified are evaluated by examining the potential impact on the Group if a risk crystallised as well as the likelihood of occurrence. The risk level is rated as low, medium or high accordingly.

## Statement on Risk Management and Internal Control

The Board fully supports the contents of the SRMIC and through the Audit Committee continually reviews the adequacy and effectiveness of the risk management processes in place within the various operating units with the aim of strengthening the risk management functions across the Group and the Company.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal controls and for providing assurance to the Board that it has done so in accordance with the policies adopted by the Board. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating units within the Group. Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Group and the Company, the decision was taken to outsource the Internal Audit activities to a third party service provider.

### INTERNAL AUDIT FUNCTION

In desiring to maintain total independence in the management of the risk and internal control environment, the Company has appointed KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") to manage the Company's internal audit function on an outsourced basis. The fees incurred for the outsourced internal audit function for the financial year ended 30 June 2020 were RM37,000 excluding Sales and Service Tax and out-of-pocket expenses.

The internal audit engagement by KPMG MRC is headed by an Executive Director, namely Mr Mohd Khaidzir Shahari. En Khaidzir is a Chartered Accountant with professional membership in the Association of Certified Management Accountant, The Institute of Internal Audit of Malaysia and Malaysian Institute of Accountants. En Khaidzir has accumulated over 25 years of experience in a wide range of governance advisory, risk, and internal audit services.

There were total of three (3) personnel deployed by KPMG MRC for the internal audit work of financial year ended 30 June 2020. All the personnel deployed by KPMG MRC are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

The internal audit work was carried out in accordance with the International Professional Practice Framework of the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.

KPMG MRC reports independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with KPMG MRC agree on the scope and planned internal audit activities annually and all audit findings arising therefrom are reported to the Audit Committee.

KPMG MRC is allowed for an unrestricted access to all the documents and records of the Group and the Company which are deemed necessary for the performance of its function and independently reviews the control processes implemented by Management. It also reviews the internal controls in the key activities of the Group's and the Company's business based on the discussion with Management as well as with the Audit Committee. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group and part of the internal audit engagement, KPMG MRC also provides business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

## Statement on Risk Management and Internal Control

In the financial year under review, KPMG MRC had completed an audit cycle which focused on key controls deployed by Management at Prestariang Berhad, Prestariang Systems Sdn Bhd, Prestariang O&G Sdn Bhd and University Malaysia of Computer Science & Engineering, in respect of the following processes as approved by the Audit committee:

- **Human Resource Management**
  - o Ascertain if manpower plan is developed and periodic reviews are performed;
  - o Review the recruitment process, namely sourcing and evaluation of candidates, issuance of letter of appointment and on-boarding of new recruits;
  - o Check adequacy and effectiveness in monitoring staff performance, namely establishment of job description, key performance indicators and periodic performance evaluation;
  - o Contingency planning/succession planning in place and assess its adequacy and effectiveness;
  - o Adequacy and effectiveness of training programs and utilization of training evaluation/post mortem review;
  - o Whether there is an adequate and appropriate training budget;
  - o Assess the adequacy of process to process staff resignation, including conduct of exit interviews and handover of documents and information from resigned employees; and
  - o Deployment of code of conduct/code of ethics for employee (including conflict of interest situations and declaration by affected employees) and whistle blowing mechanism.

### OTHER KEY RISK MANAGEMENT AND INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, Finance & Investment Committee and Tender Committee.
- Well-defined organisational structure with clear lines for the segregation of duties, accountability, and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational and financial requirements and performance monitored on a quarterly basis.
- The President/GCEO, COO and the Heads of the respective business divisions meet regularly to discuss issues on the financial performance, business initiatives and other management and corporate issues of the Group and the Company.
- There are regular Board meetings and Board papers distributed in advance to all Board Members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group and the Company.
- The Audit Committee reviews the effectiveness of the system of risk management and internal controls of the Group and the Company on behalf of the Board. The Audit Committee comprises solely of Independent Non-Executive Directors and is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group and the Company. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.
- Review by the Audit Committee of risk management internal control issues identified by the external and internal auditors and action taken by the Management in respect of the findings arising therefrom. The internal audit function reports directly to the Audit Committee. Findings are communicated to the Management and the Audit Committee with recommendations for improvements and follow up to confirm all agreed recommendations are implemented. The internal audit plan is structured on a risk-based approach and is reviewed and approved by the Audit Committee.

## Statement on Risk Management and Internal Control

- The Risk Management Committee was established by the Board to assist the Board in overseeing the overall management of the principal areas of risk of the Group and the Company including capital management and operational process.
- Review all proposals for material capital and investment opportunities by the Finance & Investment Committee and approval of the same by the Board prior to committing the expenses.
- Management Accounts are prepared in a timely manner and on a monthly basis and are reviewed by the President/GCEO, COO, CFO together with the heads of the respective business divisions.
- The assessment of the adequacy and effectiveness of the internal control system is on periodic basis. From time to time the following are taken into considerations and changes are made to improve the internal control system:-
  - o Ensuring an appropriate organisational structure for planning, executing, controlling and monitoring business operations with appropriate authorisation limits.
  - o Reviewing the consolidated risk register of the Prestariang Group and receiving regular reports on any significant problems that have occurred during the year and changes to the risks over the period under review.
  - o Reviewing external and internal audit work plans and their results.
  - o Reviewing periodically the long-term financial objectives and business strategies of the Prestariang Group.
  - o Reviewing variance reports from major operating subsidiaries and associates against business objectives.
  - o Effectively applying policies, processes and activities relating to internal control and risk management through control self-assessments and internal audit reviews.

### NO SIGNIFICANT WEAKNESS IN RISK MANAGEMENT AND INTERNAL CONTROL RESULTING IN MATERIAL LOSS

The Board is of the opinion that there is no significant weakness in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group and the Company. The Board is also of the opinion that the Company's risk management system and internal control is in place for the financial year under review and is up to date as at the date of this statement. The Management together with the Board continue to take necessary measures to strengthen the internal control structure and the management of risks.

### ASSURANCE FROM THE PRESIDENT/GROUP CEO, COO AND THE CFO

The Board has received assurances from the President/GCEO, COO and the CFO that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

### REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants.

Based on the limited assurance procedures and review, the external auditors have informed the Board that nothing has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

## Other Compliance Information

The following information is provided in compliance with Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

### a) Utilisation of Proceeds

The Company's Private Placement exercise was completed upon subscription and listing of the 48,230,100 Placement Shares at RM0.296 per Placement Share on the Main Market of Bursa Malaysia Securities Berhad on 22 June 2020. The gross proceeds raised from the Private Placement exercise were RM14,276,109.60 and the utilisation status is as set out below:

Notes	Details of utilisation	Timeframe of utilisation based on the announcement	Proposed proceeds raised (RM'000)	Actual proceeds raised (RM'000)	Actual proceeds utilised (RM'000)	Status of utilisation
(a)	General working capital	Within 12 months	12,662	7,646	8,029	Fully utilised
(b)	Repayment of bank borrowings	Within 6 months	6,000	6,000	6,000	Fully utilised
(c)	Defrayment of expenses related to the Proposed Private Placement	Within 1 month	630	630	247	Fully utilised
	<b>Total</b>		<b>19,292</b>	<b>14,276</b>	<b>14,276</b>	

Notes:-

- (a) The proceeds earmarked for general working capital of the Company and its subsidiaries ("Prestariang Group" or "Group") are intended to be utilised as follows:-
- Payment of trade creditors for the Group's information and communications technology services and distribution business
  - Staff costs which include permanent staffs payroll, protégés allowances, wages for contract trainers/facilitators and outsourced consultancy services, and contributions to the Employees Provident Fund Board and the Social Security Organisation
  - Office related expenses such as rental of offices and campus, utilities and maintenance of property, plant and equipment
- (b) As at 30 September 2020, the total borrowings of the Group are approximately RM69.64 million. The Company had utilised RM6.00 million of the proceeds to repay the principal of its overdraft facility with an effective interest rate of 7.95% per annum. The repayment is expected to enable the Group to derive gross interest savings of approximately RM0.48 million per annum.
- (c) This includes payment of fees to the relevant authorities, advisory and placement fees. If the actual expenses are higher than the amount budgeted, the deficit will be funded out of the working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for the general working capital. As the actual expenses of the Private Placement was lower than the amount budgeted, the excess amount was utilised for the general working capital accordingly.

### b) Audit and Non-Audit Fees

During the financial year, the amounts of audit and non-audit fees paid or payable to the external auditors, and its local affiliated companies for the services rendered to the Group and the Company for the financial year ended 30 June 2020 are as follows:

	Group (RM)	Company (RM)
<b>Audit Fees</b>	169,000	44,000
<b>Non-Audit Fees</b>	49,000	49,000

## Other Compliance Information

Note:

The Group engaged the external auditors, and its local affiliated companies for the non-audit works for the preparation, review and submission of tax returns and tax advisory services on businesses.

### c) Material Contracts

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

### d) Material Litigation

PSKIN, a wholly owned subsidiary of Prestariang Services Sdn. Bhd., which is a subsidiary of the Group has filed and served an Originating Summons ("OS") dated 15 April 2019 against the Government of Malaysia ("GOM") claiming the amount of RM733 million in relation to the termination of the SKIN by expropriation. The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement.

The hearing of the Originating Summons and cross-examination of the deponents of affidavits have been fixed on 21 January 2021, 22 January 2021, 29 January 2021, and 26 February 2021. A case management has also been fixed on 30 November 2020.

Prestariang's solicitors are of the view that Prestariang Skin Sdn Bhd has reasonable prospects of success in its claims against the Government.

Prestariang Skin Sdn. Bhd. and the Government have also agreed to refer the dispute in respect of Prestariang Skin Sdn. Bhd.'s Originating Summons to a court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre. The parties agreed that the mediation process shall proceed concurrently with the court proceedings. On 30 October 2019, representatives from Prestariang Skin Sdn. Bhd. and the Government (with parties' respective Counsel) attended the first mediation session.

A further mediation session between the parties has yet to be fixed.

## Statement of Responsibility by Directors

The Board of Directors ("the Board") of the Company is responsible for ensuring the annual audited financial statements of the Group and the Company are made in accordance with applicable approved accounting standards, and have reflected a true and fair view of the state of affairs of the Group and the Company as at 30 June 2020, and of the results of their operations and cash flows of the Group and the Company at the financial year.

The Board is also responsible for ensuring that the annual audited financial statements of the Group and the Company are in compliance with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standard Board, the Listing Requirements of Bursa Malaysia Securities Berhad and all other relevant laws and regulations.

The Directors have further responsibility of ensuring that proper, accurate, timely and reliable accounting records are kept. The annual audited financial statements have been prepared based on relevant and appropriate accounting policies and with usage of reasonable and prudent judgement and estimates.

The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In compliance with the various responsibilities of the Directors, the Directors present the financial statements of the Group and the Company for the financial year ended 30 June 2020 as set out on pages 137 to 256 of this Annual Report.



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# Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(16,894)	(8,621)
Attributable to:-		
Owners of the Company	(17,171)	(8,621)
Non-controlling interests	277	-
	(16,894)	(8,621)

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM119,700,646 to RM133,802,983 by way of issuance of 48,230,100 new ordinary shares at RM0.296 each for a cash consideration of RM14,102,337 (after net of transaction costs of RM173,772) for working capital purposes as disclosed in Note 18 to the financial statements.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

- (b) there were no issues of debentures by the Company.



## TREASURY SHARES

As at 30 June 2020, the Company held as treasury shares a total of 1,698,500 of its 532,230,100 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,366,346. The details on the treasury shares are disclosed in Note 19 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 49 to the financial statements. As at the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

# Directors' Report

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which the report is made.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dr. Abu Hasan Bin Ismail  
Chan Wan Siew  
Ramanathan A/L Sathiamutty  
Baladesh Singh A/L Manmohan Singh  
Ginny Yeow Mei Ying  
Professor Emeritus Dato' Dr. Hassan Bin Said (Appointed on 25 February 2020)  
Hafidah Aman Binti Hashim (Appointed on 25 February 2020)  
Dato' Maznah Binti Abdul Jalil (Resigned on 27 November 2019)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Abdul Razak Bin Bakrun  
Siti Afiza Binti Ahmad  
Raja Azmi Bin Adam Nadarajan  
Khairuddin Bin Othman  
Sim Kian Guan  
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah (Appointed on 17 July 2020)  
Dr. Ts. Zulkarnain Bin Kedah (Appointed on 17 July 2020)  
Dr. Mohamed Ackiel Mohamed (Appointed on 17 July 2020)  
Muhammad Hafiz Bin Othman (Appointed on 17 July 2020)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of the directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

## Directors' Report

	← Number of Ordinary Shares →			
	At 1.7.2019	Bought	Sold	At 30.6.2020
<b>The Company</b>				
<i>Direct Interest</i>				
Chan Wan Siew	950,000	-	-	950,000
<i>Indirect Interest</i>				
Chan Wan Siew ^	50,000	-	-	50,000
<b>Prestariang Services Sdn. Bhd., a 70% owned subsidiary of the Company</b>				
<i>Direct Interest</i>				
Dr. Abu Hasan Bin Ismail	76,356	-	-	76,356
<i>Indirect Interest</i>				
Dr. Abu Hasan Bin Ismail *	122,170	-	-	122,170
← Number of Redeemable Preference Shares "A" →				
<b>Prestariang Services Sdn. Bhd., a 70% owned subsidiary of the Company</b>				
<i>Indirect Interest</i>				
Dr. Abu Hasan Bin Ismail *	151,601	-	-	151,601

Notes:-

- ^ - Deemed interested by virtue of his spouse, Ms. Lee Oi Lin's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016.
- \* - Deemed interested by virtue of director's interest in Halaman Kapital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# Directors' Report

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 40(a) to the financial statements.

## INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors of the Company and of the Group were RM10,000,000 and RM16,600 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 51 to the financial statements.

## SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 52 to the financial statements.

## AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration are disclosed in Note 38 to the financial statements.

Signed in accordance with a resolution of the directors dated 12 October 2020.



**Dr. Abu Hasan Bin Ismail**



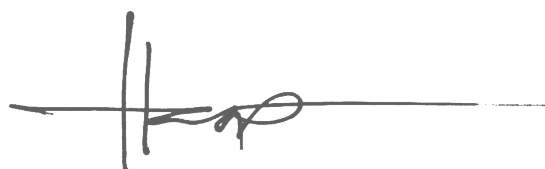
**Chan Wan Siew**

## Statement By Directors

Pursuant To Section 251(2) Of The Companies Act 2016

We, Dr. Abu Hasan Bin Ismail and Chan Wan Siew, being two of the directors of Prestariang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 137 to 256 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 12 October 2020.



Dr. Abu Hasan Bin Ismail



Chan Wan Siew

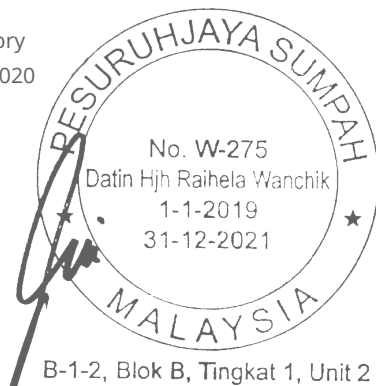
## Statutory Declaration

Pursuant To Section 251(1)(b) Of The Companies Act 2016

I, Abdul Rahim Bin Awang, being the officer primarily responsible for the financial management of Prestariang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 137 to 256 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Abdul Rahim Bin Awang, NRIC Number: 650228-11-5037  
at Kuala Lumpur  
in the Federal Territory  
on this 12 October 2020

Before me



B-1-2, Blok B, Tingkat 1, Unit 2  
Megan Avenue II  
No 12, Jalan Yap Kwan Seng,  
50450, Kuala Lumpur



Abdul Rahim Bin Awang

# Independent Auditors' Report

To The Members of Prestariang Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Prestariang Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 137 to 256.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

**Independent Auditors' Report**  
**To The Members of Prestariang Berhad (Cont'd)**  
(Incorporated in Malaysia)

**Key Audit Matters (Cont'd)**

<b>Going concern</b> Refer to Note 3.2 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group and the Company have prepared their financial statements on a going concern basis, notwithstanding that during the financial year ended 30 June 2020, the Group and the Company recorded:-</p> <p>(i) negative operating cash flows of RM16.994 million and RM6.692 million respectively; and</p> <p>(ii) loss after taxation of RM16.894 million and RM8.621 million respectively.</p> <p>The above conditions give rise to concerns about whether the Group and the Company have sufficient cash flows to meet their obligations as and when they fall due.</p> <p>In the preparation of the Group and the Company financial statements, the management has made an assessment on its working capital sufficiency and with the support of a cash flow projection, taking into consideration the cash proceeds from proposed corporate exercises and other conditions as disclosed in Note 3.2 to the financial statements. The management has concluded that the Group and the Company will have sufficient working capital to finance their operations and to meet their financial obligations as and when they fall due. Accordingly, the directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group and the Company on the going concern basis is appropriate.</p> <p>This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the going concern basis for the preparation of the financial statements of the Group and the Company.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Reviewed and obtained an understanding of the key assumptions used in the preparation of the cash flow projection;</li> <li>• Evaluated the reasonableness of the assumptions used in the preparation of the cash flow projection;</li> <li>• Performed a sensitivity analysis of the key assumptions used;</li> <li>• Made inquiries of management and reviewed the event subsequent to year end to evaluate any possible event which may affect the Group and the Company ability to continue as a going concern; and</li> <li>• Considered the ability of the Group and of the Company to continue as a going concern and meet their obligations for the next twelve months from the date of financial statements based on the utilisation plan for cash proceeds from proposed corporate exercises.</li> </ul>

# Independent Auditors' Report

## To The Members of Prestariang Berhad (Cont'd)

(Incorporated in Malaysia)

### Key Audit Matters (Cont'd)

<b>Impairment assessment of trade receivables</b>	
Refer to Notes 12 and 50.1(b)(iii) to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As at 30 June 2020, trade receivables amounted to approximately RM225.56 million (included an amount of RM182.798 million owing by the Government of Malaysia (“GOM”) in relation to the development of SKIN Solution). The details of trade receivables and its credit risks are disclosed in Note 50.1(b)(iii) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> <li>• updates from the material litigation with GOM;</li> <li>• customers' payment profiles of past sales and corresponding historical credit losses;</li> <li>• specific known facts or circumstances on customers' ability to pay; or</li> <li>• by reference to past default experience.</li> </ul> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained the confirmation from legal advisors for the updates of the material litigation with GOM;</li> <li>• Obtained an understanding of:- <ul style="list-style-type: none"> <li>• the Group's control over the receivable collection process;</li> <li>• how the Group identifies and assesses the impairment of receivables; and</li> <li>• how the Group makes the accounting estimates for impairment;</li> </ul> </li> <li>• Reviewed the ageing analysis of receivables and testing the reliability thereof;</li> <li>• Reviewed subsequent cash collections for major receivables and overdue amounts;</li> <li>• Made inquiries of management regarding the action plans to recover overdue amounts;</li> <li>• Examined other evidence including customers' correspondences, proposed or existing settlement plans, repayment schedules, etc; and</li> <li>• Evaluating the reasonableness and adequacy of the allowance for impairment loss recognised.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# Independent Auditors' Report

## To The Members of Prestariang Berhad (Cont'd)

(Incorporated in Malaysia)

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# Independent Auditors' Report

## To The Members of Prestariang Berhad (Cont'd)

(Incorporated in Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

12 October 2020



**Onn Kien Hoe**  
01772/11/2020 J  
Chartered Accountant

# Statements of Financial Position

at 30 June 2020

	Note	The Group			The Company	
		30.6.2020 RM'000	30.6.2019 RM'000 (Restated)	1.1.2018 RM'000 (Restated)	30.6.2020 RM'000	30.6.2019 RM'000
<b>ASSETS</b>						
NON-CURRENT ASSETS						
Investments in subsidiaries	5	-	-	-	20,847	20,847
Property and equipment	6	23,194	17,924	37,246	-	-
Investment properties	7	27,510	35,089	-	-	-
Right-of-use assets	8	-	-	-	-	-
Other investment	9	-	8,427	3,944	-	-
Development costs	10	43	54	6,051	-	-
		<b>50,747</b>	61,494	47,241	<b>20,847</b>	20,847
CURRENT ASSETS						
Inventories		-	-	840	-	-
Contract costs	11	4,297	19,217	44,335	-	-
Trade receivables	12	225,558	212,028	40,710	-	-
Other receivables, deposits and prepayments	13	3,715	5,752	10,721	28	21
Amount owing by subsidiaries	14	-	-	-	62,087	64,276
Short-term investments	15	40	40	26,504	40	40
Current tax assets		69	23	-	12	12
Cash and bank balances	16	12,347	7,166	44,782	74	4
		<b>246,026</b>	244,226	167,892	<b>62,241</b>	64,353
Assets of disposal group classified as held for sale	17	5,695	-	-	-	-
		<b>251,721</b>	244,226	167,892	<b>62,241</b>	64,353
<b>TOTAL ASSETS</b>		<b>302,468</b>	305,720	215,133	<b>83,088</b>	85,200
<b>EQUITY AND LIABILITIES</b>						
EQUITY						
Share capital	18	133,803	119,700	119,700	133,803	119,700
Treasury shares	19	(3,366)	(3,366)	(3,366)	(3,366)	(3,366)
Fair value reserve	20	-	(7,630)	(5,941)	-	-
(Accumulated losses)/Retained profits		(24,327)	1,168	27,275	(70,147)	(61,526)
Equity attributable to owners of the Company		<b>106,110</b>	109,872	137,668	<b>60,290</b>	54,808
Redeemable convertible preference shares	21	-	-	237	-	-
Non-controlling interests	5	12,822	12,545	(1,085)	-	-
<b>TOTAL EQUITY</b>		<b>118,932</b>	122,417	136,820	<b>60,290</b>	54,808

The annexed notes form an integral part of these financial statements.

## Statements of Financial Position at 30 June 2020 (Cont'd)

		The Group			The Company	
	Note	30.6.2020 RM'000	30.6.2019 RM'000 (Restated)	1.1.2018 RM'000 (Restated)	30.6.2020 RM'000	30.6.2019 RM'000
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities	22	-	-	-	-	-
Hire purchase payables	23	-	54	116	-	-
Term loans	24	<b>24,163</b>	26,240	21,860	-	-
Redeemable secured loan stocks	25	-	10,000	-	-	-
Redeemable preference shares "A"	26	<b>152</b>	152	-	-	-
Deferred tax liabilities	27	<b>16,869</b>	16,922	-	-	-
		<b>41,184</b>	53,368	21,976	-	-
<b>CURRENT LIABILITIES</b>						
Trade payables	28	<b>54,875</b>	59,253	33,871	-	-
Contract liabilities	29	<b>16,161</b>	20,465	11,851	-	-
Other payables and accruals	30	<b>14,112</b>	19,809	8,702	<b>1,768</b>	673
Amount owing to directors	31	<b>2,477</b>	2,133	-	<b>595</b>	505
Amount owing to subsidiaries	14	-	-	-	<b>20,435</b>	29,214
Hire purchase payables	23	-	42	38	-	-
Term loans	24	<b>2,773</b>	3,346	840	-	-
Redeemable secured loan stocks	25	<b>10,000</b>	-	-	-	-
Revolving credits	32	<b>19,161</b>	17,661	-	-	-
Bank overdrafts	33	<b>7,950</b>	6,026	-	-	-
Current tax liabilities		<b>1,421</b>	1,200	1,035	-	-
		<b>128,930</b>	129,935	56,337	<b>22,798</b>	30,392
Liabilities of disposal group classified as held for sale	17	<b>13,422</b>	-	-	-	-
		<b>142,352</b>	129,935	56,337	<b>22,798</b>	30,392
<b>TOTAL LIABILITIES</b>		<b>183,536</b>	183,303	78,313	<b>22,798</b>	30,392
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>302,468</b>	305,720	215,133	<b>83,088</b>	85,200

The annexed notes form an integral part of these financial statements.

# Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 30 June 2020

	Note	The Group		The Company	
		1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
REVENUE	34	154,038	369,252	1,000	11,552
COST OF SALES		(131,139)	(260,257)	-	-
GROSS PROFIT		22,899	108,995	1,000	11,552
OTHER INCOME	35	545	1,427	-	193
		23,444	110,422	1,000	11,745
ADMINISTRATIVE EXPENSES		(21,690)	(38,553)	(8,708)	(12,040)
OTHER EXPENSES		(3,182)	(15,107)	(71)	(20,595)
FINANCE COSTS	36	(4,863)	(5,362)	-	(1)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	37	(530)	(9,725)	(842)	(31,788)
(LOSS)/PROFIT BEFORE TAXATION	38	(6,821)	41,675	(8,621)	(52,679)
INCOME TAX EXPENSE	41	(1,215)	(26,911)	-	(633)
(LOSS)/PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		(8,036)	14,764	(8,621)	(53,312)
LOSS FROM DISCONTINUED OPERATIONS	42	(8,858)	(21,453)	-	-
LOSS AFTER TAXATION		(16,894)	(6,689)	(8,621)	(53,312)
OTHER COMPREHENSIVE EXPENSES					
<u>Item that Will Not be Reclassified Subsequently to Profit or Loss</u>					
Fair value changes of equity instrument		(694)	(1,689)	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR/PERIOD		(17,588)	(8,378)	(8,621)	(53,312)

The annexed notes form an integral part of these financial statements.

## Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 30 June 2020 (Cont'd)

	Note	The Group		The Company	
		1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>LOSS AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		(8,313)	1,134	(8,621)	(53,312)
- discontinued operations		(8,858)	(21,453)	-	-
		(17,171)	(20,319)	(8,621)	(53,312)
Non-controlling interests		277	13,630	-	-
		(16,894)	(6,689)	(8,621)	(53,312)
<b>TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		(9,007)	(555)	(8,621)	(53,312)
- discontinued operations		(8,858)	(21,453)	-	-
		(17,865)	(22,008)	(8,621)	(53,312)
Non-controlling interests		277	13,630	-	-
		(17,588)	(8,378)	(8,621)	(53,312)
<b>(LOSS)/EARNINGS PER SHARE (SEN)</b>	43				
Basic:					
- continuing operations		(1.72)	0.24		
- discontinued operations		(1.83)	(4.45)		
Diluted:					
- continuing operations		(1.72)	0.24		
- discontinued operations		(1.83)	(4.45)		

The annexed notes form an integral part of these financial statements.

# Statements Of Changes In Equity

For The Financial Year Ended 30 June 2020

Note	← Non-Distributable →				Distributable		Redeemable		Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Merger Deficit	Fair Value Reserve	Retained Profits/ (Accumulated Losses)	Attributable to Owners of the Company	Convertible Preference Shares ("RCPS")		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>										
Balance at 1.1.2018:										
- as previously reported	119,700	(3,366)	-	(10,800)	(5,941)	38,075	137,668	237	(1,085)	136,820
- prior year adjustments	55	-	-	10,800	-	(10,800)	-	-	-	-
- as restated	119,700	(3,366)	-	-	(5,941)	27,275	137,668	237	(1,085)	136,820
(Loss)/Profit after taxation for the financial period:										
- as previously reported		-	-	-	-	(21,753)	(21,753)	-	12,796	(8,957)
- prior year adjustments	55	-	-	-	-	1,434	1,434	-	834	2,268
- as restated		-	-	-	-	(20,319)	(20,319)	-	13,630	(6,689)
Other comprehensive income for the financial period:										
- Fair value changes of equity instruments		-	-	-	(1,689)	-	(1,689)	-	-	(1,689)
Total comprehensive expenses/(income) for the financial period		-	-	-	(1,689)	(20,319)	(22,008)	-	13,630	(8,378)
Balance carried forward	119,700	(3,366)	-	-	(7,630)	6,956	115,660	237	12,545	128,442
Distributions to the owners of the Company:										
- Dividends	44	-	-	-	-	(5,788)	(5,788)	-	-	(5,788)
Redemption of RCPS	21	-	-	-	-	-	-	(85)	-	(85)
Reclassification of RCPS	21	-	-	-	-	-	-	(152)	-	(152)
Balance at 30.6.2019 (restated)	119,700	(3,366)	-	-	(7,630)	1,168	109,872	-	12,545	122,417

The annexed notes form an integral part of these financial statements.

## Statements Of Changes In Equity

For The Financial Year Ended 30 June 2020 (Cont'd)

Note	← Non-Distributable →				Distributable		Redeemable		Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share Premium	Merger Deficit	Fair Value Reserve	Retained Profits/ (Accumulated Losses)	Attributable to Owners of the Company	Convertible Preference Shares ("RCPS")		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>										
Balance at 1.7.2019										
- as previously reported	119,700	(3,366)	-	(10,800)	(7,630)	10,534	108,438	-	11,711	120,149
- prior year adjustments	55	-	-	10,800	-	(9,366)	1,434	-	834	2,268
- as restated	119,700	(3,366)	-	-	(7,630)	1,168	109,872	-	12,545	122,417
Loss after taxation for the financial year	-	-	-	-	-	(17,171)	(17,171)	-	277	(16,894)
Other comprehensive expenses for the financial year:										
- Fair value changes of equity instruments	-	-	-	-	(694)	-	(694)	-	-	(694)
Total comprehensive expenses for the financial year	-	-	-	-	(694)	(17,171)	(17,865)	-	277	(17,588)
Balance carried forward	119,700	(3,366)	-	-	(8,324)	(16,003)	92,007	-	12,822	104,829
Distributions to the owners of the Company:										
- Issuance of ordinary shares	18	14,103	-	-	-	-	14,103	-	-	14,103
Disposal of other investment	20	-	-	-	8,324	(8,324)	-	-	-	-
Balance at 30.6.2020	133,803	(3,366)	-	-	-	(24,327)	106,110	-	12,822	118,932

The annexed notes form an integral part of these financial statements.



## Statements Of Changes In Equity

For The Financial Year Ended 30 June 2020 (Cont'd)

		Share Capital RM'000	Treasury Shares RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
	Note				
<b>The Company</b>					
Balance at 1.1.2018		119,700	(3,366)	(2,426)	113,908
Loss after taxation/Total comprehensive expenses for the financial period		-	-	(53,312)	(53,312)
Distributions to owners of the Company:					
- Dividends	44	-	-	(5,788)	(5,788)
Balance at 30.6.2019/1.7.2019		<b>119,700</b>	<b>(3,366)</b>	<b>(61,526)</b>	<b>54,808</b>
Contributions by owners of the Company:					
- Issuance of shares	18	<b>14,103</b>	-	-	<b>14,103</b>
Loss after taxation/Total comprehensive expenses for the financial year		-	-	<b>(8,621)</b>	<b>(8,621)</b>
Balance at 30.6.2020		<b>133,803</b>	<b>(3,366)</b>	<b>(70,147)</b>	<b>60,290</b>

The annexed notes form an integral part of these financial statements.

# Statements Of Cash Flows

For The Financial Year Ended 30 June 2020

	Note	The Group		The Company	
		1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation:					
- continuing operations		(6,821)	41,675	(8,621)	(52,679)
- discontinued operations	42	(8,858)	(21,453)	-	-
		(15,679)	20,222	(8,621)	(52,679)
Adjustments for:-					
Amortisation of development costs		11	-	-	-
Bad debts written off		-	545	-	-
Depreciation of property and equipment		2,600	4,153	-	-
Depreciation of right-of-use assets		41	-	-	-
Dividend income		-	-	-	(11,552)
Impairment loss:					
- investment in subsidiaries		-	-	-	20,500
- property and equipment		288	1,500	-	-
- development costs		-	9,644	-	-
- trade receivables		3,771	14,074	-	-
- other receivables		20	3,156	-	2,599
- amount owing by subsidiaries		-	-	842	29,189
Property and equipment written off		-	1,313	-	-
Interest expense		4,640	4,718	-	-
Unrealised loss on foreign exchange		616	-	-	-
Fair value gain on investment properties		(191)	-	-	-
Gain on disposal of property and equipment		(20)	(148)	-	(65)
Gain on redemption of redeemable preference shares "A"		-	(85)	-	-
Interest income		-	(424)	-	(128)
Profit from deposits with licensed Islamic banks		(84)	(72)	-	-
Reversal of impairment loss on trade receivables		(265)	(907)	-	-
Unrealised gain on foreign exchange		(238)	-	-	-
Operating (loss)/profit before working capital changes					
carried forward		(4,490)	57,689	(7,779)	(12,136)
Decrease in contract costs		14,902	25,118	-	-
Decrease in inventories		-	840	-	-
(Increase)/Decrease in trade and other receivables		(20,338)	(184,597)	(7)	11
(Decrease)/Increase in contract liabilities		(1,999)	8,614	-	-
Increase in trade and other payables		664	33,401	1,094	393

The annexed notes form an integral part of these financial statements.

## Statements Of Cash Flows

For The Financial Year Ended 30 June 2020 (Cont'd)

	Note	The Group		The Company	
		1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>CASH FLOW FOR OPERATIONS</b>		<b>(11,261)</b>	(58,935)	<b>(6,692)</b>	(11,732)
Interest paid		(4,640)	(4,718)	-	-
Income tax paid		(1,093)	(9,847)	-	(633)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(16,994)</b>	(73,500)	<b>(6,692)</b>	(12,365)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Development costs paid		-	(3,647)	-	-
Interest income received		84	424	-	128
Placement of deposit pledged with a licensed bank		(1,728)	(1,318)	-	-
Profit received from deposits with licensed Islamic banks		-	72	-	-
Proceeds from disposal of other investment		7,733	-	-	-
Proceeds from disposal of property and equipment		90	148	-	65
Purchase of:					
- other investment		-	(6,172)	-	-
- property and equipment		(499)	(11,326)	-	-
Repayment from/(Advances to) subsidiaries		-	-	1,348	(25,368)
<b>NET CASH FLOW FROM/(FOR) INVESTING ACTIVITIES</b>		<b>5,680</b>	(21,819)	<b>1,348</b>	(25,175)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advances from directors	45(b)	344	2,133	90	505
Advances from other payables	45(b)	-	5,173	-	-
Dividend paid		-	(8,200)	-	(8,200)
Drawdown of revolving credits	45(b)	1,500	17,661	-	-
Proceeds from issuance of:					
- ordinary shares		14,103	-	14,103	-
- redeemable secured loan stocks	45(b)	-	10,000	-	-
Repayment of hire purchase obligations	45(b)	-	(58)	-	-
Repayment of lease obligations	45(b)	(96)	-	-	-
Repayment of term loans	45(b)	(2,650)	(2,814)	-	-
(Repayment to)/Advances from subsidiaries	45(b)	-	-	(8,779)	40,766
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>13,201</b>	23,895	<b>5,414</b>	33,071
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,887</b>	(71,424)	<b>70</b>	(4,469)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>		<b>(3,036)</b>	68,388	<b>44</b>	4,513
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	45(c)	<b>(1,149)</b>	(3,036)	<b>114</b>	44

The annexed notes form an integral part of these financial statements.

# Notes To The Financial Statements

For The Financial Year Ended 30 June 2020

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
Principal place of business	:	70-73, NeoCyber, Lingkar Cyber Point Barat, 63000 Cyberjaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 12 October 2020.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF ACCOUNTING

### 3.1 BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 - 2017 Cycles

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 3. BASIS OF ACCOUNTING (CONT'D)

#### 3.1 BASIS OF PREPARATION (CONT'D)

3.1.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any) (Cont'd):-

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements, except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 54 to the financial statements.

3.1.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023*
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023**
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

\* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2021 to 1 January 2023 pursuant to the amendments to MFRS 17 issued by the MASB, namely 'Amendments to MFRS 17 Insurance Contracts'.

\*\* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2022 to 1 January 2023 pursuant to the amendments to MFRS 101 issued by the MASB, namely 'Classification of Liabilities as Current or Non-current - Deferral of Effective Date'.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 3. BASIS OF ACCOUNTING (CONT'D)

##### 3.2 GOING CONCERN

The Group and the Company have prepared their financial statements on a going concern basis, notwithstanding that during the financial year ended 30 June 2020, the Group and the Company recorded:-

- (i) negative operating cash flows of RM16.994 million and RM6.692 million respectively; and
- (ii) loss after taxation of RM16.894 million and RM8.621 million respectively.

The above conditions give rise to concerns about whether the Group and the Company have sufficient cash flows to meet their obligations as and when they fall due.

The Group and the Company have implemented certain business turnaround plans which are currently in progress, amongst others:-

- (i) disposal of one of its subsidiaries which has been underperforming for the past few years as disclosed in Notes 17 and 51 to the financial statements;
- (ii) proposed corporate exercises as disclosed in Note 52(a) to the financial statements to raise funds via private placement and right issues for working capital purposes and to repay the amount owing to directors, advances from a former director of the Company and redemption of the redeemable secured loan stocks; and
- (iii) proposed scheme of arrangement between Prestariang SKIN Sdn. Bhd. ("PSKIN"), a subsidiary of the Company and its scheme creditors as disclosed in Note 52(c) to the financial statements. A scheme of arrangement is a court-sanctioned debt restructuring scheme between PSKIN and its creditors. The commercial aim of the proposed scheme of arrangement is to shield PSKIN from creditor actions.

In view of the above, the management has concluded that the Group and the Company will have sufficient working capital to finance their operations and to meet their financial obligations as and when they fall due. Accordingly, the directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group and the Company on the going concern basis is appropriate.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than as disclosed below:-

##### **(a) Valuation of Investment Properties**

Investment properties of the Group are reported at fair value which are based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size, existing condition and usage and surrounding developments used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

##### **(b) Impairment of Property and Equipment and Development Cost**

The Group determines whether its property and equipment and development cost are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

##### **(c) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables.

##### **(d) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(e) Revenue Recognition for Services Contracts**

The Group recognises services revenue by reference to the services progress using the input method, determined based on the proportion of services costs incurred for work performed to date over the estimated total services costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

##### **(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

##### **(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The acquisitions resulted in a business combination involving common control entities are outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

##### (a) Business Combinations

###### (i) Merger Accounting for Common Control Business Combinations

The acquisitions resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been affected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 BASIS OF CONSOLIDATION (CONT'D)

##### (a) Business Combinations (Cont'd)

##### (ii) Acquisition Method of Accounting for Non-common Control Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

##### (b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

##### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

##### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 BASIS OF CONSOLIDATION (CONT'D)

##### (d) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES

##### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

##### (b) Foreign Currency Transactions and Balances

Transactions in foreign currency are converted into the respective functional currency on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of the financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

##### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

##### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

##### (b) Financial Liabilities

###### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability is recognised directly in other comprehensive income and is not subsequently reclassified to profit or loss upon the derecognition of the financial liability.

###### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

###### (iii) Redeemable Preference Shares

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary.

Redeemable preference shares ("RPS") are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instruments. The RPS are measured at amortised cost using the effective interest method.

Dividends to holders of the RPS are recognised as finance costs, on an accrual basis.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

##### (iii) Redeemable Convertible Preference Shares

Redeemable convertible preference shares are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary.

Redeemable convertible preference shares are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on Redeemable convertible preference shares are recognised as distributions within equity.

##### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

##### (d) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

#### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

#### 4.6 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.6 PROPERTY AND EQUIPMENT (CONT'D)

Depreciation on property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold buildings	50 years
Computer systems and equipment	5 years
Furniture and fittings	10 years
Office equipment	5 - 10 years
Office renovation	5 - 10 years
Motor vehicles	5 years

Capital work-in-progress included in property and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

#### 4.7 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 INVESTMENT PROPERTIES (CONT'D)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property and equipment up to date of change in use.

#### 4.8 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (i) its ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its intention to complete and the ability to use or sell the developed asset; and
- (v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### 4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.9 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

#### Accounting Policies Applied Until 30 June 2019

##### (a) Finance Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statements of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

##### (b) Operating Lease

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 4.11 CONTRACT COSTS

##### (a) Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

##### (b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

#### 4.12 CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

#### 4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.14 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

#### 4.15 IMPAIRMENT

##### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.15 IMPAIRMENT (CONT'D)

##### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 4.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.17 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

##### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### 4.18 INCOME TAXES

##### (a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

##### (b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.18 INCOME TAXES (CONT'D)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

##### (c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

#### 4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### 4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

#### 4.22 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### 4.23 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the events or change in circumstances that caused the transfer.

#### 4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.



# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

##### (a) Sale of Hardware and Software Licences

Revenue from the sale of hardware for a fixed fee shall be recognised when control over the hardware is transferred to customer at a point in time. For hardware sales, transfer of control is usually deemed to occur upon delivery of products and customer acceptances. Software licences may be provided to the customer at a point in time, therefore revenue is recognised when customer obtains control of the software.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### (b) Rendering of ICT training and certification

Revenue for ICT training and certification is recognised as the services are delivered.

##### (c) Educational Services

Tuition, registration fees and resource fees are recognised over a period of time when the services are rendered.

Fee received in advance is not recognised as revenue as the performance obligation is not satisfied and therefore a contract liability is recognised over the period in which the conduct of classes representing the Group's obligation to the student to-date.

##### (d) Employment Services

Revenue from providing employment services is recognised over time in the period in which the services are rendered. This is determined based on the actual labour hours spent.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

##### (e) Concession Services

Revenue from rendering of services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of total costs incurred for work performed to date over the estimated total services costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

###### (e) Concession Services (Cont'd)

A receivable is recognised when the concession services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

##### 4.25 REVENUE FROM OTHER SOURCES AND OTHER INCOME

###### (a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

###### (b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

#### 5. INVESTMENTS IN SUBSIDIARIES

##### The Company

	2020 RM'000	2019 RM'000
Unquoted shares, at cost		
At 1 July 2019/1 January 2018	41,347	41,347
Reclassified to assets of disposal group classified as held for sales (Note 17)	(20,000)	-
	21,347	41,347
Less: Accumulated impairment losses	(500)	(20,500)
At 30 June	20,847	20,847
Accumulated impairment losses:-		
At 1 July 2019/1 January 2018	(20,500)	(20,500)
Reclassified to assets of disposal group classified as held for sales (Note 17)	20,000	-
At 30 June	(500)	(20,500)

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, which are all incorporated and having principal place of business in Malaysia, are as follows:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2020	2019	
	%	%	
<i>Subsidiaries of the Company</i>			
Prestariang Systems Sdn. Bhd. ("PSSB")	<b>100</b>	100	Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management.
Prestariang Education Sdn. Bhd. ("PESB")	<b>100</b>	100	Providing personalised ICT education in a diverse and vibrant community.
Agensi Pekerjaan Prestariang Talentxchange Sdn. Bhd. (formerly known as Prestariang Talentxchange Sdn. Bhd.) ("PTXSB")	<b>100</b>	100	Professional recruitment and job placement services, including human resources and management consulting and career transition services.
Prestariang O&G Sdn. Bhd. ("POGSB")	<b>51</b>	51	Providing training and placement services as well as employment and documentation services for foreign workers.
Prestariang Technology Sdn. Bhd. ("PTSB")	<b>100</b>	100	ICT consultancy activities as training provider and consultants, to produce the advice and assistance of engineers and experts in any field with any project the company engaged in. The company has not commenced its business operations during the financial year.
Prestariang Digital Sdn. Bhd. ("PDSB")	<b>100</b>	100	Dormant.
Prestariang Capital Sdn. Bhd. ("PCSB")	<b>100</b>	100	Investment holding.
Prestariang Services Sdn. Bhd. ("PSV")	<b>70</b>	70	Investment holding.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2020 %	2019 %	
<i>Subsidiary of PTSB</i>			
Total Leap Sdn. Bhd. ("TLSB")	<b>100</b>	100	Other services activities as general traders and provide advisory, consultancy and management services for relevant industries. The company has not commenced its business operations during the financial year.
<i>Subsidiaries of PSSB</i>			
Logisys Sdn. Bhd. ("LSB")	<b>100</b>	100	Other information technology service activities. The company has not commenced its business operations during the financial year.
Prestariang R&D Sdn. Bhd. ("PR&D")	<b>100</b>	100	Other services activities n.e.c. The company has not commenced its business operations during the financial year.
<i>Subsidiaries of PSV</i>			
Prestariang Skin Sdn. Bhd. ("PSKIN")	<b>100</b>	100	Providing a special purpose vehicle solely for the purpose to study, design, develop, customise, supply, deliver, install, configure, integrate, interface, test, commission, support and maintain the immigration system known as Sistem Kawalan Imigresen Nasional ("SKIN").
Prestariang Tech Services Sdn. Bhd. ("PTSSB")	<b>100</b>	100	Providing consultancy, advisory, research and development, human resource and other outsourcing services relating to ICT, security related system, network infrastructure and date/system analytics.

## Notes To The Financial Statements For The Financial Year Ended 30 June 2020 (Cont'd)

### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) In the previous financial period, the Company has carried out a review of the recoverable amount of its investment in subsidiaries that had been persistently making losses. An impairment loss of RM20,500,000 was recognised in "Other Expenses" line item of the statements of profit or loss and other comprehensive income.

This investment in a subsidiary belonged to the Group's 'Other' reportable segment.

- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2020 %	2019 %	2020 RM'000	2019 RM'000 (Restated)
PSV	30	30	12,145	11,781
Other individually immaterial subsidiary	49	49	677	764
			<b>12,822</b>	12,545

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	PSV and its subsidiaries	
	2020 RM'000	2019 RM'000 (Restated)
<u>At 30 June</u>		
Non-current assets	561	665
Current assets	183,246	183,374
Non-current liabilities	(17,020)	(17,073)
Current liabilities	(129,227)	(127,826)
Net assets	<b>37,560</b>	39,140
<u>Financial Year/Period Ended 30 June</u>		
Revenue	-	182,798
(Loss)/Profit for the financial year/period	(1,581)	44,616
Total comprehensive (expenses)/income	(1,581)	44,616
Net cash flows for operating activities	(2,196)	(53,142)
Net cash flows for investing activities	-	(394)
Net cash flows from financing activities	2,079	40,829

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 6. PROPERTY AND EQUIPMENT

	Freehold buildings RM'000	Computer systems and equipment RM'000	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Motor vehicles RM'000	Capital work- in-progress RM'000	Total RM'000
<b>The Group</b>								
<b>2020</b>								
<b>Cost</b>								
At 1 July 2019:								
- as previously reported	5,254	8,435	4,914	5,351	5,943	669	1,323	31,889
- initial application of MFRS 16 (Note 54)	-	-	-	-	-	(234)	-	(234)
- prior year adjustments (Note 55)	-	-	-	-	-	-	(1,247)	(1,247)
- as restated	5,254	8,435	4,914	5,351	5,943	435	76	30,408
Additions	-	360	5	133	-	-	1	499
Transfer from investment properties (Note 7)	7,770	-	-	-	-	-	-	7,770
Reclassified to assets of disposal group classified as held for sales (Note 17)	-	(1,571)	(805)	(1,325)	(58)	(105)	-	(3,864)
At 30 June	13,024	7,224	4,114	4,159	5,885	330	77	34,813
<b>Accumulated Depreciation</b>								
At 1 July 2019								
- as previously reported	954	3,886	1,486	1,722	2,677	493	-	11,218
- initial application of MFRS 16 (Note 54)	-	-	-	-	-	(123)	-	(123)
- as restated	954	3,886	1,486	1,722	2,677	370	-	11,095
Charge for the financial year (Note 38, 42)	173	1,132	366	375	522	32	-	2,600
Reclassified to assets of disposal group classified as held for sales (Note 17)	-	(1,061)	(380)	(473)	(57)	(105)	-	(2,076)
At 30 June	1,127	3,957	1,472	1,624	3,142	297	-	11,619

**Notes To The Financial Statements**  
For The Financial Year Ended 30 June 2020 (Cont'd)

**6. PROPERTY AND EQUIPMENT (CONT'D)**

	Freehold buildings RM'000	Computer systems and equipment RM'000	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Motor vehicles RM'000	Capital work- in-progress RM'000	Total RM'000
<b>The Group</b>								
<b>2020</b>								
<b>Accumulated Impairment Losses</b>								
At 1 July 2019	-	331	425	744	-	-	-	1,500
Impairment losses for the year (Note 42)	-	180	-	108	-	-	-	288
Reclassified to assets of disposal group classified as held for sales (Note 17)	-	(511)	(425)	(852)	-	-	-	(1,788)
At 30 June	-	-	-	-	-	-	-	-
<b>Net Carrying Amount</b>								
At 30 June	11,897	3,267	2,642	2,535	2,743	33	77	23,194
<b>The Group</b>								
<b>2019</b>								
<b>Cost</b>								
At 1 January 2018	30,765	3,621	2,120	2,356	5,716	1,339	533	46,450
Additions	-	862	2,953	2,951	2,507	-	4,103	13,376
Adjustments on cost	(1,590)	-	-	-	-	-	(460)	(2,050)
Reclassification	-	3,969	-	122	-	-	(4,091)	-
Transfer to investment properties (Note 7)	(23,921)	-	-	-	-	-	-	(23,921)
Disposals	-	(1)	-	-	-	(670)	-	(671)
Written Off	-	(16)	(159)	(78)	(2,280)	-	(9)	(2,542)
At 30 June (restated)	5,254	8,435	4,914	5,351	5,943	669	76	30,642

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 6. PROPERTY AND EQUIPMENT (CONT'D)

	Freehold buildings RM'000	Computer systems and equipment RM'000	Furniture and fittings RM'000	Office equipment RM'000	Office renovation RM'000	Motor vehicles RM'000	Capital work- in-progress RM'000	Total RM'000
<b>The Group</b>								
<b>2019</b>								
<b>Accumulated Depreciation</b>								
At 1 January 2018	796	2,491	1,010	1,145	2,777	985	-	9,204
Charge for the financial year (Note 38, 42)	397	1,404	543	621	1,010	178	-	4,153
Transfer to investment properties (Note 7)	(239)	-	-	-	-	-	-	(239)
Disposals	-	(1)	-	-	-	(670)	-	(671)
Written Off	-	(8)	(67)	(44)	(1,110)	-	-	(1,229)
At 30 June	954	3,886	1,486	1,722	2,677	493	-	11,218
<b>Accumulated Impairment Losses</b>								
At 1 January 2018	-	-	-	-	-	-	-	-
Impairment losses for the period (Note 42)	-	331	425	744	-	-	-	1,500
At 30 June	-	331	425	744	-	-	-	1,500
<b>Net Carrying Amount</b>								
At 30 June (restated)	4,300	4,218	3,003	2,885	3,266	176	76	17,924



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 6. PROPERTY AND EQUIPMENT (CONT'D)

	2020 RM'000	2019 RM'000
<b>The Company</b>		
Motor vehicles		
<b>Cost</b>		
At 1 July 2019/1 January 2018	-	180
Disposal	-	(180)
At 30 June	-	-
<b>Accumulated Depreciation</b>		
At 1 July 2019/1 January 2018	-	180
Disposal	-	(180)
At 30 June	-	-
<b>Net Carrying Amount</b>		
At 30 June	-	-

- (a) In the previous financial period, included in property and equipment of the Group were motor vehicles with a total carrying amount of RM111,192 which were acquired under hire purchase terms. These leased assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 23 to the financial statements.
- (b) The freehold buildings of the Group amounting to RM7,692,000 (2019 - Nil) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(b) to the financial statements.
- (c) The freehold buildings of the Group amounting to RM4,205,000 (2019 - RM4,300,000) have been pledged to a licensed bank as security for redeemable secured loan stocks as disclosed in Note 25 to the financial statements.
- (d) The titles of the freehold buildings are in the process of being issued to the Group by the relevant authority.
- (e) During the financial year, the Group has carried out a review of the recoverable amount of certain equipment in a subsidiary which had been persistently making losses. An impairment loss of RM288,000 (2019 - RM1,500,000), representing the write-down of the equipment to the recoverable amount was recognised in profit or loss under the "Loss After Taxation From Discontinued Operations" line item of the statements of profit or loss and other comprehensive income as disclosed in Note 42 to the financial statements.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 7. INVESTMENT PROPERTIES

	The Group	
	2020 RM'000	2019 RM'000
<i>Carrying Amount</i>		
Freehold commercial buildings, at fair value		
At 1 July 2019/1 January 2018	35,089	-
Addition	-	11,407
Gain on changes in fair value	191	
Transfer (to)/from property and equipment (Note 6)	(7,770)	23,682
At 30 June	27,510	35,089

- (a) The freehold buildings amounting to RM11,430,000 (2019 - RM11,407,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(c) to the financial statements.
- (b) The freehold buildings amount to RM16,080,000 (2019 - RM23,682,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24(b) to the financial statements.
- (c) Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

- (d) The title of the freehold buildings are in the process of being issued to the Group by the relevant authority.

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 8. RIGHT-OF-USE ASSETS

	The Group 2020 RM'000	
<i>Motor Vehicles</i>		
<b>Cost</b>		
At 1 July 2019:		
- as previously reported		-
- initial application of MFRS 16 (Note 54)		234
- as restated	234	
Disposal	(234)	
At 30 June		-
<b>Accumulated Depreciation</b>		
At 1 July 2019:		
- as previously reported		-
- initial application of MFRS 16 (Note 54)		123
- as restated	123	
Depreciation charges	41	
Disposal	(164)	
At 30 June		-
<b>Net Carrying Amount</b>		
At 30 June		-

### 9. OTHER INVESTMENT

	The Group	
	2020 RM'000	2019 RM'000
At 1 July 2019/1 January 2018	8,427	3,944
Addition during the financial year/period	-	6,172
Disposal during the financial year/period	(7,733)	-
Changes in fair value	(694)	(1,689)
At 30 June	-	8,427

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 9. OTHER INVESTMENT (CONT'D)

- (a) In the previous financial period, the Group has designated the following equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

The fair value of the investment is summarised below:-

	The Group	
	2020 RM'000	2019 RM'000
Unquoted shares of Entity A	-	8,427

- (b) During the financial year, the Group has disposed of its investments in Entity A as this investment no longer suited the Group's investment strategy. The shares sold had a fair value of RM7,733,000 (2019 - Nil) at the time of sale and the Group realised a cumulative loss of RM8,324,000 (2019 - Nil) by transferring the associated fair value reserve to accumulated losses.

#### 10. DEVELOPMENT COSTS

	The Group	
	2020 RM'000	2019 RM'000
<b>Cost</b>		
At 1 July 2019/1 January 2018	14,591	10,944
Additions during the financial year/period	-	3,647
At 30 June	14,591	14,591
<b>Accumulated Amortisation</b>		
At 1 July 2019/1 January 2018	(1,390)	(1,390)
Additional during the financial year/period (Note 38)	(11)	-
At 30 June	(1,401)	(1,390)
<b>Accumulated Impairment Losses</b>		
At 1 July 2019/1 January 2018	(13,147)	(3,503)
Impairment losses during the financial year/period (Notes 38, 42)	-	(9,644)
At 30 June	(13,147)	(13,147)
<b>Net Carrying Amount</b>	<b>43</b>	<b>54</b>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 10. DEVELOPMENT COSTS (CONT'D)

- (a) Included in additions during the financial year/period are:-

	The Group	
	2020 RM'000	2019 RM'000
Salaries, allowances and bonuses	-	1,754
Defined contribution benefits	-	203
Other benefits	-	145
	-	2,102

- (b) Development costs at the end of the reporting period comprised:-

	The Group	
	2020 RM'000	2019 RM'000
Development of Accredited Prestariang Skill Training Institute, a development in accredited training centre at Pengerang Johor for Technical and Vocational Education and Training (TVET) program	43	54

- (c) The Group has assessed the recoverable amounts of development costs and determined that no impairment losses is required. The recoverable amounts of the development costs are determined using the value in use approach, and this is derived from the present value of the future cash flows from each development costs unit computed based on the projections of financial budgets approved by management covering a period of 3 years. In the previous financial period, a total impairment losses of RM9,644,000 was recognised in profit or loss under the "Other Expenses" line item of the statements of profit or loss and other comprehensive income as disclosed in Notes 38 and 42 to the financial statements.

#### 11. CONTRACT COSTS

	The Group	
	2020 RM'000	2019 RM'000
Costs to fulfil a contract: - customer's order in future	4,297	19,217

The costs incurred are to be recognised to the profit or loss based on the specific contract it relates to, consistent with the pattern of recognition of the revenue.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 12. TRADE RECEIVABLES

	The Group	
	2020 RM'000	2019 RM'000 (Restated)
Trade receivables	235,380	227,364
Allowance for impairment losses	(9,822)	(15,336)
	<b>225,558</b>	212,028
Allowance for impairment losses:-		
At 1 July 2019/1 January 2018	(15,336)	(2,375)
Addition during the financial year/period (Note 37, 42)	(3,771)	(14,074)
Reclassified to assets of disposal group classified as held for sales	9,020	-
Reversal during the financial year/period (Note 37)	265	907
Written off during the financial year/period	-	206
At 30 June	<b>(9,822)</b>	(15,336)

- (a) Trade receivables are non-interest bearing and are generally on 30 to 60 (2019 - 30 to 60) days credit terms. They are recognised at their original invoiced amounts less trade discounts which represent their fair values on initial recognition.
- (b) Included in the trade receivables of the Group is an amount of RM182,798,000 (2019 - RM182,798,000) owing by the Government of Malaysia ("GOM") in relation to the development of SKIN Solution.

As disclosed in Note 53 to the financial statements, the termination of the SKIN Project took effect on 22 January 2019. The amount owing is expected to be recovered through legal claims from the GOM.

**Notes To The Financial Statements**  
For The Financial Year Ended 30 June 2020 (Cont'd)

**13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	The Group		The Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Other receivables:-				
Third parties	3,801	3,876	2,599	2,599
Advances	16	86	-	-
Goods and services tax receivables	135	2,575	-	-
	<b>3,952</b>	6,537	<b>2,599</b>	2,599
Allowance for impairment losses	<b>(2,607)</b>	(3,156)	<b>(2,599)</b>	(2,599)
	<b>1,345</b>	3,381	-	-
Other deposits	977	1,863	-	-
Prepayments	1,393	508	28	21
	<b>3,715</b>	<b>5,752</b>	<b>28</b>	<b>21</b>
Allowance for impairment losses:-				
At 1 July 2019/1 January 2018	<b>(3,156)</b>	-	<b>(2,599)</b>	-
Addition during the financial year/period (Note 37, 42)	<b>(20)</b>	(3,156)	-	(2,599)
Reclassified to assets of disposal group classified as held for sales	<b>569</b>	-	-	-
At 30 June	<b>(2,607)</b>	(3,156)	<b>(2,599)</b>	(2,599)

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2020 RM'000	2019 RM'000
<b>Amount Owing by Subsidiaries</b>		
<u>Current</u>		
Non-trade balances	70,517	96,465
Allowance for impairment losses	(8,430)	(32,189)
	<b>62,087</b>	64,276
Allowance for impairment losses:-		
At 1 July 2019/1 January 2018	(32,189)	(3,000)
Addition during the financial year/period (Note 37)	(842)	(29,189)
Written off	24,601	-
At 30 June	<b>(8,430)</b>	(32,189)
<b>Amount Owing to Subsidiaries</b>		
<u>Current</u>		
Non-trade balances	<b>(20,435)</b>	(29,214)

(a) The following table provides information on the amounts owing by subsidiaries prior to their offsetting:-

	Gross Amount RM'000	Amount Offset RM'000	Net Carrying Amount RM'000
<b>The Company</b>			
<b>2020</b>			
Amount owing by	124,880	(54,363)	70,517
Amount owing to	(74,798)	54,363	(20,435)
<b>2019</b>			
Amount owing by	153,578	(57,113)	96,465
Amount owing to	(86,327)	57,113	(29,214)

(b) The amounts owing represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 15. SHORT-TERM INVESTMENTS

	The Group/The Company			
	2020		2019	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Investments placed with fund managers, at fair value	40	40	40	40

#### 16. CASH AND BANK BALANCES

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fixed deposits with licensed banks	5,944	4,216	-	-
Cash and bank balances	6,403	2,950	74	4
	<b>12,347</b>	7,166	<b>74</b>	4

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.50% to 3.05% (2019 - 1.50% to 3.05%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2019 - 60 to 365) days.
- (b) Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM5,944,000 (2019 - RM4,216,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 32, 33 and 49 to the financial statements.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 17. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 25 February 2020, the Company announced the disposal of one of its subsidiaries which has been underperforming for the past few financial years. This decision is consistent with the Group's strategy to focus on its core business - software license distribution and ICT training and certification. The details of the disposal are disclosed in Note 51 to the financial statements.

At the end of the current reporting period, the assets and liabilities of the subsidiary have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results have also been presented separately on the consolidated statement of profit or loss and other comprehensive income as "Loss after taxation from discontinued operations". The disposal is expected to be completed in the next financial year.

The assets and liabilities of the disposal group are as follows:-.

	The Group 2020 RM'000	The Company 2020 RM'000
<b>Assets</b>		
Investments in subsidiaries (Note 5)	-	-
Property and equipment (Note 6)	-	-
Contract costs	18	-
Trade receivables	3,670	-
Other receivables	1,649	-
Cash and bank balances	358	-
<b>Assets of disposal group classified as held for sale</b>	<b>5,695</b>	-
<b>Liabilities</b>		
Trade payables	(1,166)	-
Other payables and accruals	(9,951)	-
Contract liabilities (Note 29(c))	(2,305)	-
<b>Liabilities of disposal group classified as held for sale</b>	<b>(13,422)</b>	-

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 18. SHARE CAPITAL

	The Group/The Company			
	2020	2019	2020	2019
	'000	'000	RM'000	RM'000
	Number Of Shares		Amount	
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 July 2019/1 January 2018	<b>484,000</b>	484,000	<b>119,700</b>	119,700
Addition during the year	<b>48,230</b>	-	<b>14,103</b>	-
At 30 June	<b>532,230</b>	484,000	<b>133,803</b>	119,700

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM119,700,646 to RM133,802,983 by way of issuance of 48,230,100 new ordinary shares at RM0.296 each for a cash consideration of RM14,102,337 (after net of transaction costs of RM173,772).

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

#### 19. TREASURY SHARES

During the financial year, the Company has not purchased any ordinary shares from the open market. Of the total 532,230,100 issued ordinary shares at the end of the reporting period, 1,698,500 (2019 - 1,698,500) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 20. FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

During the financial year, the Group has disposed of its investments designated at fair value through other comprehensive income and realised a cumulative loss of RM8,324,000 by transferring the associated fair value reserve to accumulated losses.

#### 21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	The Group			
	2020 Number Of Shares '000	2019 '000	2020 Amount RM'000	2019 Amount RM'000
<b>RCPS "A"</b>				
At 1 July 2019/1 January 2018	-	152	-	152
Reclassified to redeemable preference shares "A" ("RPS A") (Note 26)	-	(152)	-	(152)
At 30 June	-	-	-	-
<b>RCPS "B"</b>				
At 1 July 2019/1 January 2018	-	85	-	85
Redemption during the financial year/period	-	(85)	-	(85)
At 30 June	-	-	-	-
	-	-	-	-

## Notes To The Financial Statements For The Financial Year Ended 30 June 2020 (Cont'd)

### 21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

#### (a) RCPS "A"

The salient features of RCPS "A" are as follows:-

<b>Terms</b>	<b>Details</b>
Dividend	Nil
Security	The RCPS "A" will be unsecured.
Expiry date	1 month after the expiry date of the Conversion Period or such other date as may be mutually agreed between PSV and the holder.
Redemption price	Equivalent to the issue price.
Redemption	<ul style="list-style-type: none"> <li>(i) Unless the RCPS "A" shall have been converted within the conversion period, the RCPS "A" shall be redeemed on the expiry date or by mutual agreement of the RCPS "A" holders and PSV. Provided always that all outstanding indebtedness (if any) due and owing by PSV to RCPS "A" holders shall be fully settled on or before the redemption date.</li> <li>(ii) The redemption sum shall be payable on the redemption date.</li> <li>(iii) No RCPS "A" shall be redeemed otherwise than out of profits or a fresh issue of shares of the capital of PSV and subject always to the provisions of the Companies Act 2016.</li> <li>(iv) The receipt of RCPS "A" holders of the redemption sum from PSV shall constitute an absolute discharge of PSV in respect of the RCPS "A" redeemed.</li> </ul>
Conversion rights	<ul style="list-style-type: none"> <li>(i) All (and not some) of the RCPS "A" held by the holder shall be convertible into new ordinary shares at the conversion ratio and conversion price, at any time during the conversion period.</li> <li>(ii) The notice of conversion given by the holder or PSV, as the case may be, hereunder shall be irrevocable upon receipt thereof by the other party.</li> </ul>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

##### (a) RCPS "A" (Cont'd)

The salient features of RCPS "A" are as follows (Cont'd):-

Terms	Details
Conversion period	<p>(i) All (and not some) of the RCPS "A" shall be converted into new ordinary shares:-</p> <ul style="list-style-type: none"> <li>• at the option of the RCPS "A" holder by notice in writing to the Company, at any time after the 5th anniversary of the Effective Date but prior to the expiry of 12 years from the Effective Date; or</li> <li>• in the event of proposed listing, at such time as may be determined by the Board and notified to the holder, prior to the date of the proposed Listing approved by the relevant authorities;</li> </ul> <p>whichever is the earlier.</p> <p>(ii) Any RCPS "A" which is not converted upon the expiry of the conversion period shall cease to be convertible and shall be redeemable in accordance with the redemption terms.</p>
Rights	<p>(i) <u>Voting rights</u> RCPS "A" does not carry any right to vote at any general meeting of PSV except for the right to vote in person or by proxy at such meeting in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>• Any resolution which varies the rights and privileges attaching to the RCPS "A";</li> <li>• Any resolution to reduce the share capital of PSV;</li> <li>• Any resolution for the winding-up of the Company; and</li> <li>• Any other circumstances as may be provided under the law and applicable to preference shares.</li> </ul> <p>(ii) <u>No board representation</u> The RCPS "A" does not entitle the RCPS "A" holders to be represented on the Board.</p>
Ranking	<p>(i) The RCPS "A" shall rank equally amongst themselves and shall rank in priority to RCPS "B" and any other preference shares (if any). The RCPS "A" shall rank in priority to the ordinary shares, but shall rank behind all secured and unsecured obligations of PSV.</p> <p>(ii) In the event of liquidation, dissolution, winding-up or other repayment of capital of PSV, the holder shall have priority in repayment of the RCPS "A" over any payment to the holders of other preference shares and/or ordinary shares of PSV.</p>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

##### (a) RCPS "A" (Cont'd)

In the previous financial period, a members' written resolution of the holders of RCPS was passed to reclassify the existing issued RCPS "A" to RPS "A" and to amend the terms and conditions of RPS "A". Please refer to Note 26 to the financial statements for further details on RPS "A".

##### (b) RCPS "B"

In the previous financial period, the entire RCPS "B" was redeemed at a redemption price of RM1.

The salient features of RCPS "B" are as follows:-

Terms	Details
Dividend	Nil
Security	The RCPS "B" will be unsecured.
Expiry date	1 month after the expiry date of the Conversion Period or such other date as may be mutually agreed between PSV and the holder.
Redemption price	Equivalent to the issue price.
Redemption	<p>(i) Unless the RCPS "B" shall have been converted within the conversion period, the RCPS "B" shall be redeemed:-</p> <ul style="list-style-type: none"> <li>• on the expiry date; or</li> <li>• by mutual agreement of the RCPS "B" holder and PSV; or</li> <li>• upon termination of the concession agreement;</li> </ul> <p>whichever is the earlier.</p> <p>(ii) The redemption sum shall be payable on the redemption date.</p> <p>(iii) No RCPS "B" shall be redeemed otherwise than out of profits or a fresh issue of shares of the capital of PSV and subject always to the provisions of the Companies Act 2016.</p> <p>(iv) The receipt of RCPS "B" holder of the redemption sum from PSV shall constitute an absolute discharge of PSV in respect of the RCPS "B" redeemed.</p>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

##### (b) RCPS "B" (Cont'd)

The salient features of RCPS "B" are as follows (Cont'd):-

Terms	Details
Conversion period	<p>(i) All (and not some) of the RCPS "B" shall be converted into new ordinary shares:-</p> <ul style="list-style-type: none"> <li>• at the option of the RCPS "B" holder, at any time after the 5th anniversary of the Effective Date but prior to the expiry of 12 years from the Effective Date; or</li> <li>• in the event of proposed listing, at such time as may be determined by the Board prior to the date of the proposed Listing approved by the relevant authorities; whichever is the earlier.</li> </ul> <p>(ii) Any RCPS "B" which is not converted upon the expiry of the conversion period shall cease to be convertible and shall be redeemable in accordance with the redemption terms.</p>
Rights	<p>(i) <u>Voting rights</u> RCPS B does not carry any right to vote at any general meeting of PSV except for the right to vote in person or by proxy at such meeting in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>• Any resolution which varies the rights and privileges attaching to the RCPS B;</li> <li>• Any resolution to reduce the share capital of PSV;</li> <li>• Any resolution for the winding-up of the Company; and</li> <li>• Any other circumstances as may be provided under the law and applicable to preference shares.</li> </ul> <p>(ii) <u>No board representation</u> The RCPS "B" does not entitle the RCPS "B" holders to be represented on the Board.</p>
Ranking	<p>(i) The RCPS "B" shall rank equally amongst themselves. The RCPS "B" shall rank in priority to the ordinary shares, but shall rank behind RCPS "A" and all secured and unsecured obligations of PSV.</p> <p>(ii) In the event of liquidation, dissolution, winding-up or other repayment of capital of PSV, the holder shall rank after RCPS "A" but shall have priority in repayment of the RCPS "B" over any payment to the holders of ordinary shares of PSV.</p>



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 22. LEASE LIABILITIES

	The Group 2020 RM'000
At 1 July 2019:	
- As previously reported	-
- Initial application of MFRS 16	96
- As restated	96
Interest expense recognised in profit or loss (Note 36)	4
Repayment of principal	(96)
Repayment of interest expense	(4)
At 30 June	-

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

#### 23. HIRE PURCHASE PAYABLES

	The Group	
	2020 RM'000	2019 RM'000
Minimum hire purchase payments:		
- not later than 1 year	-	45
- later than 1 year and not later than 5 years	-	56
	-	101
Less: Future finance charges	-	(5)
Present value of hire purchase payables	-	96
Analysed by:-		
Current liabilities	-	42
Non-current liabilities	-	54
	-	96

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 23. HIRE PURCHASE PAYABLES (CONT'D)

- (a) The hire purchase payables have been represented as 'lease liabilities' as shown in Note 22 to the financial statement following the application of MFRS 16 by the Group using the modified retrospective approach.
- (b) In the previous financial period, the hire purchase payables of the Group were secured by the Group's motor vehicles under finance leases as disclosed in Note 6(a) to the financial statements. The hire purchase arrangements were expiring in 3 years.
- (c) In the previous financial period, the hire purchase payables of the Group at the end of the reporting period bore an effective interest rate of 4.82%. The interest rates were fixed at the inception of the hire purchase arrangements.

#### 24. TERM LOANS

	The Group	
	2020 RM'000	2019 RM'000
Current liabilities	2,773	3,346
Non-current liabilities	24,163	26,240
	<b>26,936</b>	29,586

- (a) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate		The Group	
	2020 %	2019 %	2020 RM'000	2019 RM'000
Floating rate term loans				
I	3.32	4.60	18,710	20,600
II	3.30	4.30	8,226	8,986
			<b>26,936</b>	29,586

## Notes To The Financial Statements For The Financial Year Ended 30 June 2020 (Cont'd)

### 24. TERM LOANS (CONT'D)

- (b) Term loan I was secured by:-
  - (i) a general facility agreement;
  - (ii) a deed of assignment over its rights, title and intent as contained in the sale and purchase agreement in respect of the buildings as disclosed in Note 6(b) and Note 7(b) to the financial statements;
  - (iii) a charge over Financing Payment Reserve Account;
  - (iv) letter of support from the Company in form and substance acceptable to the bank; and
  - (v) deed of assignment of takaful/insurance proceeds in relation to the buildings as disclosed in Note 6(b) and Note 7(b) to the financial statements.
- (c) Term loan II was secured by:-
  - (i) open all monies facility agreement;
  - (ii) open all monies first party deed of assignment over the rights, benefits, titles and interests as contained in the Sale and Purchase Agreement in respect of the buildings as disclosed in Note 7(a) to the financial statements; and
  - (iii) a corporate guarantee of the Company.
- (d) Term loan I was secured by negative pledge that imposed certain covenants on the subsidiary that received the loan. The significant covenants of the term loan are as follows:-
  - (i) the subsidiary shall obtain the bank's prior written consent for changing its shareholding;
  - (ii) the subsidiary shall not declare any dividend in the event of default; and
  - (iii) the Group shall grant the bank the right to bid for any Shariah-compliant cash management, treasury products, debt capital market fund raisings and corporate exercise.
- (e) The significant covenants of the term loan II are as follows:-
  - (i) the Group shall maintain a consolidated Total Debt to Equity ratio of not more than 1 time throughout the tenure of the facility, failing which, the bank reserves the absolute right to withdraw, revise, restructure or cancel the facility as it deems fit;
  - (ii) the subsidiary shall not declare any dividend in the event of default has occurred under the term loan or if such declaration would result in an event of default; and
  - (iii) the subsidiary shall obtain the bank's prior written consent for changing its shareholding and its key management personnel.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 25. REDEEMABLE SECURED LOAN STOCKS ("RSLs")

	The Group	
	2020 RM'000	2019 RM'000
Current liabilities	10,000	-
Non-current liabilities	-	10,000
	10,000	10,000

On 27 May 2019, PSSB, a wholly-owned subsidiary of the Company issued 10,000,000 RSLs at a subscription price of RM1 each to Affin Hwang Asset Management Bhd.

The salient terms, rights and privileges of RSLs are set out below:-

Terms	Details
Coupon rate	<p>(a) <u>Preferential Coupon</u></p> <p>(i) a base coupon of 10% per annum from each Issue Date payable annually in arrears; and</p> <p>(ii) an additional "extension premium" coupon (over and above the base coupon) of 2% per annum payable for the Extended Period where applicable; calculated on the subscription price of RM1 per RSLs, payable on the subscription RSLs on each coupon payment date (including the maturity date or the extended maturity date).</p> <p>(b) <u>Special Coupon</u></p> <p>An additional one-off special coupon (over and above Preferential Coupon) which shall be payable within 30 days after occurrence of either one or both of the following events:-</p> <p>(i) 5% of the Aggregate Subscription Price (RM10,000,000) if the Compensation Sum received by PSKIN under the Concession Agreement is between RM150,000,000 and RM174,900,000; or</p> <p>(ii) 10% of the Aggregate Subscription Price (RM10,000,000) if the Compensation Sum received by PSKIN under the Concession Agreement is more than RM150,000,000.</p> <p>The Coupon shall constitute direct, unconditional and secured obligations of PSSB and PSSB's payment obligation in respect of the Coupon shall rank in priority to all PSSB's present and future unsecured and unsubordinated obligations from time to time (excepts liabilities which are preferred solely by the laws of Malaysia) and any payment obligations in respect of all classes of shares of PSSB.</p>
Maturity Date	<p>Means the date falling upon the earlier of the following events, or if such date is not a business day, the immediately preceding business day:-</p> <p>(a) 24 calendar months from the Issue Date of the subscription RSLs; or</p> <p>(b) 60 days following occurrence of any of the Acceleration Events.</p>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 25. REDEEMABLE SECURED LOAN STOCKS (“RSLs”) (CONT'D)

The salient terms, rights and privileges of RSLs are set out below (Cont'd):-

Terms	Details
Extended Maturity Date	The date of expiry of extension period.
Extended Period	The extension of maturity date for a period of 6 months as may be mutually agreed by the parties.
Redemption Price	RM1 per RSLs, together with all coupon accrued and due up until the Maturity Date or the Extended Maturity Date, and any liquidated damages payable if a Termination Event shall occur.

- (a) Special Coupon amounting to RM1,000,000 has been disclosed as a contingent liability in Note 49 to the financial statements.
- (b) The RSLs was secured by:-
- (i) an assignment of receivable executed by a subsidiary;
  - (ii) corporate guarantee executed by the Company; and
  - (iii) assignment of all the rights, benefits, title and interest in respect of the buildings as disclosed in Note 6(c) to the financial statements.

#### 26. REDEEMABLE PREFERENCE SHARES “A”

	The Group			
	2020 Number Of Shares '000	2019 '000	2020 Amount RM'000	2019 Amount RM'000
<b>RPS “A”</b>				
At 1 July 2019/1 January 2018	152	-	152	-
Reclassified from RCPS “A” (Note 21)	-	152	-	152
At 30 June	152	152	152	152

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 26. REDEEMABLE PREFERENCE SHARES "A" (CONT'D)

The salient features of RPS "A" are as follows:-

Terms	Details
Dividend	<p>Each RPS "A" shall carry the right to receive fixed cumulative dividend at such rate or in such amount to be mutually agreed between PSV and the holder.</p> <p>The Board shall not declare and pay dividends to the holders of the ordinary shares without declaring and paying the cumulative dividend to the holders of RPS "A". For avoidance of doubt, the Board may declare and pay the cumulative dividend to the RPS "A" holder without declaring or paying dividends to holders of the ordinary shares.</p>
Redemption sum	The redemption sum per RPS "A" shall be equivalent to the Issue Price.
Redemption	<p>The RPS "A" shall be redeemed:-</p> <ul style="list-style-type: none"> <li>(i) on a date falling on the 13<sup>th</sup> anniversary of the effective date;</li> <li>(ii) in the event of the Proposed Listing Exercise, at such time as may be determined by the Board and notified in writing to the holder, prior to the date of Listing approved by the relevant authorities; or</li> <li>(iii) on a date as may be mutually agreed between the holder and PSV;</li> </ul> <p>whichever is the earlier ("Redemption Date").</p>
Voting rights	<p>RPS "A" does not carry any right to vote at any general meeting of PSV except for the right to vote in person or by proxy at such meeting in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>(i) in respect of any resolution which varies the rights and privileges attaching to the RPS "A";</li> <li>(ii) in respect of any resolution to reduce the share capital of PSV;</li> <li>(iii) in respect of any resolution for the winding-up of PSV; and</li> <li>(iv) any other circumstances as may be provided under the law.</li> </ul>
Conversion	The RPS "A" is not convertible into ordinary shares and the RPS "A" holder shall not have any convertible rights whatsoever in respect of the RPS "A".
Ranking	The RPS "A" shall rank equally amongst themselves and shall rank in priority to RCPS "B" and any other preference shares (if any). The RPS "A" shall rank in priority to the shares, but shall rank behind all secured and unsecured obligations of PSV.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 27. DEFERRED TAX LIABILITIES

	The Group	
	2020 RM'000	2019 RM'000
At 1 July 2019/1 January 2018	16,922	-
Recognised in profit or loss (Note 41)	(53)	16,922
At 30 June	16,869	16,922

The deferred tax liabilities recognised at the end of the reporting period and after appropriate offsetting are as follows:-

	The Group	
	2020 RM'000	2019 RM'000
Deferred tax liabilities:-		
Temporary difference on concession	16,869	16,922

No deferred tax assets is recognised in the statements of financial position on the following items:-

	The Group	
	2020 RM'000	2019 RM'000
Unutilised tax losses	27,180	23,801
Unabsorbed capital allowances	5,568	5,294
Advances from customers	16,161	18,728
Provisions	33,426	28,890
Excess of capital allowance over property and equipment	(6,332)	(6,527)
Temporary difference on development costs	(10,983)	(10,983)
	65,020	59,203

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The unused tax losses expire at end of the year of assessment 2025 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

With effect from year of assessment 2019, unused tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment immediately following that year of assessment.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 28. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 (2019 - 60) days.

#### 29. CONTRACT LIABILITIES

		The Group	
		2020	2019
		RM'000	RM'000
		(Restated)	
Contract liabilities relating to:			
- Software license distribution and management and ICT training and certification	(a)	16,161	19,197
- Advance receipts of tuition, registration, resource and accommodation fees from students	(b)	-	1,268
		<b>16,161</b>	20,465

The contract liabilities at the end of reporting period primarily relate to:-

- (a) advance considerations received from a few customers for software licence distribution and management and ICT training and certification of which the revenue will be recognised upon delivery of goods or services to the customers.
- (b) advance considerations received from students for registration, tuition, resource and accommodation fees which the revenue will be recognised over the remaining term of the courses it relates to.
- (c) The changes to contract liabilities balances during the financial year/period are summarised below:-

		The Group	
		2020	2019
		RM'000	RM'000
		(Restated)	
At 1 July 2019/1 January 2018		20,465	11,851
Billings to customer during the financial year/period		9,882	21,333
Revenue recognised in profit or loss during the financial year/period		(11,881)	(12,719)
Reclassified to liabilities of disposal group classified as held for sale (Note 17)		(2,305)	-
At 30 June		<b>16,161</b>	20,465



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 30. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other payables:-				
Third parties	11,779	16,309	775	598
Sales and services tax payable	201	25	-	-
	<b>11,980</b>	16,334	<b>775</b>	598
Deposits received	750	-	750	-
Accruals	1,382	3,475	243	75
	<b>14,112</b>	19,809	<b>1,768</b>	673

(a) Included in other payables of the Group are the following:-

	The Group	
	2020 RM'000	2019 RM'000
Interest bearing:		
- Principal component	5,000	5,000
- Interest component	392	173
	<b>5,392</b>	5,173

The amount owing represents advances from a former director of the Company and bore an interest rate of 1.5% (2019 - 1.5%) per month at the end of the reporting period. The amount owing is unsecured, repayable on demand and will be settled in cash.

- (b) In the previous financial period, included in other payables was an amount of RM327,000, being amount payable in relation to the purchase of building as disclosed in Note 7 to the financial statements.
- (c) In the previous financial period, included in accruals was an accrued cost for the unexpired tenancy term amounting to RM985,000 in relation to the early termination of the tenancy agreement with a landlord.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 31. AMOUNT OWING TO DIRECTORS

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest bearing:				
- Principal component	1,500	1,500	-	-
- Interest component	382	113	-	-
	1,882	1,613	-	-
Non-interest bearing	595	520	595	505
	2,477	2,133	595	505

- (a) The amount owing is non-trade in nature.
- (b) The non-interest bearing is unsecured and repayable on demand. The amount owing is to be settled in cash.
- (c) The interest-bearing amount at the end of the reporting period bore interest rate of 1.5% (2019 - 1.5%) per month.

#### 32. REVOLVING CREDITS

- (a) The revolving credits of the Group bore effective interest rates ranging from 4.13% to 5.00% (2019 - 5.31% to 5.63%) per annum.
- (b) The revolving credits of the Group were secured by:
- (i) a general facility agreement;
  - (ii) fixed deposits of RM2,333,331 (2019 - RM999,999) of a subsidiary as disclosed in Note 16 to the financial statements; and
  - (iii) a corporate guarantee of the Company.

#### 33. BANK OVERDRAFTS

The bank overdrafts of the Group at the end of the reporting period bore effective interest rates ranging from 6.2% to 6.9% (2019 - 7.2%) per annum and are secured in the same manner as the revolving credits disclosed in Note 32 to the financial statements.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 34. REVENUE

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>Revenue from Contracts with Customers</b>				
<u>Continuing Operations</u>				
ICT training and certification	3,240	3,983	-	-
Software license distribution and management	146,358	165,068	-	-
Gross dividend income	-	-	-	11,552
Concession	-	182,798	-	-
Employment services	4,440	17,403	-	-
Management fees	-	-	1,000	-
	<b>154,038</b>	369,252	<b>1,000</b>	11,552

The information on the disaggregation of revenue is disclosed in Note 47 to the financial statements.

#### 35. OTHER INCOME

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 To 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>Revenue from other sources</b>				
<u>Continuing Operations</u>				
Interest income	-	424	-	128
Fair value gain on investment properties	191	-	-	-
Fair value gain on short-term investments	-	591	-	-
Gain on disposal of property and equipment	20	148	-	65
Gain on redemption of RPS "A"	-	85	-	-
Profit from deposits with licensed Islamic banks	83	68	-	-
Unrealised gain on foreign exchange	238	-	-	-
Others	13	111	-	-
	<b>545</b>	1,427	<b>-</b>	193

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 36. FINANCE COSTS

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<u>Continuing Operations</u>				
Bank charges	95	118	-	1
Commission charges	128	526	-	-
Interest expense:				
- advances from other payables	919	623	-	-
- advances from a director	269	113	-	-
- bank overdrafts	409	349	-	-
- lease liabilities	4	-	-	-
- hire purchase	-	9	-	-
- term loans	1,189	1,992	-	-
- RSLs	1,000	96	-	-
- redeemable preference share	-	777	-	-
- revolving credits	850	759	-	-
	4,640	4,718	-	-
	4,863	5,362	-	1

### 37. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<u>Continuing Operations</u>				
Impairment losses during the financial year/period:				
- Additions:				
- trade receivables (Note 12)	795	8,029	-	-
- other receivables (Note 13)	-	2,603	-	2,599
- amount owing by subsidiaries (Note 14)	-	-	842	29,189
Reversal of impairment losses:				
- trade receivables (Note 12)	(265)	(907)	-	-
	530	9,725	842	31,788

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 38. (LOSS)/PROFIT BEFORE TAXATION

In addition to those disclosed in Notes 35, 36 and 37 to the financial statements, (loss)/profit before taxation is arrived at after charging:-

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<u>Continuing operations</u>				
Auditors' remuneration:				
- audit fee:				
- for the financial year/period	169	307	44	37
- (over)/underprovision in the previous financial year/period	(10)	12	10	2
- non-audit fee				
- for the financial year/period	49	16	49	16
- (over)/underprovision in the previous financial year/period	(10)	7	(10)	7
Amortisation of development costs (Note 10)	11	-	-	-
Depreciation of property and equipment (Note 6)	2,523	3,271	-	-
Depreciation of right of use Assets (Note 8)	41	-	-	-
Donation	8	2,456	8	2,456
Direct operating expenses on investment properties	46	46	-	-
Fair value loss on short-term Investments	-	326	-	-
Impairment loss:				
- investment in subsidiaries	-	-	-	20,500
- development costs (Note 9)	-	9,144	-	-
Penalty	612	2,365	71	95
Realised loss on foreign exchange	376	871	-	-
Rental expense on:				
- equipment	463	877	-	-
- office	62	275	-	-
- student accommodation	-	-	-	-
Staff costs (including directors' remuneration and other key management personnel as disclosed in Note 39)	17,223	67,759	6,730	8,690
Unrealised loss on foreign exchange	616	-	-	-

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 39. STAFF COSTS

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<i>Continuing operations</i>				
Salaries, bonuses and other Benefits	14,604	56,239	5,192	7,291
Defined contribution plans	1,125	5,214	598	829
Social security costs	77	299	35	46
Other staff related expenses	1,417	6,007	905	524
	17,223	67,759	6,730	8,690

Included in the staff costs of the Group and of the Company are:-

- (a) directors' remuneration amounting to RM1,700,000 and RM1,700,000 (2019 - RM3,859,000 and RM2,754,000) respectively, as further disclosed in Note 40(a) to the financial statements.
- (b) termination costs incurred on the Voluntary Separation Scheme paid to staff amounting to RM497,000 (2019 - RM830,000).

#### 40. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year/period are as follows:-

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>(a) Directors</b>				
<b><u>Continuing Operations</u></b>				
<i>Directors of the Company</i>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,087	2,522	1,087	1,719
Defined contribution benefits	130	296	130	206
	<b>1,217</b>	2,818	<b>1,217</b>	1,925
<i>Non-Executive Directors</i>				
Short-term employee benefits:				
- fee	330	534	330	534
- allowances	153	295	153	295
	<b>483</b>	829	<b>483</b>	829
	<b>1,700</b>	3,647	<b>1,700</b>	2,754
<i>Directors of the Subsidiaries</i>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	-	190	-	-
Defined contribution benefits	-	22	-	-
	-	212	-	-
<b>Total directors' remuneration for continuing operations (Note 39(a))</b>	<b>1,700</b>	3,859	<b>1,700</b>	2,754

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>(a) Directors (Cont'd)</b>				
<b><u>Discontinued Operations</u></b>				
<i>Directors of the Company</i>				
<i>Non-Executive Directors</i>				
Short-term employee benefits: - fee	-	12	-	-
<i>Directors of the Subsidiaries</i>				
<i>Executive Directors</i>				
Short-term employee benefits: - salaries, bonuses and other benefits	22	15	-	-
Total directors' remuneration for discontinued operations	22	27	-	-
In the previous financial year, the estimated monetary value of benefits-in-kind provided by the Group and the Company to its executive director is RM50,000 and Nil respectively.				
<b>(b) Other Key Management Personnel</b>				
<b><u>Continuing Operations</u></b>				
Short-term employee benefits	743	9,184	-	1,935
Defined contribution benefits	72	1,058	-	226
Total compensation for other key management personnel for continuing operations	815	10,242	-	2,161
<b><u>Discontinued Operations</u></b>				
Short-term employee benefits	446	357	-	-
Defined contribution benefits	30	26	-	-
Total compensation for other key management personnel for discontinued operations	476	383	-	-



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

##### (b) Other Key Management Personnel (Cont'd)

In the previous financial year, the estimated monetary value of benefits-in-kind provided by the Group and the Company to the other key management personnel were RM12,000 and RM12,000 respectively.

#### 41. INCOME TAX EXPENSE

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
Current tax:				
- for the financial year/period	971	4,170	-	-
- underprovision in the previous financial year	297	5,819	-	633
	<b>1,268</b>	9,989	-	633
Deferred tax (Note 27):				
- origination and reversal of temporary differences	-	16,922	-	-
- overprovision in the previous financial year	(53)	-	-	-
	<b>(53)</b>	16,922	-	-
	<b>1,215</b>	26,911	-	633

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 41. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
(Loss)/Profit before taxation	(16,894)	(6,689)	(8,621)	(53,312)
Total income tax expense	1,215	26,911	-	633
Results from continuing and discontinued operations before income tax expense	(15,679)	20,222	(8,621)	(52,679)
Tax at the statutory rate of 24% (2019 - 24%)	(3,763)	4,853	(2,069)	(12,643)
Tax effects of:-				
Tax-exempt income	-	(1,354)	-	-
Non-taxable income	(46)	(137)	-	(2,819)
Non-deductible expenses	3,384	9,456	2,069	15,462
Deferred tax assets not recognised during the financial year/period	1,883	8,286	-	-
Utilisation of deferred tax assets not recognised in the previous financial years	(487)	(12)	-	-
Under/(Over)provision in the previous financial year:				
- current tax	297	5,819	-	633
- deferred tax	(53)	-	-	-
Income tax expense for the financial year/period	1,215	26,911	-	633

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019 - 24%) of the estimated assessable profit for the financial year/period.

In the previous financial year, PSSB, a wholly-owned subsidiary of the Company was granted the Pioneer Status incentive under the Promotion of Investments Act 1986. PSSB will enjoy 30% exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 27 March 2017 until 26 March 2022.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 42. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS

As disclosed in Note 17 to the financial statements, the Group is in the process of disposing one of its subsidiaries, which is expected to be completed by the next financial year.

An analysis of the results of the discontinued operations is as follows:-

	The Group	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
Revenue	4,707	9,302
Cost of sales	(2,852)	(6,313)
Gross profit	1,855	2,989
Other income	232	84
Administrative expenses	2,087	3,073
Other expenses	(7,407)	(12,137)
Finance costs	(432)	(5,788)
Finance costs	(2)	(3)
Impairment losses on financial assets	(3,104)	(6,598)
Loss before taxation	(8,858)	(21,453)
Income tax expense	-	-
Loss after taxation from discontinued operations	(8,858)	(21,453)
(a) Included in the results from operating activities are the following:-		
Bad debts written off	-	545
Depreciation of equipment	77	882
Equipment written off	-	1,313
Impairment losses on financial assets:		
- trade receivables (Note 12)	2,976	6,045
- other receivables (Note 13)	20	553
Impairment loss:		
- equipment (Note 6)	288	1,500
- development costs (Note 9)	-	500
Rental expenses on:		
- equipment	169	376
- office	1,865	4,518
- student accommodation	126	733
Staff costs	1,219	6,574

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 42. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(b) The cash flows attributable to the discontinued operations are the following:-

	The Group	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
Net cash for operation activities	(4,764)	(9,870)
Net cash for investing activities	(7)	(1,367)
Net cash from financing activities	5,039	10,710
Net cash for discontinued operations	(268)	(527)

#### 43. (LOSS)/EARNINGS PER SHARE

	The Group	
	1.7.2019 to 30.6.2020	1.1.2018 to 30.6.2019
<b>Continuing operations</b>		
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(8,313)	1,134
Weighted average number of ordinary shares ('000):-		
Ordinary shares at 1 July 2019/1 January 2018	484,000	484,000
Effect of treasury shares held	(1,699)	(1,699)
Effect of new ordinary shares issued	1,186	-
Weighted average number of ordinary shares at 30 June ('000)	483,487	482,301
Basic (loss)/earnings per share (Sen)	(1.72)	0.24
<b>Discontinued operations</b>		
Loss after taxation attributable to owners of the Company (RM'000)	(8,858)	(21,453)
Weighted average number of ordinary shares ('000) as above	483,487	482,301
Basic loss per share (Sen)	(1.83)	(4.45)

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 43. (LOSS)/EARNINGS PER SHARE (CONT'D)

The basic loss/earning per share of the Group is calculated by dividing the Group's (loss)/profit after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year/period, excluding treasury shares of the Company.

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

#### 44. DIVIDENDS

	The Group/The Company	
	2020 RM'000	2019 RM'000
Declared:-		
<u>In respect of the financial year ended 31 December 2017</u>		
- fourth interim dividend of 0.50 sen per ordinary share	-	2,412
<u>In respect of the financial period ended 30 June 2019</u>		
- first interim dividend of 0.50 sen per ordinary share	-	2,411
- second interim dividend of 0.20 sen per ordinary share	-	965
	-	5,788

#### 45. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of investment properties is as follows:-

	The Group	
	2020 RM'000	2019 RM'000
Cost of investment properties purchased (Note 7)	-	11,407
Less: Amount financed through term loan (Note (b) below)	-	(9,700)
Less: Deposits paid in the previous financial year	-	(1,380)
Less: Other payables (Note 30 (b))	-	(327)
Cash disbursed for purchase of investment properties	-	-

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 45. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Revolving Credits RM'000	RSLs RM'000	Amount Owing To Directors RM'000	Other Payables RM'000	Total RM'000
<b>2020</b>								
At 1 July 2019:								
- As previously reported	29,586	96	-	17,661	10,000	2,133	5,173	64,649
- Effects on adoption of MFRS 16	-	(96)	96	-	-	-	-	-
- As restated	29,586	-	96	17,661	10,000	2,133	5,173	64,649
<u>Changes in Financing Cash Flows</u>								
Advances from	-	-	-	-	-	344	-	344
Proceeds from drawdown	-	-	-	1,500	-	-	-	1,500
Repayment of borrowing principal	(2,650)	-	(96)	-	-	-	(700)	(3,466)
Repayment of borrowing interest	(1,189)	-	(4)	(850)	(1,000)	(269)	-	(3,312)
	(3,839)	-	(100)	650	(1,000)	75	(700)	(4,914)
Balance carried forward	25,747	-	(4)	18,311	9,000	2,208	4,473	59,735

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 45. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Revolving Credits RM'000	RSLs RM'000	Amount Owing To Directors RM'000	Other Payables RM'000	Total RM'000
<b>2020</b>								
Balance carried forward	25,747	-	(4)	18,311	9,000	2,208	4,473	59,735
<u>Non-cash Changes</u>								
Finance charges recognised in profit or loss (Note 36)	1,189	-	4	850	1,000	269	919	4,231
At 30 June	26,936	-	-	19,161	10,000	2,477	5,392	63,966

The Group	Term Loans RM'000	Hire Purchase RM'000	Revolving Credits RM'000	RSLs RM'000	Amount Owing To Directors RM'000	Other Payables RM'000	Total RM'000
<b>2019</b>							
At 1 January 2018	22,700	154	-	-	-	-	22,854
<u>Changes in Financing</u>							
<u>Cash Flows</u>							
Proceeds from drawdown	9,700	-	17,661	-	-	-	27,361
Proceeds from new issuance	-	-	-	10,000	-	-	10,000
Repayment of borrowing principal	(2,814)	(58)	-	-	-	-	(2,872)
Repayment of borrowing interest	(1,992)	(9)	(759)	(96)	(113)	(623)	(3,592)
Advances from	-	-	-	-	2,133	5,173	7,306
	4,894	(67)	16,902	9,904	2,020	4,550	38,203
<u>Non-cash Changes</u>							
Finance charges recognised in profit or loss (Note 36)	1,992	9	759	96	113	623	3,592
At 30 June	29,586	96	17,661	10,000	2,133	5,173	64,649

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 45. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Amount Owing To Subsidiaries RM'000	Amount Owing To Directors RM'000	Total RM'000
<b>The Company</b>			
<b>2020</b>			
At 1 July 2019	29,214	505	29,719
<u>Changes in Financing Cash Flows</u>			
Advances from	(8,779)	90	(8,689)
At 30 June	20,435	595	21,030
<b>2019</b>			
At 1 January 2018	-	-	-
<u>Changes in Financing Cash Flows</u>			
Advances from	40,766	505	41,271
<u>Non-cash Changes</u>			
Dividend	(11,552)	-	(11,552)
At 30 June	29,214	505	29,719



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 45. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances (Note 16)	6,403	2,950	74	4
Fixed deposits with licensed banks (Note 16)	5,944	4,216	-	-
Short-term investments (Note 15)	40	40	40	40
Bank overdrafts (Note 33)	(7,950)	(6,026)	-	-
	4,437	1,180	114	44
Less: Fixed deposits pledged with licensed banks (Note 16)	(5,944)	(4,216)	-	-
Cash and cash equivalents from continuing operations	(1,507)	(3,036)	114	44
Cash and cash equivalents from discontinued operations (Note 17)	358	-	-	-
	(1,149)	(3,036)	114	44

#### 46. RELATED PARTY DISCLOSURES

##### (a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 46. RELATED PARTY DISCLOSURES (CONT'D)

##### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year/period:-

	The Group		The Company	
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000
<b>Subsidiaries</b>				
Advances to	-	-	7,065	48,295
Advances from	-	-	12,922	68,055
Payment on behalf for	-	-	686	6,452
Payment on behalf from	-	-	517	2,452
Dividend income	-	-	-	11,552
<b>A director</b>				
Advances from	-	1,500	-	-
Interest expense	270	113	-	-
<b>A former director</b>				
Advances from	-	5,000	-	-
Interest expense	919	248	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

#### 47. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

## Notes To The Financial Statements For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

The Group is organised into 5 main business segments as follows:-

- Information and Communications Technology (“ICT”) training and certification and software licence distribution and management (collectively referred to as the “ICT services and distribution”) - provision of both basic and professional ICT training and certification encompassing instructor-led courses and certification examination at the end of the course, at the same time distributing and managing the software licences.
  - 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.
  - Education - University Malaysia of Computer Science and Engineering (“UniMy”) is designed to develop talented market-ready computing professionals to meet the challenge of advancing Malaysia’s economic success in the next decade. To enhance human knowledge in computer science and engineering and explore the challenge of integrating it with emerging technology in an interdisciplinary environment, while educating outstanding students to become creative, innovative and responsible members of society.
  - Employment Services - Human resource management services is to provide facilities for foreign workers’ recruitment and document services.
  - Others - The holding company involved in the activity of investment holding.
- (a) Management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group’s accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2020</b>							
<b>Revenue</b>							
External revenue	149,598	4,707	4,440	-	-	-	158,745
Inter-segment revenue	-	-	-	-	1,000	(1,000)	-
Consolidated revenue	149,598	4,707	4,440	-	1,000	(1,000)	158,745
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sales of software distribution and ICT Training	149,598	-	-	-	-	-	149,598
- Management fees	-	-	-	-	1,000	(1,000)	-
<u>Revenue recognised over time</u>							
- Education services	-	4,707	-	-	-	-	4,707
- Employment services	-	-	4,440	-	-	-	4,440
	149,598	4,707	4,440	-	1,000	(1,000)	158,745

**Notes To The Financial Statements**  
For The Financial Year Ended 30 June 2020 (Cont'd)

**47. OPERATING SEGMENTS (CONT'D)**

**47.1 BUSINESS SEGMENTS (CONT'D)**

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2020</b>							
Segment (loss)/profit before interest and taxation	9,064	(8,856)	(143)	(2,177)	(8,700)	(2)	(10,814)
Finance costs	(4,860)	(2)	(3)	-	-	-	(4,865)
Profit before taxation	4,204	(8,858)	(146)	(2,177)	(8,700)	(2)	(15,679)
Segment (loss)/profit includes the followings:-							
Interest expense	4,729	-	-	-	-	-	4,729
Amortisation of development Costs	-	-	11	-	-	-	11
Depreciation of property and equipment	2,342	77	78	103	-	-	2,600
Depreciation of right-of-use Assets	41	-	-	-	-	-	41
Gain on disposal of right-of-use assets	(20)	-	-	-	-	-	(20)

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2020</b>							
Segment (loss)/profit includes the followings (Cont'd):-							
Impairment loss:							
- trade receivables	707	2,976	88	-	-	-	3,771
- other receivables	-	20	-	-	-	-	20
- amount owing by subsidiaries	-	-	-	-	842	(842)	-
- property and equipment	-	288	-	-	-	-	288
Penalty	518	-	-	23	71	-	612
Profit from deposits with licensed Islamic banks	(83)	(1)	-	-	-	-	(84)
Reversal of impairment loss:							
- trade receivables	(265)	-	-	-	-	-	(265)

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2020</b>							
<b>Assets</b>							
Segment assets	173,979	5,695	1,477	183,807	83,238	(145,728)	302,468
Unallocated asset:							-
Consolidated total assets							<u>302,468</u>
Additions to non-current assets other than financial instruments are:							
- property and equipment	239	365	28	-	-	-	632
<b>Liabilities</b>							
Segment liabilities	64,565	13,422	94	129,269	33,774	(129,925)	111,199
Unallocated liabilities:							
- term loans							26,936
- revolving credits							19,161
- bank overdrafts							7,950
- deferred tax liabilities							16,869
- current tax liabilities							1,421
Consolidated total liabilities							<u>183,536</u>

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2019</b>							
<b>Revenue</b>							
External revenue (restated)	169,051	9,302	17,403	182,798	-	-	378,554
Inter-segment revenue	-	-	-	-	11,552	(11,552)	-
Consolidated revenue (restated)	169,051	9,302	17,403	182,798	11,552	(11,552)	378,554
Represented by:-							
<u>Revenue recognised at a point of time</u>							
- Sales of software distribution and ICT Training	169,051	-	-	-	-	-	169,051
- Dividend income	-	-	-	-	11,552	(11,552)	-
<u>Revenue recognised over time</u>							
- Education services	-	9,302	-	-	-	-	9,302
- Employment services	-	-	17,403	-	-	-	17,403
- Concession	-	-	-	182,798	-	-	182,798
	169,051	9,302	17,403	182,798	11,552	(11,552)	378,554



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 47. OPERATING SEGMENTS (CONT'D)

##### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2019</b>							
Segment (loss)/profit before interest and taxation (restated)	(5,296)	(21,450)	914	63,019	(52,841)	41,241	25,587
Finance costs	(4,525)	(3)	(7)	(829)	(1)	-	(5,365)
Profit before taxation (restated)	(9,821)	(21,453)	907	62,190	(52,842)	41,241	20,222
Segment (loss)/profit includes the followings:-							
Interest expense	3,941	-	-	777	-	-	4,718
Interest income	(296)	-	-	-	(128)	-	(424)
Depreciation of property and equipment	3,089	883	112	69	-	-	4,153
Fair value gain on short-term investments	(265)	-	-	-	-	-	(265)
Gain on disposal of property and equipment	(83)	-	-	-	(65)	-	(148)

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2019</b>							
Segment (loss)/profit includes the followings (Cont'd):-							
Impairment loss:							
- trade receivables	8,029	6,045	-	-	-	-	14,074
- other receivables	-	553	-	-	2,603	-	3,156
- amount owing by related companies	3,409	-	-	335	-	(3,744)	-
- amount owing by subsidiaries	-	-	-	-	29,189	(29,189)	-
- investment in subsidiaries	-	-	-	-	20,500	(20,500)	-
- development costs	9,144	500	-	-	-	-	9,644
- property and equipment	-	1,500	-	-	-	-	1,500
Penalty	2,270	-	-	-	95	-	2,365
Property and equipment written off	-	1,313	-	-	-	-	1,313
Profit from deposits with licensed Islamic banks	(36)	(4)	-	(25)	(7)	-	(72)
Reversal of impairment loss:							
- trade receivables	(907)	-	-	-	-	-	(907)
- amount owing by a subsidiary	(360)	-	-	-	-	360	-

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 47. OPERATING SEGMENTS (CONT'D)

#### 47.1 BUSINESS SEGMENTS (CONT'D)

	ICT Services and Distribution RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2019</b>							
<b>Assets</b>							
Segment assets	177,140	3,666	3,497	184,039	85,600	(156,649)	297,293
Unallocated asset: - other investment							8,427
Consolidated total assets							<u>305,720</u>
Additions to non-current assets other than financial instruments are:							
- property and equipment	11,328	616	11	618	-	-	12,573
- investment properties	11,407	-	-	-	-	-	11,407
- development costs	3,147	-	500	-	-	-	3,647
<b>Liabilities</b>							
Segment liabilities	71,607	35,947	1,923	127,324	48,933	(173,922)	111,812
Unallocated liabilities:							
- hire purchase payables							96
- term loans							29,586
- revolving credits							17,661
- bank overdrafts							6,026
- deferred tax liabilities							16,922
- current tax liabilities							1,200
Consolidated total liabilities							<u>183,303</u>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 47. OPERATING SEGMENTS (CONT'D)

##### 47.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly all business segments in Malaysia. Accordingly, the information by geographical segments is not presented.

##### 47.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue		Business Segment
	1.7.2019 to 30.6.2020 RM'000	1.1.2018 to 30.6.2019 RM'000 (Restated)	
Customer A	-	182,798	Concession
Customer B	40,457	*	ICT services and distribution

\* - In the previous financial year, the revenue for this customer was less than 10% of the Group's revenue.

#### 48. OPERATING LEASE COMMITMENTS

The Group has applied MFRS 16 using the modified retrospective approach. As a result, the following information are disclosures required by MFRS 117 'Leases':-

In the previous financial period, the Group leases a number of office buildings for campus under non-cancellable operating leases.

The future minimum lease payments under the non-cancellable operating leases as at the end of the last reporting period are as follows:-

	The Group 2019 RM'000
Not more than 1 year	4,016
Later than 1 year and not later than 5 years	6,837
	10,853

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 49. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group		The Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Performance guarantee extended by a subsidiary to third parties	15,099	14,928	-	-
Compensation to a vendor due to project termination	7,440	7,291	-	-
Dividend payable on RPS "A"	28,800	28,800	-	-
Special coupon on RSLs	1,000	1,000	-	-
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	-	-	68,360	67,390
	<b>52,339</b>	52,019	<b>68,360</b>	67,390

#### 50. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currency other than the respective functional currency of entities within the Group. The currencies giving rise to the risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that is based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

###### Foreign Currency Exposure

	← 2020 →			← 2019 →		
	United States Dollar RM'000	Australian Dollar RM'000	Euro RM'000	United States Dollar RM'000	Australian Dollar RM'000	Euro RM'000
<b>The Group</b>						
<u>Financial Assets</u>						
Other investment	-	-	-	-	8,427	-
Cash and bank balances	1	-	-	-	-	-
	1	-	-	-	8,427	-
<u>Financial Liability</u>						
Trade payables	(16,829)	-	(23,562)	(20,929)	-	(22,946)
Net financial (liabilities)/ assets	(16,828)	-	(23,562)	(20,929)	8,427	(22,946)
Less: Forward foreign currency contracts (contracted notional principal)	-	-	-	-	-	-
Currency Exposure	(16,828)	-	(23,562)	(20,929)	8,427	(22,946)

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (i) Foreign Currency Risk (Cont'd)

###### *Foreign Currency Exposure (Cont'd)*

The Company does not have any foreign currency exposure and hence, is not exposed to foreign currency risk.

###### *Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>1.7.2019</b>	<b>1.1.2018</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2020</b>	<b>30.6.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<hr/>		
<b>Effects on Loss After Taxation</b>		
USD/RM - strengthened by 5%	<b>(639)</b>	(795)
- weakened by 5%	<b>639</b>	795
AUD/RM - strengthened by 5%	-	320
- weakened by 5%	-	(320)
EUR/RM - strengthened by 5%	<b>(895)</b>	(872)
- weakened by 5%	<b>895</b>	872
<hr/>		

###### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (ii) Interest Rate Risk (Cont'd)

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:-

	<b>The Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<hr/>		
<u>Floating Rate Instruments</u>		
Term loans	<b>26,936</b>	29,586
Bank overdrafts	<b>7,950</b>	6,026
	<b>34,886</b>	35,612
<hr/>		

###### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>1.7.2019</b>	<b>1.1.2018</b>
	<b>to</b>	<b>to</b>
	<b>30.6.2020</b>	<b>30.6.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<hr/>		
<b>Effects on Loss After Taxation</b>		
Increase of 100 basis points	<b>(265)</b>	(271)
Decrease of 100 basis points	<b>265</b>	271
<hr/>		



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) Market Risk (Cont'd)

###### (iii) Equity Price Risk

The Group and the Company's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group and the Company manage their exposure equity price risks by maintaining a portfolio of equities with different risk profiles.

The Group and the Company's equity price profile as monitored by management is set out below:-

	<b>The Group/The Company</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Short-term investments</u>			
Investments placed with fund managers	40		40
	40		40

###### *Equity Price Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	<b>The Group/The Company</b>	<b>1.7.2019</b>	<b>1.1.2018</b>
	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.6.2020</b>	<b>30.6.2019</b>	<b>30.6.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on Loss After Taxation</b>			
Increase of 5%	2		2
Decrease of 5%	(2)		(2)

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

###### (i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 1 (2019 - 1) customer which constituted approximately 81% (2019 - 88%) of its total trade receivables at the end of the reporting period.

###### (ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

###### (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost is credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### *Trade Receivables*

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 120 days from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for the trade receivables is summarised below:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>The Group</b>				
<b>2020</b>				
Current (not past due)	218,098	-	(257)	217,841
1 to 30 days past due	1,353	-	(66)	1,287
31 to 60 days past due	64	-	(32)	32
61 to 90 days past due	2,895	-	(38)	2,857
Past due more than 90 days	3,667	-	(126)	3,541
Credit impaired	9,303	(9,303)	-	-
	<b>235,380</b>	<b>(9,303)</b>	<b>(519)</b>	<b>225,558</b>

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### *Trade Receivables (Cont'd)*

	Gross Amount RM'000 (Restated)	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000 (Restated)
<b>The Group</b>				
<b>2019</b>				
Current (not past due)	200,395	-	(257)	200,138
1 to 30 days past due	4,922	-	(66)	4,856
31 to 60 days past due	1,078	-	(32)	1,046
61 to 90 days past due	1,288	-	(38)	1,250
Past due more than 90 days	4,863	-	(125)	4,738
Credit impaired	14,818	(14,818)	-	-
	227,364	(14,818)	(518)	212,028

The movements in the loss allowances in respect of trade receivables is disclosed in Note 12 to the financial statements.

###### *Other Receivables*

The Group applies the 3-stage general approach to measuring expected credit losses for the other receivables. Generally, the Group considers amount owing by other receivables have low credit risks. The Group considers other receivables to be credit impaired when the other receivable is unlikely to repay its loan or advance in full.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### *Other Receivables (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for other receivables are summarised below:-

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
<b>The Group</b>			
<b>2020</b>			
Low credit risk	1,345	-	1,345
Credit impaired	2,607	(2,607)	-
	<b>3,952</b>	<b>(2,607)</b>	<b>1,345</b>
<b>2019</b>			
Low credit risk	3,381	-	3,381
Credit impaired	3,156	(3,156)	-
	<b>6,537</b>	<b>(3,156)</b>	<b>3,381</b>

###### *Fixed Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### *Amount Owing By Subsidiaries (Non-trade Balances)*

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries that have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries are summarised below:-

	<b>Gross Amount RM'000</b>	<b>Lifetime Loss Allowance RM'000</b>	<b>Carrying Amount RM'000</b>
<b>The Company</b>			
<b>2020</b>			
Low credit risk	62,087	-	62,087
Credit impaired	33,031	(33,031)	-
	<b>95,118</b>	<b>(33,031)</b>	<b>62,087</b>
<b>2019</b>			
Low credit risk	64,276	-	64,276
Credit impaired	32,189	(32,189)	-
	<b>96,465</b>	<b>(32,189)</b>	<b>64,276</b>

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### *Financial Guarantee Contracts*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

###### *Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Group</b>						
<b>2020</b>						
<u>Non-derivative Financial Liabilities</u>						
RPS "A"	4.60	152	152	-	152	-
RSLS	10.00	10,000	10,000	10,000	-	-
Term loan	3.30 - 3.32	26,936	34,262	3,636	20,903	9,723
Revolving credits	4.13 - 5.00	19,161	19,161	19,161	-	-
Trade payables	-	54,875	54,875	54,875	-	-
Other payables and accruals	18.00	13,362	14,272	14,272	-	-
Amount owing to directors	18.00	2,477	2,751	2,751	-	-
Bank overdrafts	6.20 - 6.90	7,950	7,950	7,950	-	-
		134,913	143,423	112,645	21,055	9,723



**Notes To The Financial Statements**  
For The Financial Year Ended 30 June 2020 (Cont'd)

**50. FINANCIAL INSTRUMENTS (CONT'D)**

**50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Group</b>						
<b>2019</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
RPS "A"	4.60	152	152	-	152	-
RSLs	10.00	10,000	10,000	-	10,000	-
Hire purchase payables	4.82	96	101	45	56	-
Term loans	4.30 - 4.60	29,586	40,275	4,614	22,174	13,487
Revolving credits	5.31 - 5.63	17,661	17,661	17,661	-	-
Trade payables	-	59,253	59,253	59,253	-	-
Other payables and accruals	18.00	19,809	20,722	20,722	-	-
Amount owing to directors	18.00	2,133	2,406	2,406	-	-
Bank overdrafts	7.20	6,026	6,026	6,026	-	-
		144,716	156,596	110,727	32,382	13,487

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Company</b>						
<b>2020</b>						
<u>Non-derivatives</u>						
<u>Financial Liabilities</u>						
Other payables and accruals	-	1,018	1,018	1,018	-	-
Amount owing to directors	-	595	595	595	-	-
Amount owing to a subsidiary	-	20,435	20,435	20,435	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries #	-	-	68,360	68,360	-	-
		22,048	90,408	90,408	-	-

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

	Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Company</b>						
<b>2019</b>						
<u>Non-derivatives</u>						
<u>Financial Liabilities</u>						
Other payables and accruals	-	673	673	673	-	-
Amount owing to directors	-	505	505	505	-	-
Amount owing to a subsidiary	-	29,214	29,214	29,214	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries #	-	-	67,390	67,390	-	-
		30,392	97,782	97,782	-	-

# - The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2020 RM'000	2019 RM'000
RSLs (Note 25)	10,000	10,000
RPS "A" (Note 26)	152	152
Hire purchase payables (Note 23)	-	96
Term loans (Note 24)	26,936	29,586
Revolving credits (Note 32)	19,161	17,661
Bank overdrafts (Note 33)	7,950	6,026
	<b>64,199</b>	63,521
Less: Short-term investments (Note 15)	(40)	(40)
Less: Fixed deposits with licensed banks (Note 16)	(5,944)	(4,216)
Less: Cash and bank balances (Note 16)	(6,403)	(2,950)
Net debt	<b>51,812</b>	56,315
Total equity	<b>118,932</b>	122,417
Debt-to-equity ratio	<b>0.44</b>	0.46

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 24 to the financial statements, failing which, the bank may call an event of default. The Group has complied with this requirement.

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2020	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 15)	40	40
<u>Amortised Cost</u>		
Trade receivables (Note 12)	225,558	-
Other receivables (Note 13)	1,345	-
Amount owing by subsidiaries (Note 14)	-	62,087
Cash and bank balances (Note 16)	12,347	74
	<b>239,250</b>	<b>62,161</b>
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
RPS "A" (Note 26)	152	-
RSLs (Note 25)	10,000	-
Term loans (Note 24)	26,936	-
Revolving credits (Note 32)	19,161	-
Trade payables (Note 28)	54,875	-
Other payables and accruals (Note 30)	13,362	1,018
Amount owing to a subsidiary (Note 14)	-	20,435
Amount owing to directors (Note 31)	2,477	595
Bank overdrafts (Note 33)	7,950	-
	<b>134,913</b>	<b>22,048</b>

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2019	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Short-term investments (Note 15)	40	40
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Other investment (Note 9)	8,427	-
<u>Amortised Cost</u>		
Trade receivables (Note 12)	212,028	-
Other receivables (Note 13)	3,381	-
Amount owing by subsidiaries (Note 14)	-	64,276
Cash and bank balances (Note 16)	7,166	4
	222,575	64,280
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
RPS "A" (Note 26)	152	-
RSLS (Note 25)	10,000	-
Hire purchase payables (Note 23)	96	-
Term loans (Note 24)	29,586	-
Revolving credits (Note 32)	17,661	-
Trade payables (Note 28)	59,253	-
Other payables and accruals (Note 30)	19,809	673
Amount owing to a subsidiary (Note 14)	-	29,214
Amount owing to directors (Note 31)	2,133	505
Bank overdrafts (Note 33)	6,026	-
	144,716	30,392

## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2020	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss	-	-
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>		
Net losses recognised in other comprehensive income	(694)	-
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(447)	(842)
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(5,479)	-
	2019	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Net gains recognised in profit or loss	393	128
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>		
Net losses recognised in other comprehensive income	(1,689)	-
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(16,500)	(31,788)
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(5,504)	-

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>The Group</b>								
<b>2020</b>								
<u>Financial Asset</u>								
Short-term investments	40	-	-	-	-	-	40	40
<u>Financial Liabilities</u>								
RPS "A"	-	-	-	-	152	-	152	152
RSLs	-	-	-	-	10,000	-	10,000	10,000
Term loans	-	-	-	-	26,937	-	26,937	26,937
<b>2019</b>								
<u>Financial Assets</u>								
Other investment	-	-	8,427	-	-	-	8,427	8,427
Short-term investments	40	-	-	-	-	-	40	40
<u>Financial Liabilities</u>								
RPS "A"	-	-	-	-	152	-	152	152
RSLs	-	-	-	-	10,000	-	10,000	10,000
Hire purchase payables	-	-	-	-	96	-	96	96
Term loans	-	-	-	-	29,586	-	29,586	29,586



## Notes To The Financial Statements

For The Financial Year Ended 30 June 2020 (Cont'd)

### 50. FINANCIAL INSTRUMENTS (CONT'D)

#### 50.5 FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>The Company</b>								
<b>2020</b>								
<u>Financial Asset</u>								
Short-term investments	40	-	-	-	-	-	40	40
<b>2019</b>								
<u>Financial Asset</u>								
Short-term investments	40	-	-	-	-	-	40	40

#### (a) Fair Value of Financial Instruments Carried at Fair Value

The fair values of above have been determined using the following basis:-

- (i) The fair value of short-term investment is determined at their quoted closing prices at the end of the reporting period.
- (ii) The fair value of unquoted equity investments is determined based on input and the information applicable to level 3 fair value measurement. The fair value of unquoted investments have been estimated using Discounted Cash Flows ("DCF") techniques. The DCF model incorporates unobservable inputs, amongst others, the forecast cash flows, long-term growth rates, cost of capital and long-term operating margins.

There were no transfers between level 1 and level 2 during the financial year.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 50. FINANCIAL INSTRUMENTS (CONT'D)

##### 50.5 FAIR VALUE INFORMATION (CONT'D)

###### (b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value, which are for disclosure purposes, and have been determined using the following basis:-

- (i) The fair values of the Group's term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of RPS "A", RSLs, hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flow using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	30.6.2020	30.6.2019
	%	%
RPS "A"	4.60	4.60
RSLs	10.00	10.00
Hire purchase payables	-	4.82
Term loans	3.30 to 3.32	4.30 to 4.60

#### 51. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 25 February 2020, the Company announced the disposal of 100% equity interest held in Prestariang Education Sdn. Bhd. ("PESB"), one of its subsidiaries which has been underperforming for the past few financial years.

The Company has entered into a conditional Share Sale Agreement ("SSA") in relation to the disposal of PESB shares for a total cash consideration of RM2,500,000.

The SSA is conditional upon the approval of the Ministry of Education ("MOE"), in respect of the change in ownership of PESB, being obtained within 90 days of the date of the SSA. The period to obtain the approval of the MOE is extendable for a further period of 90 days and from thereon, maybe further extended by mutual agreement of the parties.

As at the report date, the SSA remained conditional upon the approval of the MOE.

# Notes To The Financial Statements

## For The Financial Year Ended 30 June 2020 (Cont'd)

### 52. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

#### (a) Proposed corporate exercises

On 23 July 2020, the Company made an announcement proposing to undertake the following:-

- (i) a private placement of 79,579,740 new ordinary shares in the Company ("Prestariang Share(s)" or "Share(s)") ("Placement Share(s)") at an issue price of RM0.350 per Placement Share together with 79,579,740 free detachable warrants ("Warrant(s)") on the basis of 1 Warrant for every 1 Placement Share issued ("Proposed Private Placement with Warrants");
- (ii) a renounceable rights issue of up to 176,843,866 new Shares ("Rights Share(s)") at an issue price of RM 0.200 per Rights Share, on the basis of 1 Rights Share for every 3 existing Shares held, together with up to 176,843,866 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Rights Issue with Warrants"); and
- (iii) the establishment of a long term incentive plan, which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP"), of up to 15% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the long term incentive plan, for the eligible employees and Directors of the Company and its subsidiaries ("Prestariang Group" or the "Group"), which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the long term incentive plan ("Proposed LTIP").

The Proposed Private Placement with Warrants, the Proposed Rights Issue with Warrants and the Proposed LTIP are collectively referred to as the "Proposals".

The listing application pursuant to the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 14 August 2020.

Bursa Securities had, vide its letter dated 19 August 2020, resolved to approve the following:-

- (i) admission to the Official List and the initial listing and quotation of up to 256,423,606 Warrants to be issued pursuant to the Proposed Private Placement with Warrants and Proposed Rights Issue with Warrants; and
- (ii) listing of:-
  - (aa) up to 79,579,740 Placement Shares to be issued pursuant to the Proposed Private Placement;
  - (bb) up to 176,843,866 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
  - (cc) up to 256,423,606 new Prestariang Shares to be issued pursuant to the exercise of the Warrants; and
  - (dd) such number of additional new ordinary shares in the Company representing up to 15% of the total number of issued shares (excluding treasury shares, if any) of the Company to be issued pursuant to the exercise of options under the Proposed LTIP.

At the Extraordinary General Meeting held on 15 September 2020, the shareholders of the Company have approved and passed the resolutions in relation to the Proposals.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 52. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

##### (b) Proposed private placement

On 21 July 2020, the Company entered into a Heads of Agreement with Dr. Abu Hasan Bin Ismail ("Dr. Abu"), for the subscription by Dr. Abu of 79,579,740 new Prestariang Shares at an agreed subscription price of RM0.350 per Share ("HOA"). Further to the HOA, the Company had on 23 July 2020, entered into a subscription agreement with Dr. Abu ("Subscription Agreement"), for the proposed private placement of:-

- (i) 79,579,740 Placement Shares, representing approximately 15% of the total issued share capital of 530,531,600 Shares (excluding 1,698,500 treasury shares) as at 20 July 2020, at an issue price of RM0.350 per Placement Share; with
- (ii) 79,579,740 Warrants on the basis of 1 Warrant for every 1 Placement Share issued.

The subscription of the Placement Shares are to be satisfied in full by way of cash, in accordance with the terms and conditions of the Subscription Agreement. The Warrants will be issued at no cost to Dr. Abu. For the avoidance of doubt, the Placement Shares are not entitled to the Proposed Rights Issue with Warrants. The allotment, listing of and the quotation for the new Placement Shares and Warrants will be implemented concurrently with the Rights Shares with Warrants.

On 8 September 2020, the Company executed a Novation Letter with Dr. Abu and ECO Cloud Assets Sdn Bhd ("ECO Cloud Assets") pursuant to which Dr. Abu novated and transferred the benefit of all and any of its obligations under the Subscription Agreement to ECO Cloud Assets. For information purposes, the ultimate shareholder of ECO Cloud Assets is Dr. Abu.

##### (c) Proposed scheme of arrangement

On 24 August 2020, Prestariang SKIN Sdn. Bhd. ("PSKIN"), a subsidiary of the Company, made an application pursuant to Section 366 of the Companies Act 2016 (the "Act"), for a proposed scheme of arrangement between PSKIN and its scheme creditors pursuant to Section 366 of the Act, to be put forward to the creditors at court convened meetings.

The purpose of the application is to preserve the going concern of PSKIN while it carries on with negotiations and legal action to seek compensation from the Government of Malaysia for the termination of the SKIN contract. The application, if granted, is not expected to have any material impact on the financial and operational matters of the Company and its subsidiaries.

On 30 September 2020, the High Court of Malaya has granted, among others, leave to PSKIN ("Court Order") to summon meetings of creditors of PSKIN or any class of them to be held within three (3) months of the date of the Court Order for the purpose of considering and, if thought fit, approving with or without modification the proposed scheme of arrangement, pursuant to Section 366 of the Act. The details of the abovementioned proposed scheme of arrangement are in the process of being finalised by the Company.

## **Notes To The Financial Statements** For The Financial Year Ended 30 June 2020 (Cont'd)

### **52. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)**

#### **(d) Status of Prestariang Systems Sdn. Bhd. ("PSSB") as Channel Partner of Microsoft Regional Sales Pte. Ltd. ("Microsoft")**

On 14 September 2020, PSSB, a wholly-owned subsidiary of the Company, had been informed by Microsoft that it will discontinue PSSB's role as its Channel Partner effective 31 January 2021. PSSB was renewed as Microsoft's Channel Partner pursuant to a Channel Partner Agreement made between PSSB and Microsoft effective on 1 October 2019. The Company is in the midst of evaluating the impact of Microsoft's decision and intends to engage with Microsoft for further clarification on the matter.

### **53. MATERIAL LITIGATION**

On 15 April 2019, PSKIN, a wholly-owned subsidiary of PSV, which in turn is a subsidiary of the Company, filed an Originating Summons (No. WA-21NCvC-20-04/2019) at the Kuala Lumpur High Court ("OS") as "Plaintiff" against the Government of Malaysia ("GOM") as "Defendant", in relation to the termination of the Concession Agreement dated 9 August 2017 ("CA") by GOM, by way of expropriation pursuant to Clause 31.1 of the CA.

#### **Details of Circumstances leading to the Filing of the OS against GOM**

Following the letter from GOM dated 11 December 2018, confirming the decision of the Cabinet to terminate the SKIN project, PSKIN and GOM had met several times to discuss among others, the payment obligation of GOM and the quantum to be paid by GOM, but both parties were unable to reach an agreement. Hence, PSKIN has filed the OS seeking the following orders:-

- (a) A declaration that GOM is under an obligation to pay to PSKIN a sum representing the present value of the Availability Charges for the remaining unexpired Concession Period discounted at Weighted Average Cost of Capital of PSKIN as at the effective date of termination of the CA i.e. 22 January 2019, in accordance with Clause 28.3.1(b)(iii) read together with Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement dated 11 April 2019 ("Supplemental Agreement");
- (b) A declaration that the sum payable by GOM to PSKIN pursuant to Clauses 28.3.1(b)(iii), 31 and Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement is RM732,860,194.00, or any such amount as ordered by the Court;
- (c) An order that GOM makes payment to PSKIN of the sums declared and ordered in respect of paragraph (b) above, not later than six (6) months after the termination date i.e. on or before 22 July 2019, in compliance with Clause 28.3.1(b)(iii) of the CA;
- (d) Interest on the sum of RM732,860,194.00 or any such sum as ordered by the Court, at any such rate as the Court deems fit, calculated from 22 July 2019, or any such date as the Court deems fit, to the date of judgement;
- (e) Interest on the judgement sum in respect of paragraph (c) above at the rate of 5% per annum calculated from the date of judgement to the date of full satisfaction of the judgement sum;
- (f) Costs; and/or
- (g) Such further and/or other relief as the Court deems fit.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 53. MATERIAL LITIGATION (CONT'D)

##### Details of Circumstances leading to the Filing of the OS against GOM (Cont'd)

PSKIN filed the OS on 15 April 2019 and the sealed copy of the OS was served on GOM on 25 April 2019. Following this, PSKIN filed an application for a Protective Order, which was granted on 19 June 2019. Upon obtaining the Protective Order, PSKIN filed its Affidavit in Support in respect of the OS on 19 June 2019 and served the said Affidavit in Support on GOM on 24 June 2019. GOM was to file its Affidavit in Reply in respect of the OS by 12 July 2019.

On 23 August 2019, GOM served its Affidavit in Reply in respect of the OS on PSKIN. On 6 September 2019, PSKIN filed and served its Affidavit in Reply on GOM.

GOM has filed an application for conversion of the OS to a writ action, but the application has been dismissed by the High Court on 30 October 2019.

GOM appealed to the Court of Appeal. On 10 June 2020, the Court of Appeal found that there was no merit to GOM's appeal and dismissed the appeal with costs to PSKIN. In dismissing GOM's appeal, the Court of Appeal held that GOM would not suffer prejudice with PSKIN's action continuing by way of OS in light of the directions given by the High Court Judge to allow for the cross-examination of the various deponents as well as for expert evidence to be tendered.

The hearing of the OS and cross-examination of the deponents of affidavits has been fixed for 21 January 2021, 22 January 2021, 29 January 2021 and 26 February 2021. A case management has also been fixed for 30 November 2020. In the meantime, both parties are in the process of exchanging affidavits.

#### 54. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using modified retrospective simplified approach to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease', without restating any comparative information. There were no financial impact to the retained earnings of the Group and of the Company upon transition to MFRS 16 at the date of initial application i.e. 1 July 2019.

MFRS 16 has been applied in full to lease contracts entered into or changed on or after 1 July 2019.

##### (a) Lessee Accounting

For leases that were classified as finance leases, the Group has recognised the carrying amount of the leased asset and lease liability immediately before 1 July 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

For leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate applicable to the lessee companies at that date. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 54. INITIAL APPLICATION OF MFRS 16 (CONT'D)

##### (a) Lessee Accounting (Cont'd)

The Group has applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 January 2019, in accordance with practical expedients in applying MFRS 16 for the first time.

The impacts of reclassification resulting from the adoption of MFRS 16 at 1 January 2019 are summarised below:-

	As Previously Reported RM'000	MFRS 16 Adjustments RM'000	Note	As Restated RM'000
<b>The Group</b>				
Property and equipment (Note 6)	17,924	(111)	(i)	17,813
Right-of-use assets (Note 8)	-	111	(i)	111
Lease liabilities	-	96	(ii)	96
Hire purchase payables	96	(96)	(ii)	-

##### Notes

- (i) Motor vehicles of the Group with carrying amount of RM111,000 acquired under hire purchase term has been represented as "right-of-use assets";
- (ii) The Group's hire purchase payables of RM96,000 has been represented as "lease liabilities" as they were classified as leases applying MFRS 117.

##### (b) Lessor Accounting

The Group did not make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 55. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES

##### (a) Prior year adjustments

During the current financial year, prior year adjustments were made in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Accordingly, certain comparatives have been restated as set out below.

##### Statements of Financial Position (Extract):-

	As Previously Reported RM'000	Prior Year Adjustments RM'000	As Restated RM'000
<b>The Group</b>			
<u>Non-current assets</u>			
Property and equipment	19,171	(1,247)	17,924
<u>Current assets</u>			
Trade receivables	200,324	11,704	212,028
Other receivables, deposits and prepayments	8,010	(2,258)	5,752
<u>Current liabilities</u>			
Trade payables	53,791	5,462	59,253
Contract liabilities	19,996	469	20,465
<u>Equity</u>			
Merger deficit	(10,800)	10,800	-
Retained profits	10,534	(9,366)	1,168
Non-controlling interests	11,711	834	12,545



## Notes To The Financial Statements

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### 55. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D)

##### (a) Prior year adjustments (Cont'd)

Statements of Profit Or Loss and Other Comprehensive Income (Extract):-

	As Previously Reported RM'000	Prior Year Adjustments RM'000	Reclassification* RM'000	As Restated RM'000
<b>The Group</b>				
Revenue	367,318	11,236	(9,302)	369,252
Cost of sales	(258,967)	(7,603)	6,313	(260,257)
Gross profit	108,351	3,633	(2,989)	108,995
Other income	1,511	-	(84)	1,427
Administrative expenses	(49,325)	(1,365)	12,137	(38,553)
Other expenses	(20,895)	-	5,788	(15,107)
Finance costs	(5,365)	-	3	(5,362)
Net impairment losses on financial assets	(16,323)	-	6,598	(9,725)
Profit before taxation	17,954	2,268	21,453	41,675
Loss from discontinued operations	-	-	(21,453)	(21,453)
Loss after taxation attributable to:-				
Owners of the Company	(21,753)	1,434	-	(20,319)
Non-controlling interest	12,796	834	-	13,630

\* Follow disclosure requirements in MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

##### Statements of Cash Flows (Extract):-

	As Previously Reported RM'000	Prior Year Adjustments RM'000	As Restated RM'000
<b>The Group</b>			
Profit before taxation	17,954	2,268	20,222
Purchase of property and equipment	(12,573)	1,247	(11,326)
Increase in trade and other receivables	(175,151)	(9,446)	(184,597)
Increase in contract liabilities	8,145	469	8,614
Increase in trade and other payables	27,939	5,462	33,401

## **Notes To The Financial Statements**

### For The Financial Year Ended 30 June 2020 (Cont'd)

#### **55. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D)**

##### **(a) Prior year adjustments (Cont'd)**

The prior year adjustments relates to:-

- (i) revenue and cost for the concession operations undertaken up by the Group;
- (ii) adjustments on cost of property and equipment by the Group;
- (iii) revenue and cost for software license distribution and management undertaken up by the Group;
- (iv) reclassification of merger deficit to retained profits; and
- (v) additional sharing of non-controlling interests by the Group subsequent to item (i) above.

##### **(b) Comparative figures**

The Company and its subsidiaries had changed its financial year end from 31 December to 30 June effective from the previous reporting period. Consequently, the comparative figures are for the previous 18 months period from 1 January 2018 to 30 June 2019. The current financial statements are for a period of 12 months from 1 July 2019. Due to the change in the financial year end, the amounts presented in the financial statements are not entirely comparable.

## List of Properties

No	Location	Registered Owner	Tenure	Built-up Area (sq ft)	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 30.06.2020 (RM)	Date of Acquisition
1.	Unit No. 70-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,710 sq ft	Office Building	11.5	210,000.00	4 Sept 2007
2	Unit No. 71-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,710 sq ft	Office Building	11.5	210,000.00	4 Sept 2007
3	Unit No. 72-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,710 sq ft	Office Building	11.5	210,000.00	4 Sept 2007
4	Unit No. 73-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,847 sq ft	Office Building	11.5	253,000.00	4 Sept 2007
5	Unit No. 72-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,446 sq ft	Office Building	11.5	399,000.00	4 Sept 2007
6	Unit No. 73-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	2,440 sq ft	Office Building	11.5	631,000.00	15 Sept 2007
7	Unit No. 71-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,446 sq ft	Office Building	11.5	411,000.00	1 July 2009
8	Unit No. 70-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,446 sq ft	Office Building	11.5	411,000.00	1 July 2009
9	Unit No. 73A-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	2,440 sq ft	Office Building	11.5	832,000.00	3 Sept 2010
10	Unit No. 73A-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	1,847 sq ft	Office Building	11.5	629,000.00	3 Sept 2010
11	Block 12 Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	40,375 sq ft	Office Building	2.5	23,781,000.00	27 Jan 2017
12	Block 11-2 (11B) Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan	PSSB	Freehold	17,999 sq ft	Office Building	1.92	11,430,000.00	19 Oct 2017

# Analysis of Shareholdings

As at 30 September 2020

## SHARE CAPITAL

Total number of Issued shares	: 532,230,100 Ordinary Shares (including 1,698,500 treasury shares)
Class of share	: Ordinary Shares
Voting rights	: One (1) vote per Ordinary Share
Number of shareholders	: 4,764

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	28	0.59	274	0.00
100 - 1,000	632	13.27	390,920	0.07
1,001 - 10,000	2,356	49.45	13,170,506	2.48
10,001 - 100,000	1,402	29.43	47,829,600	9.02
100,001 - 26,526,579*	343	7.20	304,210,900	57.34
26,526,580 and above **	3	0.06	164,929,400	31.09
<b>Total</b>	<b>4,764</b>	<b>100.00</b>	<b>530,531,600</b>	<b>100.00</b>

Notes :

(\*) *Less than 5% of issued holdings*

(\*\*) *5% and above of issued holdings*

## SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2020

*(based on the Register of Substantial Shareholders)*

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
Maybank Trustees Berhad Areca Dynamic Growth Fund	77,196,400	14.55	-	-
CIMB Islamic Trustee Berhad - Affin Hwang Multi-Asset Fund	48,917,900	9.22	-	-
CIMB Commerce Trustee Berhad - Affin Hwang Multi-Asset Fund 3	32,315,100	6.09	-	-

## Analysis of Shareholdings

As at 30 September 2020 (Cont'd)

### DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2020 (based on the Register of Directors' Shareholdings)

NAME OF DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
Chan Wan Siew	950,000	0.18	150,000*	0.03
Dr. Abu Hasan Bin Ismail	-	-	-	-
Ramanathan A/L Sathiamutty	-	-	-	-
Baldesh Singh A/L Manmohan Singh	-	-	-	-
Ginny Yeow Mei Ying	-	-	-	-
Professor Emeritus Dato' Hassan Bin Said	-	-	-	-
Hafidah Aman Binti Hashim	-	-	-	-

Notes:-

(\*) Deemed interest by virtue of his spouse, Lee Oi Lin's shareholdings

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2020

NO.	SECURITIES ACCOUNT HOLDERS	NO. OF SHARES	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND (411901)	77,196,400	14.55
2.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	55,417,900	10.45
3.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI ASSET FUND 3	32,315,100	6.09
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	19,388,100	3.65
5.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	17,970,000	3.39
6.	LIM HAN WENG	13,200,000	2.49
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E)	12,291,000	2.32
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEE BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	11,824,000	2.23
9.	YEOH ENG HUA	10,786,000	2.03
10.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	8,786,200	1.66
11.	CHIN CHIN SEONG	7,850,000	1.48
12.	HSBC NOMINEES (ASING) SDN BHD CREDIT SUISSE (HONG KONG) LIMITED	7,470,200	1.41

## Analysis of Shareholdings

As at 30 September 2020 (Cont'd)

### THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2020 (CONT'D)

NO.	SECURITIES ACCOUNT HOLDERS	NO. OF SHARES	%
13.	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	6,553,100	1.24
14.	CHIN CHIN SEONG	5,400,000	1.02
15.	DATO' MOHAMED YUNUS RAMLI BIN ABBAS	5,331,500	1.00
16.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDV	5,131,300	0.97
17.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	4,626,600	0.87
18.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/CLNT-T)	4,426,600	0.83
19.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHUA SAI MEN	4,415,100	0.83
20.	LAI HOONG WYE	3,240,000	0.61
21.	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE AG (SG-CLT-T-OS PR)	3,006,000	0.57
22.	TAYLOR'S EDUCATION SDN BHD	3,000,000	0.57
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,990,000	0.56
24.	CARTABAN NOMINEES (TEMPATAN) SDN BHD TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG ABSOLUTE RETURNFUND III	2,971,600	0.56
25.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD ERAMASS DEVELOPMENT SDN BHD	2,769,900	0.52
26.	TEH BENG KHIM	2,736,800	0.52
27.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRSUTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDII	2,642,700	0.50
28.	SIM YUNG CHI	2,500,000	0.47
29.	DATO' MAZNAH BINTI ABDUL JALIL	2,431,000	0.46
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR LIM CHERN WOOL (PW-M01008)(422477)	2,308,500	0.44
	<b>TOTAL</b>	<b>340,975,600</b>	<b>64.29</b>

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Tenth Annual General Meeting (“10<sup>th</sup> AGM”) of the Company will be held on a fully virtual basis at the broadcast venue at 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 November 2020 at 10:00 a.m. for the following purposes :-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note No. 7)**
2. To approve the payment of Directors’ fees of RM330,000.00 for the financial year ended 30 June 2020. **(Resolution 1)**
3. To approve the payment of Directors’ fees of RM450,000.00 for the financial year ending 30 June 2021. **(Resolution 2)**
4. To approve the payment of Directors’ benefits up to an amount of RM153,000.00 from 26 November 2020 until the next Annual General Meeting of the Company. **(Resolution 3)**
5. To re-elect the following Directors who are retiring pursuant to Clause 119 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Mr. Chan Wan Siew; and **(Resolution 4)**
  - (b) Dr. Abu Hasan Bin Ismail. **(Resolution 5)**
6. To re-elect the following Directors who are retiring pursuant to Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Professor Emeritus Dato’ Dr. Hassan Bin Said; and **(Resolution 6)**
  - (b) Puan Hafidah Aman Binti Hashim **(Resolution 7)**
7. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 8)**

## As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

8. **ORDINARY RESOLUTION NO. 1** **(Resolution 9)**  
**- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers;

## Notice of Annual General Meeting

**AND THAT** the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **ORDINARY RESOLUTION NO. 2**

**(Resolution 10)**

- **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"**THAT** subject always to the Companies Act 2016, the Constitution of the Company, the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of shares purchased does not exceed ten percent (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any);
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

**THAT** authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and will only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by shareholders of the Company in general meeting,

whichever occurs first;

**AND THAT** authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase."



# Notice of Annual General Meeting

10. **ORDINARY RESOLUTION NO. 3**  
**- RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

(Resolution 11)

“THAT Mr. Chan Wan Siew who has served as an Independent Non- Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance.”

11. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648)(MAICSA 0777689)**  
**LIM LIH CHAU (SSM PC NO. 201908001454) (LS 0010105)**  
Company Secretaries

Kuala Lumpur  
Dated: 23 October 2020

## NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 November 2020 shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to the Meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the proxy form may also be lodged electronically via the Boardroom Smart Investor Portal at <https://boardroomlimited.my> which is free and available to all individual shareholders not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Monday, 23 November 2020 at 10:00 a.m. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the 10<sup>th</sup> AGM remotely, please register electronically via Boardroom Smart Investor Portal at <https://boardroomlimited.my> by registration not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Monday, 23 November 2020 at 10:00 a.m.

Please refer to the Administrative Guide for the 10<sup>th</sup> AGM of the Company, which is available for download at [https://prestariang.listedcompany.com/shareholders\\_meeting.html](https://prestariang.listedcompany.com/shareholders_meeting.html) for further details.

7. The Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

# Notice of Annual General Meeting

## 8. Explanatory Note on Special Business :-

### (i) Resolution 3 – Approval for the payment of Directors' benefits

The proposed Directors' benefits payable comprises allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for period from 26 November 2020 until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

### (ii) Resolution 9 – Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 10<sup>th</sup> AGM of the Company.

The Company had been granted a general mandate by its shareholders at the Ninth Annual General Meeting ("9<sup>th</sup> AGM") of the Company held on 27 November 2019 (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Company had utilised the Previous Mandate by issuing total of 48,230,100 new ordinary shares of RM0.296 each pursuant to a Private Placement Exercise. Details of the total proceeds raised from the Private Placement and its utilisation are disclosed in this Annual Report.

The Proposed Resolution 9 is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being.

As part of the initiative from the Bursa Malaysia Securities Berhad ("Bursa Securities") to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Securities had vide Bursa Malaysia Berhad's letter dated 16 April 2020 granted several additional relief measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of the Bursa Securities Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities ("20% General Mandate").

This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

After having considered all aspects of the 20% General Mandate, the Board is of the opinion that the seeking of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the following basis: -

- the 20% General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expeditiously for its operations, future expansion and business development;
- the 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities when they are identified.

The 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion. This authority unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

### (iii) Resolution 10 – Proposed Renewal of Share Buy-Back Authority

The Proposed Renewal of Share Buy-back Authority is to renew the authority granted by the shareholders of the Company at the 9<sup>th</sup> AGM of the Company held on 27 November 2019. The proposed renewal will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Statement to Shareholders dated 23 October 2020 for further information.

### (iv) Resolution 11 – Retention of the Independent Non-Executive Director

Mr. Chan Wan Siew was appointed as an Independent Non-Executive Director of the Company on 18 November 2010, and will therefore serve as Independent Non-Executive Director for more than nine (9) years. As at the date of the Notice of the Annual General Meeting, he has served the Company for nine (9) years and eleven (11) months. However, he has met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board therefore, considers him to be independent and believes that he should be retained as an Independent Non-Executive Director of the Company.



PRESTARIANG\*

**PRESTARIANG BERHAD**

[Registration No. 201001038336(922260-K)]  
(Incorporated in Malaysia)

# Form of Proxy

CDS Account No.	
Number of ordinary shares	

\*I/We (full name), \_\_\_\_\_

E-mail: \_\_\_\_\_ Telephone No.: \_\_\_\_\_

bearing \*NRIC No./Passport No./Company No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a \*member/members of Prestariang Berhad ("the Company") hereby appoint:

First Proxy "A"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Email:			
Telephone No.:			
Full Address:			

and/or failing \*him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Email:			
Telephone No.:			
Full Address:			

100%

or failing \*him/her, the \*Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Tenth Annual General Meeting of the Company to be held on a fully virtual basis at the broadcast venue at 12<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 November 2020 at 10:00 a.m. and at any adjournment thereof.

# to put on a separate sheet where there are more than two (2) proxies.

*(Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at \*his/her discretion.)*

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees of RM330,000.00 for the financial year ended 30 June 2020.	1		
3.	To approve the payment of Directors' fees of RM450,000.00 for the financial year ending 30 June 2021.	2		
4.	To approve the payment of Directors' benefits up to an amount of RM153,000.00 from 26 November 2020 until the next Annual General Meeting of the Company.	3		
5(a).	To re-elect Mr. Chan Wan Siew as Director.	4		
5(b).	To re-elect Dr. Abu Hasan Bin Ismail as Director.	5		
6(a).	To re-elect Professor Emeritus Dato' Dr. Hassan Bin Said as Director.	6		
6(b).	To re-elect Puan Hafidah Aman Binti Hashim as Director.	7		
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	8		
<b>Special Business</b>				
8.	Authority to issue shares pursuant to the Companies Act 2016.	9		
9.	Proposed Renewal of Share buy-back authority.	10		
10.	Retention of Mr. Chan Wan Siew as Independent Non-Executive Director.	11		

As witness my/our hand(s) this day \_\_\_\_\_ of \_\_\_\_\_, 2020.

\* Strike out whichever not applicable

\_\_\_\_\_  
\*Signature of Member/Common Seal

**Notes:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 November 2020 shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to the Meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11<sup>th</sup> Floor Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the proxy form may also be lodged electronically via the Boardroom Smart Investor Portal at <https://boardroomlimited.my> which is free and available to all individual shareholders not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Monday, 23 November 2020 at 10:00 a.m. All resolutions set out in this notice of meeting are to be voted by poll.

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7. The Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

*fold here*

Stamp

To:  
**Boardroom Share Registrars Sdn. Bhd.**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13  
46200 Petaling Jaya, Selangor Darul Ehsan

# FTSE4Good Content Index

## CLIMATE CHANGE

Reference Indicator	Indicator Description	Reference Section	Pages
ECC01	Climate change impact including CO2/GHG emissions - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency	• Corporate Environmental Responsibility	67
ECC05	Initiatives in place include measures to address climate change through adaptation: a) Company mentions addressing adaptation b) Company explains specific actions taken	• Paper Use	70
EC008	Board oversight of climate change: a) Evidence of board or board committee oversight of the management of climate change risks b) Named position responsible at Board level	• Sustainability Governance Structure	47
ECC12	Intensity of operational GHG emissions is: a) Measured and disclosed b) Reduced	• Scope 2 Carbon Emission for Employee	69
ECC14	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed	• Total Carbon Emissions	69
ECC15	Three years of total energy consumption data is disclosed	• Energy Use	69
ECC31	Energy use - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency	• Operating Sustainably - Our Environmental Goals	68
ECC38	Short term (up to 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets	• Operating Sustainably - Our Environmental Goals	68
ECC39	Long term (more than 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets	• Operating Sustainably - Our Environmental Goals	68
ECC40	Disclosure of results measured against previously set and disclosed targets to reduce operational GHG emissions: a) Unquantified progress b) Quantified progress	• Carbon Emissions	68
ECC41	Independent verification of operational GHG emissions data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared	• Assurance • Carbon Emissions	44, 68
ECC42	Independent verification of operational energy consumption data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared	• Assurance • Energy Use	44, 69
ECC43	Recognition of climate change: a) As a relevant risk and/or opportunity to the business b) Discloses time horizon (short/medium/long term) of risk and/or opportunity	• Sustainability Risks And Opportunities	56

# FTSE4Good Content Index

## CLIMATE CHANGE (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Pages
ECC44	Impact of climate-related risks and opportunities. The company: a) Details how they incorporate climate change risks and opportunities in their strategy (mitigation, new products, R&D, etc.) b) Discloses the impact of climate change risks and opportunities on financial planning (OPEX, CAPEX, M&A, debt)	<ul style="list-style-type: none"> <li>Sustainability Risks And Opportunities</li> </ul>	56
ECC49	Scope 3 emissions	<ul style="list-style-type: none"> <li>Total Carbon Emissions</li> <li>Paper Use</li> <li>Employee Commute</li> <li>Business Travel</li> </ul>	69, 70, 72
ECC50	Climate-related risk management procedures: a) Integrated into multi-disciplinary company-wide risk management b) Specific climate-related risk management process	<ul style="list-style-type: none"> <li>N/A</li> </ul>	69
ECC51	Internal carbon price: a) Company has an internal price of carbon b) Company discloses the price of carbon	<ul style="list-style-type: none"> <li>Internal Carbon Pricing</li> </ul>	73

## CORPORATE GOVERNANCE

Reference Indicator	Indicator Description	Reference Section	Pages
GCG01	Separate Non-Executive Chair and CEO: a) Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared b) Separate Non-Executive Chair and CEO, where Chair is independent	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Board Composition</li> </ul>	Chairman and CEO are separated. Chairman is independent. 27, 101 – 102
GCG02	Disclosure of details about Directors: a) Expertise b) Other Directorships	<ul style="list-style-type: none"> <li>Board of Directors' Profile</li> <li>Board Composition</li> </ul>	28 – 31, 101 – 102
GCG03	Number of Board Directors	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Board Composition</li> </ul>	27, 101 – 102
GCG04	Number of independent Directors on the board	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Board Composition</li> </ul>	27, 101 – 102
GCG05	Number of women on the board	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Board Composition</li> </ul>	27, 101 – 102
GCG06	Commitment to gender diversity on the board: a) Statement of support b) Targets in place to improve gender ratio	<ul style="list-style-type: none"> <li>Principle 5: Governance To Drive Compliance And Best Practices</li> <li>Board Composition</li> </ul>	90, 101 – 102
GCG07	Board addresses: a) Conflicts of interest b) Related party transactions	<ul style="list-style-type: none"> <li>Board Charter 2020 (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> <li>Related Party Transaction Policies &amp; Procedures (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	
GCG08	Periodic evaluation of board effectiveness: a) Review (can have no clear timeframe) b) Evaluation with a clear timeframe (e.g. annually or other set period)	<ul style="list-style-type: none"> <li>Board Charter 2020 (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	

CORPORATE GOVERNANCE (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Pages
GCG09	Disclosure of: a) Board Committee(s) b) Their Charters, terms of reference or equivalent	<ul style="list-style-type: none"> <li>Committees established by the Board</li> <li>Board Charter 2020 (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	105 – 111
GCG10	Disclosure of number of times the board/each committee have/has met per annum:	<ul style="list-style-type: none"> <li>Meetings</li> <li>Committees established by the Board</li> </ul>	102, 105 – 111
GCG11	Disclosure of the attendance rate: a) For some individual board/committee members, or average attendance rates b) Of all individual directors at both board and committee level	<ul style="list-style-type: none"> <li>Meetings</li> <li>Committees established by the Board</li> </ul>	102, 105 – 111
GCG14	Disclosure of fixed and variable remuneration for: a) Senior executives included in the company's remuneration disclosures b) Non-executive board members	<ul style="list-style-type: none"> <li>Remuneration Committee</li> </ul>	107 – 110
GCG19	Annual General Meeting: Number of days between the date of notice and date of meeting	<ul style="list-style-type: none"> <li>Notice of Annual General Meeting</li> </ul>	261 – 264
GCG21	Shareholders have the right to vote on executive remuneration: a) Evidence of shareholders voting in the AGM b) The right to vote annually is explicitly covered in a company policy	<ul style="list-style-type: none"> <li>Remuneration Committee</li> <li>Notice of Annual General Meeting</li> </ul>	107 – 110, 261 – 264
GCG22	Shareholders have the right to vote on Director appointments and dismissals: a) Evidence of shareholders voting in the AGM b) The right to vote annually for election/re-election of all directors is explicitly covered in a company policy	<ul style="list-style-type: none"> <li>Board Composition</li> </ul>	101 – 102
GCG26	Disclosure of voting results: a) In at least a limited manner b) In a detailed manner	<ul style="list-style-type: none"> <li>Shareholders' Meeting: Minutes of Meeting (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	
GCG27	Remuneration for senior executives included in the company's remuneration disclosures: a) Includes long-term incentives or mechanisms b) Incorporates ESG performance	<ul style="list-style-type: none"> <li>Remuneration Policy</li> <li>Remuneration Policy for Non-Executive Directors, Executive Director And Senior Management (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	110
GCG40	Claw-back or malus provision exists for remuneration: a) Applies to CEO b) Applies to CEO and to one or more senior executives included in the company's remuneration disclosures	<ul style="list-style-type: none"> <li>Remuneration Policy</li> <li>Remuneration Policy for Non-Executive Directors, Executive Director And Senior Management (<a href="http://www.prestariang.com.my">www.prestariang.com.my</a>)</li> </ul>	110
GCG42	Does the company provide for one share one vote for all company meeting resolutions?	<ul style="list-style-type: none"> <li>Analysis of Shareholdings</li> </ul>	258
GCG44	Financial expertise on the audit committee: a) At least one independent financial expert on the audit committee b) A majority of independent financial experts on the audit committee	<ul style="list-style-type: none"> <li>Board of Directors' Profile</li> <li>Audit Committee Report</li> </ul>	28 – 31, 115
GCG46	There is a fully non-executive Audit Committee or Audit Board with: a) At least half independent members b) All independent members	<ul style="list-style-type: none"> <li>Audit Committee Report</li> </ul>	115

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## CORPORATE GOVERNANCE (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Pages
GCG47	There is a fully non-executive Remuneration Committee with: a) At least half independent members b) All independent members	• Remuneration Committee	107
GCG48	In relation to executive remuneration, the company discloses: a) High level principles b) A detailed process for setting remuneration	• Remuneration Policy • Remuneration Policy for Non-Executive Directors, Executive Director And Senior Management ( <a href="http://www.prestariang.com.my">www.prestariang.com.my</a> )	110
GCG49	Disclosure and Nature of fees paid to the auditor: a) Audit and non-audit fees are separately disclosed b) Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year	• Other Compliance Information	123
GCG50	Percentage of women on the Executive committee or equivalent: a) Year b) Percentage of women on the Executive committee or equivalent	• Senior Management Profile	32 – 34

## HUMAN RIGHTS AND COMMUNITY

Reference Indicator	Indicator Description	Reference Section	Pages
SHR03	Statement of principles or process by which community investments are made: a) Covering defined focus areas b) Community investment focus area(s) linked to the company's business strategy	• Empowering Communities	64
SHR04	Policy addresses children's rights, other than child labour through: a) Evidence of support for children's rights in company operations or through programmes b) Policy or commitment statement on children's rights, such as commitment to the Children's Rights and Business Principles	• Compliance to Regulations and Laws	77
SHR05	Commitment to local employment and/or sourcing: a) Comment on local employment/sourcing b) Clear commitment	• Inspiring Inclusivity And Diversity in the Workplace	80
SHR06	Addresses freedom of expression through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative	• Advocate Freedom of Association and Expression	77
SHR07	Addresses freedom of expression through: Addresses data privacy through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative	• Data Privacy	61 - 62
SHR15	Output/outcome of specific results, achievements or benefits of community investments: a) Details of output/outcome including non-quantified b) Quantification of output/outcome	• Engaging Effectively with Millennials	64 - 65



**HUMAN RIGHTS AND COMMUNITY (CONT'D)**

Reference Indicator	Indicator Description	Reference Section	Pages
SHR16	Mechanisms to facilitate employee engagement and involvement with charitable partners: a) Evidence of recognising volunteering b) Specific targets or structures set up to facilitate employee engagement	<ul style="list-style-type: none"> <li>Inspiring Inclusivity And Diversity in the Workplace</li> </ul>	80
SHR17	Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations:	<ul style="list-style-type: none"> <li>Engaging Effectively with Millennials</li> </ul>	64 – 65
SHR21	Public commitment to respect and support the protection of internationally proclaimed human rights: a) The company's commitment includes reference to international human rights instruments, including those contained within the International Bill of Human Rights b) The company has made a specific commitment to apply either the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises	<ul style="list-style-type: none"> <li>Compliance to Regulations and Laws</li> </ul>	77

**LABOUR STANDARDS**

Reference Indicator	Indicator Description	Reference Section	Pages
SLS03	In relation to non-discrimination, company: a) Addresses non-discrimination/equal opportunity in general disclosures b) Has a separate policy, covering race, religion, gender, age, sexual orientation, disabilities, and nationality	<ul style="list-style-type: none"> <li>Equal Opportunity Employer</li> </ul>	77
SLS05	Policy or statement supporting the right to freedom of association that: a) Refers only to compliance with local law on freedom of association b) Covers the respect for or support of the right to freedom of association	<ul style="list-style-type: none"> <li>Advocate Freedom of Association and Expression</li> </ul>	77
SLS06	Policy or statement supporting the right to collective bargaining that: a) Refers only to compliance with local law on collective bargaining b) Covers the respect for or support of the right to collective bargaining	<ul style="list-style-type: none"> <li>Rights to Trade Union and Collective Bargaining</li> </ul>	78
SLS07	Policy/Principles/Code addressing the elimination of excessive working hours, which: a) Focuses on compliance with local law on working hours/ overtime b) Focuses on specifically reducing excessive working hours	<ul style="list-style-type: none"> <li>Discourage Excessive Working Hours</li> <li>Maintaining a Balance between Work and Life (www.prestariang.com.my)</li> </ul>	77
SLS08	Policy or statement supporting the right to a minimum or living wage, which: a) Focuses on compliance with minimum wage b) Commits to exceed minimum wage/meet living wage	<ul style="list-style-type: none"> <li>Commitment to Exceed Minimum Wage</li> </ul>	78
SLS11	Policy supporting the community addressing: a) The employment of under-privileged groups, including those from deprived backgrounds, having poor social status and with no formal education or qualifications b) Youth unemployment initiatives, apprenticeships or graduate placements	<ul style="list-style-type: none"> <li>Internship Policy</li> </ul>	66

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## LABOUR STANDARDS (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Pages
SLS12	Company policy on labour standards is: a) Communicated globally to employees b) Translated into relevant languages	<ul style="list-style-type: none"> <li>Employee Handbook: On-Board Training and Accessibility</li> </ul>	78
SLS21	In relation to instances of labour standards non-compliance, the company: a) Discloses the number of incidents but not how they dealt with them, or states there were no incidents b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents, or states there were no incidents	<ul style="list-style-type: none"> <li>Best Practices and Standards</li> </ul>	76
SLS24	Full time staff voluntary turnover rates: a) Current Year b) Turnover Rate	<ul style="list-style-type: none"> <li>Inspiring Inclusivity And Diversity In The Workplace</li> <li>Employee Breakdown</li> </ul>	79, 80
SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills	<ul style="list-style-type: none"> <li>Training and Development</li> </ul>	82 – 85
SLS29	Employee personal development training to enhance abilities or individual skills, including: a) Policy or commitment statement to provide employee personal development training b) Detailed description of the personal development training that is provided	<ul style="list-style-type: none"> <li>Driving Talent And Development Growth Via Digitalisation</li> </ul>	82 – 85
SLS30	The company addresses bullying and/or harassment: a) Providing a confidential reporting channel or whistle blowing system b) Manager training on handling of reports or instances of bullying or harassment	<ul style="list-style-type: none"> <li>Incidents, Whistle Blowing and Grievance</li> </ul>	78 – 79
SLS33	Percentage of women in the global workforce	<ul style="list-style-type: none"> <li>Employee Demographics</li> </ul>	80 – 81



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Star Central, Block 12,  
Lingkaran Cyber Point Timur  
Cyber 12, 63000 Cyberjaya  
Selangor Darul Ehsan



(+603) 8689 7000



(+603) 8689 7009



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