

PRESTARIANG®

ANNUAL REPORT 2017

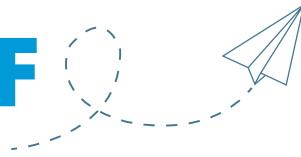


TAKING OFF

Technology & Talent
Driving The Digital Economy

TAKING OFF

Technology & Talent
Driving The Digital Economy



We are taking off with determination and are poised to seize the range of opportunities that digital technologies offer. Building on our strengths in advanced digital technology and a strong presence in targeted industry sectors, we have successfully emerged to take full advantage of advanced technologies and innovative business models to bridge the divide between high-tech and more traditional areas.

We achieved significant milestones in our history with the development of two Transformational Businesses, which will set benchmarks in the international ICT arena.

- **Sistem Kawalan Imigresen Nasional (SKIN)**, the state-of-the-art cross-border security system involves a total revamp of the Immigration Department's IT infrastructure for effective implementation and management of immigration and national security.
- The integrated digital platform of **EduCloud** is set to transform traditional teaching and learning methods to support Entrepreneurship, Education and e-Commerce in the education sector.

We will not rest on our laurels. In hindsight, we shall continue on this trail blazing path to pave the way to a new generation of Technology and Talent.

8th

Annual General Meeting

- **16 May 2018, Wednesday**
- **10.00 a.m.**
- **Dewan Putra Perdana 1**
PULSE GRANDE Hotel
(formerly known as Putrajaya Shangri-La Hotel)
Taman Putra Perdana, Presint 1
62000 Wilayah Persekutuan Putrajaya, Malaysia.

Our Vision

A Global Company that provides **21st Century Talent & the Digital Platform** to Transform Innovative Services

Our Mission

To drive sustainable recurring profit through **digital transformation**

Our Shared Values

- Collaborative
- Customer Focus
- Innovative
- Integrity
- Quality

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ACCOUNTABILITY

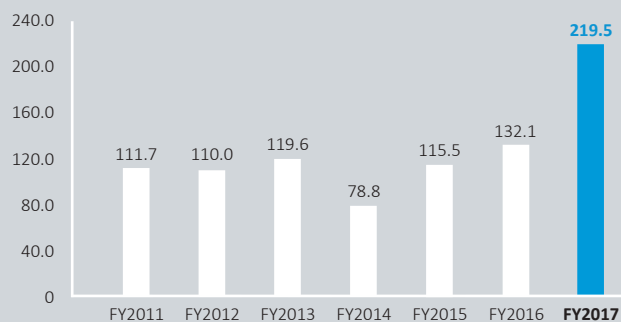
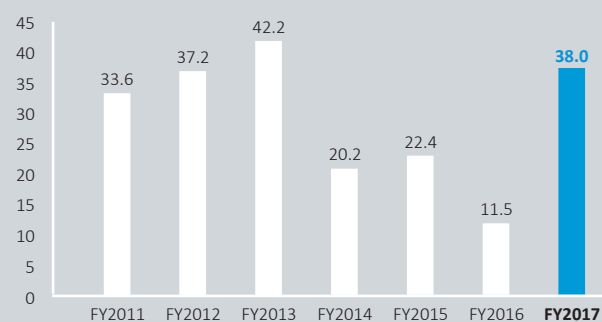
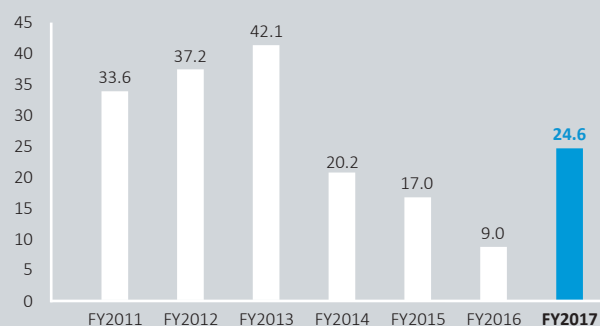
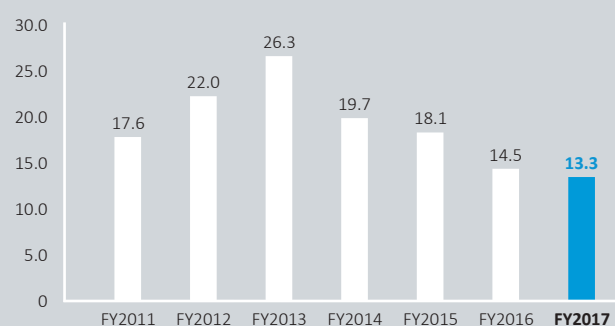
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Prestariang's
new HQ
ready by
Q2 2018



At A **GLANCE**

<p>Incorporated in 2003</p> <p>Listed Main Market Bursa Malaysia Securities Berhad</p> <p>27 July 2011</p>	 <p>Headquarters CYBERJAYA</p>	 <p>Dividend Policy Minimum of 50% Profit After Tax Payout</p>
<p>ISO 9001:2015</p> <p>Certified for Prestariang Systems Sdn Bhd Microsoft Business Solution</p>	<p>Market Capitalisation close to RM1.0 BILLION as at 31 December 2017</p>	 <p>>250,000 Trained & Certified Individuals</p>
<p>a Constituent of</p>  <p>FTSE4Good</p> <p>BURSA MALAYSIA INDEX Since December 2014</p>	 <p>More than 60 Globally Recognised Certification Courses</p>	 <p>Distributed & Managed over 5.51 million Software Licences</p>
<p>SHARIAH-COMPLIANT</p>  <p>a Constituent of</p> <p>FTSE Bursa Malaysia EMAS Shariah index</p> <p>FTSE Bursa Malaysia Small Cap Shariah index</p>		 <p>MALAYSIA-ASEAN CORPORATE GOVERNANCE TOP 100 COMPANIES</p> <ul style="list-style-type: none">• Overall Corporate Governance & Performance• Company with Good Disclosure

GROUP'S PERFORMANCE SINCE LISTING FROM 2011 TO 2017 (RM Million)**Revenue****RM887.2****Profit Before Tax****RM205.1****Profit After Tax****RM183.7****Dividend Payout****RM131.5**

OUR BUSINESSES

- **TECHNOLOGY**
 - SKIN
 - Software & Services
- **TALENT**
 - EduCloud
 - University
 - Training & Certification

Prestariang is a **Technology and Talent pioneer** that has evolved from being Malaysia's largest ICT software and training service provider to a leading Technology and Talent Platform innovator.

Through its Transformation Plan, Prestariang's Technology Platform has successfully taken off with the award of **Sistem Kawalan Imigresen Nasional (SKIN)** by the Malaysian Government.

EduCloud, a Talent Platform to support Entrepreneurship, Education and e-Commerce in the education sector was launched in conjunction with JobMatching PTPTN at a ceremony to commemorate the 20th Anniversary of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).

Today, Prestariang in collaboration with global partners, which include Imprimerie Nationale, Microsoft, Autodesk, IBM, Oracle, KPMG, University of Melbourne and many others, drives innovation in the Digital Economy.

Prestariang is also the largest Microsoft Licensing Solutions Partner in Malaysia.

Through its Technology and Talent Platforms, Prestariang will deliver its innovation through six core pillars, which are:

- Analytics and Business Intelligence
- Cyber and Information Security
- Cloud Services
- Change Management
- Digital Ecosystem
- SKIN-in-a-Box

Prestariang Group remains committed to drive the technology industry in Malaysia towards and beyond the new digital economy era.



SISTEM KAWALAN IMIGRESEN NASIONAL (SKIN)

TECHNOLOGY PLATFORM

Prestariang SKIN Sdn Bhd (PSKIN) entered into a Concession Agreement (CA) dated 9 August 2017 with the Government of Malaysia via the Ministry of Home Affairs to implement Sistem Kawalan Imigresen Nasional (SKIN). PSKIN is a wholly-owned subsidiary of Prestariang Services Sdn Bhd, which in turn is a subsidiary of Prestariang Berhad (Prestariang or the Group).

The 15-year CA consists of a three year development period and a 12-year maintenance service period.

SKIN is a new border control system which replaces the current Malaysian Immigration System to modernise the national immigration system's core applications and infrastructure, and enhance national border security.

SKIN is set to be a catalyst for expansion opportunities in service-based platform businesses by developing competencies in emerging technologies such as Big Data Analytics, Internet of Things, cloud computing and cyber security.

The development works for SKIN solutions will see an influx of technology talents into the Company's workforce which will also be a springboard for fresh graduates to gain leading-edge industry experience.



Prestariang's wholly owned subsidiary, Prestariang Systems Sdn Bhd (Prestariang Systems) is the sole Microsoft Licensing Solutions Provider for all Government Agencies and Institut Latihan Awam in Malaysia under the Master Licensing Agreement (MLA) 3.0. The Extension of Contract under MLA 3.0 is an enhancement of MLA 2.0 that includes the Institut Latihan Awam as our new customer base with added scope of services.

The extension of contract under MLA 3.0, which was awarded by the Ministry of Finance (MoF) is for a period of three years commencing from 1 February 2018 until 31 January 2021.

The MLA 3.0 is a centralised procurement contract, which allows all Government Agencies to purchase Microsoft software licences, products and services through Prestariang Systems. The provision of a licensing framework promotes better management of procurement procedures and utilisation of software licences, streamlining of administration processes and more efficient budgeting for software procurement.

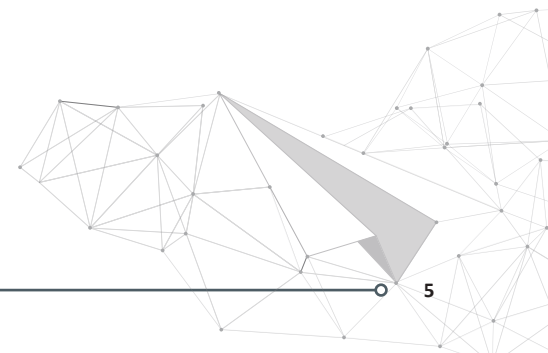
This initiative by the MoF is aligned to the strategic ICT thrust of the Government to ensure the uptime and effectiveness of the Government Agencies' IT infrastructure are performing at optimal levels at all times.

Competency Enhancement Program (CEP)

The CEP is a continuity from the Role-based Training for Civil Servants (RBTCs) program, which is an initiative to provide ICT literacy to civil servants in Malaysia.

This unique value proposition under MLA 3.0 is endorsed by Microsoft (Malaysia) Sdn Bhd where on every 8% spent for software purchases, clients can redeem the following:

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





TALENT PLATFORM

EduCloud is a services-based digital platform to empower higher education stakeholders to enable digital education, develop new generation of entrepreneurs and deliver e-commerce in Malaysian campuses. EduCloud was launched in conjunction with Jobmatching PTPTN at a ceremony to commemorate the 20th Anniversary of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).

This next-generation integrated education platform will enable higher education institutions to build cloud-based infrastructures, develop mobile-first applications and provide value-added services for students. By connecting the digital ecosystem with strategic partners, EduCloud unlocks immeasurable potential beyond the classroom for an enriching education experience.

EduCloud is supported by the Ministry of Higher Education (MoHE) to offer quality education via enhanced learning experiences. The cloud-based service leverages on the synergistic strengths of identified global IT giants which are anchored on the following areas:

- Cloud computing capabilities
- Data Management
- Digital Media Enablement
- Content Delivery network services
- Talent and Education customer base
- Deployment Expertise



UNIMY was launched in January 2013 to initially offer tertiary education from foundation to post degree studies in Computer Science, Computer Engineering and ICT related courses.

In 2016, UNIMY underwent a strategic transformation by rebooting its courses and modules to capitalise on emerging technologies critical to the development of the digital economy, which are changing teaching and learning methods.

The major role of these technologies in education is to empower tech-enabled individuals to source high quality academic content more effectively via an open source learning rather than manual source learning. It encourages more creative learning experiences where it enables students to be innovative and proactive.

Today, UNIMY stands as the first ICT-focussed Digital Technology University in Malaysia via strategic collaborations with Prestariang's partners to accelerate UNIMY's transition into a digital university that is able to ride on the Group's transformational businesses such as SKIN and EduCloud.

We have also established strategic partnerships with leading global IT players such as Microsoft, IBM, EC-Council, Huawei, KPMG, Dell and Autodesk.

With focus on big data analytics, coding and cyber security, UNIMY is designed to develop talented market-ready tech professionals to meet the challenge of advancing Malaysia's economic success in the next decade.

Our Major **PROJECTS**



**GRADUATE EMPLOYABILITY
ACCELERATOR PROGRAM**

PSTI PRESTARIANG SKILLS
TRAINING INSTITUTE

Our Home Grown **INTELLECTUAL PROPERTIES**



SMARTGREEN
Certification



IC CITIZEN Certification



Proficiency in Enterprise
Communication (PEC) Certification



Training & Learning
Management Systems

Past **PROJECTS**





TAKING OFF

As we gear ourselves and move ahead through the advancement of ICT, we are prepared to embrace the demands and challenges in our journey.

We have placed a tidy sequence of logical steps that has led us towards attaining our vision as a **Technology and Talent** entity that is **Driving the Digital Economy** not only in Malaysia but in identified markets where our expertise is sought after.

The focus on strengthening our technical knowledge, human capital development and improving our processes are what drives our growth. By achieving best practices in our business we improve operations and service offerings, ultimately increasing our competitive edge and customer satisfaction levels.

Message from **OUR CHAIRMAN**



Dear Valued Shareholders,

I am pleased to declare that Prestariang Berhad (Prestariang or the Group) is well and truly taking off as a result of the transformational journey we had taken over the past few years.

As a company in the business of change, we have effectively crossed an important inflection point and have now entered an extended period that guarantees recurring income and clears the way to new and exciting prospects in the digital economy.

Our transformational initiatives over the past few years have certainly paid off. The Group's business is now anchored on two platforms of Technology and Talent, with our project to develop, operate and maintain the Sistem Kawalan Imigresen Nasional (SKIN) and Software & Services coming under the Technology Platform; and the University Malaysia of Computer Science and Engineering (UNIMY), Training & Certification and EduCloud parked under the Talent Platform.

Collectively, the two platforms will focus on the development of technologies and competencies in six areas: Analytics & Business Intelligence, Cyber & Information Security, Cloud Services, Change Management, SKIN-in-a-Box and Digital Ecosystem. We are confident that this new business model and direction will generate sustainable growth well into the future.

During the year in review, the Group recognised the first revenue from SKIN. At this point, the Group has fulfilled all the conditional precedent requirements stipulated in the Concession Agreement (CA). In this regard, the concession effective date is 11 April 2018.

DATO ' MOHAMED YUNUS RAMLI BIN ABBAS
Chairman

Apart from strengthening national and cross-border security, this project is set to have a positive socio-economic impact with the reskilling of end users in new digital technologies and will also lead to the demand for qualified human capital within our organisation. It will further amplify Prestariang's strengths in information and communications technology, while improving the Company's image as an employer of choice.

Prestariang started developing EduCloud in 2017, a single services-based digital platform to support learning, engagement and innovation in education in Malaysia and other ASEAN countries, and which will eventually open up opportunities to tap the mass consumer market. EduCloud was launched on 8 March 2018 in conjunction with the signing of the Memorandum of Understanding with Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) to roll out the JobMatching PTPTN portal. The launch ceremony was also held to commemorate the 20th Anniversary of PTPTN. JobMatching PTPTN is the first product developed and supported by EduCloud, with many more to come in due course.

We are also sustaining and growing our business in Software & Services while rebooting our Training & Certification business and embedding it into our Education arm, which is spearheaded by UNIMY.

With all these pieces in place, Prestariang is poised to sustain its business for the long term, ensuring healthy and consistent returns for our shareholders and other stakeholders for many years to come.

FINANCIAL PERFORMANCE

The Group achieved revenue of RM219.5 million in FY2017, a substantial growth of 66.2% from RM132.1 million recorded the previous financial year. SKIN contributed heavily to this growth with RM78.0 million.

As a result of the significant gain in revenue, Profit Before Tax (PBT) tripled to RM38.0 million during the year in review (FY2016: RM11.5 million) with SKIN contributing RM27.5 million to PBT. Meanwhile, Profit After Tax (PAT) amounted to RM18.2 million (FY2016: RM8.9 million) after accounting for minority interest of RM6.4 million.

In terms of share of revenue from Prestariang's business segments, Software & Services was the largest contributor with 57.1% (FY2016: 88.7%), followed by SKIN at 35.5%. Once a major component of the Group's business, Training & Certification's share of revenue dropped to 4.6% from 9.3% the year before while UNIMY accounted for 2.8% against 2.0% in FY2016.

The Shareholders' Funds grew 1.9% to RM164.0 million (FY2016: RM161.0 million) while Total Assets reached RM256.2 million against RM198.4 million the previous year. Earnings Per Share (EPS) was 3.77 sen, more than double the EPS for FY2016 at 1.84 sen.

DIVIDEND POLICY

At Prestariang, we view profit sharing as an acknowledgement of the contribution by our loyal and supportive shareholders to the growth and success of the Group. Accordingly, the Dividend Policy, which was approved by the Board of Directors (the Board) in February 2016, sets the distribution of dividends at a minimum of 50% of PAT. Details of the Dividend Policy are stated on page 64 of this annual report.

DIVIDEND PAYOUT

For FY2017, the Board is pleased to declare a total dividend of 2.75 sen per share (FY2016: 3.0 sen per share), which is lower than the year before due to significant investment in SKIN, acquisition of a stake in OpenLearning Global Pte Ltd (OpenLearning) and other developments in 2017.

Total dividend payout for FY2017 amounted to RM13.3 million issued in four interim payments throughout the financial year. This amount exceeds the PAT if the recognised profit from SKIN is not taken into consideration.

Total dividend payout since listing is RM131.53 million or 27.18 sen per share with dividends paid on a quarterly basis as an appreciation to shareholders.

BUSINESS SEGMENTS

Creating Value From Disruption

Digital convergence is a constantly evolving reality. To remain relevant and current, we have been reviewing our business models to ensure we leverage on the convergence of big data analytics, cloud capabilities and social engagement. Thus, it has led us to innovate and improve our business operations and efficiencies with the main aim of engaging our customers and other stakeholders to drive revenue and value.

The flow of our expertise and competencies through the organisation is key to our efforts to circumnavigate the complexities of our businesses. The increasing pervasiveness of technology will profoundly impact the way business is conducted. Hence, we have been driven to innovate and put in place measurable efficiencies within the Group to maintain our differentiation across the sectors in which we operate.

TECHNOLOGY

• SKIN

SKIN is poised to be the Group's major income earner over the next 15 years and account for a significant portion of our business. Prestariang SKIN Sdn Bhd (PSKIN) entered into a Concession Agreement dated 9 August 2017 with the Government, represented by the Ministry of Home Affairs in relation to the implementation of SKIN. The Concession is for a period of 15 years, which has become effective on 11 April 2018.

PSKIN will deliver the total solution for the integrated and comprehensive core immigration system, SKIN Solutions, which are composed of eight main modules as follows:

- enforcement and depot
- passport and travel documents
- visas, passes and permits
- border control
- risk assessment engine
- eReporting
- security
- supporting modules

The project is based on the Build, Operate, Maintain and Transfer model and encompasses a three-year Development Period to build and deploy the infrastructure and system, followed by a 12-year Maintenance Services Period of maintenance and technical operations. SKIN's new digital infrastructure and applications will be deployed to 274 sites (248 domestic and 26 overseas).

Following the signing of the CA, we secured financing for the project and was given the effective date on 11 April 2018. For the initial three-year Development Period, Prestariang will recognise the revenue based on the stage of completion method, by reference to the proportion of costs incurred for work performed to date bear to the estimated total costs. Subsequently, we expect to record an average annual revenue of an estimated RM200 million during the 12-year Maintenance Services Period.

During the year in review, we attracted and employed a diverse group of homegrown as well as global talents specifically for SKIN. To cater to our expanding talent pool, the Group invested approximately RM38 million for the purchase of a purpose-built building, which is close to our current premises in Cyberjaya.

This future headquarters is spread across 60,000 sq ft of floor space and can house up to 600 people as compared to our current premises with a built up space of 16,000 sq ft for 200 people.

• Software & Services

This business segment continued to be the Group's main revenue earner in FY2017 with RM125.3 million, representing a 6.9% increase over RM117.2 million achieved in the previous year. Revenue was generated through the Microsoft Master Licensing Agreement (MLA 2.0) to supply Microsoft licences to government ministries and agencies and the distribution of Autodesk licences to local education institutions. During the year in review, the MLA 2.0 contract yielded RM80.5 million (64.2% of segment revenue) while Autodesk contributed RM16.0 million (12.8% of segment revenue).

Our Software & Services business is set to grow further following the contract extension of the MLA and the award of a new contract to distribute the Adobe Creative Cloud Software and Services. The new MLA 3.0, similar to its previous two iterations, is a three-year contract from February 2018 to January 2021 and worth an estimated RM222.6 million. It includes an enhanced scope of services as well as the Public Training Institute (Institut Latihan Awam) as a new customer.

Meanwhile, the Adobe contract, valued at RM13.3 million, was awarded by the Ministry of Higher Education (MoHE) to supply software licences and related services to agencies under MoHE, public universities, polytechnics and community colleges over a three-year period from November 2017.

TALENT

• EduCloud

Prestariang's integrated education platform, EduCloud, is the Group's springboard to future business in the digital economy. Developed in collaboration with renowned global education and talent partners, EduCloud is set to transform the education landscape by creating a digital community of students and working professionals, and providing them access to a host of lifelong learning opportunities and education-related services.

Beyond education purposes, EduCloud has the potential to convert its resident community into a ready base of consumers for e-commerce and other lucrative ventures. During the year in review, Prestariang acquired a 16.7% stake in OpenLearning Global Pte Ltd for RM16.1 million (AUD5 million) as part of our move to capture student populations for EduCloud. The acquisition was completed in February 2018.

OpenLearning is an Australian-based online learning platform that not only channels content delivery, but also focuses on student engagement. In Malaysia, the portal is marketed to 20 public and private universities with a combined headcount of more than 1 million students. As such, our stake in OpenLearning is a strategic and synergistic gambit to support and complement EduCloud and our transformational business.

- **UNIMY**

UNIMY registered revenue of RM6.2 million in FY2017 against RM2.6 million in the previous financial year. This jump in revenue resulted in a reduced loss of RM5.8 million during the year in review compared with RM6.3 million in FY2016. Despite the loss, our operational and branding revamp of the university is clearly paying off with an increase in student enrolment of more than 100%. As of now, the total student population is 520 and the Management is confident to double the intake in 2018. In addition, the development of EduCloud as the online platform for the delivery of education and education-related services is set to grow the university's permanent as well as transient student population while also optimising resources. We are confident that UNIMY will soon move from the deficit column to become profitable in the near future.

- **Training & Certification**

During the year in review, the contribution to revenue from this business segment dropped to RM10.0 million from RM12.3 million in FY2016, continuing the downward trend of the past few years. In response, we are rebooting our Training & Certification business with new product offerings tailored for the mass market such as shorter-term online courses in place of the traditional programs. At the same time, we will be offering the programs through UNIMY to capitalise on funding instruments that are only mandated to channel loans through institutions of higher learning. We are optimistic that such moves will rejuvenate this business segment in the years ahead.

Meanwhile, our initiative with PTPTN, JobMatching PTPTN, provides job placement and training to PTPTN borrowers. It is based on a 'Place & Train' model in which PTPTN borrowers will be matched to suitable jobs and then given training on soft skills and communications. JobMatching PTPTN is hosted under EduCloud.

OUTLOOK

Following several years spent disrupting our own business model, Prestariang is now primed to transform the industries it operates in and leave an indelible mark on the evolution of the digital economy.

Spearheaded by our new businesses of SKIN and EduCloud, we can look forward to many years of high growth and healthy returns. With SKIN, the Group has a recurring income earner that has the potential to weather any adverse external factors while with EduCloud, we have a dynamic base to expand and diversify our business offerings.

We are now on track to address the digital disruptions and prepare ourselves as a Company, which is shaping the future.

APPRECIATION

I take this opportunity to congratulate the Management and employees on their efforts over the past few years in reshaping and redefining the future for Prestariang. Your vision and dedication to see it come to fruition has placed us on a fast track to capitalise on the many opportunities emerging from the convergence of the digital and physical economies.

My sincere appreciation goes out to my fellow Board members for your wise counsel and stewardship. On behalf of the Board, I would like to thank our loyal shareholders for your continued support of the Group through our years of business transformation. And on behalf of Prestariang, I would like to convey my gratitude and acknowledge the Government of Malaysia for its confidence in the Group to undertake such a nationally-important project as SKIN.

Our journey through these past years has seen the Company steadily grow in terms of both the business and its people. The ability of the Management Team to grasp all the varied elements of successful leadership has been superbly orchestrated by our President and Group CEO, Dr. Abu Hasan Ismail. His ideas and approach to creating solutions for the future of Prestariang and the nation have few parallels. With him at the helm, we are steering into the future, confidently embracing our roles, responsibilities and duties to ensure the Group continues with its development drive.

DATO' MOHAMED YUNUS RAMLI BIN ABBAS

Chairman

SUMMARY OF GROUP'S KEY FINANCIAL INDICATORS

(RM Million)

	2017	2016	%
Revenue	219.5	132.1	+66.2
Profit Before Tax	38.0	11.5	+230.4
Profit After Tax	24.6	9.0	+173.3
Shareholders' Funds	164.0	161.0	+1.9
Earnings Per Share (sen)	3.77	1.84	+104.9
Total Assets	256.2	198.4	+29.1
Dividend (sen)	2.75	3.0	-8.3
Dividend Payout	13.3	14.5	-8.3

FINANCIAL PERFORMANCE

The Group recorded revenue of RM219.5 million in FY2017, which represents a growth of 66.2% from revenue generated in FY2016 (RM132.1 million). The Sistem Kawalan Imigresen Nasional (SKIN) project was the main contributor to Group revenue, accounting for RM78.0 million.

The revenue increase resulted in a higher Profit Before Tax (PBT) of RM38.0 million for the year in review (FY2016: RM11.5 million). SKIN contributed significantly to PBT with RM27.5 million. Profit After Tax (PAT) and minority interest was RM18.2 million (FY2016: RM8.9 million) after taking into account the minority interest of RM6.4 million (FY2016: 0.1 million).

Contribution to revenue by the four business segments were Software & Services with 57.1% (FY2016: 88.7%), SKIN with 35.5%, Training & Certification with 4.6% (FY2016: 9.3%) and University with 2.8% (FY2016: 2.0%).

The Shareholders' Funds increased 1.9% to reach RM164.0 million (FY2016: RM161.0 million) while Total Assets amounted to RM256.2 million compared with RM198.4 million in FY2016. Earnings Per Share (EPS) was 3.77 sen, double the EPS of 1.84 sen for FY2016.

DR. ABU HASAN BIN ISMAIL
President/Group CEO



FINANCIAL PERFORMANCE

(RM Million)

Revenue

▲ **219.5**
2016: RM132.1 **+66.2%**

Profit Before Tax

▲ **38.0**
2016: RM11.5 **+230.4%**

Profit After Tax

▲ **24.6**
2016: RM9.0 **+173.3%**

Shareholders' Funds

▲ **164.0**
2016: RM161.0 **+1.9%**

Total Assets

▲ **256.2**
2016: RM198.4 **+29.1%**

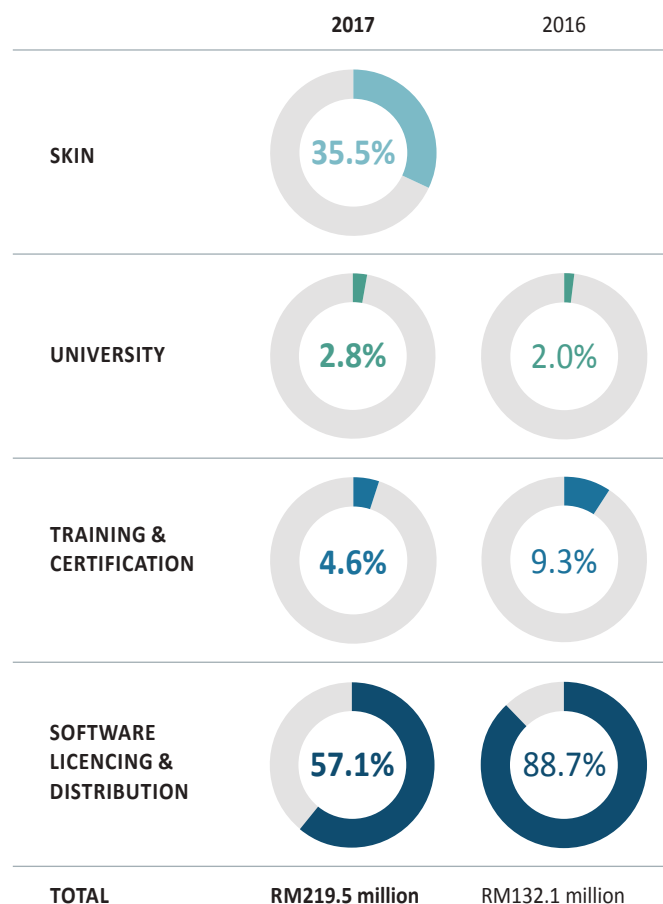
Earnings Per Share (sen)

▲ **3.77**
2016: 1.84 **+104.9%**

CONTRIBUTION TO REVENUE BY DIVISION

(RM Million)

	2017	2016
SKIN	78.0	-
University	6.2	2.6
Training & Certification	10.0	12.3
Software Licensing & Distribution	125.3	117.2
Total	219.5	132.1



DIVIDEND POLICY

Prestariang has always recognised and rewarded the loyalty and contribution of our shareholders with a generous share of our profits. In this regard, the Group's Dividend Policy, which was approved by the Board in February 2016, apportions a minimum of 50% of PAT minus the profit contribution from SKIN as dividend.

DIVIDEND PAYOUT

For FY2017, the Board declared a total dividend of 2.75 sen per share (FY2016: 3.0 sen per share). The lower dividend declared was mainly attributed to financing for the SKIN project, the acquisition of a 16.7% stake in OpenLearning Global Pte Ltd (OpenLearning) and the development of EduCloud.

The total dividend payout for FY2017 was RM13.3 million, which was issued in four interim payments during the year in review.

Since listing until 31 December 2017, the total payout to shareholders was RM131.53 million, representing 27.18 sen per share. This is a reflection of the Group's commitment to our shareholders for their staunch support.

TAKING OFF From Transformation To Execution

Financial Year 2017 (FY2017) marked the beginning of a shift in gear for Prestariang to become the leading technology and talent player in Malaysia. We are effectively moving on from transformation to execution, from developing business platforms to creating business value, and from disrupting businesses to monetising services.

These past few years, we had transformed and restructured our business into two platforms, which are:

- **Technology**
 - SKIN
 - Software & Services
- **Talent**
 - EduCloud
 - University Malaysia of Computer Science and Engineering (UNIMY)
 - Training & Certification

Our transitioning posture is apparent across Prestariang and its people, with our financial performance firmly placed on a steep upward trajectory.

Our newest transformational businesses are taking off even as we prepare to move to a new and larger headquarters to accommodate the steady influx of diverse and digital-era talents. Our theme for this year's annual report "Taking Off" offers an apt description of developments within the Group.

It is noteworthy to point out that Group revenue reached RM219.5 million during the year in review, which exceeds the RM200 million mark for the first time. This significant jump in revenue coincided with the initial recognition of revenue for SKIN, the 15-year concession for Prestariang to develop, operate and maintain a new National Immigration Control System for the Immigration Department of Malaysia. The concession effective date is 11 April 2018.

EduCloud, which is our other transformational business, is a single services-based digital platform to support learning, engagement and innovation in education in Malaysia and ASEAN. In March 2018, EduCloud was launched by the Deputy Prime Minister in conjunction with the launch of JobMatching PTPTN.



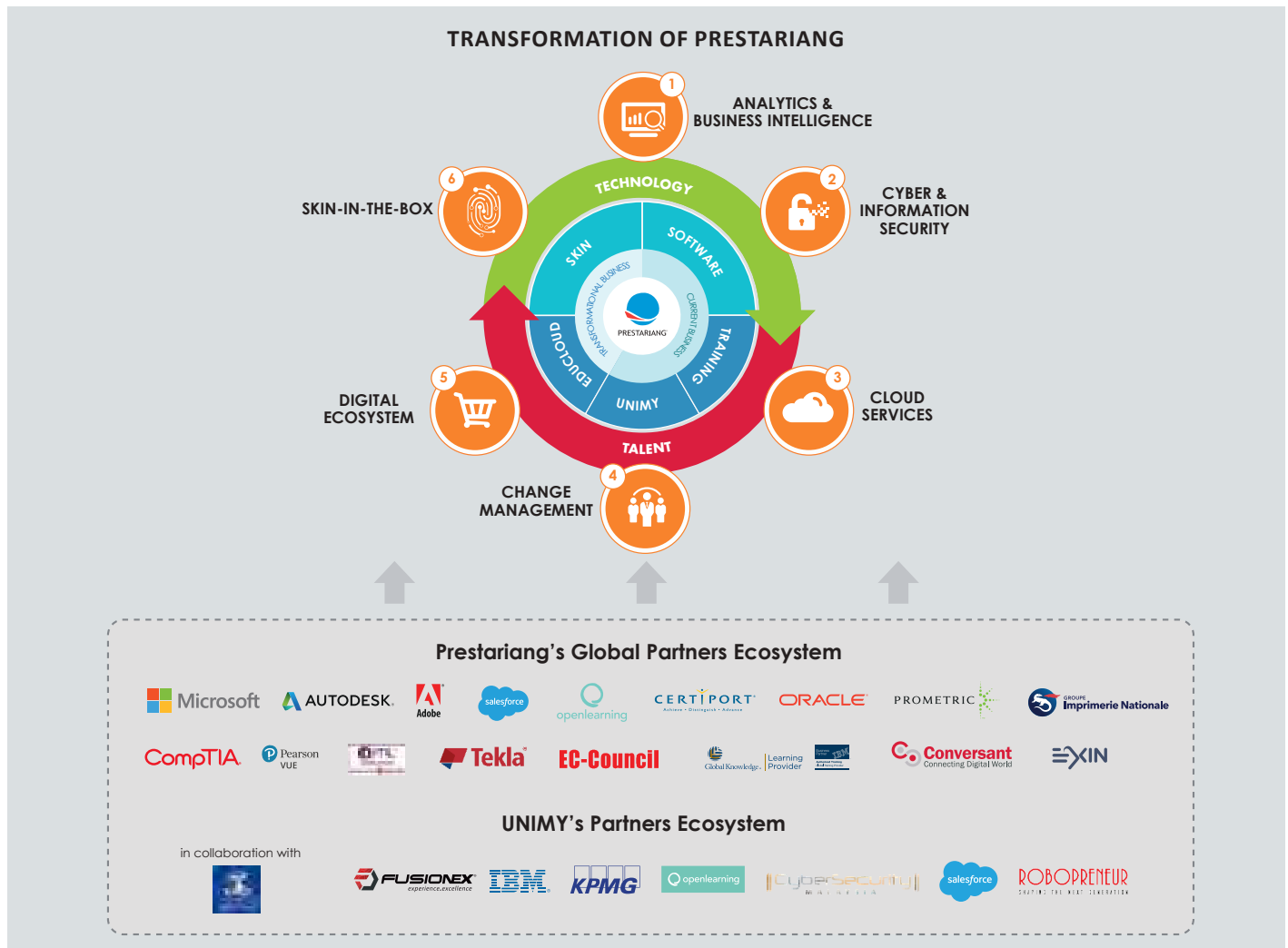
The launch of JobMatching PTPTN would improve employment opportunities to boost the country's employment rate and economy.

Jointly developed by Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) and Prestariang, JobMatching PTPTN is a portal supported by EduCloud. These two business segments are dramatically changing Prestariang’s stance in the marketplace to truly drive the future of businesses in the digital economy.

While SKIN provides a stable and guaranteed platform to achieve recurring income, EduCloud is our launch pad from which to capture future business and opportunities not only in education, but other sectors as well.

In concert with our existing segments of Software & Services, Training & Certification and UNIMY, both our transformational businesses will pave the way for the Group to develop new competencies in analytics and business intelligence, digital ecosystem, cyber and information security, cloud services, SKIN-in-a-Box and change management. Over the years, we have steadily built a stable of global technology partners and this has been a contributing factor in our successful efforts to secure major projects.

The following graphic illustrates our core competencies developed in tandem with our global partners:



SKIN
Platform For Stable Income And Development Of Digital Competencies

By 2021, SKIN is expected to be Prestariang’s dominant segment of Group business, as presented in the Chairman’s Statement. We recognised the stage of completion, proportion of actual over total budgeted cost.

Over and above its future status as the major income earner, SKIN is poised to push us to the forefront in the development of digital technologies as well as digital talents.

During the year in review, we set out to source a diverse range of talents in order to harness and leverage on their different backgrounds, expertise and experience. Our approach to hiring is based on the principles of diversity and inclusiveness to harness the true potential of all our employees. We believe that this unique differentiation will drive innovation through intense and greater collaboration among ourselves.

As announced by the Company on 28 March 2017, Prestariang had entered into a Heads of Agreement (HOA) with Thales Communications & Security SAS and Thales Malaysia Sdn Bhd in respect of the proposed implementation of SKIN. Groupe Imprimerie Nationale (IN Group) acquired the identity management business from Thales Group on 12 May 2017.

On 5 December 2017, Prestariang Tech Services Sdn Bhd (PTECH), a wholly-owned subsidiary of the investment holding company, Prestariang Services Sdn Bhd which is in turn a subsidiary of Prestariang Berhad, as the main contractor for SKIN entered into a Memorandum of Agreement for the Development Period (MOA-DP) with IN Continu Et Services (INCS). INCS is a subsidiary of Imprimerie Nationale S.A., France and a member of Groupe Imprimerie Nationale (IN Group).

In terms of the project Development Period of 36 months, we will develop the system and applications including the deployment to all 274 sites.

Subsequent to the Development Period, we are tasked with operating and maintaining the system for a further 12 years with the terms of the CA, including technology upgrades or technology refresh.

It is pertinent to point out that the technologies to be developed include cloud computing, cyber and information security, analytics and business intelligence; competencies which are in high demand in the digital economy.

SKIN BENEFITS FOR MALAYSIA’S SECURED FUTURE



1
Modernise the core applications and infrastructure of the national immigration and border control system to address operational demands.



2
Enhance the nation’s border security and bring forth significant transformation on the border control system to address global threats.



3
Improve immigration processes to elevate efficiency and effectiveness in its policies, people, processes, operations and data accuracy.

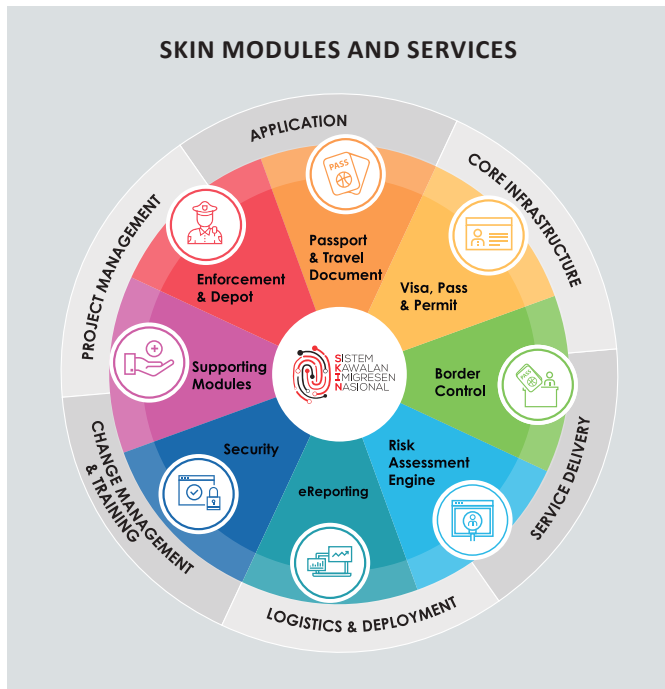


4
Provide efficient services to businesses and communities in management of foreign workers and talents, promotion of tourism and foreign investments.



5
Develop new risk assessment capabilities to ensure safety and support in combatting illegal cross-border activities including human trafficking, smuggling, terrorism financing and money laundering.

The SKIN Modules and Services are presented in the graphic below to ensure user acceptance, operational readiness at all times and governance with cyber security being a top priority.



SOFTWARE & SERVICES
Maintaining Robust Performance
With Expanding Portfolio

Our core business of Software & Services has been a consistent performer since our listing, providing Prestariang with the support necessary to undertake our transformational journey through the last few years.

This segment continues to complement the Group’s other businesses by developing and strengthening ties with some of the largest, established and prominent brands in software and related services. Today, we are Microsoft’s largest partner in Malaysia as the sole Microsoft Licensing Solutions Provider for all Government Agencies in Malaysia and one of the strategic education partners for Adobe.

In the case of Microsoft, we have formed a trusted relationship as reflected by the repeated extension of our contracts to distribute its licences to the public and private sectors.

Prestariang System's three-year contract with the Ministry of Finance is now into its third cycle with Master Licensing Agreement (MLA) 3.0 beginning its tenure in February 2018. With the extension of contract under MLA 3.0, besides distributing and managing Microsoft products and solutions for all Government Agencies, we have also extended our services to new clients in the private sector, which include Institut Latihan Awam. Under the contract, we also provide our customers with additional value-added services such as product training and end-to-end support solutions.

During the year in review, we added another feather in our cap with a three-year contract to distribute the Adobe Creative Cloud Software and Services. Adobe is the world’s most commonly-used suite of software for graphic and related design.

The segment recorded higher revenue of RM125.3 million in FY2017 (2016: RM117.2) and we are confident it will grow further in the years to come.

EDUCLOUD
Emergence Of The Digital Learning Era

Unlike SKIN, the value of EduCloud to the Group lies in its potential to tap future business opportunities in the digital realm. Akin to SKIN, the cloud-based integrated education and services digital engagement platform is also a vehicle to develop new digital technologies and digital talents.

EduCloud seeks to address changing trends in education by making it more accessible via the online delivery of learning and training, and job profiling and matching. In this way, it is also a convenient platform for lifelong learning.

As mentioned earlier, EduCloud has launched its first product, JobMatching PTPTN. Hosted on EduCloud, the portal provides job placement for PTPTN borrowers through a ‘Place & Train’ model. It includes job matching to industry requirements through talent profiling and a series of soft skills and communications training.

Following its launch, EduCloud will now start to engage in outreach to more than 2 million users at institutions of higher learning and the public sector. There are an estimated 1.3 million higher education students in Malaysia and an estimated 1 million civil servants who are registered with Prestariang via Microsoft’s MLAs.

Management **DISCUSSION & ANALYSIS**

In this regard, Prestariang's acquisition of a 16.7% stake in OpenLearning Global Pte Ltd for RM16.1 million (AUD5 million), which was completed in February 2018, was an opening move to build a mass digital community for EduCloud.

The Australian-based online learning platform has an established presence in Malaysia and is used by 20 institutions of higher learning with a combined student population of more than 1 million. The engagement with students will be on constant and lifelong basis, giving users a digital lifestyle with access to a spectrum of services, education-wise or otherwise.

It is this captive market that makes EduCloud such a viable platform to monetise opportunities such as e-commerce. In this case, EduCloud offers a direct line to its users, turning them into prospective consumers for B2C ventures.

It is pertinent to point out that customer acquisition is often a costly, time-consuming effort and a key element that makes or breaks a business. EduCloud circumvents the need for any heavy investment in resources to develop its market, resulting in a much lower cost for customer acquisition.

In addition, EduCloud's built-in digital capabilities such as analytics enable B2C ventures to profile consumers in order to tailor products and services accordingly. They can also leverage on digital marketing instruments to communicate with the consumer base, whether it is through social media, downloadable apps or push/pull promotions.

For Prestariang, EduCloud is a channel to move beyond the Government to the mass consumer market. We are hopeful this will eventually create within the Group an enterprise culture anchored on constant and continuous innovation.

UNIMY

The Group's efforts to reboot the University Malaysia of Computer Science and Engineering (UNIMY) during FY2017 has clearly paid off. Our overhaul of the university's brand image, curriculum and marketing direction has resulted in the enrolment of more than 300 new students.

The successful reboot is reflected in UNIMY's financial performance for the year in review, with revenue growing to RM6.2 million from RM2.6 million the year before.



At this stage, it is pertinent to point out that today's education landscape is increasingly leaning in favour of fluid competencies such as learning agility instead of the traditional focus on acquisition of knowledge and skills.

With this in mind, Prestariang is expanding UNIMY to offer a holistic value chain and provide lifelong learning opportunities to meet market needs in areas of rapid change. The emphasis is on producing adaptable students with the ability to negotiate the shifting demands of employment, particularly in dynamic industries that form the core of the digital economy.

In such cases, education can be delivered in short, relevant and effective packages rather than in the form of systematic learning of capabilities that could very well be rendered obsolete by the time the talent enters the workforce.

For this reason, we have decided to embed the Group's Training & Certification business into UNIMY and deliver it through EduCloud's online education platform. This also makes business sense as UNIMY's financial performance is gaining upward momentum at a time when returns from our Training & Certification business are on a downward slide. By offering training through UNIMY, we can reboot this business segment while also boosting the university's portfolio.

TRAINING & CERTIFICATION

A key reason for the consolidation of Training & Certification into UNIMY is to address the needs of students, parents, the Government and employers. A common issue is education funding.

Prestariang has been a leading voice in advocating change in the way education and training are funded. We see positive signs that our efforts are beginning to pay off, with funding being extended to cover online as well as short learning programs.

It should be noted that funding agencies are realising that the odds of loan recovery are invariably higher from employed talents who pursue lifelong learning opportunities and enrol in training courses.

Given this positive development, our decision to offer training courses through UNIMY is to facilitate future funding possibilities for trainees since some funding agencies are only mandated to channel loans through institutions of higher learning.



We are confident that our efforts on this issue will rejuvenate the Group's Training & Certification segment, which has seen a gradual decline in revenue over the past few years and registering only RM10.0 million in FY2017 as compared with its peak of RM54.0 million in FY2013. Training & Certification is a high-margin business and the realignment of this segment will certainly drive future business growth.

HEADING TOWARDS A PRODUCTIVE AND PROFITABLE FUTURE

Looking ahead, Prestariang has a promising future over the long term as we begin to realise and monetise the value created from our efforts to capitalise on digital disruption as well as disruption of our own business model.

In SKIN and our current businesses supported by EduCloud, we have the keys to unlock the technological, talent and business potential of tomorrow. With the launch of SKIN and EduCloud in the new financial year 2018, these are certainly exciting times for the Group and our people.

Strategic plans and growth can only take off by having a strong and skilled workforce. With these developments taking place within the Group, we are upping the ante to attract and more importantly, retain talents. To achieve our mission to drive the digital economy, we are leveraging on our branding as a robust Technology and Talent entity to uncover skills, attitudes and values.

As such, we are taking the steps necessary to create an elite, thriving and performance-driven talent pool within the Group. Ultimately, we will have the ability to connect the dots, with our link to UNIMY providing a source of graduates and talents that can address technology challenges and ensure the sustainability of our businesses.

Special Feature

UNIMY

UNIVERSITY MALAYSIA
OF COMPUTER SCIENCE
& ENGINEERING

sets the benchmark in
the Malaysian digital
economy with
**Big Data, Cyber Security
& Coding.**



BY 2020

Industry 4.0: Malaysia's workforce requirements

20,000

Data
Professionals

2,000

Data
Scientists

11,000

Creative
Content Jobs

15-20%

Global Business
Services
Growth Each
Year

Sources: ASEAN Data Analytics eXchange (ADAX),
Malaysia Digital Economy Corporation (MDEC)

THE DIGITAL TECHNOLOGY UNIVERSITY



“Changes in the industry are so rapid that the only way to survive is to be adaptive”

DR. ABU HASAN ISMAIL
Founder

UNIMY equips graduates with the necessary competencies to excel in the digital economy. UNIMY's strengths lie in its ability to offer students professional certifications as part of its syllabus. Graduates will enter the career market with a minimum of two professional certificates, issued by globally acknowledged institutions which include CompTIA and EC-Council.

In terms of subjects offered, UNIMY's curriculum is flexible such that it can offer relevant courses, which are based on current trends and demands via its pool of elective courses.

Lecturers are encouraged to use and apply new technologies, software and hardware in classes so that students acquire the skills needed and gain first-hand experience of a live working environment.

Soft-skills are a necessity for nurturing well-rounded graduates. At UNIMY, students are exposed to the current movements in the IT world via dialogue sessions with key industry players, industry site visits and discussions on actual case studies.

Entrepreneurship is encouraged at UNIMY and opportunities are abound for students to start applying their skills by engaging potential real-world clients and develop solutions which not only fit the requirements of the problems but can be commercialised. The importance of this soft skill value-add as part of UNIMY's offerings, raises the bar of the calibre and professionalism of its students.

For further details, log on to www.UNIMY.edu.my

INDUSTRY COLLABORATION

In Collaboration With



UNIMY Partners



Prestariang Partners



Special Feature: UNIMY



FACT SHEET UNIMY'S NEW CAMPUS CYBERVIEW 2@CYBERJAYA

- 4 storeys
- 230,965 Square Feet
- 3,000 Student Capacity
- 550 Car Park Bays
- State-of-the-art Classrooms
- Auditorium
- Laboratories
- Cafes



- The 1st ICT-focussed Digital Technology University in Malaysia via strategic collaboration with University of Melbourne.
- Strategic partnerships for industrial advisory and student internship placements: OpenLearning, Fusionex, KPMG, CyberSecurity Malaysia, IBM SalesForce and Robopreneur.
- Professional Certification & Training Courses offered through EduCloud's online education platform.
- UNIMY is consistent in ensuring its offerings are dynamic and in trend with the current environment. This is accomplished via periodic program reviews and audits, continual self-development programs for the lecturers and engagement with the industry.

UNIMY PROFESSIONAL PROGRAMMES

FOUNDATION

Foundation in Computing & Engineering

DIPLOMA

Diploma in Internet and Computing Technology
Diploma in Information Technology (Cyber Security)
Diploma in Interactive and Digital Media
Diploma in Information System (Business Computing)
Diploma in Computer Science (Game Development)

UNDERGRADUATE

Bachelor of Computer Science with Honours
Bachelor of Software Engineering with Honours
Bachelor of Engineering (Hons) in Computer Engineering
Bachelor of Business Administration (Management Information Systems) (Honours)

POST GRADUATE

Master in Computing
Master in Science (Computer Science)
Doctor in Philosophy (Computing)

PROFESSIONAL CERTIFICATION & TRAINING

EC-Council and CompTIA professional certifications are embedded in the curriculum and are offered as part of elective courses for all third-year students only who are undertaking degree programs. The certifications assure that the students are industry ready upon graduation.

UNIMY graduates are at the forefront of the Digital Economy.

UNIMY's future-focussed concept offers new insights on the methods of teaching and learning to leverage on the demand for subject matter experts in the technology industry.

UNIMY graduates are flexible and adaptable. Their skill sets are not only suitable for IT-based domains but also extends beyond to other industries.

UNIMY graduates are fit for the future. The following new jobs are slated to increase within a short time frame.

- Software Engineering/Programming skills to unearth new technologies and programming languages.
- Database administrator/database developer with skills in Distributed NoSQL Databases.
- Data Scientist/Business Intelligence Analyst/Computer Scientist with Artificial Intelligence (AI) skills.

STUDENT **EXPERIENCE**



HAZEEM AHMAD
Computer Engineering

UNIMY is different and it makes me different. What sets me apart when I graduate is that I will receive two Professional and Accredited Certificates, from EC-Council and CompTIA. With UNIMY, I feel like I'm the best of the best. I have made the right choice!



VIVEKDEEP SINGH
Software Engineering/UNIMY Overseas Internship Award Recipient
-Digital Hollywood University, Tokyo, Japan

I have so far completed four certifications, two from CompTIA: Network Plus & Security Plus, Certified Ethical Hacking and InfoSys. My dream is to improve the programming level of Malaysian students. I want to share my knowledge by becoming a lecturer as educating the younger generation is important so that we can churn out better software engineers in the world.

WHAT DO INDUSTRY EXPERTS SAY...

ADAM IHSAN AMRAN
Co-Founder Creative Minds



Students did an excellent presentation for their Final Year project, very relevant to the industry. Good technical skills.



UNIMY X R.AGE COLLABORATION

Eight Computer Science and Software Engineering students teamed up with R.AGE to revamp its website and develop a new mobile application. R.AGE is an international award-winning investigative journalism platform based in Malaysia, which specialises in shortform multimedia documentaries and cause-driven media campaigns.



TRAILBLAZING 1.0



TRAILBLAZING 2.0

TRAILBLAZING 1.0 & 2.0

Trailblazing is an event organised by students for students. Featuring top executives from both local and international outfits including Celcom Axiata, OpenLearning.com, Prestariang Berhad, KPMG and SP Setia, it was a truly eye-opening affair for the students who were exposed to myriad experiences shared by these well-known personalities.



100%

EMPLOYMENT RATE!

The first batch of UNIMY students who graduated in 2018 achieved 100% employment rate.

Going to university is a life-changing experience. A big part of the UNIMY experience immerses our students in actual world settings, be it organising student-led events, working with professional clients or providing solutions in authentic case studies. We also encourage all our students to be proactive and to engage in active learning by applying what they learn outside the classroom.

ACTIVE LEARNING

In UNIMY, we encourage all students to actively participate in external competitions. Students benefit by utilising and testing their skills as well as applying what they have learnt. They gain immeasurable exposure either through participating or volunteering in such external programs by engaging with industry experts and students from other institutions.

DISRUPT-IT CHALLENGE



Initiated and funded by Dr. Abu Hasan Ismail, The competition's goal is to encourage entrepreneurship in IT or tech-preneurs in proposing a tech-based "disruptiveness" project to support or enable increased affordability, sustainability and innovativeness among industries and communities alike.

KPMG INNOVATIVE CHALLENGE



UNIMY students won the inaugural KPMG CyberSecurity Challenge 2017. This competition heightened awareness and further encouraged students to pursue careers as Cyber Security Professionals.

BFM: A.I FOR GOOD HACKATHON



UNIMY students participated in the inaugural Hackathon, which was organised by an established local business station, BFM. Together with industry professionals who were invited to collaborate at this event, they pooled their resources to design and build artificial intelligence (AI)-enabled smart city applications for the community, with focus on the urban poor, disabled and homeless as well as non-governmental organisations that support these groups in Malaysia.

CIMB DATA SCIENCE CHALLENGE 2017



UNIMY student Mohd Nazri Syah Bin Sani won fifth runner-up of the CIMB Data Science Challenge 2017 competition. This annual challenge is open to university students to test participants' application and knowledge of data preparation and data mining.

OVERSEAS INTERNSHIP

The overseas internship award offers students more than just work experience; it also offers exposure to a multicultural environment that will challenge them to adapt personally and professionally. Students will be given the opportunity to travel to Japan, Europe, Australia or the United States of America where they will visit and intern with universities, industry leaders or both.



DIGITAL HOLLYWOOD UNIVERSITY, JAPAN

Our debut batch of Overseas Internship Scholarship recipients interned with Digital Hollywood University (DHU) in Tokyo. They gained a lot of knowledge in gaming development and production. They were exposed to backend programming in anime production and were also involved in an actual product development.

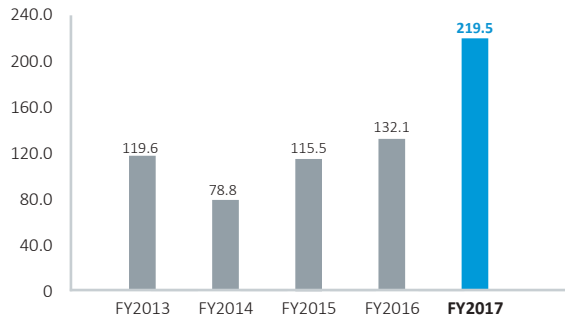


UNIVERSITY OF MELBOURNE, AUSTRALIA

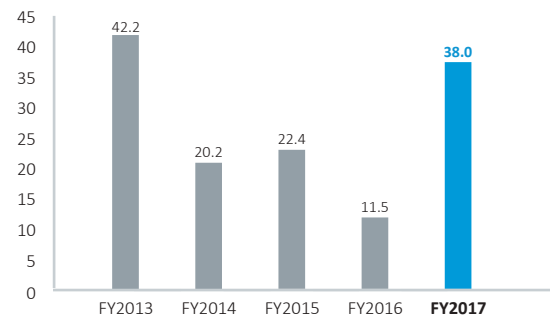
A group of nine students spent three weeks interning at University of Melbourne, Australia. Besides experiencing new learning environments, they also got involved in several student social engagements during their time there.

Financial HIGHLIGHTS (RM Million)

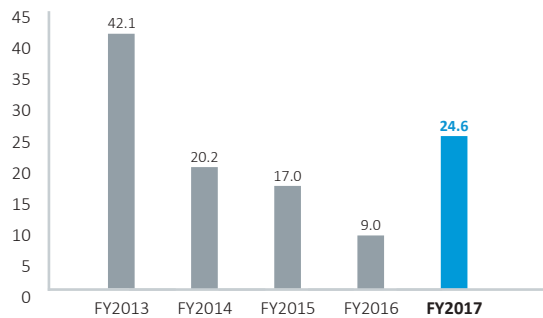
Revenue



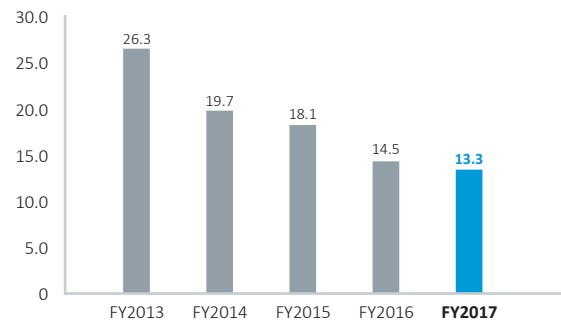
Profit Before Tax



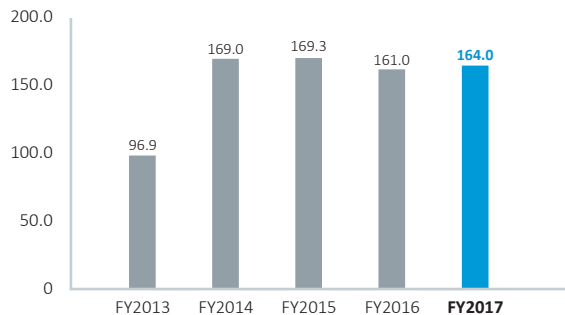
Profit After Tax



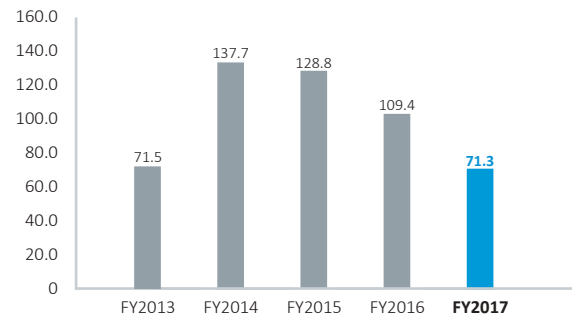
Dividend Payout



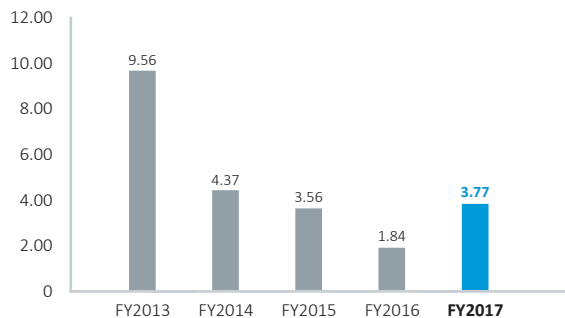
Shareholders' Funds



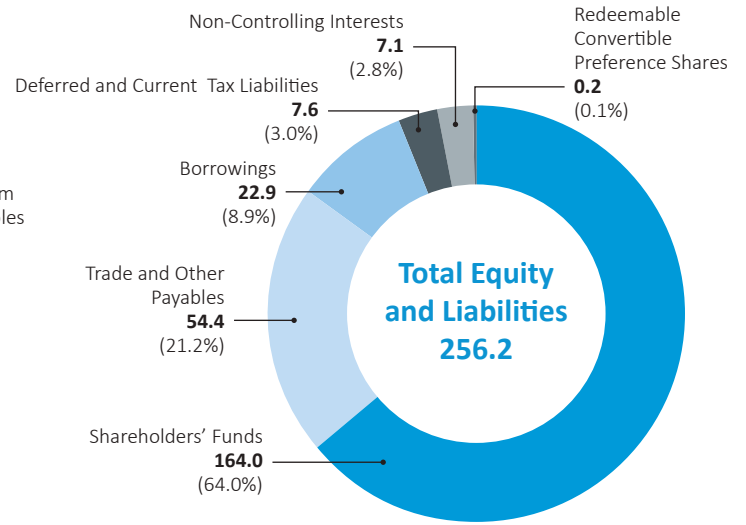
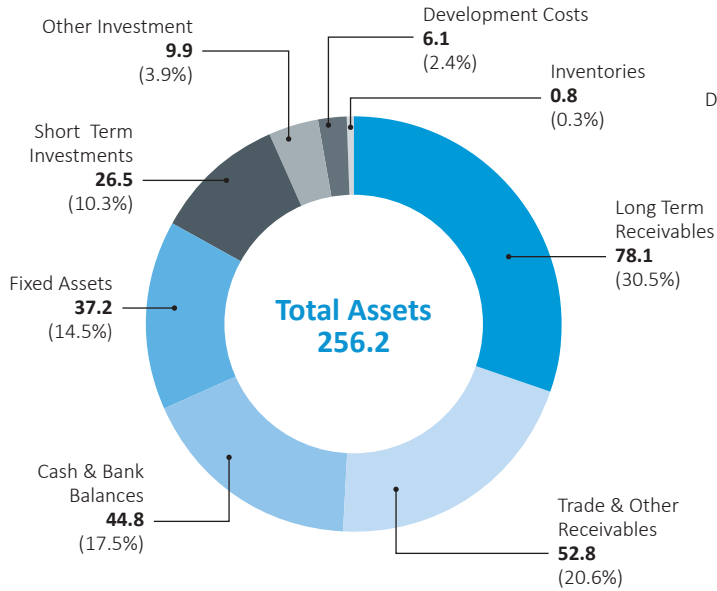
Cash & Bank Balance and Short Term Investment



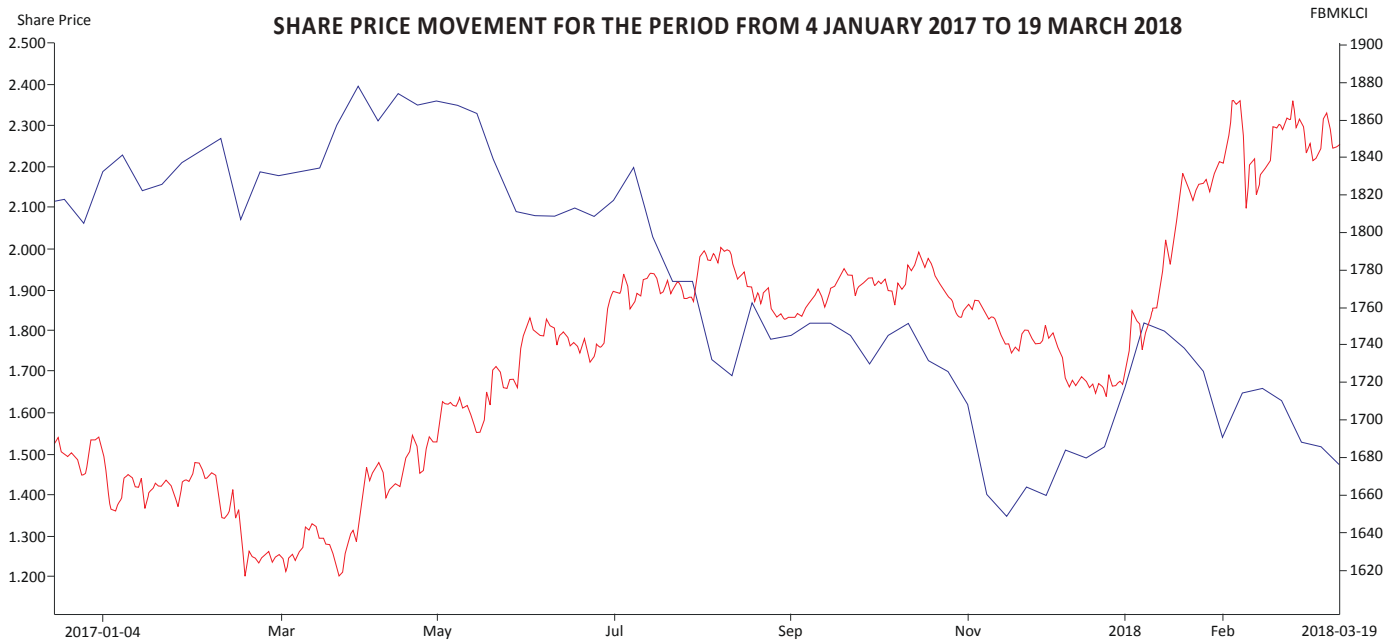
Earnings Per Share (sen)



Financial POSITION (RM Million)



Share Performance CHART



Price	2017/2018	Date
Highest	RM2.43	25 & 26 April 2017
Lowest	RM1.19	21, 22, 23 November 2017

(Source: ShareInvestor)

Average daily volume traded within the period: **700,000** shares.

Financial CALENDAR

17 April 2018	16 May 2018	22 May 2017
<ul style="list-style-type: none"> • Notice of the 8th Annual General Meeting • Issuance of 2017 Annual Report to Shareholders 	8th Annual General Meeting	7th Annual General Meeting

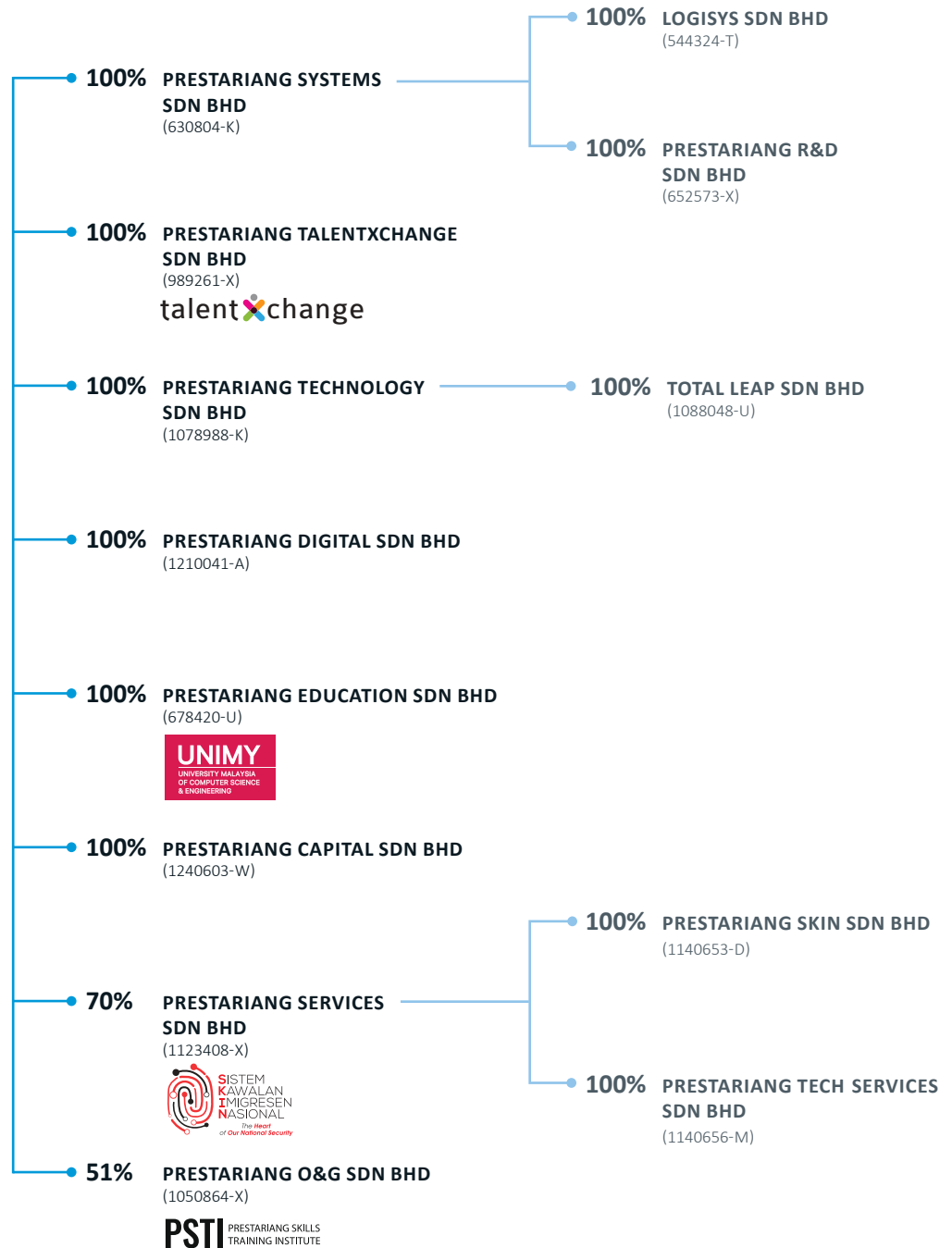
BOARD OF DIRECTORS' MEETINGS

2018	2017		
27 February	14 December	23 November	24 August
Board of Directors' Meeting Unaudited consolidated fourth quarter results ended 31 December 2017.	Special Board of Directors' Meeting	Board of Directors' Meeting Unaudited consolidated third quarter results ended 30 September 2017.	Board of Directors' Meeting Unaudited consolidated second quarter results ended 30 June 2017.

2017			
10 July	22 May	22 February	17 January
Special Board of Directors' Meeting	Board of Directors' Meeting Unaudited consolidated first quarter results ended 31 March 2017.	Board of Directors' Meeting Unaudited consolidated fourth quarter results ended 31 December 2016.	Special Board of Directors' Meeting

DIVIDENDS

2018	2017			
27 February	23 November	24 August	22 May	22 February
Declaration of Interim Dividend of 0.50 sen for the financial year ended 31 December 2017. Announcement Date 27 February 2018 Entitlement Date 14 March 2018 Payment Date 5 April 2018	Declaration of Interim Dividend of 0.50 sen for the financial year ended 31 December 2017. Announcement Date 23 November 2017 Entitlement Date 11 December 2017 Payment Date 5 January 2018	Declaration of Interim Dividend of 1.00 sen for the financial year ended 31 December 2017. Announcement Date 24 August 2017 Entitlement Date 12 September 2017 Payment Date 20 September 2017	Declaration of Interim Dividend of 0.75 sen for the financial year ended 31 December 2017. Announcement Date 22 May 2017 Entitlement Date 7 June 2017 Payment Date 21 June 2017	Declaration of Interim Dividend of 0.75 sen for the financial year ended 31 December 2016. Announcement Date 22 February 2017 Entitlement Date 9 March 2017 Payment Date 21 March 2017



BOARD OF DIRECTORS

Dato' Mohamed Yunus Ramli Bin Abbas

Independent Non-Executive Chairman

Dr. Abu Hasan Bin Ismail

President/Group CEO

Non-Independent Executive Director

Dato' Maznah Binti Abdul Jalil

Senior Independent Non-Executive Director

Paul Chan Wan Siew

Independent Non-Executive Director

Ramanathan A/L Sathiamutty

Independent Non-Executive Director

Nik Amlizan Binti Mohamed

Non-Independent Non-Executive Director

BOARD COMMITTEES

Audit Committee

Paul Chan Wan Siew (Chairman)

Dato' Maznah Binti Abdul Jalil

Ramanathan A/L Sathiamutty

Nomination Committee

Dato' Maznah Binti Abdul Jalil (Chairperson)

Paul Chan Wan Siew

Nik Amlizan Binti Mohamed

Remuneration Committee

Ramanathan A/L Sathiamutty (Chairman)

Paul Chan Wan Siew

Dato' Maznah Binti Abdul Jalil

Risk Management Committee

Ramanathan A/L Sathiamutty (Chairman)

Paul Chan Wan Siew

Dr. Abu Hasan Bin Ismail

Finance and Investment Committee

Dato' Maznah Binti Abdul Jalil (Chairperson)

Paul Chan Wan Siew

Dr. Abu Hasan Bin Ismail

Nik Amlizan Binti Mohamed

Tender Committee

Ramanathan A/L Sathiamutty (Chairman)

Paul Chan Wan Siew

Dr. Abu Hasan Bin Ismail

Raja Azmi Bin Adam Nadarajan

Abdul Razak Bin Bakrun

COMPANY SECRETARIES

Chua Siew Chuan

(MAICSA 0777689)

Lim Lih Chau

(LS 0010105)

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Lingkar Cyber Point Barat

63000 Cyberjaya

Selangor Darul Ehsan

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Fax : +603 8318 9280

Website: www.prestariang.com.my

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Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Tel : +603 2084 9000

Fax : +603 2094 9940

PRINCIPAL BANKERS

Ambank Islamic Bank Bhd

CIMB Islamic Bank Bhd

STOCK EXCHANGE LISTING

Main Market,

Bursa Malaysia Securities Berhad

INVESTOR RELATIONS

RAPR Mileage Communications Sdn Bhd

E-mail: ir@prestariang.com.my

EXTERNAL AUDITORS

Messrs. Crowe Horwath (AF 1018)

Level 16, Tower C, Megan Avenue II

12, Jalan Yap Kwan Seng

50450 Kuala Lumpur

INTERNAL AUDITORS

KPMG Management and Risk Consulting Sdn Bhd

Level 10, KPMG Tower

No. 8, First Avenue

47800 Petaling Jaya

Selangor Darul Ehsan

SOLICITORS

Messrs. Albar & Partners

6th Floor, Faber Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

Level 6, Symphony House

Pusat Dagangan Dana 1, Jalan PJU 1A/46

47301 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7841 0000

Fax : +603 7841 8151



Left to right

Dato' Mohamed Yunus Ramli Bin Abbas
(Chairman, Independent Non-Executive Director)

Dr. Abu Hasan Bin Ismail
(President/Group CEO, Non-Independent Executive Director)

Dato' Maznah Binti Abdul Jalil
(Senior Independent Non-Executive Director)

Paul Chan Wan Siew
(Independent Non-Executive Director)

Ramanathan A/L Sathiamutty
(Independent Non-Executive Director)

Nik Amlizan Binti Mohamed
(Non-Independent Non-Executive Director)

Board of **DIRECTORS' PROFILE**



DATO' MOHAMED YUNUS RAMLI BIN ABBAS

Independent Non-Executive Chairman

Nationality	Malaysian
Age/Gender	70/Male
Date of Appointment	18 November 2010
Length of Tenure as Director	8 years

MEMBERSHIP OF BOARD COMMITTEES

None

QUALIFICATIONS

- Bachelor of Economics from University of Malaya.
- Master of Business Administration from Nova Southeastern University, Fort Lauderdale, Florida, United States of America (USA).
- Attended the Executive Program in Business Management from University of Michigan, USA.
- Doctorate of Management UNIMAP (Honorary).

MEMBERSHIP OF ASSOCIATIONS

- Chairman of the Board of Governors, University Malaysia of Computer Science & Engineering (UNIMY).

WORKING EXPERIENCE AND OCCUPATION

- 2006-Present - Established NuSuara Technologies Sdn Bhd, Executive Director of NuSuara Technologies Sdn Bhd.
- 2003-2005 - Appointed by the Ministry of Education as the Chairman of the Board of Directors of Universiti Malaysia Perlis (UNIMAP).
- 2002-2005 - Chief Executive Officer, Celcom (Malaysia) Berhad.
- 2002 - Chief Executive Officer, Encorp Group.
- 1996-2001 - Country Manager for Motorola Malaysia.
- 1989-1995 - Vice President at Motorola Inc in Florida, USA.
- 1980-1985 - Director of Training and Development for Motorola Asia Pacific.
- 1978-1980 - Started his career at Motorola in Penang and was subsequently appointed as the Director of Human Resource of Motorola South Asia.

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7

**DR. ABU HASAN BIN ISMAIL**

President/Group CEO
Non-Independent Executive Director

Nationality	Malaysian
Age/Gender	57/Male
Date of Appointment	18 November 2010
Length of Tenure as Director	8 years

MEMBERSHIP OF BOARD COMMITTEES

- Member of the Risk Management Committee, Finance and 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.
- Member of the Board of Governors, University Malaysia of Computer Science & Engineering (UNIMY).

WORKING EXPERIENCE AND OCCUPATION

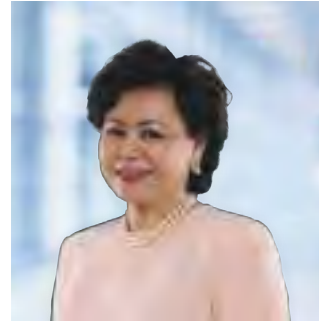
- Founder and President/Group CEO of Prestariang Berhad
- 2015-Present - Appointed into the CEO faculty program by the Ministry of Education, Malaysia under the Malaysian Higher Education Blueprint.
- 2003-Present - Since the inception of Prestariang in 2003, he has overseen the financial and strategic 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.
 - Listed the Company on the Main Market of Bursa Malaysia on 27 July 2011.
- 2000-2002 - Joined FSBM Holdings Bhd. Appointed as 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, and Yayasan Universiti Malaysia.

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7

**DATO' MAZNAH
BINTI ABDUL JALIL**

Senior Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	65/Female
Date of Appointment	02 July 2012
Length of Tenure as Director	6 years

MEMBERSHIP OF BOARD COMMITTEES

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

QUALIFICATIONS

- Bachelor of Science (BSc) and Masters Degree in Business Administration (Finance) from the Northern Illinois University, USA and the Central Michigan University, USA respectively.

MEMBERSHIP OF ASSOCIATIONS

- Trustee of Malaysian Aids Foundation.
- Life Member of the Women's Institute of Management.
- Member of Asian Strategy and Leadership Institute (ASLI) and Member of Corporate Malaysian Roundtable, ASLI.
- Member of the Board of Governors, University Malaysia of Computer Science & Engineering (UNIMY).

WORKING EXPERIENCE AND OCCUPATION

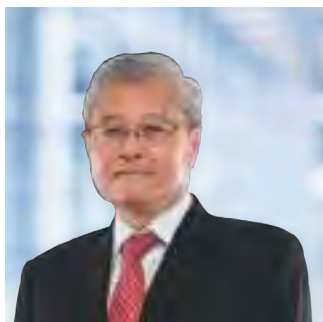
- 2012-Present - Director, Sona Petroleum Berhad.
- 2011-Present - Chairman of SCS Global Advisory (M) Sdn Bhd. (formerly known as Moore Stephens AC Advisory Sdn Bhd)
- 2009-2011 - Appointed as Executive Vice President, Corporate Finance Advisory at Kenanga Investment Bank Berhad.
- 2007-2008 - Appointed as Head, Corporate Finance and Principal Investment at Hong Leong Financial Group Berhad.
- 2006-2007 - Appointed to the board of United Overseas Bank Berhad.
- 1997 - Joined HICOM Holdings Berhad as Vice President and was elected to the board of DRB-HICOM Berhad. She was also appointed to the boards of the various subsidiaries and associated companies of DRB-HICOM till 2006.
- 1992-1995 - Appointed as Executive Director of Corporate Affairs at Master Carriage (M) Sdn Bhd.
- 1979-1992 - Joined Amanah Merchant Bank Berhad and served as the Manager of Corporate Finance & Advisory.

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Pavillion Real Estate Investment Trust, Sona Petroleum Berhad (in liquidation) and Malaysia Aids Foundation.

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7



PAUL CHAN WAN SIEW

Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	67/Male
Date of Appointment	18 November 2010
Length of Tenure as Director	8 years

MEMBERSHIP OF BOARD COMMITTEES

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

- 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 Integrex Berhad; Senior Independent Director, Chairman of Audit Committee.
- 2008-Present - Appointed to the Board of Luxchem Corporation Berhad; Senior Independent Director, Chairman of Nomination Committee.
- 2007-Present - President of Business Transitions Asia Sdn Bhd.
- 2004-2012 - Appointed to the Board of Mycron Steel Berhad; Chairman of Risk Management Committee.
- 1975-Present - Professional and business experience spans four decades in accounting, auditing, corporate, financial and business advisory services.

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

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

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7



**RAMANATHAN
A/L SATHIAMUTTY**

Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	54/Male
Date of Appointment	16 April 2014
Length of Tenure as Director	4 years

MEMBERSHIP OF BOARD COMMITTEES

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

QUALIFICATIONS

- Bachelor of Engineering (Hons) Degree in Electrical & Electronic Engineering from University Kebangsaan Malaysia.
- Master of Business Administration (MBA) from Universiti Putra Malaysia.
- Executive Management Program 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

- 2014-Present - He is currently the Chief Transformation Officer at Celcom Axiata Berhad.
- 1988-2013 - Began his career as a system engineer at IBM Corporation Malaysia and was subsequently appointed as the Managing Director for IBM Malaysia in January 2010. His career at IBM spanned 24 years and he was involved in the telecommunications, utilities, media and entertainment sectors.
- Throughout his tenure at IBM, he managed the venture capital portfolio, where he was based in Japan. He also led a team to develop strategies on software acquisitions in the USA and served as the project executive for delivery at one of the largest telecommunications companies in India.
 - He subsequently took on assignments in Korea as part of IBM Korea's senior leadership team after which he went to Singapore to be part of the ASEAN leadership team.
 - He is a sought after speaker and was engaged to speak at the ASEAN Leadership Exchange, 9th ASLI Leadership Forum and the 16th Malaysian Banking Summit.

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7

**NIK AMLIZAN BINTI MOHAMED**

Non-Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	50/Female
Date of Appointment	25 February 2016
Length of Tenure as Director	2 years

MEMBERSHIP OF BOARD COMMITTEES

- Member of the Nomination Committee and Finance and Investment Committee.

QUALIFICATIONS

- Bachelor's Degree in Economics/Accounting from Claremont McKenna College, USA.

MEMBERSHIP OF ASSOCIATIONS

- The Malaysian Institute of Integrity

WORKING EXPERIENCE AND OCCUPATION

- Has over 20 years of experience in the fund management industry.
- Currently sits on the Board of Directors for Prima Ekuiti (UK) Limited, a wholly owned subsidiary of KWAP. She is also a Director of i-VCap Management Sdn. Bhd and Harta Integra Berkat Sdn Bhd. She is an Investment Committee Member of Metropolitan Retail JV (Jersey) Unit Trust

2007-Present - Assumed her current role as the Chief Investment Officer of Kumpulan Wang Persaraan (Diperbadankan) (KWAP) in September 2014. Prior to the appointment, she was the Senior Director/Head of Equity, a position she held since joining KWAP in 2007. Her current responsibilities include developing and overseeing investment functions for KWAP namely creation and implementation of investment organisation, policies and procedures, performance matrix, recruitment of staff, selection of External Fund Managers, development of asset allocation models and formulating KWAP Fund Investment Strategies across all asset classes.

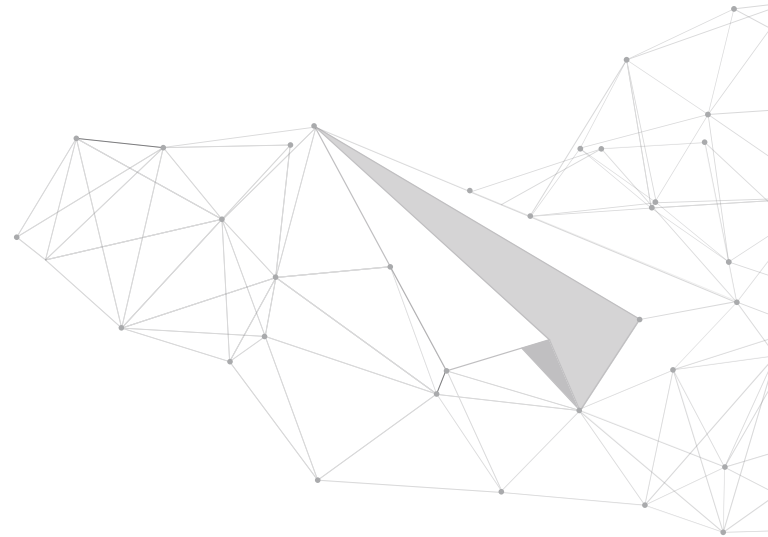
1991-2007 - Started her career in the fund management industry when she joined BBMB Unit Trust Management Sdn Bhd after a two-year stint with Georgiou Incorporated, San Francisco, California, USA. Her last position before she joined KWAP in 2007 was General Manager/Head of Equity (Syariah/Ethical) at RHB Asset Management Sdn. Bhd. She served as Head of Investment Research/Senior Portfolio Manager at Maybank Investment Sdn Bhd until 2001.

DIRECTORSHIPS OF OTHER PUBLIC COMPANIES AND LISTED ISSUERS

None

NO. OF BOARD MEETINGS ATTENDED FOR THE FINANCIAL YEAR

7/7

**Notes:**

- (i) Except for Dr. Abu Hasan Bin Ismail whose spouse and sibling are also substantial shareholders of the Company, none of the Directors has any family relationship with each other or with any substantial shareholders of the Company and does not have any conflict of interest with the company.
- (ii) None of the Directors has any conviction for offences, other than traffic offences, within the past 5 years.
- (iii) Except as disclosed above, none of the Directors holds any directorship in other public companies and listed issuer.
- (iv) The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of this Annual Report.
- (v) 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

President/Group CEO

Non-Independent Executive Director

Nationality : Malaysian

Age/Gender : 57/Male

Note:

Please refer to page 33 for Dr. Abu Hasan Bin Ismail's complete profile.

RAJA AZMI BIN ADAM NADARAJAN

Chief Executive Officer,

Technology Division & Prestariang SKIN Sdn Bhd

Nationality : Malaysian

Age/Gender : 46/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 & Advisor Prestariang Berhad
2010-2013	- Chief Operating Officer & 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 & Technical Specialist 3M
1999-2001	- Project Manager SPS Corporation Sdn Bhd
1997-1999	- Field Engineer Maxis Sdn Bhd

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

Yayasan Universiti Malaysia

SYED FARAD HELMY ALHUSAINI

Chief Executive Officer

Prestariang Digital Sdn Bhd

Nationality : Malaysian

Age/Gender : 42/Male

DATE OF APPOINTMENT: May 2017

QUALIFICATIONS

- American Degree Program: Bachelor of Science in Management Information Systems (MIS).

WORKING EXPERIENCE AND OCCUPATION

2013-2017	- Partner and Managing Director Information Broadcasting Network Sdn Bhd
2012-2013	- Vice President, Special Innovation Unit Prime Minister's Office, Government of Malaysia
2007-2011	- Education Lead/Director Microsoft Knowledge Capital Centre Sdn Bhd
2004-2007	- Academic Program Manager/Business Development Manager Microsoft Knowledge Capital Centre Sdn Bhd
2001-2003	- Strategic Account Manager, Education Apple Malaysia Sdn Bhd
2000-2001	- Account Executive, Creative Markets Apple Malaysia Sdn Bhd

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

Yayasan Universiti Malaysia

ABDUL RAZAK BIN BAKRUN

Chief Financial Officer

Nationality : Malaysian**Age/Gender** : 50/Male**DATE OF APPOINTMENT:** May 2012**QUALIFICATIONS**

- Bachelor Degree in Accountancy (Hons), Universiti Malaya.
- A member of Malaysian Institute of Accountants (CA 22605).

WORKING EXPERIENCE AND OCCUPATION

- 2007-2012 - General Manager Finance
Faber Mediserve Sdn Bhd
- 2004-2007 - Head of Finance & Account
Healthronics (M) Sdn Bhd
- 2001-2004 - Senior Manager, Finance
Faber Mediserve Sdn Bhd
- 2000-2001 - Manager, Business Development
Renong Berhad
- 1999-2000 - Manager, President's Office
Renong Group, Expressway Division
- 1997-1999 - Manager, Finance
Kinta Kellas PLC
- 1993-1997 - Renong Management Trainee Scheme (RMTS)

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

NIL

HAFIZA ANOM BINTI ABDUL HAMID

Group Director of Sales and Marketing

Nationality : Malaysian**Age/Gender** : 41/Female**DATE OF APPOINTMENT:** February 2015**QUALIFICATIONS**

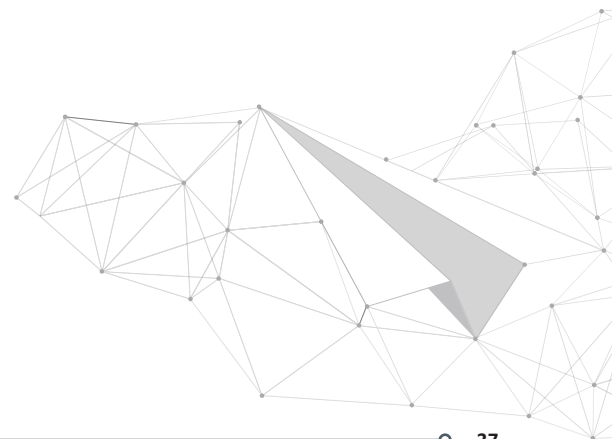
- B.Sc. (Honours) Degree in Computing, University of Portsmouth, UK – 1999
- Diploma in Computer Science, Universiti Teknologi Malaysia – 1997.

WORKING EXPERIENCE AND OCCUPATION

- 2013-2014 - Sales Manager, CRM Sales Auto – Applications
Oracle Corporation Malaysia
- 2007-2013 - Account Manager, Public Sector Group
Microsoft Malaysia
- 2006-2007 - Inside Account Manager, Public Sector Group
Microsoft Malaysia
- 2003-2006 - Account Manager
HeiTech Padu Berhad
- 1999-2003 - Account Executive
Berita Information Systems Sdn Bhd

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

NIL



CHOK JOON HENG

Director, Corporate Services, Prestariang SKIN Sdn Bhd

Nationality : Malaysian

Age/Gender : 44/Male

DATE OF APPOINTMENT: March 2017

QUALIFICATIONS

- Association of Chartered Certified 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 IN PUBLIC COMPANIES AND LISTED ISSUERS

NIL

Notes:

- (i) Except for Dr. Abu Hasan Bin Ismail whose spouse and sibling are also substantial shareholders of the Company, none of the Senior Management has any family relationship with each other or with any substantial shareholders of the Company.
- (ii) None of the Senior Management has any conflict of interests with the listed issuer.
- (iii) Other than traffic offences, none of the Senior Management has any convictions for offences within the past 5 years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YASMIN BINTI ABDULLAH

Senior Vice President, Human Capital & Administration

Nationality : Malaysian

Age/Gender : 50/Female

DATE OF APPOINTMENT: January 2018

QUALIFICATIONS

- B Econs (Hons), University Malaya.
- Cert. in Hotel Management (AHMA).
- Certified DISC Behavioral Consultant with the Institute of Motivational Living (IML) America.
- Certified Facilitator – PSMB.
- Certified Facilitator – Forte Profiling.
- Certified Consultant: Career Transition and Active Life Planning – Career Partners International.
- SME Malaysia 2016 – Forum Presenter- Managing Multi Generational Workforce.
- HRM Asia 2016 Forum – Facilitator-Effective Design and Implementation Strategies for Succession Planning.

WORKING EXPERIENCE AND OCCUPATION

- 2016-2018 - Consulting Director, Talent Management and Development, Integrated Hospitality Consulting Sdn Bhd and External Learning Facilitator – PETRONAS Leadership Center and Institut Teknologi PETRONAS (INSTEP)
- 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

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

NIL



12 JANUARY 2017

Prestariang Berhad, Alibaba Cloud and Conversant Solutions Pte Ltd form IT tie-up with a Memorandum of Understanding (MoU) to build EduCloud, Prestariang's education platform. The event was held at Le Meridian, Putrajaya.



29 MARCH 2017

Signing of Heads of Agreement between Prestariang, Thales Communications & Security SAS and Thales Malaysia Sdn Bhd at Majestic Hotel, Kuala Lumpur. The event was witnessed by International Trade and Industry Minister, Datuk Seri Mustapa Mohamed and past French President, François Hollande. The companies will jointly design and deliver best solutions for the Sistem Kawalan Imigresen Nasional (SKIN) project.



30 MARCH 2017

Launching of the MLA Portal & online CEP redemption for government employees at the Ministry of Finance, Putrajaya.



18 – 19 APRIL 2017

Prestariang participated in the "Memacu Agenda Bumiputera" 2017 Exhibition which was held at the Kuala Lumpur Convention Centre. The Bumiputera Economic Transformation Roadmap 2.0 was unveiled by the Prime Minister of Malaysia.



26 APRIL 2017

Prestariang conducted an investors' briefing at the AIA Headquarters in Kuala Lumpur as part of its responsibilities to its shareholders and to deliver insights into the Group's activities.



18 MAY 2017

UNIMY entered into an Memorandum of Collaboration (MoC) with KPMG to enhance students knowledge in the field of cyber security via joint engagement programs.



22 MAY 2017

Prestariang's 7th Annual General Meeting (AGM) was held at Putrajaya Shangri-La, Putrajaya.



25 MAY 2017

Dr. Abu Hasan Ismail, President/Group CEO was a panelist at the public forum which was held in conjunction with the launching of Bursa Malaysia's Mid and Small Cap Research Scheme. The event was held at Bursa Malaysia, Kuala Lumpur.



18 JULY 2017

The SKIN Concession Agreement Signing Ceremony with the Government was witnessed by Deputy Prime Minister and Minister of Home Affairs, Dato' Seri Dr. Ahmad Zahid Hamidi and Inspector General of Police, Tan Sri Khalid Abu Bakar at Cyberview Resort & Spa, Cyberjaya. The much-awaited commencement of the project kicked-off in the first quarter of 2017 and is expected to be rolled out in 2021.



18 JULY 2017

The first Analyst Briefing of the year was held at Cyberview Resort & Spa, Cyberjaya.



19 JULY 2017

The second Analyst Briefing of the year was held at Ritz Carlton Kuala Lumpur.



2 AUGUST 2017

Prestariang and the Alibaba team hosted a delegation from the Ministry of Higher Education to visit the Alibaba Campus in Hangzhou, China. The contingent was led by its Minister, Dato' Seri Idris Jusoh.



2 SEPTEMBER 2017

Prestariang Capital Sdn Bhd and OpenLearning Global Pte Ltd (OGPL) entered into a Subscription Agreement. Dr. Abu Hasan Ismail, President/Group CEO and Adam Maurice Brimo, OGPL's Founder & CEO inked the agreement at Prestariang's Headquarters in Cyberjaya. The agreement facilitates Prestariang to venture into higher education cloud-based markets domestically and regionally.



26 – 29 SEPTEMBER 2017

The Signing Ceremony and Handover of the Immigration Department of Malaysia's (JIM) Business Process Re-Engineering for Peninsular Malaysia took place at Holiday Inn, Melaka. The Director General of JIM, Dato' Seri Mustafar Ali handed over the documents to SKIN CEO, Raja Azmi Adam.



20 – 22 OCTOBER 2017

Prestariang co-hosted the IPTA ICT Directors Meeting (MAPITA). All CIOs/ICT Directors of IPTA attended the meeting which was held at Holiday Villa, Langkawi in Kedah.



23 – 27 OCTOBER 2017

The Signing Ceremony and Handover of the JIM's Business Process Re-Engineering for Sabah, Sarawak and WP Labuan was held at Hotel Grandis, Kota Kinabalu.

Director of Immigration Department of Sabah, Tuan Musa Sulaiman, Director of Immigration Department of Sarawak, Tuan Ken Anak Leben and representative from the Immigration Department of WP Labuan, Tuan D. Karno D. Omar were in attendance to hand over the documents to SKIN CEO, Raja Azmi Adam. Deputy Director, Project Management Office of SKIN, Tuan Rospiagos Taha was also present to witness the ceremony.



7 – 9 NOVEMBER 2017

Prestariang was a gold sponsor for the Border Management & Technologies Summit Asia 2017 which was held at Renaissance Kuala Lumpur. The 2nd annual conference and exhibition saw leading border security officials from the region's governments discuss the latest challenges, developments and current capabilities with focus on tackling organised cross-border crimes and managing migration across the border.



29 NOVEMBER 2017

Prestariang sponsored the MyDigital Leaders Convention 2017 under the auspices of the Ministry of Finance. The event which was held at MAEPS, Serdang was officiated by Datuk Seri Johari Abdul Ghani, Minister of Finance II with the theme Digital Transformation: Public Sector Digital Competencies.



5 DECEMBER 2017

Prestariang Tech Services Sdn Bhd and In Continuum Et Services (INCS) signed a Memorandum of Agreement to appoint INCS as its strategic technology provider in the implementation of SKIN. The signing ceremony took place at Prestariang's Headquarters, Cyberjaya.



5 DECEMBER 2017

Prestariang SKIN Sdn Bhd signed a Teaming Agreement with Dell Global Business Center Sdn Bhd (Dell) to collaborate and cooperate in the implementation of SKIN. The ceremony was held at Prestariang's Headquarters, Cyberjaya.



5 DECEMBER 2017

Datuk Dr. Khairuddin Ab. Hamid, UNIMY Vice Chancellor, Chen Keat Ming, Fusionex International Vice President and Tan Sean Khong, Fusionex Senior Manager signed an MoC for students' internship placements, industry supervision and industry based final-year projects. UNIMY students will also gain access to Fusionex GIANT, the advanced end-to-end analytics platform.

Awards and ACCOLADES

2017

- **Malaysia-ASEAN Corporate Governance Top 100 Companies with Good Disclosure**
- **Malaysia-ASEAN Corporate Governance Top 100 Companies for Overall Corporate Governance & Performance**
- **A Member of FTSE4Good Bursa Malaysia Index**

2016

- Dr. Abu Hasan Bin Ismail was appointed as part of the CEO Faculty Program Blueprint. The appointment is for the period of September 2015-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.
- Constituent of the FTSE4Good Bursa Malaysia Index with improved scores in ESG ratings as at 6 December 2016. Achieved a 4.4 scoring (5-Highest) in ESG Rating Absolute Score and 98% for the ICB Supersector Relative Percentile Score.

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 Program 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 BCPLC 2014-2015.

2014

- Anugerah Kecemerlangan Industri 2014 from MITI Services Sector: ICT Category Award.
- Forbes: Asia's 200 Best Under A Billion 2013/2014.
- Autodesk Authorized 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.

2013

- Best of e-Inclusion & e-Community MSC Malaysia APICTA 2013.
- Autodesk Best Performing Reseller in Asia Pacific 2013 Deal of the Year.
- 24th International Invention, Innovation & Technology Exhibition (ITEX) 2013 Prestariang's home grown certification, Proficiency in Enterprise Communication (PEC) won the Gold Medal under the Educational Items 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.

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).

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.

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.

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 Program in Asia.

- EC-Council Authorised Training Centre of The Year 2009.
- Best Performance for Career Education In IBM Software (CEIS Program).
- 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.

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.

2007

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

2004

- Apple Key Account Win FY2004.

Sustainability Commitment



49	Our Approach
54	Environment
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OUR APPROACH

Since 2015, we have been steadily building on improving our sustainability reporting in order to consistently embed sustainability into the core of our operations. As such, we endeavour to disclose our efforts, which are firmly focussed on better management of the economic, environmental and social aspects of our operations, which inevitably impact our stakeholders.

Our approach to sustainability lies in our commitment to act ethically, and contribute to economic development and growth as follows:

- Develop our businesses responsibly with focus on innovation, operational excellence and customer centricity.
- Maintain a rigorous approach to best practices, especially in employee welfare.
- Being proactive in environment preservation efforts.
- Reaching out and positively impact the communities where we serve.

Introduced in 2015, Prestariang’s Sustainability Policy is based on a platform of five principles, which are related to Environment, Social and Governance (ESG) areas. Sustainable management has always been central in our business and we have been taking definitive steps to further improve our performance in the aspects of ESG. We endeavour to adopt better sustainability practices as part of our operating DNA to meet our targeted goals and key performance indicators (KPIs).

OUR SUSTAINABILITY POLICY

MISSION

Effectively communicating our sustainable business to employees, customers, distributors and other stakeholders on our commitment in promoting good sustainability practices.

OBJECTIVES

- To support stakeholder value creation as key to sustainability;
- To promote and adopt the best Environmental Social and Governance (ESG) practices and to continuously integrate sustainable practices into our management culture, working environment and business process; and
- To embrace accountability and transparency as the foundation for business performance.



PRINCIPLE 1: Sustainable Lifelong Learning Environment

Develop talent through technology. Drive IT compliance through the management and distribution of original software while making software licences affordable.



PRINCIPLE 2: Stakeholder Engagement & Disclosures

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 & analysts, and the public at large via planned and targeted programs and activities.



PRINCIPLE 3: Commitment to Corporate Responsibilities

Safeguard human rights within our sphere of influence and contribute to community needs.



PRINCIPLE 4: Engaging Workplace

Create an engaging and supportive work culture, provide for a knowledge based organisation while supporting diversity across the workplace and the Boardroom.



PRINCIPLE 5: Governance to Drive Compliance & Best Practices

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.

During Financial Year 2017 we further strengthened our sustainability initiatives and activities. Improvements were made in the following areas:

- Solidifying the Board oversight on sustainability programs via regular reporting and progress updates on our goals and achievements;
- Expanding the implementation of Prestariang Green ICT practices to encompass all aspects of our operations;
- Formalising vendor management governance and sustainable procurement through the Procurement Policy; and
- Establishing the Remuneration Policy and performance of the Company which are to be aligned with business sustainability.

GUIDELINES FOR SUSTAINABILITY REPORTING

Prestariang’s approach to reporting on our sustainability performance is based on the principles of transparency and honesty. We believe that we will only benefit from full disclosure of both achievements as well as shortcomings in our sustainability efforts.

Our reporting for 2017 is comparatively more comprehensive than the previous year and is guided by the following standards and frameworks:

- FTSE4Good Bursa Malaysia Index Rating;
- Bursa Malaysia Sustainability Reporting;
- Malaysian Code of Corporate Governance 2017;
- Global Reporting Initiative Standards;
- Selected United Nations Sustainable Development Goals;
- MYCarbon GHG Reporting Guidelines; and
- ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies.

Prestariang continues to move towards achieving the United Nation’s Sustainable Development Goals and to date, we have taken proactive measures to align ourselves with the following selected goals:



Benchmarking against such a varied collection of local and international standards ensure that we cover every angle and actively seek out areas for improvement in our sustainability journey.

Reporting for the year in review is segmented into five focused areas:

- Environment;
- Marketplace;
- Community;
- Workplace; and
- Governance.

RECOGNITION FOR SUSTAINABILITY PERFORMANCE

Prestariang was recognised for its sustainability performance by a host of organisations and was independently evaluated based on our initiatives to embrace ESG practices by several organisations. These awards serve as an acknowledgement of our efforts to achieve sustainability in the short as well as long terms.

ORGANISATION OR ASSOCIATION	RECOGNITION
	Inclusion in FTSE4Good Bursa Malaysia Index (F4GBM Index) since 2014.
	Inclusion in the Malaysia-ASEAN Corporate Governance Top 100 Companies for Overall Corporate Governance & Performance for the fourth consecutive year.
	Inclusion in the Malaysia-ASEAN Corporate Governance Top 100 Companies with Good Disclosure for the fourth consecutive year.
	Participation in the National Annual Corporate Awards (NACRA) 2017.
	Participation in the ACCA Malaysia Sustainability Reporting Awards (MASRA) 2017.

GOVERNANCE STRUCTURE FOR SUSTAINABILITY

Since 2015, we have established a Sustainability Committee to represent and assist the Board to meet its oversight responsibilities in relation to the Company's Sustainability Policy. Each committee member has defined roles and responsibilities to promote and coordinate the development and implementation of sustainability initiatives across all areas of our organisation.



The Board of Directors governs the sustainability initiatives of the Group. Matters and issues which arise are presented and discussed at Board Meetings to deliberate and decide on the Group's sustainability direction and action plans. Meanwhile, the KPIs and accountability for sustainability performance are executed by the Working Committee which is headed by the President/Group Chief Executive Officer (GCEO).

The functions of the Working Committee, among others, are to:

- Review, update and make recommendations on the Sustainability Policy for the approval of the Board;
- Plan and recommend ESG activities/actions for the approval of the Board;
- Execute the approved ESG activities/actions;
- Review the adopted Sustainability Policy from time to time and approve activities on a regular basis; and
- Ensure the Board receives sufficient and appropriate information for reviews and decision-making.

The roles of the Secretariat are to:

- Assist the Working Committee in its administrative activities;
- 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.

MEASUREMENT AND TRACKING MECHANISM

During the year in review, the Working Committee compared the targets against actual progress which were based on the measurable objectives. The Working Committee may from time to time propose for improvements for the Boards' approval to align and organise various aspects of sustainability.

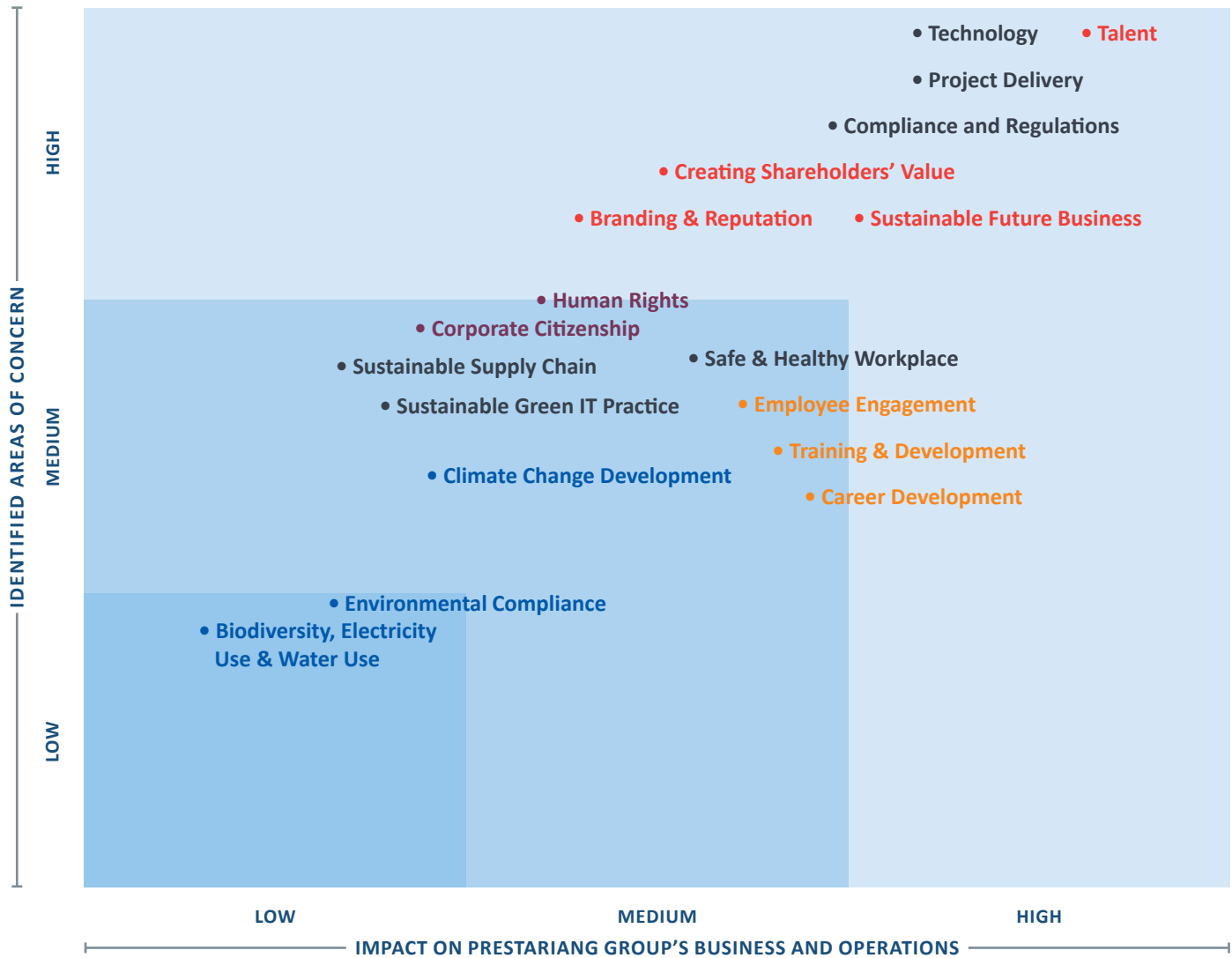
The Working Committee also established a tracking mechanism to indicate our progress for each calendar year.

MATERIALITY MATTERS AND MATERIALITY MATRIX

Materiality matters are those aspects of a company/business operations that are the main concerns to both internal and external stakeholders. By identifying key material matters, we can better position ourselves on exploring opportunities and mitigating risks which are related to economic, environmental, social and governance aspects in order to effectively manage our sustainability performance.

During the year in review, we have identified preliminary material matters that have an impact on our company, employees and external stakeholders. These are presented in the Materiality Matrix graph on page 52 along with their level of importance as a material matter.

MATERIALITY MATRIX FOR PRESTARIANG GROUP



LEGEND









- Environment
- Marketplace
- Business Process
- Employees
- Community

Moving into 2018, we plan to shortlist and subsequently select Prestariang's material matters for sustainability by conducting an assessment in collaboration with various stakeholder groups.

ENGAGING STAKEHOLDERS ON SUSTAINABILITY

Stakeholder engagement is a key activity in the journey towards sustainability. We recognise that stakeholder engagement is an evolving process hence our focus is trained on continuous improvements to embed effective stakeholder engagement practices across our business.

In 2017, we engaged our stakeholders via several channels and through selected activities, which are listed below:

STAKEHOLDERS	ENGAGEMENT METHODS	SUSTAINABILITY CONCERNS DISCUSSED
Shareholders, Investors, Fund Managers and Analysts 	<ul style="list-style-type: none"> • Annual General Meeting • Extraordinary General Meeting • Quarterly Analyst Briefing • Investor Relations Activities/Events • Networking Sessions • Tele-conferences • Website 	<ul style="list-style-type: none"> • Financial Performance • Updates on Business Performance • Creating Shareholders' Value • Sustainable Future Business
Employees 	<ul style="list-style-type: none"> • Employee Engagement Surveys • Townhall Sessions • Recreational Events • Social & Volunteer Programs • Training Programs 	<ul style="list-style-type: none"> • Career Development • Employee Benefits • Health & Safety Policy • Engagement Events
Clients/Customers 	<ul style="list-style-type: none"> • Periodic Project Meetings and Site Visits • Joint Business Planning • Customer Satisfaction Survey • Roadshows, Events and Activities 	<ul style="list-style-type: none"> • Sustainable ways of sharing of information • Promotional/Loyalty Programs • Sustainable Customer Service • Quality Service Delivery • Joint Value Creation initiatives • Two-Way Offline and Online Communication Channels
Industry Groups, Academic Institutions and Strategic Partners 	<ul style="list-style-type: none"> • Periodic Meetings • Partnering on Roadshows, Events and Activities • Joint Business Creation 	<ul style="list-style-type: none"> • Areas of collaborations • Joint Value Creation initiatives • Ongoing Dialogues
Students 	<ul style="list-style-type: none"> • Projects • Competitions • Websites • Social Media Platform • Roadshows, Events and Activities • Customer Service Engagement • Student Experience Centres • Training Programs 	<ul style="list-style-type: none"> • Promotional/Loyalty Programs • Sustainable Customer Service • Quality Service Delivery • Two-Way Offline and Online Communication Channels • Programs and initiatives in collaboration with industry partners for students' clubs/associations
Local Communities and NGOs 	<ul style="list-style-type: none"> • Community Engagement through Social Activities 	<ul style="list-style-type: none"> • Community Care and Support • Life-improving Programs • Corporate Citizenship and Good Governance • Social Benefits for Communities
Government Agencies 	<ul style="list-style-type: none"> • Periodic Meetings • On-site Inspections • Correspondence on Regulations 	<ul style="list-style-type: none"> • Compliance and Regulations • Policy aligned with areas of national interest including initiatives, innovation and nation building
Vendors/Suppliers 	<ul style="list-style-type: none"> • Strategic Partnership Programs • Requests for Proposals 	<ul style="list-style-type: none"> • Supplier and Procurement Management System • Clear Procurement Policies and Practices • Two-Way Offline and Online Communication Channels



PRINCIPLE 1: Sustainable Lifelong Learning Environment

ENVIRONMENT

MAXIMISING RESOURCES AND MINIMISING EXCESSES

As an organisation which is focused on Technology and Talent, Prestariang believes that efforts to drive sustainability should include those areas impacted by our nature of business. In our view, this extends beyond the physical environment and encompasses the digital as well as learning environments.

Given this broad understanding, our approach to environmental sustainability covers such diverse areas of lifelong learning and IT proliferation, as well as compliance over and above the conventional aspects of health, safety and the natural environment.

SUSTAINING THE TALENT POOL THROUGH LIFELONG LEARNING

Business and industry today is undergoing a transformation catalysed by the infusion of digital technologies. Traditional processes and tasks are being replaced by the rapid shift online while strategies and decisions are aided and expedited by data analytics and artificial intelligence.

Prestariang plays a critical role in sustaining the capabilities of Malaysia's talent pool as the nation's leading provider of education through UNIMY, and via the provision of the Training & Certification business. Through these two talent-focused segments, we have created an ecosystem of lifelong learning by providing easy access and many opportunities to learn and relearn.

As the largest ICT Training and Certification provider in the country, more than 250,000 professionals have undergone our courses. These courses are offered in partnership with leading global software and services companies and academic institutions. We offer over 60 globally recognised certification courses nationwide, which also incorporates Prestariang's home-grown certifications such as IC CITIZEN, Proficiency in Enterprise Communication (PEC) and SMARTGREEN Fundamentals.

Prestariang continues to stay true to its MLA motto, "Realizing your investment potential through MLA" with the Software Asset Management (SAM) program. The SAM workshops have been conducted throughout MLA 2.0 and shall continue under MLA 3.0 to create awareness on this business practice of software usage and amenability. Additionally, the workshops provide customers the visibility to better plan and forecast their future budgets.



The SMARTGREEN Fundamentals Training and Certification Program is intended to create awareness of Green IT.

The program highlights the need for energy conservation to address the environmental impact of businesses and ICT operations.

Participants learn to assess, redesign and remodel their systems and practices so as to preserve the environment and natural resources while minimising the negative effects of human activities.



Beyond academics, we also provide training in soft skills as value-added services to the programs offered. Effective verbal and written communications, preparation for job interviews, time management and grooming are some of the elements intended to provide participants with a well-rounded education.

During the year in review, we developed EduCloud, an integrated education platform that will among many other things, create lifelong learning opportunities through the online delivery of education and training. EduCloud is a Single Services-Based Digital Platform to support learning, engagement and innovation in education in Malaysia & ASEAN.

2003 - 2017 TALENT & SOFTWARE ROLLOUT



250,000+
Trained and Certified
Individuals



20
Universities



33
Polytechnics



More than
60
Globally Recognised
Certification Courses



95
Community
Colleges



24
Ministries



More than
5.51 Million
Software Licences



1,123
Government
Agencies



10,000
Schools

GREEN BY IT AND GREEN OF IT

Green ICT comes with two separate and distinct objectives. Green by IT conserves natural resources by reducing usage of paper and other products. It also enables much more efficient communication and interaction at both the professional and personal levels. On the other hand, Green of IT involves minimising the impact of ICT devices on the environment, which includes usage of power and waste management.

Prestariang is committed to upholding the principles of Green ICT and has always handled ESG matters with a top-down approach. This starts from the Board of Directors, which guides and oversees the Group’s environmental performance to safeguard the interests of all stakeholders concerned.

The President/GCEO, as the Chairman of the Sustainability Working Committee is fully accountable for the KPIs which are related to ESG.

In addition, the Risk Management Committee is responsible for managing and monitoring the risks involved, which includes climate change initiatives. Identified departments which include the IT, Facility, Building Management and Administration Departments are responsible to implement and monitor energy efficiency.

In 2017, we reviewed our current Green ICT practices and are now in the process of enhancing and institutionalising a policy. At the heart of this practice is our belief that through our responsible actions, we can play our part in reducing our Greenhouse Gas (GHG) emissions through sustainable management.

The enhancement and additions to this policy is set to incorporate the following practices for all our stakeholders:

- Device consolidation: where possible, to reduce the number of electronic devices used by an individual so as to cut down indirect energy consumption;
- Green Disposal: ensure proper disposal or resale of equipment that is no longer required;
- Hardware acquisition: to include ‘compliance to relevant green standards’ as one of the tender specifications, whenever applicable; and
- Alignment to Information Security Management Systems (ISMS) practices.

GREEN ICT PRACTICE

The current Green ICT practices cover the following activities within the organisation and among our stakeholders:



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



Energy efficient mechanical and electrical systems to achieve optimal efficiency.



Make use of natural light, automated energy-efficient cooling systems and other office equipment.



Data privacy and confidentiality

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

PROMOTING HEALTH, SAFETY AND ENVIRONMENT AWARENESS

Prestariang is committed to nurturing and sustaining a work culture that prioritises health, safety and consideration to the environment. With this in mind, we formalised the Health, Safety and Environment (HSE) Policy during the year in review.

The policy requires all employees to adhere to all relevant health, safety and environmental laws and regulations. Subsequently, we revised our 2017 Employee Handbook to incorporate these concerns and outlined the obligation of every employee towards safety, security and the environment.

In addition, the Board approved the Procurement Policy that requires our vendors to adopt health, safety and environment-friendly practices, which are consistent with our HSE Policy.

These practices in place contribute to the transparency and accuracy of information, which are collated and shared to ensure that we continue to reduce our impact on the environment.

COMMITMENT TO THE ENVIRONMENT



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



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



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



Creating awareness and encouraging participation of our employees.

The environmental considerations included in the handbook are:

- Utilising recycling bins for paper, plastic and glass waste located within the office premises;
- Utilising both sides of paper for printing, and/or for claim submission, as well as retaining recycled paper for ancillary uses;
- Minimising general waste and encouraging alternatives to conventional waste disposal, such as "Bring Your Own";
- Employees and general workers are encouraged to sort materials before disposal to help lower GHG emission;
- Conducting environmentally-conscious and paperless meetings;
- Utilising secured email and thumb drives as alternative means of distribution instead of printed copies;
- Encouraging video or voice conferencing in meetings to save time and reduce carbon footprint from traveling; and
- Using paper brands that have been endorsed for their environmental policies and commitment to zero deforestation.

SHORT TERM GOALS

- Revising the Green ICT Initiatives that include Device Consolidation and Green Disposables in 2018.
- Keeping track of air travel carbon emissions starting in 2018.
- Tabulating savings from recyclable materials starting in 2018.
- Utilising and acquiring environmentally friendly construction materials, designing and using green furniture and fittings, which include energy saving fixtures and appliances at Prestariang's new building in 2018.
- Reduce energy and water consumption by 0.5%.
- Lower direct and indirect carbon emission and waste (from paper use) by 0.5%.

LONG TERM GOALS

- On-going revisions and implementations of Green ICT Practices, HSE Policy and Procurement Policy as well as the Employee Handbook with regards to environmental conservation.
- 0.5% reduction of carbon emissions per employee every year.

Benefits of Recycling@Work



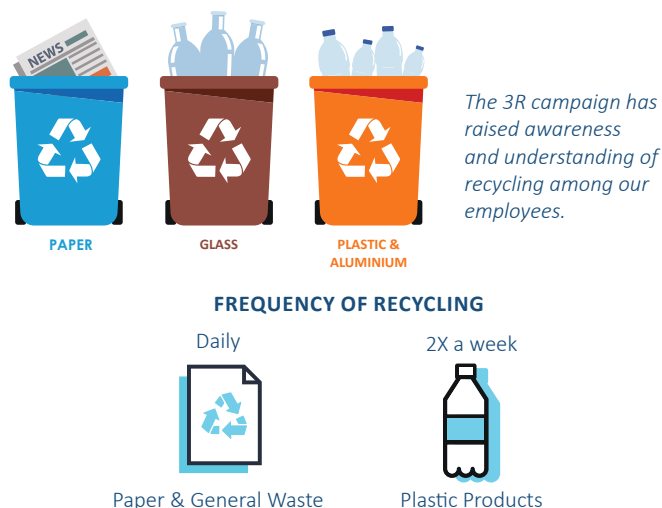
- Healthier and Sustainable Work Environment
- Decluttering and Cleaner Office Space
- Energy Saving, Space Saving and Cost Reduction
- Pay it Forward for the Future Generation
- Promoting Green Work Ethics and Business Practices

Prestariang is poised to move to a new corporate headquarters in Star Central, Cyberjaya by the second quarter of 2018. Following this move, we will outline new targets for environmental sustainability from 2019 onwards. The benchmarking and monitoring of the 5 and 10-year goals will be tied to the overall operational business performance at the Group and Board levels.

Currently, our environmental parameters and data are gathered from Prestariang’s Headquarters which is based at NeoCyber, Cyberjaya in Selangor which comprises 10 office units, each covering an average of 1,504 sq ft.

Recycling

During the year in review, we intensified our campaign on recycling awareness and its benefits. We will continue to introduce more specific recyclable materials to encourage employee participation in this campaign.



The 3R campaign has raised awareness and understanding of recycling among our employees.

FREQUENCY OF RECYCLING

- Daily: Paper & General Waste
- 2X a week: Plastic Products

ENVIRONMENTAL PERFORMANCE

The current environment data and parameters are derived from our Headquarters. All data referred are based on purchases, utility bills and employee claims as part of our operational cost in the financial statements for the year.

Carbon Emissions

Following the MYCarbon GHG Reporting Guidelines, our emission inventory 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).

2017 Total Carbon Emissions	MT CO ₂ -eq
Scope 1	Nil
Scope 2	215
Scope 3 (Paper Use and Employee Business Travel)	67.35
Total	282.35

Carbon footprint is measured in terms of metric tonnes of carbon dioxide equivalent (MT CO₂-eq).

As we do not produce any direct emissions, internal carbon pricing is not applicable and does not disrupt our current and future business operations.

Energy Use

Our consumption of power has increased due to business growth and the nature of our business. During the year in review, our employee strength increased by 11%. Despite this, we managed to reduce power consumption by 1.22%. ICT operations, which are a major factor in our business, consume more power than any other activities, particularly for data management and server operations. With this in mind, we implemented sustainable practices for better energy efficiency in 2017. This energy use qualifies as our main indirect source of emissions (Scope 2).

	2015	2016	2017
Energy Use (kWh)	278,432	293,062	289,471
Variance		5.25%	-1.23%
Energy Use (kWh) per employee	1,961	1,953	1,733
Variance		0.41%	-11.26%
Energy Carbon Emissions (MT CO ₂ -eq)**	207	218	215
Variance		5.31%	-1.38%
Energy Carbon Emissions (MT CO ₂ -eq) per employee**	1.45	1.45	1.29
Variance		0	-11.03%

Total Energy Use*

* Total energy use was extracted from electricity bills generated by the electricity utility authority.

** Scope 2 Carbon Emissions from energy use.

Water Use

We have stepped up efforts to preserve one of Earth's most important resources, water. The amount of water consumed was lower despite the increase in the number of employees and extension of work spaces. We will continue to encourage the efficient use of water among our employees while also discouraging wasteful practices.

Rainwater harvesting was a cost-saving initiative introduced in 2014. Collected water is used for non-potable purposes such as washing corridors, grounds maintenance, irrigating drains and watering plants.

	2015	2016	2017
Water Use (m3)	626	492	271
Variance		-21.4%	-44.9%

Total Water Use*

* Total water use was extracted from water bills generated by the water utility authority.

Paper Use

Our emissions from paper use is the main 'other indirect source' of emissions (Scope 3). The data collected during the year in review represents the baseline performance. Moving forward, we intend to reduce our paper carbon footprint by 0.5%.

	2017
Paper Use (reams)	1,151
Paper Use (tonne)	2.87
Carbon Emissions from Paper (MT CO ₂ -eq) **	7.25
Waste Material from Paper (tonne)	13.10

Total Paper Use*

* Total paper use was extracted from the amount we purchased and compared against the amount printed.

** Scope 3 Carbon Emissions.

Business Travel

This forms part of Prestariang's attempt to quantify our carbon emissions under Scope 3: Other indirect source of emissions. For 2017, we only took into account travel by car and motorcycle. Moving forward, we will include air travel as a part of our carbon footprint. For 2018, we aim to reduce carbon emissions from road-bound vehicles by 0.5%.

Employee Business Travel

	2017
Car and Motorcycle Business Travel Mileage (KM)*	207,114
Carbon Emissions from Car and Motorcycle Business Travel (MT CO ₂ -eq) **	60.1

Total Mileage*

* Total mileage calculated was extracted from employees' mileage claims for the year ended 31 December 2017.

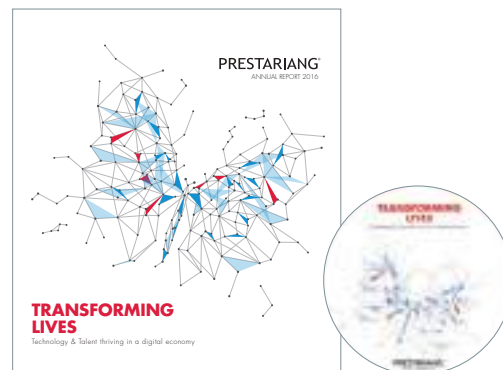
** Scope 3 Carbon Emissions.

Carbon Footprint

Apart from encouraging our employees to reduce energy and water consumption, we actively undertake several other measures to reduce our carbon footprint. Cost savings is the main reason for taking energy-saving steps, reducing consumable products, effectively rationalising office automation and continuously advocating the "Reduce, Reuse & Recycle" campaign at our office premises.

A specific budget is allocated for every department and the department head is responsible for overseeing this initiative and ensure wastage is minimised. 2018 is the fourth consecutive year of producing our Annual Reports in CD-ROM format. Nominal hard copies are printed, which is still a statutory requirement. The 2017 Annual Report is printed on eco-friendly paper.

As a technology company, we inevitably utilise digital touchscreen devices, tools and gadgets during meetings while sharing of information are done electronically for easy reviewing on laptops, tablets or smartphones. To reduce our physical filing, smartphone apps allow us to capture contents which are transformed into digital files while e-signing tools propagate a truly paperless office. To reduce travelling time and costs, video or voice conferencing are encouraged for meetings. Through the adoption and implementation of these practices, we are creating a greener, healthier and more sustainable workplace to reduce emissions in our daily lives.



MANAGING RISKS

In any initiative, its long-term benefits notwithstanding, poses a potential risk to the company in terms of business opportunities and financial performance. In Prestariang’s case, this is amplified by the nature of our business, which capitalises on technological disruption to create new opportunities. At the same time, our businesses are pegged to rapid technological advances.

Through stakeholder engagement, we continue to address and disclose our risks with the Risk Management Committee, tasked with managing internal control systems effectively based on the framework we have adopted.

The infographic below outlines our assessment of risks and opportunities relevant to our businesses:

Risks

Technology Risks

The convergence and disruptions in the Information Communications Technology (ICT) landscape has resulted in societal changes leading to a need to revamp traditional markets and business approaches.

The global internet platform has reshaped the industry and market with rapid technological advances and new upcoming disruptive technologies.

Possible Solution: *The Group is riding the wave of disruptive technologies with new and fast building products and services that contribute less to environmental impact, such as Online Learning.*

This was introduced in 2017 and has currently transitioned into UNIMY through OpenLearning and powered by EduCloud’s online education platform.

Product Risks

Prestariang distributes and manages software licenses synergistically with the ICT Training & Certification business.

The demand for products and services has shifted from the traditional to more dynamic ways of doing business.

Possible Solution: *The Group has introduced novel and dynamic business approaches, which minimises negative environmental impact such as Online Learning.*

Our first step was to embed the Group’s Training & Certification business into UNIMY through OpenLearning and powered by EduCloud’s online education platform.

Physical Location Expansion

Increase of employees, which are mainly due to the requirements of the SKIN project requires an increase in workspace.

This involves commuting to various locations such as work sites throughout the country. This poses environmental concerns pertaining to higher GHG emission.

Possible Solution: *The Sustainability Working Committee is monitoring this closely to provide necessary preventive measures to control the increase of emissions per employee.*

Our goal is to reduce 0.5% emissions per employee every year.

Talent Risks

The Transformational Businesses of SKIN and EduCloud require specialised talent and expertise.

Acquiring and developing the best talent is central to our growth and success. Strategies for recruitment, development, engagement and retention of employees are crucial to steer our organisation towards meeting our goals and aspirations.

In managing a highly specialised project such as SKIN, attracting and retaining the best talents to ensure we can continue to perform and meet our objectives, can be a challenge.

For critical and leadership roles, succession planning is vital to our long-term performance as a Company.

Possible Solution: *To create an engaged and energised workforce with shared values.*

Aim to create a diverse workforce, with a mix of perspectives and backgrounds which represents society on a whole. This enables us to be in a better position to navigate our operating environment.

Cultivating a learning culture within the organisation to ensure our talents are ‘future-ready’ and able to meet evolving market needs.

Opportunities

Transformational Business

Due to rapid technological advances, disruptive technologies and emphasis on sustainability, we are shifting and tapping into opportunities where our expertise is warranted.

We no longer brand ourselves as merely offering training and certification in ICT and distributing software licences.

We have now shifted to the adoption of Technology & Talent which enables growth, innovation, creativity, operational effectiveness and adopt sustainability methods in the markets in which we operate.

Innovative learning

To capitalise on emerging technologies critical to the development of the digital economy, which are transforming teaching and learning methods. These technologies play a major role in delivering education as it empowers tech-enabled individuals to present educational activities in more innovative and proactive ways.

We are also revamping and remodelling the delivery of training through mobile apps and cloud-based applications. This is shared and saves energy, which will eventually lessen GHG emissions.

Dynamic Businesses Model

In gaining a competitive advantage and enhancing the value of our products and services that are aligned with the Group's transformation strategies, we have extended several value added services to this core segment of our business.

We now offer consultancy services, hardware, project management and asset management for our customers in the Federal Government, State Governments, other government agencies and the private sector.

Responsible Investments in Sustainability and Green Processes

The Board has a vested interest to pursue more responsible investments, which relate to sustainability. This also includes investments that incorporate ESG factors into decision making.

The expanding pool of socially responsible investors are on the rise and we must engage the stakeholders wisely so that sustainability will continue to be in the forefront of the decision making process.





PRINCIPLE 2: Stakeholder Engagement & Disclosures

Commitment to Clients

We seek to constantly improve ourselves to provide the best possible solutions to our clients and their eco-system.

MARKETPLACE

ENGAGING STAKEHOLDERS

Building trust and sustaining relationships with our stakeholders are vital for our ongoing business sustainability. We recognise that stakeholder engagement is an ever evolving process. Therefore, the implementation of structured engagement activities and programs are key to fully understand their needs and reflect our commitment to respond effectively.

As the marketplace is the domain of both investors as well as consumers, regular interaction is essential to sustain top-of-mind awareness among our shareholders, customers and other stakeholders. Effective engagement is also necessary to align the Group’s aspirations with the expectations of our stakeholders.

Similarly, we are always at the forefront in community outreach whether it is to lend a helping hand to the disadvantaged or offering an advantage in honing the potential of future generations.

During the year in review, we were particularly active in our engagement with segments of the marketplace given the transformational developments to the scale and scope of our business activities.

Such interactions and activities included briefings, meetings, public and media events, workshops as well as surveys to gauge investor and consumer sentiments towards Prestariang, its projects, products and services.

ENGAGING THE MARKETPLACE

Stakeholder engagement helps to build confidence and trust in our business planning and performance, which improves our alignment with stakeholders’ expectations.

The Board is committed to ensure all information on financial results, operational performance, business strategies and other corporate matters, which are disseminated are always accurate and timely, and where necessary, filed with regulators in accordance with the relevant legal and regulatory requirements.

Our Investor Relations Policy includes guidelines on stakeholder engagement which indicate the authorised channels and 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 affairs.

Our engagement in the marketplace has yielded the following benefits:

- Recognition among shareholders;
- Securing new investors; and
- Developing our business infrastructure.

At Prestariang, we have a dedicated investor relations team to engage with stakeholders who are responsible for organising regular meetings, conference calls and site visits to keep the investment community updated on our strategic developments, financial performance as well as on ESG matters. In addition, we also hold investment road shows and conferences to tap prospective investors.



Bengkel Permurnian Konsesi SKIN – February 2017 which saw intense interaction with one of our key stakeholders, the Immigration Department of Malaysia.

All information, reports, policies and updates are published on our website at www.prestariang.com.my. Stakeholders can also submit enquiries via email at ir@prestariang.com.my.



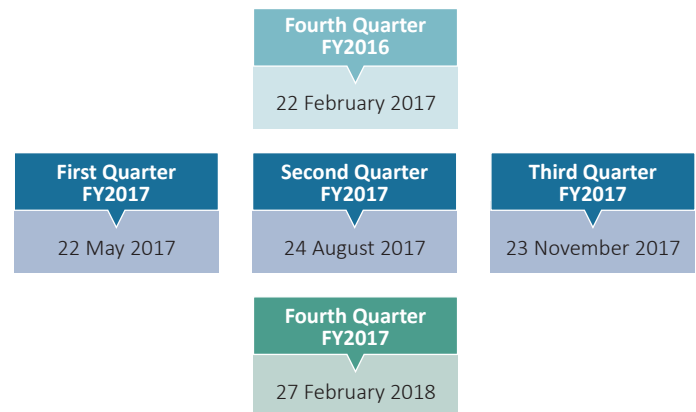
Commitment to Investors

Our commitment for good investor relations is to consistently build and gain trust among investors with clear communication and direction in order to generate value at both ends of the spectrum.

Disclosure Of Financial Results

Prestariang's timely release of financial results on a quarterly basis provides shareholders with the latest information on the Group's performance and operations. An analyst briefing is always held after the release of each quarter's financial results to Bursa Malaysia Securities Berhad (Bursa Malaysia). Materials presented during these briefing sessions are available to investors upon request and are also featured on the Group's website.

ANNOUNCEMENT OF QUARTERLY RESULTS



Improving Shareholders' Value

Prestariang endeavours to enhance shareholders' value through the performance of its stock as well as via healthy dividend released on a consistent basis.

Shareholder Base

Prestariang has a shareholder base of 2,968 institutional and retail/private shareholders as at 29 December 2017. Kumpulan Wang Persaraan (Diperbadankan) and AIA Berhad remain as our major shareholders with equity holdings of 13.0% and 9.7% respectively of our total share capital. Foreign shareholding accounted for 7.3% of the total.

Share Performance

Our share price was on a downward trend in 2017. However, this was an expected decline due to rebooting and transformation taking place in which newer services are still in the gestation period amid a challenging market environment. The price opened at RM2.07 on 3 January 2017 and closed at RM1.52 on 29 December 2017, representing a decline of 26.6%.

Returns To Shareholders

Prestariang strives to ensure healthy returns for our shareholders year after year. We have consistently achieved this by adapting and transforming our business strategies to suit prevailing market needs, trends and conditions. On this score, our business philosophy of embracing change as the way forward has paid dividends in increasing shareholders' value over time.

For the financial year ended 31 December 2017, the Board of Directors declared and issued four interim single-tier dividends amounting to a total dividend of 2.75 sen per share. Total dividend payout in 2017 amounted to RM13.3 million, accounting for 54.1% of Profit After Tax (PAT).

Dividend Policy

In line with the Board's intention to create value for shareholders through a generous dividend policy, the Board had resolved and approved in February 2016 the distribution of dividends of minimum 50% of PAT.

However, recommendation and payments of dividend depend on several factors, as follows:

- 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 flow, and could be waived if payment of dividend may impact adversely on the cash flow and operations of the Group.

DIVIDEND PAYOUT

	2013	2014	2015	2016	2017
Total gross dividend per share (sen)	12.0	4.19	3.75	3.00	2.75
Share price (RM)	2.88	1.44	2.97	2.06	1.52
Dividend (RM Million)	26.3	19.7	18.1	14.5	13.3
No. of shares	220,000,000	484,000,000	484,000,000	484,000,000	484,000,000

Notes:

During Financial Year 2014, the issued and paid up share capital of the Company was increased by way of:-

- a bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and
- a private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.



The AGM is the official platform for our Board of Directors and Management Team to engage with face-to-face discourse with our shareholders.



We are increasingly working with our stakeholders to understand their views and to incorporate their input into strategic decision-making processes.



PRINCIPLE 3: Commitment to Corporate Responsibilities

COMMUNITY

EMPOWERING COMMUNITIES

Prestariang approaches its Corporate Social Responsibility (CSR) initiatives through championing education, enrichment and fighting poverty. Our focus moves beyond merely enhancing our reputation towards improving our ability to address strategic challenges in our society. The objectives of our strategic focus are to raise the employability of individuals through education, the quality of life and living standards.

PROMOTING A LEARNING GENERATION

As a Shariah-Compliant counter, Prestariang ensures that a part of our annual profits go towards charitable causes. We contribute a pre-determined amount to selected non-governmental organisations (NGOs). Nevertheless, we are also open to new causes that are in-line with our corporate citizenship commitments.

During the year in review, Prestariang contributed and donated to various NGOs for the underprivileged and infirmed, as well as education institutions. We will continue to respond to the needs of the communities in which we operate, especially in the areas of lifelong learning and education.

School Adoption Program

We identified Sekolah Kebangsaan Sungai Manggis in Banting, Selangor for our School Adoption Program with the aim of supporting and encouraging the students as well as the teachers to develop their talents.

Through the Program, we were able to identify and address inequalities and inadequacies at this rural school in our efforts to ensure a positive learning environment. In 2016, we donated 21 computers, which were equipped with the latest Microsoft Office Professional Plus 2016 software and enhanced the network infrastructure for their computer lab. We also conducted IC Citizen Training and Certification for 39 teachers.

In 2017, we continued to provide technical support to introduce novel methods of teacher and student learning through technology. We regularly reviewed their progress and are pleased to report that the facilities and new technology, which we provided has indeed had a positive impact. Teachers and students of this school have certainly been inspired and are eager to embrace new and interesting ways of teaching and learning through technology.

Commitment to Communities

Prestariang continues 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, its children and society in its entirety.



Students and teachers of Sekolah Kebangsaan Sungai Manggis are encouraged to embrace technology to enhance their learning experience.

Big Data Competency Centres For Sustainable Learning

Malaysia requires an estimated 16,000 data analysts and data scientists by 2020. As a pioneer in education on emerging digital technologies, Prestariang has, to date, built and equipped six Big Data Competency Centres at five public universities and a polytechnic with the support of and in collaboration with the Ministry of Higher Education (MoHE). The institutions of higher learning are:

- Universiti Utara Malaysia in Sintok, Kedah;
- Universiti Sains Malaysia in Penang;
- Universiti Malaysia Terengganu in Kuala Terengganu;
- Universiti Malaysia Sarawak in Kota Samarahan;
- Politeknik Ibrahim Sultan in Pasir Gudang, Johor; and
- Universiti Teknologi Mara in Shah Alam.



Big Data@UiTM is the 6th Big Data Competency Centre, which was launched in May 2017.

On 25 May 2017, the Big Data Lab@UiTM and Advanced Analytics Engineering Centre, was officially launched by the Minister of Higher Education, Dato' Seri Idris Bin Jusoh at Universiti Teknologi Mara in Shah Alam, Selangor. This is the 6th Big Data Competency Centre in Malaysia, marking another successful milestone for the MoHE and Prestariang.

Prestariang supported the development of the Big Data Lab@UiTM, Shah Alam with approximately RM500,000.00. The vision and development of Big Data Competency Centres are in preparation towards Industry 4.0 revolution, where we will see a combination of cyber-physical systems, Internet of Things and Big Data to the concept of smart and multiple connectivity that empowers not only businesses, but almost all aspects of our daily lives.

The training in BDA includes data mining, processing analytics and development of user interfaces where students will be able to gain more through experiential learning and solving real work problems.



Dato Seri Idris Bin Jusoh officiated the Big Data Lab@UiTM, Shah Alam in Selangor.



Yayasan Universiti Malaysia

Our steadfast commitment is vested in supporting education to offer quality learning to our community. Over the years, Prestariang has generously supported Yayasan Universiti Malaysia through offering sponsorship packages to deserving Malaysian students from the lower income group to further their tertiary education in information & Communications Technology (ICT).

In 2017, Prestariang supported the Foundation with RM700,000.00, which provides selected students with the opportunity to pursue their education goals. The Foundation was established to nurture the growth of high calibre IT professionals for the future.

Autodesk Malaysia Design Competition (AMDC)

The Autodesk Design Competition (AMDC) is a joint collaboration with the MoHE, which was introduced by Prestariang in 2009. The competition is intended to develop students' abilities in design and 3D drawings using Autodesk software and tools.

Over the years, the categories of the competition has expanded to include undergraduate and postgraduate students from all disciplines as well as students from accredited private and Government higher education institutions in Malaysia.

In 2017, Prestariang sponsored total prizes worth RM100,000.00 with the Grand Prize to Participate in the Autodesk University. With the theme DREAM, DESIGN, DELIVER participants were challenged to propose a design solution to enrich cultural life by engaging intelligent technologies and aesthetic quality that brings people together in three categories of architecture, industrial design and creative media design. The competition ran from 25 August to 30 November 2017.



UNIMY Overseas Internship

UNIMY's Overseas Internship Award offers final year students exposure to a multicultural environment that will challenge them to adapt personally and professionally. Students are given the opportunity to travel to Japan, Europe, Australia or the USA where they will visit and intern with universities, industry leaders or both. UNIMY has allocated three internship batches in January, April and August each year.

Ahmad Naim & Vivekdeep Singh, the two top degree students of UNIMY received a total of RM55,000.00 to travel abroad for industry training and cultural exposure. The scholarship is for a three-week internship and cultural exchange to Digital Hollywood University, Tokyo, Japan in August 2017. Dr. Abu Hasan Ismail, President/Group CEO presented the two students with the scholarships on 23 March 2017 at UNIMY.



Dr. Abu Hasan Ismail with Dr. Ramli Ismail, Dean, Centre for Student Experience, UNIMY and students Ahmad Naim and Vivekdeep Singh.



Benefits to Students

Overseas travel and internships are on most students' wish list before entering the professional world. This opportunity allows students to **embrace emerging trends in the global network** while **challenging them to step outside their comfort zone**, making it an added advantage when **applying for a job in the future**.

Dr. Abu Hasan Innovation Competition (DAIC) 2016

In 2015, Dr. Abu Hasan was assigned to University Sultan Zainal Abidin (UniSZA), his host university, under the CEO Faculty Program which is an initiative implemented by the MoHE in line with the Malaysian Education Blueprint 2015-2025 (Higher Education). As ‘Adjunct Professor’, Dr. Abu Hasan’s role is to provide mentorship to university lecturers and students. As an industry leader, he also has the ability to guide the university in developing its curriculum for industry relevance. His passion to encourage and inject excitement into education resulted in the Dr. Abu Hasan Innovation Competition (DAIC) 2016, which was a platform for UniSZA to discover the brightest minds among the student population. Students showcased their innovative capabilities by interacting with other students to compete on solutions to tackle the challenges of the 21st century, which are related to the United Nation Sustainable Development Goals.

Dr. Abu Hasan presented a total of RM50,000.00 worth of prizes to the winners during the prize giving ceremony of the DAIC 2016 held on 8 March 2017 at the Besut Campus, UniSZA in Terengganu. The DAIC 2016 prize giving ceremony was held in conjunction with the launching ceremony of the Digital Hub at UniSZA Tembila Campus in Besut, which was launched by Dato’ Seri Idris Jusoh, Minister of Higher Education. The Digital Hub was the first smart partnership between public and private universities in the country.



The DAIC 2016 prize giving ceremony was held in conjunction with the launching of the Digital Hub at Besut Campus, UniSZA Terengganu.



Winners of the DAIC 2016 received their prizes from the Minister of Higher Education, Dato’ Seri Idris Jusoh and Dr. Abu Hasan.



Disrupt-IT Challenge 2017 - Final Presentation and Award Ceremony at MaGIC, Cyberjaya.

Disrupt-IT Challenge

Sponsored by Dr. Abu Hasan, Prestariang and supported by Malaysian Global Innovation & Creativity Centre (MaGIC), the Disrupt-IT Challenge was a unique digital-based research and design team challenge, which was aimed at connecting students from various disciplines to innovate disruptive tech solutions to improve lives. The competition was jointly organised by five universities- UNIMY, Multimedia University (MMU), Universiti Teknologi Mara (UiTM), Taylor’s University and UniSZA.

The idea was mooted from the successful outcome of the Dr. Abu Hasan Innovation Competition 2016 (DAIC), which was conducted at UniSZA. A total of RM40,000.00 worth of prizes were sponsored. Team Green Dream (UniSZA) won RM15,000.00 as the First Prize Winner & Best Business Model Award.

BUILDING KNOWLEDGE SOCIETIES

A knowledge society generates and shares knowledge to all members of the society. Prestariang is committed to building knowledge societies in line with its business philosophy of ‘Transforming Lives’.

CEO @ Faculty Program 2.0: Coached By The Pros

MoHE has expanded the CEO@Faculty program with the implementation of the CEO@Faculty Program Version 2.0. Coached by the Pros (CFP 2.0). Two young university lecturers have been selected to be coached and mentored by our President/GCEO for six months in order to learn the ropes, comprehend and gain exposure to our corporate culture. Their internship started on 1 September 2017 and ended on 28 February 2018, which allowed them to gain first hand experience at managing a high-profile company.

The CFP 2.0 is the MoHE’s approach towards redesigning education in Malaysia. While industry has always been present in academia, the CFP 2.0, which is more structured and purposeful augurs greater synergy between academia and industry for long term benefits.

CEO @ Faculty 2.0: The Fellows



Prof. Madya Dr. Nor Zairah Ab Rahim
IT Academic Fellow,
(CICT) Advanced Informatics School
UTM KL



Dr. Wan Mohd Zulhafiz Wan Zahari
Assistant Professor
Civil Law Department
Ahmad Ibrahim Kulliyah of Laws



“Enabling the Power of Wisdom”

Trailblazing Events – Powered By UNIMY Students

‘Trailblazing the World through Digital Economy’ was a UNIMY initiative which was held on 4 May 2017 and 8 July 2017. The events featured top executives, which included Ramanathan Sathiamutty, Chief Transformation Officer of Celcom Axiata, Adam Brimo, CEO of OpenLearning Pty Ltd, Australia and Dr. Abu Hasan.

The speakers held the students captivated with their experiences and advice on how rapidly evolving the technology industry is. They pointed out relevant concerns and how students should be mindful of the various factors when they step into the working sphere particularly in the areas of cyber security, big data and coding.



Opening the minds of UNIMY students through sharing of experiences at the Trailblazing the World through Digital Economy forum.



UNIMY students actively participated in the two events, which highlighted industry leaders in the ICT industry.



Celcom Axiata Berhad employees engrossed by the talk, which was delivered by Dr. Abu Hasan.



Transformation Action Talk At Celcom Axiata

On 14 April 2017, Dr. Abu Hasan was invited by Celcom Axiata Berhad to share his knowledge and experience with its employees. The highlight of the talk was on the transformation of the global internet platform that has reshaped industries and the marketplace.

PHILANTHROPY FOR EARLY EDUCATION

Prestariang continuously provides support to the less fortunate in the community where we serve. In 2017, approximately RM38,000.00 from the total raised was set aside to support early education. This initiative is in line with Dr. Abu Hasan's philanthropic approach of empowering children through education.

Prestariang Cares For Autism: Hand In Hand With The Stars-2

On 20 May 2017, Prestariang in collaboration with Parents' Resource for Autism Malaysia (PR4A), Orangecow Studios and Music Mart PJ, joint forces to organise the 'Hand in Hand with the Stars-2' to support autistic children in our community. The event featured the screening of the internationally acclaimed multi-award winning movie REDHA, performances by the children themselves, exhibition of artworks done by the children, and performance by Aseana Percussion Unit. The children also indulged in fun activities at the craft galleries and face painting. A total contribution of RM10,000.00 was presented to PR4A.



Photo Credit by : Centrestage



Source: Kiwanis Down Syndrome Foundation National Centre (www.kdsf.org.my)

Importance Of Early Intervention: Kiwanis Down Syndrome Foundation National Centre (KDSF)

Prestariang is a firm believer of 'Education for All' especially early childhood development. In October 2017, RM2,000.00 was donated to the Kiwanis Down Syndrome Foundation National Centre (KDSF). KDSF is committed to the welfare of children with Down Syndrome where its main focus is providing education to children up to six years old.

Donations For The Blind

Prestariang extended financial aid to a school for the blind, Sekolah Kebangsaan Presint 18, Putrajaya. On 20 April 2017, Dr. Abu Hasan handed over a cheque amounting to RM50,000.00 to Puan Salmiah Hashim, the School Principal.

The much needed donation would be used for the purchase of braille type writers and embosser to complement the education of the blind students.



Dr. Abu Hasan and the team from Prestariang bringing much-needed cheer to the blind students at Sekolah Kebangsaan Presint 18, Putrajaya.



PRINCIPLE 4: Engaging Workplace

WORKPLACE

INSPIRING AND NURTURING TALENT POTENTIAL

Our employees are our most valuable asset as our collective success lies in each employees contribution at every level of our organisation. As a knowledge-based organisation, it is pertinent for us to continuously invest in people of professional calibre, articulate in their chosen fields and possess logical thinking to tap into a vast pool of ideas, which is much needed in an industry such as ours.

In complementing our core businesses, which is focussed on talent development, we have a clear understanding on what it takes to generate employee satisfaction in a holistic manner. From clear and fair pathways for career development to a safe and healthy work environment that is socially rewarding, keeping employees engaged and satisfied are more critical than just paying good salaries and offering benefits.

Commitment to Employees

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

EMPLOYER AND EMPLOYEE MEMBERSHIP

Prestariang is a member of the Malaysian Employee Federation (MEF), which provides various services such in the areas of human resource and industrial relations, market surveys and employment information, workplace training and development, and occupational health and safety programs. As a member, Prestariang conforms to the regulations and policies of MEF, which includes its guidelines on data privacy.

In addition, Prestariang is a partner to global players which include Microsoft, Adobe, Autodesk, Oracle, EC-Council, CompTIA, Certiport, OpenLearning, Dell and Salesforce. We adhere to their ethical business practices, code of practice, regulations and policies, which includes the data privacy policy. Some of our employees are also members of professional associations such as the Project Management Institute (PMI) and IASA for IT Architects.

OUR TALENTS

Being a Technology and Talent company, we are privileged to have some of the best and brightest minds with specific expertise and experience in digital technologies, both obsolete and emerging. Our multi-disciplinary team of professionals are specialists in the following areas:

- Autodesk AutoCAD 2010 Associates and Professionals
- Autodesk Revit Architecture 2010 Associates and Professionals
- Certified Training Professionals (CTP)
- MCAD, CISCO and CompTIA certified engineers and specialists
- COBIT certified specialist
- ITIL
- Microsoft Certified Professionals - Licensing Solutions
- Microsoft Certified Technology Specialists
- Project Management Professionals (PMP)
- University Professors and Lecturers (PhD and Master’s Degree holders)
- Graphic, Web & Multimedia Designers
- Professional Certified Accountants (MICPA, CA)
- Certified Tester
- TMMi Professionals, Assessor and Lead Assessor
- Certified Professional Requirement Engineering
- Certified Information System Security Professional
- Certified Information Security Manager
- Certified in Risk and information Control
- Certified Information Security Manager (CISM)
- Certified Allied Telesyn System Engineer
- Juniper Networks Certified Internet Professional - Service Provider, JNCIP-SP
- EPI Certified Data Center Expert, CDCE
- ISTQB Certified Tester

Employment Practices At The Workplace

Prestariang complies with all laws and regulations, which are related to employment, place of employment, human rights and other legislative requirements, as listed below:

- Compliance with applicable laws, which includes the Federal Constitution to uphold freedom of expression/association. Whistle Blowing Policy to protect whistle blowers in support of the freedom of expression principle.
- Compliance with Children's Rights as per the Child Act and the Children and Young Persons (Employment) Act.
- Compliance with labour laws e.g. Industrial Relations Act on individual cases.
- Compliance with the right to minimum wage under Minimum Wage Order 2016.
- Compliance with requirements of, which includes overtime and excessive normal hours of work.
- Compliance with the Minimum Retirement Age (Exemption) Order 2016.
- Compliance with Personal Data Protection Act 2010.
- Compliance with the Anti-Corruption legislations of Malaysia under the Malaysian Anti-Corruption Commission Act 2009 (ACT 694) and to ensure that all employees are committed to complying with all applicable laws in their operations.
- Compliance with the Official Secrets Act 1972, as required by projects with the Government of Malaysia.
- Within the provisions of the Malaysian Constitution, the Company automatically subscribes to the Universal Declaration of Human Rights (UNDR)* by the United Nations that supports equal rights and equal opportunities. In addition to that, our Code of Conduct prohibits discriminatory practices and promotes equal opportunities within the organisation.
- The Company as a Technology and Talent organisation, which employs professionals, is a non-unionised organisation; the Collective Bargaining is non-applicable.

* Malaysia, by being a member of the United Nations, has subscribed to the philosophy, concepts and norms provided by the UNDR, which sets out the minimum and common standard of human rights for all peoples and all nations, subjected to the provisions of the Malaysian Constitution and the applicable laws and policies.

Employee Guidelines

Our Employee Handbook is disseminated to all employees and spells out all the terms and conditions of employment. It further provides an orderly and effective means of conducting and resolving any misunderstanding or grievance between the employees and the Company.

The Handbook explicitly states that the Company does not tolerate harassment/sexual harassment or intimidation by employee to employee on any basis prohibited by law, including race, colour, sex, age, religion, national origin, handicap, disability, marital status or veteran status.

All employment policies and guidelines are made available and accessible worldwide in English (as our official language for online communication) and in Bahasa Malaysia via our internal employee portal.

All new employees are informed about the handbook guidelines through on-boarding sessions.

NURTURING OUR EMPLOYEES

Our focus for the year in review was on acquiring the best talents to meet the Group's operational and business requirements.

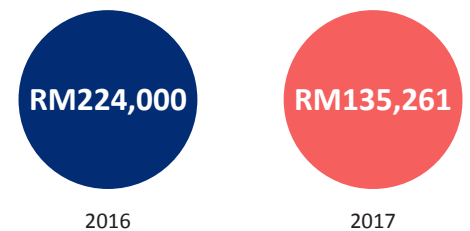
We spent an estimated 70% of the training allocation on technical training to enhance and upgrade our employees' skills as well as increasing their knowledge mainly to address new challenges in their respective areas of work. The remaining 30% was allocated for leadership, systems and soft skills trainings.

The total cost spent on training programs for the Group in 2017 was RM135,261.00 with an average of three man days of training per year.

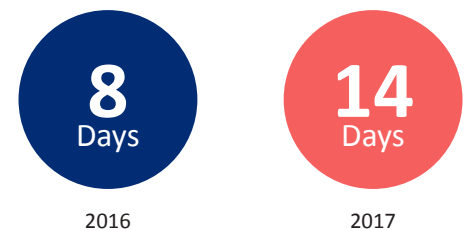
The training cost was considerably lower compared to 2016 and number of man-days training were increased to 14 days. This is due to increase in On-the-Job training sessions and in-house programs. In addition to this, Prestariang employees also received complementary trainings due to the strategic relationship with our partners.

Comparatively, against 2016 costs are as follows:

OVERALL TRAINING COST



AVERAGE MAN DAYS TRAINING



TRAINING PROGRAMS IN 2017**Technical**

- DevOps Master- Train the Trainer
- LHDNM-MEF Seminar 2017 Taxation and Employers
- ICT Practitioner Legal Issues and Professional Conduct
- Hays Asia Salary Guide
- ACP11001 Alibaba Cloud Certification
- Talent Retention- The Power of Engagement
- Sustainability Statement Reporting Preview
- Building World-class Salesforce
- Competency Management System
- ASEAN Education Partner Summit 2017
- Developing People- The DiGi-tal Way
- Competency Based Interview (CBI)
- Briefing on Transfer Picking Audit
- Walking through Contracts the MFRS 15 Way
- Building Facilities Management Operations & Maintenance
- The New Companies Act 2016 (Navigating the Changes & Practical Insights of the New Law)
- Understanding Job Descriptions, Job Analysis, Key Performance Indicators (KPI) & Appraisals
- The New Malaysian Code on Corporate Governance & The New Companies Act 2016
- Cyber Security in the Heart of Human Resource
- Autodesk Fusion 360
- Dell EMC Tier 2 Partner Program- Ingram Micro
- Malaysian Laws for Foreign Workers 2017
- GRI Standards Certified Training on Sustainability Reporting
- Ministerial Engagement Session with Minister of Women, Family & Community Development
- Licensing Clinic
- SAP on Azure Workshop
- Cloud + Enterprise Hybrid Technical Boot Camp Architecting Azure Solutions
- An Overview Impact of MFRS9
- Amazon Sales & Pre-Sales Workshop
- Handling Full Set of Accounts
- BIGIT 2017 Conference
- Accounts Payable- From Accounting to Management
- Modern Workplace Pre-Sales Readiness (Office 365)
- GST Conference 2017
- CCNAX Training
- Crisis Communications In The Digital Age
- Annual Auditing and Accounting (AAA) Seminar 2017
- Microsoft Hybrid Cloud Launch
- Related Party Transactions Under The New Companies Act 2016 The Latest Bursa's Listing Requirements
- ISO 9001:2015 Understanding & Developing Risk Management
- Implementing Applied Risk Management
- MICROSOFT: ASIA & MEA Learning Partner Summit
- FY18 Microsoft Partner Day
- Connect, Communicate, Convince!
- Modern Licensing Roadshow
- Cisco ACL Advanced Training
- Cisco FirePOWER Threat Defence- Deployment
- HRDF & Trainer's Conference Exhibition

Non-Technical

- Takaful Talk
- Grooming Image & Style in the Office
- Business English Communication
- QMS Refresher & Awareness Session for MLA 2017
- Women in Management & Leadership
- Young Executive Seminar 2017

In addition, Prestariang consistently contributes 1% of total salary into the Human Resource Development Fund (HRDF) for claimable training. Each year, we also allocate between RM2,000.00 and RM3,000.00 per employee for external courses.



MAINTAINING A HEALTHY, SAFE AND ENVIRONMENTALLY-FRIENDLY WORKPLACE

We encourage employees to understand their rights and obligations under the Health, Safety and Environment (HSE) Policy 2017, which covers safety, security and environmental aspects. We also subscribe to Green ICT Practice in the workplace. Under this practice, we leverage on ICT to conserve natural resources and also actively take precautions to reduce the impact of ICT on the environment. Prestariang's Green ICT Practice adheres to the Personal Data Protection Standard 2015.

Our commitment to safety at the workplace is shared across all business units and all sites. We strive to create a conducive physical work environment while ensuring that our employees have the right tools, equipment and facilities to perform their work efficiently. We also allow flexible working hours, where necessary to accommodate specific needs of our employees as addressed in the Employee Handbook.

We comply with local labour laws with regards to working hours and public holidays and this policy addresses the elimination of excessive working hours or overtime. Prestariang has not recorded any incident of non-compliance to labour standards.

During the year in review, we implemented various HSE programs which included documentation of safe work procedures, briefings and trainings, emergency preparedness and response, wellness activities, management of contractors and incident reporting and investigation.

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

ENGAGING EMPLOYEES TO DEVELOP HUMAN CAPITAL

Prestariang views employee engagement as an interactive forum from which to gain valuable insights on how to develop a better company, nurture a more productive workforce and create a more ideal workplace.

Each year, we hold a series of events and activities to bring together management and employees, whether in formal or informal settings. These include town hall sessions, indoor and outdoor activities, team-building exercises, talks, health-related events, charity drives, volunteer programs and more.

Such gatherings facilitate bonding and promote integration, leading to better understanding and empathy among the respective parties. The interaction with one another is expected to lead to inclusion and cultivate effective teamwork.

We conduct an employee survey once every two years to gauge and compile employee feedback and satisfaction levels which also covers the sustainability performance of the Company.

MAINTAINING A BALANCE BETWEEN WORK AND LIFE

We encourage our employees to prioritise health and wellness to achieve an ideal work life balance.

We discourage excessive work hours where any employee who puts in more than four hours during weekends will be given half-day replacement leave, and a full day off, if they are required to work above six hours.

We encourage our employees to utilise their replacement leave within a three-month period. This allows employees who have made the extra effort, time to recuperate both mentally and physically. This policy is also outlined in our Employee Handbook.

Our latest initiative was to engage employees through a weekly exercise workout session, which is led by fitness instructors. This activity was introduced in 2015 and continued throughout 2017.

To spice things up, we introduced a competition called Prestariang Biggest Loser Challenge in which employees were encouraged to keep fit, lose excess weight and achieve an overall feel-good factor. This competition was held from 27 April 2017 to 24 August 2017.

Prestariang sponsored employees to participate in various running events, which included the Bursa Bull Charge and Twincity Marathon.

CULTIVATING INCLUSION AND EMBRACING DIVERSITY

Prestariang is committed to providing our employees with an inclusive, diverse and innovative work environment where there is equal opportunity for learning and personal growth. Our approach to human resource is aligned to company initiatives, values and strategies, which are based on the following principles:

- Properly balance the needs of the employees and the needs of the Company;
- Maintain a diverse workforce in a safe and discrimination/harassment free environment by maintaining compliance with employment laws and Government regulations, providing management and employee training, and developing relevant policies and procedures;
- Committed to exceed the Minimum Wage Order 2016 regulations and the rate is applicable to the probationers;
- Provide training and development in areas of: effective leadership and career development of employees, technical and soft skills learning;
- Hiring the most qualified employees; getting the right talents with the right job fit and skills;
- Retaining our valued employees by assuring effective leadership qualities in our managers, providing competitive wages and benefits, furnishing technical, interpersonal and career development training and coaching, conducting exit interviews and supplying relevant feedback to management, and enhancing two-way communication between employees and management;
- Emphasis on leadership development programs 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;
- Obligated to employ and develop local talent to support our business and have a track record of employing and training local people; and

- Comply with the Malaysian labour laws and standards. We are committed to maintain the highest ethical standards for our customers, suppliers, and employees, shareholders and communities, in accordance with applicable laws and our Code of Conduct.

As a Company that is anchored on learning and development, we continuously educate and upgrade our employees' knowledge. This is to ensure that they are able to keep up with the latest technology to hone their knowledge and skills so as to improve work processes and increase productivity. Our Human Capital Development Department facilitates employees to operate at optimum levels.

Beyond inclusion, Prestariang also values diversity in its workforce stemming from the understanding that talents from different cultural backgrounds can offer unique advantages in every aspect of business operations, from product and service development to sales and marketing.

We also extend employment opportunities to underprivileged individuals. In 2016, we actively promoted the integration of people with disabilities into the workplace. At present, we have employed one individual, and we endeavour to offer more employment opportunities to the disabled.

In terms of gender diversity, the male to female ratio is 54:46.

Over and above building a diverse workforce, we actively encourage racial and gender integration through various engagement activities, which include recreational, sports and welfare related initiatives. We recognise the rights of employees to perform or participate in religious activities, observance or practice.

In 2017, we opened our doors to foreign talent, partly as a result of our thrust to attract the best talents for our latest transformational projects. Currently, we have one foreign employee in our workforce.



The jubilant SKIN Team after the Signing of Concession Agreement on 18 July 2017.

WORKFORCE DIVERSITY



150
in FY2016

213
total workforce



34%
in FY2016

42%
of total workforce are permanent employees



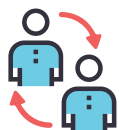
51%
in FY2016

46%
of total workforce are women



74%
in FY2016

68%
of total workforce are below 40 years old



11.3%
in FY2016

10.78%
of employees turnover rate

Workforce by qualification



24%
PhD & Masters

19%
in FY2016

58%
Degree

59%
in FY2016

18%
Diploma or below

22%
in FY2016

Workforce by classification



55%
Manager and above

39%
in FY2016

42%
Executive

56%
in FY2016

3%
Non-Executive

5%
in FY2016

Workforce by race

87%
Malay

91%
in FY2016

8%
Chinese

7%
in FY2016

5%
Indian

2%
in FY2016

DEVELOPING FUTURE TALENTS

Prestariang is naturally focused on developing talents given the nature of our business. In line with this role and responsibility, we offer internship opportunities and Prestariang Skim Latihan 1Malaysia (SL1M).

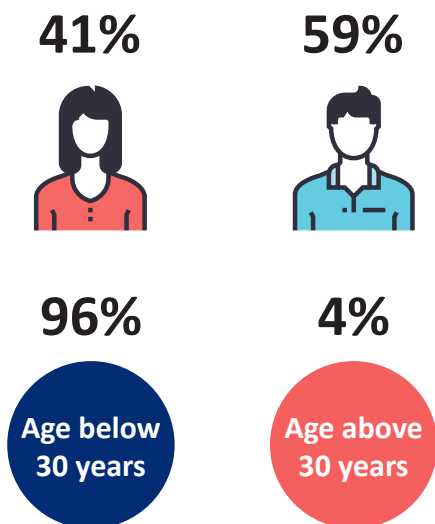
Internship Program and Temporary Employees

Prestariang provides industrial training for undergraduates, which range from three to six months. Although priority is given to ICT students, final year candidates of any discipline are also assessed and streamed into the respective departments within the Group, based on their education and co-curricular backgrounds.

We also offer equal opportunity employment and opportunities to underprivileged students while placement programs are also available to unemployed youths as stated in our Internship Policy. Policies and procedures for employment of temporary employees are similar to that of interns as outlined in the Internship Policy.

As most of the interns and temporary employees are from local public universities, Malays make up the majority of these category of employees while 2% are Chinese and another 2% are of other races. The Company is stepping up efforts to encourage the diversity of races and religion among its employees as part of its nation building agenda. A total of 48 interns and temporary employees were hired in 2017.

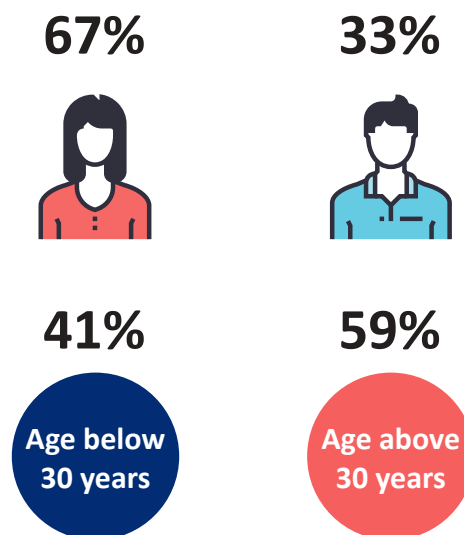
TOTAL INTERNS AND TEMPORARY EMPLOYEES - 2017



Prestariang Skim Latihan 1Malaysia (SL1M)

Prestariang SL1M was established in August 2017 to support Government efforts to raise the standard of employability among graduates. Prestariang SL1M aims to develop and train Malaysian graduates in both soft skills and on-the-job skills, which are required by the ICT industry. The graduates from Government universities are mainly Malays. A total of three interns were hired between the months of August and December 2017.

SL1M TRAINEES



EMPLOYEE VOLUNTEERISM

The Company is very supportive of employees participating in volunteer work. From time to time, our IT personnel visit our adopted school, Sekolah Kebangsaan Sungai Manggis in Banting, Selangor to guide and assist the teachers and students on the correct usage of computers and software.

At Prestariang, we have a culture of supporting each other in times of crisis, be it contribution in time, in-kind assistance or financial aid. It is noteworthy to mention that employees participate in numerous voluntary programs and charitable events, which they fund themselves.

EMPLOYEE ENGAGEMENT ACTIVITIES 2017



18 January 2017

The Town Hall Session conducted at Cindai Hall 1, Cyberview Lodge, saw active participation from our employees.

26 January 2017

SKIN team ushered in the Chinese Year of the Rooster with the tossing of “Yee Sang”.



1 - 10 February 2017

Fun thematic activities such as the Mannequin Challenge help employees to bond with one another.

27 April 2017 - 24 August 2017

Prestariang advocates healthy living and the Biggest Loser Challenge encouraged employees keep fit for a better work-life balance.



11 May 2017

Dr. Abu Hasan conducted a talk at the Management Networking Session with the UNIMY faculty at The Everly, Putrajaya.

EMPLOYEE ENGAGEMENT ACTIVITIES 2017



18 May 2017

Employees were exposed to proper grooming, image and style for the office as part of the social activities organised for them.

20 June 2017

Prestariang employees Iftar session started with the distribution of dates, followed by Maghrib prayers and a delicious buffet, all of which was held at Prestariang Headquarters, Cyberjaya.



28 July 2017

Prestariang Raya2x Gitewwww, was held in conjunction with Hari Raya Aidilfitri to encourage racial and religious harmony among our employees.



10 August 2017

Affin Hwang Capital conducted a presentation on Private Retirement Scheme.

19 August 2017

Prestariang sponsored 20 runners in conjunction with the 29th SEA Games Marathon.

14 September 2017

2017 Bursa Bull Charge flooded the streets with more runners, die-hard supporters, colours, energy and positive rivalry to foster a sustainable and inclusive marketplace.

EMPLOYEE ENGAGEMENT ACTIVITIES 2017



14-16 November 2017

An awareness workshop was held on ISO/IEC 27001:2013. This training on Appreciation, Documentation & Implementation was organised specifically for Prestariang SKIN Sdn Bhd's employees.



29 November 2018

The Bowling Party 2017 which was held at Wangsa Bowl Putrajaya, saw five groups of Prestariangites gather to compete at the tournament.



11 November 2017

The MQA Run 2017 saw our enthusiastic runners among our employees join in the public event, which was flagged off at Bangunan Mercu MQA, Cyberjaya. Dato' Seri Idris bin Jusoh, Minister of Higher Education (in red t-shirt) sportingly participated in the run alongside Dr. Abu Hasan and our employees.



7 – 8 December 2017

The SKIN Management Team had a team building pow wow session at The Majestic Hotel Kuala Lumpur.



PRINCIPLE 5: Governance to drive Compliance & Best Practices

GOVERNANCE

EMBEDDING ETHICS IN EFFICIENCY AND EFFECTIVENESS

As a responsible Company, we comply with all relevant legislation, regulations and codes of practice. We always conduct our activities with the highest standards of integrity with particular attention paid to business continuity.

Our focus on good governance is applied to the following areas:

- Service and delivery;
- Corporate governance; and
- Vendor management.

SUSTAINING EXCELLENCE IN SERVICE AND DELIVERY

A company's heart and soul lies in its quality of service and delivery of products and services. Excellence in service and delivery can only be achieved when the various aspects of management, standards and professional conduct are in sync with one another.

Benchmarking

We view benchmarking as a critical process to help us identify our aspirational levels and at the same time, highlight areas where we are lacking. As a Company with global alliances, it is natural as well as logical that we benchmark against the best practices of our business partners, which we often adopt and apply throughout our value chain. By adopting the highest standards, we seek to sustain our reputation as a trusted partner, employer of choice and preferred company for investors.

Quality Management

A key aspect to maintaining quality service and reliable delivery is a comprehensive quality control system. Our respective system has been recognised with the ISO 9001:2015 certification by SIRIM QAS International Sdn Bhd in August 2016. The certification covers the distribution and management of Microsoft software licences to Government Agencies under MLA 2.0.

During the year in review, Prestariang passed a surveillance audit conducted by SIRIM, where we successfully conformed to every requirement of the certification.

Moving forward, the scope of this certification will be expanded to include a wider customer base in line with the organisation's commitment for continual improvement of its processes. The updated procedures for the broader scope is set for implementation in April 2018.



Achieving New Standards

In addition, the Group's subsidiary, Prestariang SKIN Sdn Bhd (PSKIN), has embarked on the process to achieve the ISO 27001, ISO 22301 and ISO 20000 certifications. Towards this end, PSKIN carried out the following activities in 2017:

PSKIN: TOWARDS ATTAINING ISO CERTIFICATION

Date	Activity
9 - 10 October 2017	ISO 9001:2015 Understanding & Developing Risk Management Training.
14 - 16 November 2017	ISO/IEC 27001:2013 Appreciation, Documentation & Implementation Training.
23 February 2018	SKIN Security Risk Management Kick-off and Steering Committee meeting.



ISO/IEC 27001:2013 Appreciation, Documentation & Implementation Training session conducted in November 2017 to gear up our employees towards achieving excellence in Quality Management.

As a follow-up from the October and November activities, PSKIN held a SKIN Security Risk Management kick-off and steering committee meeting (SSRMC) on 23 February 2018.

The committee intends to develop a highly-secured integrated core immigration system in compliance with ISO 27001 and ISO 22301.



The SKIN Security Risk Management Committee Kick Off meeting in February 2018 to ensure best implementation and management of work processes at every phase throughout the entire project period.

Professionalism And Ethical Conduct

To maintain integrity, Prestariang is strict and stringent in its enforcement of ethical guidelines contained in the Company's Code of Conduct. This code includes recommendations on professional conduct, code of ethics, guide on giving and receiving gifts, 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 of Conduct is communicated to all employees through timely training sessions, which include on-boarding programs for new hires.

We continue to comply with requirements under the Personal Data Protection Act 2010 (PDPA) which came into effect in 2013. We conduct trainings on PDPA on a regular basis to instill awareness among employees and to ensure compliance with all applicable laws and regulations related to the PDPA. In accordance with the Personal Data Protection (Class of Data Users) Order 2013, UNIMY is registered with the Personal Data Protection Commissioner of Malaysia.

Our approach to privacy and personal data protection is to respect and protect all personal information. In line with this, the Company respects and is committed to the protection of the personal information of clients, customers, and end users as outlined in the Personal Data Protection (PDP) Notice displayed on our website and featured on notices of agreement 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.

Commitment To Our Clients And Our Customer Service

We seek to constantly improve ourselves to provide the best possible solutions to our clients and their eco-system. To ensure that we provide the best service that fulfills our clients' expectations, we take a 360° degree feedback approach which not only addresses clients' needs, but also extends to the end-user needs.

Regular on-the-ground meetings, ad-hoc surveys, brainstorming sessions and end-user participation are some of the engagements conducted in order to present holistic responsiveness on the areas to improve while all actions were discussed and taken to address this issue.

We also ensure that enquiries from customers are responded to within three working days. Enquiries can be made through out general telephone lines or emails as follows:

General Enquiries

+603 8314 8400
inquiry@prestariang.com.my

Media and Investor Enquiries

ir@prestariang.com.my

Training Enquiries

training@prestariang.com.my

Job Applicants

hrd@prestariang.com.my

CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance

We have an established dedicated governance structure in place to guide relevant initiatives pertaining to ESG concerns as part of our Sustainability Reporting.

The Board of Directors and Senior Management have been assigned the responsibility for oversight and implementation in ensuring accountability in our sustainability initiatives.

By embedding sustainability considerations into corporate policies and risk management systems, we will be in a better position to leverage on our day-to-day decision making processes.

Rather than being siloed, sustainability is now integrated into the corporate strategy. This sustainability governance model generates tangible results, contributing to value protection and creation through improved risk management, product innovation, cost-savings, employee engagement and client loyalty.

The Board's leadership in sustainability governance has resulted in significant impacts and results that reveal the extent to which sustainability has been embedded in the corporate culture.

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)
- iv. Corporate Governance Guide: Moving from Aspiration to Actualisation (CG Guide)

The Corporate Governance Framework have attributes that contribute to effective governance and tools for addressing governance risk. It also promotes 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.



Our stakeholders, which include the investing public expect us to have greater accountability for managing, measuring and reporting our collective ESG impacts. As such, the role of corporate governance is increasingly applied to an extended form of monitoring the Company's triple bottom line of economic, environmental and social outcomes.

CORPORATE GOVERNANCE HIGHLIGHTS

Detailed disclosure of remuneration for Non-Executive Board Members and Key Senior Executives

Directors' Code of Ethics

Related Party Transaction Policy

Board Charter

Fully independent Remuneration and Audit Committee

30% women on Board

Remuneration Policy

Diversity

Whistle Blowing Policy and Grievance Procedures

Risk Management

Please refer to the Corporate Governance Overview Statement which are set out on pages 88 to 107 of this annual report.

The 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 CG Report which details out how the Company applies the Code and can be downloaded from the Company's website: <https://www.prestariang.com.my/investorrelations/home.html>

VENDOR MANAGEMENT

Vendors play a key role in attaining our business success and as such a framework is in place to strategically source and manage competent vendors.

In building a mutually strong relationship with our vendors, we have in place vendor management best practices to strengthen the Company's overall performance.

The vendor selection process involves stringent scrutinising and screening processes to verify their competency levels as well as ethical standards.

Procurement and sourcing functions are complex to manage and require impeccable integrity, good judgement and values on the part of our employees.

Developing Vendor Competence

We have a Strategic Partnership Program to continuously assess and monitor vendors' performance in terms of quality and standards.

This includes the appointment of strategic vendors, assessment of vendors' systems, operations and deliverables of goods and services.

Through this program, we can better evaluate their supply chain quality and management systems, procedures and compliance and accuracy of documentation.

To maintain a robust working relationship, we encourage our vendors to develop new capabilities and improve their core competencies. Through our program, vendors can develop strong capabilities leading to:

- better control of time, cost, quality for any given project or program;
- a clearer idea of identifying opportunities for cost savings;
- operational improvement; and
- more effective and efficient review of deliverables and/or service levels.

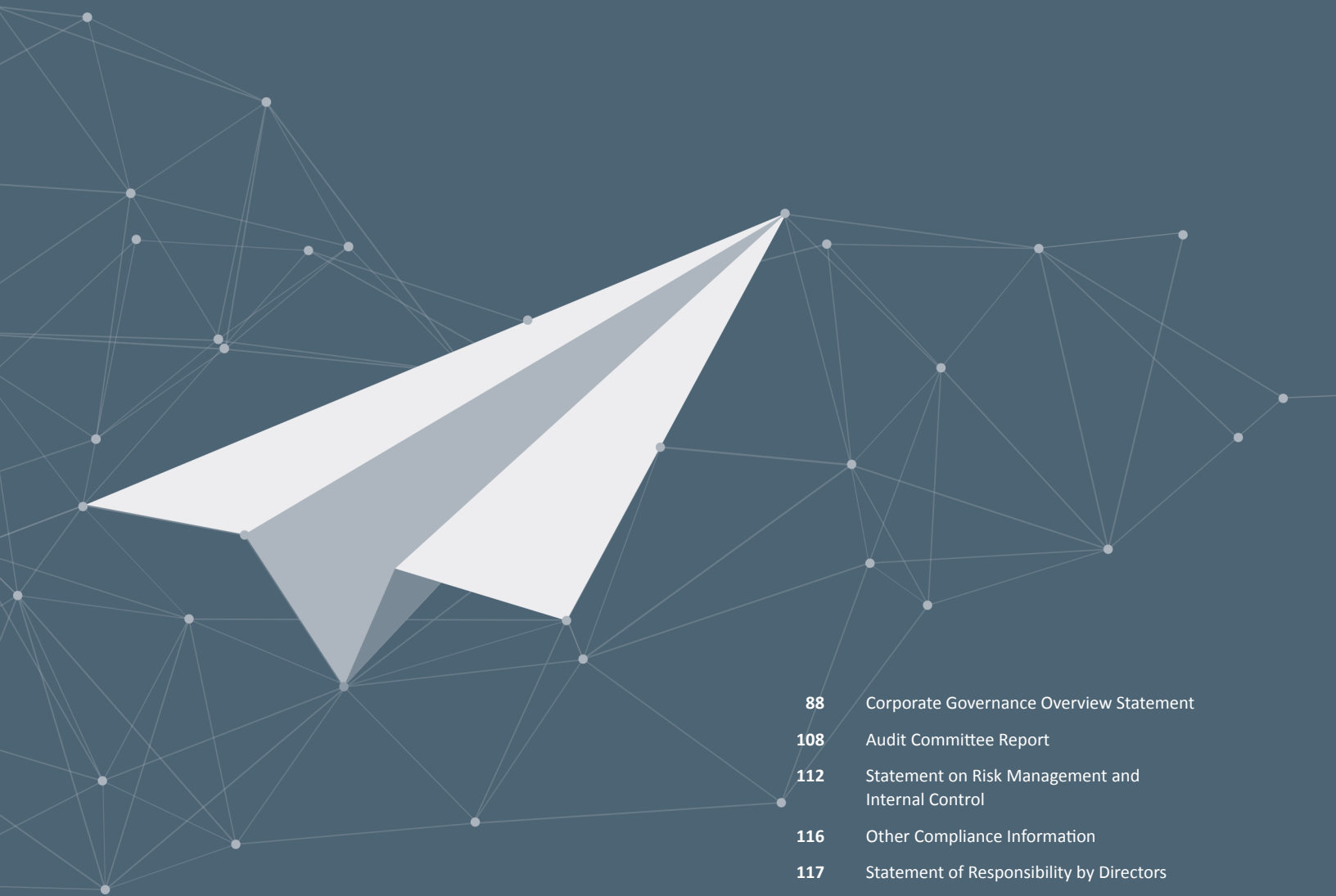


Procurement Policy 2017

In line with the development of vendor competence, the Procurement Policy outlines procurement procedures and guidelines to assess vendors as featured below:



Transparency



88	Corporate Governance Overview Statement
108	Audit Committee Report
112	Statement on Risk Management and Internal Control
116	Other Compliance Information
117	Statement of Responsibility by Directors

Corporate Governance **OVERVIEW STATEMENT**

The Board of Directors of Prestariang Berhad (the Company) recognises the importance of 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 to the following statutory requirements, best practices and guidelines:-

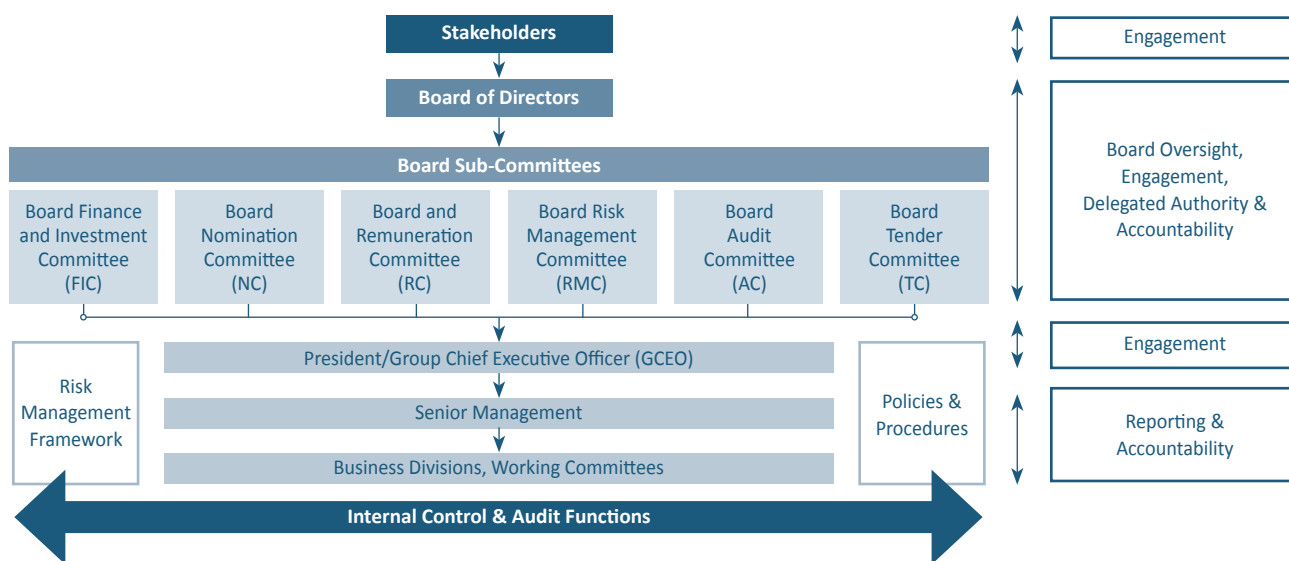
- i. Companies Act 2016 (CA 2016)
- ii. Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR)
- iii. Malaysian Code of Corporate Governance (the Code)
- iv. Corporate Governance Guide: Moving from Aspiration to Actualisation (CG Guide).

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 which detail out on how the Company applies the Code and can be downloaded through the Company's website: <https://www.prestariang.com.my/investorrelations/home.html>

The Principles and Practices encompass in the Code also serves as a fundamental guide to the Board in discharging its principal duty 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 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 diagramme below describes the governance framework of the Group. It shows interactions between the Board and its stakeholders. The Group has in place the process to ensure delegation flows through the Board and its committees and into the organisation.



Following the release of the Code and the CG Guide in 2017, the Company Secretaries have briefed the Board and the Company's key senior management on the application of Code, whereby a Gap Analysis Report has been prepared to set out the comparison between the CG practices of the Company and the standards set out in the Code. Pursuant thereto, the Board has endorsed the action plan as highlighted in the Gap Analysis Report for implementation.

The Board is pleased to share the following statement and explain how the Group has applied the three (3) principles which are set out in the Code, namely:-

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (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 one (1) Executive Director, namely Dr. Abu Hasan Bin Ismail, the President/Group Chief Executive Officer (President/GCEO) together with five (5) 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, 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:-

- a. to represent and serve the interests of shareholders by overseeing and evaluating the Company's strategies, policies and performance;
- b. to ensure the shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- c. 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;
- d. to identify, continuously assess and manage the principal risks affecting the Group and to ensure the implementation of appropriate systems to manage these risks;
- e. to plan succession, including appointing, training, fixing the remuneration of and where appropriate, replacing senior management of the Group;

- f. to develop and implement an investor relations program or shareholder communications policy for the Company;
- g. 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;
- h. 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
- i. 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 is available on the Company's website at www.prestariang.com.my.

The Board members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, and cultivated throughout the organisation, in order for the Company to achieve strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to shareholders.

Directors' Code of Ethics

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 or when representing the Company, including declaration of interests, conduct in meetings and guidelines in accepting gifts.

The Directors have continued to observe the said Directors' Code of Ethics in carrying out their fiduciary duties and responsibilities. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always taken into consideration. The Directors are required 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 who has an interest in any related party transaction shall abstain from Board deliberation and voting and shall ensure that he and any person(s) connected to him will also abstain from voting on the resolution before him.

A copy of the Director's Code of Ethics is available on the Company's website at www.prestariang.com.my.

Whistle Blowing Policy

In order to uphold the integrity of the Company in conducting its business, the Company continues to implement the approved Code of Conduct which contains the Whistle-Blowing Policy.

The policy is designed to enable employee of the Company to raise concern internally and at a high level and to disclose information which the individual believes shows malpractice or impropriety.

Examples of those concerns include:

- Financial malpractice or impropriety or fraud
- Failure to comply with a legal obligation or Statutes

- Endangerment of an individual's health & safety or the environment
- Criminal activity/offences
- Improper conduct or unethical behaviour
- Corruption, bribery or blackmail
- Miscarriage of justice
- Attempt to conceal of any/or a combination of the above

A copy of the Whistle Blowing Policy is available in the Company's website at www.prestariang.com.my.

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

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 page 49 of the Annual Report.

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

Chairman and President/GCEO

The roles of the Chairman and the President/GCEO are segregated and clearly defined by their individual position descriptions. The roles are held by different individuals. 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 optimization of long term returns for the Group.

The President/GCEO and the Chief Executive Officers (CEOs) of each of Group's business divisions shall act in accordance with the powers delegated as per the limits of authority by the Board from time to time.

The President/GCEO shall be more focused on strategic function and overseeing at macro level while the CEOs of the respective business divisions shall be responsible to execute and implement the strategies, operations and activities of the respective business units with a view to achieve their respective goals and targets.

At the onset of each financial year, the Board considers and approves a set of key performance indicators (KPIs) and expectations on the basis of the Balanced Scorecard for the President/GCEO and also the CEOs of the Group's business divisions as recommended by the Remuneration Committee. The KPIs consist of parameters encompassing financial and non-financial criteria, such as revenue, profit before tax, new business contracts, Environment, Social and Governance (ESG) performance, milestone achievement (quantitative and qualitative measures) as determined by the Board. This serves as a yardstick against which their performance will be measured and evaluated. These KPIs are cascaded down to the Management.

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 constitutions, Board's policies and procedure and 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 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 Senior 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 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. 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.

Financial Reporting

The Board aims to provide a balance 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 requirement. Key features underlying the relationship of the Audit Committee with the Internal and External Auditors are included in the Audit Committee Report on pages 108 to 111 of this Annual Report.

The Audit Committee meets with the external auditors privately twice a year 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.

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 117 of this Annual Report.

BOARD COMPOSITION

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 roles and responsibilities of Non-Executive Directors include the following:-

- providing independent and objective views (in the case of Non-Executive Directors who are Independent Non-Executive Directors), assessment and suggestions in deliberations of the Board;
- ensuring effective check and balance in the proceedings of the Board;
- mitigating any possible conflict of interest between the policy-making process and day-to-day management of the Group and the Company; and
- constructively challenging and contributing to the development of the business strategies and direction of the Group and the Company.

To ensure the effectiveness of the Independent Non-Executive Directors on the Board, the independence assessment are conducted annually.

The Board Committees report to the Board on their recommendations, while the ultimate responsibility for decision making lies with the Board.

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.

At present, the Board consists of six (6) members, comprising one (1) Executive Director, one (1) Non-Independent Non-Executive Director, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The Board had identified Dato' Maznah Binti Abdul Jalil to be the Senior Independent Non-Executive Director to whom concerns may be conveyed to by shareholders and the general public.

The status of the Directors' directorship is as follows:-

Directors	Status
Dato' Mohamed Yunus Ramli Bin Abbas	Independent Non-Executive Chairman
Dr. Abu Hasan Bin Ismail	Non-Independent Executive Director
Dato' Maznah Binti Abdul Jalil	Senior Independent Non-Executive Director
Paul Chan Wan Siew	Independent Non-Executive Director
Ramanathan A/L Sathiamutty	Independent Non-Executive Director
Nik Amlizan Binti Mohamed	Non-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 32 to 35 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 retains the director as an independent director. None of the Directors exceeds the nine (9) years' tenure in the Company and subject to the re-designation and/or shareholders' approval, hence there is no resolution on the said matter to be tabled at the forthcoming AGM for shareholders' approval.

The Board will, from time to time, 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.

Since 2016, the Board has fulfilled this requirement and currently consists of two (2) female directors hence have fulfilled the target of 30% women participation on Board. The Board targets to improve further on the gender diversity ratio.

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 Articles of Association, 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 annual general meeting held following their appointments. Pursuant to the Article 95 of the Company's Articles of Association, the Directors who are subject to re-election by rotation are Dato' Maznah Binti Abdul Jalil and Mr. Chan Wan Siew, of whom being eligible for re-election, 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 Articles of Association 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 ended 31 December 2017, the Board met on seven (7) 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.

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
Dato' Mohamed Yunus Ramli Bin Abbas	7/7
Dato' Maznah Binti Abdul Jalil	7/7
Dr. Abu Hasan Bin Ismail	7/7
Paul Chan Wan Siew	7/7
Ramanathan A/L Sathiamutty	7/7
Nik Amlizan Binti Mohamed	7/7

Directors' Training

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

Name of Directors	Trainings Programs/Seminars/Forums Attended
Dato' Mohamed Yunus Ramli Bin Abbas	<ul style="list-style-type: none"> • Bursa Malaysia's Sustainability Engagement Series for Directors/ Chief Executive Officers 2017 • Global Transformation Forum 2017- Discover The Secrets of Transformation • MyDigital Leaders Convention 2017-Digital Transformation Public Sector Digital Competencies
Dato' Maznah Binti Abdul Jalil	<ul style="list-style-type: none"> • Bursa Malaysia's Sustainability Forum 2017: "The Velocity of Global Change & Sustainability- The New Business Model" • Global Transformation Forum 2017- Discover The Secrets of Transformation • Advocacy Sessions on Corporate Disclosure for Directors and Principal Officers of Listed Issuers • 2018 Budget and Its Impact on Capital Market • Industry Transformation Initiative - Economics and Capital Market 1 : Forces Shaping Global Capital Markets • MyDigital Leaders Convention 2017- Digital Transformation Public Sector Digital Competencies • The CG Breakfast Series For Directors- Leading Change @ The Brain
Dr. Abu Hasan Bin Ismail	<ul style="list-style-type: none"> • Global Transformation Forum 2017- Discover The Secrets of Transformation • MyDigital Leaders Convention 2017- Digital Transformation Public Sector Digital Competencies • The Social Learning Conference 2017, Sydney, Australia
Paul Chan Wan Siew	<ul style="list-style-type: none"> • Sustainability Forum • Malaysia Strategic Outlook 2017 • ICT Practitioners Seminar • Global Transformation Forum 2017- Discover The Secrets of Transformation • Integrated Reporting: by Richard Howitt (CEO)(and Jonathan Labrey (CSO) of IIRC • Ascend Pan Asian Directors Summit 2017, Palo Alto, California • Future of Governance in South Korea, Singapore • SDG Business Summit • FIDE Forum – Risk & Reward Seminar • Thai Institute of Directors National Conference 2017, Bangkok – As Speaker • FinTech Seminar • Cryptocurrency, Blockchain • Ascend National Convention 2017, Houston, Texas • Women in Leadership Summit – Moderator/Facilitator • NACD Global Board Leaders Summit, National Harbor, MD, USA • (International Integrated Reporting Council) IIRC Convention 2017 – As Speaker/Panelist • 22nd Malaysian Capital Market Summit 2017 – As Speaker • Driving Financial Integrity & Performance – Enhancing Financial Literacy Program • Integrated Reporting, Breakfast Talk • MyDigital Leaders Convention 2017- Digital Transformation Public Sector Digital Competencies • NACD Advanced Director Professionalism Program, Miami, Florida

Name of Directors	Trainings Programs/Seminars/Forums Attended
Ramanathan A/L Sathiamutty	<ul style="list-style-type: none"> • Digital Mindset Training • Global Transformation Forum 2017- Discover The Secrets of Transformation • Mobile World Congress Conference • Chief Transformation Officer Meeting • Broadband Conference
Nik Amlizan Binti Mohamed	<ul style="list-style-type: none"> • Global Transformation Forum 2017- Discover The Secrets of Transformation • CIMB 11th Annual Indonesia Site Tour & Conference • The Southeast Asia Venture Capital & Private Equity Conference • Champion Training- Lean Sigma for Leaders • ICGN Annual Conference 2017 • Effective Internal Audit Function for Audit Committee (AC) Workshop • KWAP Teambuilding Program 2017 • ESG Awareness Campaign • Inspirational Talk : Managing Across Generations

Apart from attending various conferences, seminars and training programs organised by external/internal organisers during the financial year, the Directors also continuously received briefings and updates on regulatory 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 program 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;
- Memorandum & Articles of Association;
- Directors' Code of Ethics;
- Board Committees' composition and Terms of Reference;
- Latest business plans;
- Latest annual reports and financial statements; and
- Organisation chart.

Leadership Development

The Company believes in talent development particularly for key positions successor which is in line with the Leadership Development. Subsequent to the Succession Plan framework endorsed in 2014 and the restructuring of the Group's core business activities effective from 1 March 2017 (hereinafter referred to as Group Restructuring) the Company has streamlined and aligned key positions to drive the transformational business.

The key positions grow in tandem with the growth and development of the Company. The President/GCEO and the relevant Board committees spend a significant amount of time and effort evaluating key potential candidates, including by maintaining a compilation of potential candidates organised by strategic skill set. The Company is particularly focused on identifying individuals whose skills and experiences will contribute to the shaping of our business strategy with diverse and balanced perspectives to the organization. The Company subscribes to diversity in terms of experience, capability, nationality, ethnicity and gender.

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 and Finance and Investment Committee in order to enhance business and operational efficiencies as well as efficacies.

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

The terms of reference of the Board Committees are available online at www.prestariang.com.my.

Audit Committee

The Company's Audit Committee is fully independent and comprises Non-Executive Directors, where all three (3) members are independent, and presently chaired by Mr. Paul Chan Wan Siew.

The Audit Committee meets at least four (4) times annually.

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

Name	No. of meetings attended
Paul Chan Wan Siew - Chairman	4/4
Dato' Maznah Binti Abdul Jalil	4/4
Ramanathan A/L Sathiamutty	4/4
Nik Amlizan Binti Mohamed (<i>Resigned w.e.f. 22 March 2018</i>)	4/4

The Executive Directors, Chief Financial Officer, Senior Manager Corporate Governance and the internal auditors, have attended the Audit Committee meeting by invitation. Where appropriate, the external auditors are invited to attend and 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 strong understanding of the Company's business.

Nomination Committee

The Company's Nomination Committee comprises exclusively of Non-Executive Directors, and majority of the members are independent. Dato' Maznah Binti Abdul Jalil, the Senior Independent Non-Executive Director of the Company, is presently the Chairperson of the Nomination Committee.

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

Name	No. of meeting attended
Dato' Maznah Binti Abdul Jalil (Chairperson)	1/1
Paul Chan Wan Siew	1/1
Nik Amlizan Binti Mohamed	1/1

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

- Discussed on the proposed realignment and reorganisation of the Group;
- Reviewed and recommended to the Board of Directors on the appointment of Chief Executive Officer of Prestariang SKIN Sdn. Bhd.;
- Reviewed and recommended to the Board of Directors on the re-designation of the Chief Executive Officer Talent & Software Division as the Director of Service Delivery under Prestariang SKIN Sdn. Bhd.;
- 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; and
- Assessed the independence of the Independent Directors of the Company.

In considering candidates for directorship, the Nomination Committee does not solely rely on recommendations from existing board members, management or major shareholders. The Nomination Committee would take into account the following:-

- skill, knowledge, expertise, experience;
- professionalism;
- integrity; and
- the ability to discharge such responsibilities and functions as expected from a director.

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 31 December 2017. 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 in March 2018 meeting. The results affirmed that the Board and each of its Committees continue to operate effectively.

Remuneration Committee

The Remuneration Committee is made up of (3) Directors all of whom are independent and is presently chaired by Mr. Ramanathan A/L Sathiamutty.

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
Ramanathan A/L Sathiamutty (Chairman)	2/2
Paul Chan Wan Siew	2/2
Dato' Maznah Binti Abdul Jalil (<i>Appointed w.e.f. 22 March 2018</i>)	-
Dr. Abu Hasan Bin Ismail (<i>Resigned w.e.f. 22 March 2018</i>)	2/2

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

- Reviewed and recommended to the Board on the Proposed Balanced Scorecard and Key Performance Indicators of the President/GCEO for the year 2017;
- Reviewed the Balance Scorecard/Key Performance Results for the year 2016 for the President/GCEO and A1 C-Suite Level Officers;
- Reviewed and recommended to the Board on the Proposed salary increment, adjustment and promotion for the year 2017 for the Group;
- Reviewed and Recommended to the Board on the salary of the President/GCEO and Chief Financial Officer; and
- Reviewed and recommended to the Board on the amount of directors' fees for the financial year ended 31 December 2016.

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 capitalization 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.

The executive directors do not receive any remuneration 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"> • Board Fee • Committee Fee • Benefits • Directors and Officers Liability Insurance • Benefits-in-kind e.g. company car 	<ul style="list-style-type: none"> • Meeting Allowance • Other Emoluments

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

The details of remuneration of Directors who served during the financial year ended 31 December 2017 are as follows:-

Summary of total remuneration of Directors for Financial Year 2017						
	Directors' Fee	Salary	EPF Contribution	Benefit-In-Kind	Other Emoluments	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
COMPANY						
Non-Executive Directors						
Dato' Mohamed Yunus Ramli bin Abbas	97,500	-	-	-	8,600	106,100
Dato' Maznah binti Abdul Jalil	65,000	-	-	-	64,200	129,200
Paul Chan Wan Siew	65,000	-	-	-	86,800	151,800
Ramanathan A/L Sathiamutty	65,000	-	-	-	65,600	130,600
Nik Amlizan binti Mohamed	69,572	-	-	-	52,200	121,772
Subtotal	362,072	-	-	-	277,400	639,472
Executive Directors						
Dr. Abu Hasan Bin Ismail	-	70,000	9,600	50,000	10,000	139,600
Mohd Arif Bin Ibrahim <i>#1 January 2017 – 17 January 2017</i>	-	27,968	3,488	-	1,097	32,553
Subtotal	-	97,968	13,088	50,000	11,097	172,153
TOTAL	362,072	97,968	13,088	50,000	288,477	811,625

Summary of total remuneration of Directors for Financial Year 2017

	Directors' Fee (RM)	Salary (RM)	EPF Contribution (RM)	Benefit- In-Kind (RM)	Other Emoluments (RM)	Total (RM)
GROUP						
Non-Executive Directors						
Dato' Mohamed Yunus Ramli bin Abbas	109,500	-	-	-	8,600	118,100
Dato' Maznah binti Abdul Jalil	65,000	-	-	-	64,200	129,200
Paul Chan Wan Siew	65,000	-	-	-	86,800	151,800
Ramanathan A/L Sathiamutty	65,000	-	-	-	65,600	130,600
Nik Amlizan binti Mohamed	69,572	-	-	-	52,200	121,772
Subtotal	374,072	-	-	-	277,400	651,472
Executive Directors						
Dr. Abu Hasan Bin Ismail	-	711,200	99,744	50,000	171,600	1,032,544
Mohd Arif Bin Ibrahim #1 January 2017 – 17 January 2017	-	27,968	3,488	-	1,097	32,553
Subtotal	-	739,168	103,232	50,000	172,697	1,065,097
TOTAL	374,072	739,168	103,232	50,000	450,097	1,716,569

* The payment of Directors' fees of the Company is subject to the approval by shareholders at the AGM.

In accordance with Practice 7.3 of the Code, the disclosure on the detailed remuneration of the top five key senior management during the financial year ended 31 December 2017 are as follows:-

Name	Salary RM'000	Bonus RM'000	EPF Contribution RM'000	Benefit- In-Kind RM'000	Other Emoluments RM'000	Total RM'000
Raja Azmi Bin Adam Nadarajan	550,000	-	72,000	15,000	125,691	762,691
Syed Farad Helmy Alhusaini	344,000	-	46,080	13,333	60,552	463,965
Abdul Razak Bin Bakrun	393,000	-	48,602	21,000	59,829	522,431
Hafiza Anom Binti Abdul Hamid	249,720	-	41,392	-	110,983	402,095
Chok Joon Heng	260,000	-	35,400	-	71,691	367,091
	1,796,720	-	243,474	49,333	428,745	2,518,272

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 in the Company's website at 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:-

Fixed	Variable	
Linked to job scope, responsibility and accountability	Linked to individual KPI performance	
Base Salary + Fixed Benefits	Short Term Incentives Bonus + Cash Incentive	Long Term Incentives Shares Option Career enhancement

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 GCEO and members of 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 led by Dato' Maznah Binti Abdul Jalil. The Committee is made up of a majority of Non-Executive Directors.

The Finance and Investment Committee meets as and when required, and at least once a year.

The composition of the Finance and Investment Committee are as follows:-

Name	No. of meetings attended
Dato' Maznah Binti Abdul Jalil (Chairperson)	2/2
Paul Chan Wan Siew	2/2
Dr. Abu Hasan Bin Ismail	2/2
Nik Amlizan Binti Mohamed	2/2

The summary of activities of the Finance and Investment Committee during the financial year under review is as follows:-

- Reviewed and recommended to the Board on the Proposed investment in OpenLearning Global Pte Ltd;
- Reviewed the cashflow projection for years 2017 and 2018;
- Reviewed and recommended to the Board on proposed purchase of office building; and
- Reviewed and recommended to the Board on the fund raising exercise for SKIN Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The composition and details of activities carried out by the Audit Committee during the year 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 Statement on Risk Management and Internal Control furnished on pages 112 to 115 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.

On 26 August 2016, Prestariang Systems Sdn Bhd, a wholly-owned subsidiary of the Company was awarded ISO 9001:2015 certification for Microsoft Business Solution (MLA2.0) by SIRIM QAS International Sdn Bhd. This signifies the Company's commitment to continually improve the effectiveness of our Quality Management System.

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 108 to 111 of this Annual Report.

Risk Management Committee

The Risk Management Committee is made up of a majority of Non-Executive 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, the Risk Management Committee held two (2) meetings and details of attendance of its members are as follows:-

Name	No. of meetings attended
Ramanathan A/L Sathiamutty (Chairman)	2/2
Dr. Abu Hasan Bin Ismail	2/2
Paul Chan Wan Siew	2/2

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 program following the framework as set out in the IR Policy. The Policy provides comprehensive guides, processes and procedures around for which the program is structured including corporate disclosures. The approved IR Policy is published in the Company's website.

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 Main Market Listing Requirements 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 Main Market Listing Requirements.

The Company disseminates its annual report, together with an executive summary, to its shareholders either in CD ROM media or hard copy. The executive summary provides highlights of the Group's and the Company's key financial and corporate information.

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.

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

Corporate Governance	
Telephone	: +603-8314 8400
Facsimile	: +603-8318 9280
Email	: inquiry@prestariang.com.my

A summary of the corporate activities is set out on pages 39 to 43 of this Annual Report.

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 28 days from the date of notice of AGM which is 17 April 2018 until the AGM date of 15 May 2018. 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 Seventh 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.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to financial year ending 2018 and 2019, the Board and its respective committees will:-

- Focus on major strategic issues to ensure sustainability and growth;
- Continue to monitor succession planning for the senior leadership team, to ensure a healthy pipeline of talent is emerging for future senior executive management;
- Consider other variety of approaches and independent sources to identify suitable candidate for appointment of Directors, should the need arise; and
- Continue to review the balance, experience and skills of the Board.

This Corporate Governance Overview Statement was approved by the Board of Directors on 22 March 2018.

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) 31 December 2017.

OBJECTIVES

The objectives of the Audit Committee (AC) 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

The Audit Committee comprises three (3) Directors whom all are Independent. The members of the AC shall elect a Chairman from amongst themselves. The Audit Committee comprises only of Non-Executive Directors.

MEMBERSHIP

The Audit Committee consists of Mr. Chan Wan Siew, the Chairman who is also a member of the Malaysian Institute of Accountant, Dato' Maznah Binti Abdul Jalil and Mr. Ramanathan A/L Sathiamutty. 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.

TERMS OF REFERENCE

The Terms of Reference of the AC, outlining the AC's composition, retirement and resignation, proceeding of meeting, authority, duties and responsibilities, is available in the Company's website at www.prestariang.com.my.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

- Financial reports
 - 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
22 February 2017	Fourth quarter results for the FYE 2016
22 May 2017	First quarter results for the FYE 2017
24 August 2017	Second quarter results for the FYE 2017
23 November 2017	Third quarter results for the FYE 2017

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 Listing Requirements of Bursa Malaysia Securities Berhad; and
- Companies Act 2016.

- b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Group and the Company for the FYE 2016 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 AC had reviewed the Audit Review Memorandum for the FYE 2016 prepared by the External Auditors at the meeting held on 22 February 2017.

ii. External Auditors

- a) Reviewed and discussed with the External auditors at the meetings held on 22 February 2017 and 23 November 2017, the Audit Review Memorandum for FYE 2016 and Audit Planning Memorandum for FYE 2017 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 AC also had two (2) private discussions with the External Auditors on 22 February 2017 and 23 November 2017 without the presence of Management and Executive Directors to review on the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries.
- b) Messrs. Crowe Horwath declared their independence and confirmed that they were not aware of any relationship between Messrs. Crowe Horwath 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 Scepticism and as well as the audit fees. Based on evaluation, the AC had recommended to the Board for approval, the re-appointment of the External Auditors for the ensuing financial year of 31 December 2017.

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 AC in discharging its duties and responsibilities more effectively.

The AC reviewed and discussed with the Internal Auditors at the meetings held on 22 February 2017 and 22 May 2017, the Internal Audit Report which covered the internal control review as follows:-

- Billing and collection of Prestariang O&G Sdn Bhd
- Governance and Licensing Requirements of University Malaysia of Computer Science & Engineering

On 22 February 2017, the AC reviewed and accepted the Internal Audit Plan for the FYE 2017.

The AC also reviewed the significant audit findings, recommendations to improve any weakness or non-compliance, follow-up report and the respective Management' responses thereto during the meeting held on 22 February 2017 and 22 May 2017.

The AC also evaluated the performance of the Internal Auditors and recommended for the appointment of KPMG Management and Risk Consulting Sdn. Bhd. as the Internal Auditor for the Group for the ensuring financial year 2017.

iv. Related Party Transactions (RPT) which include Recurrent Related Party Transactions (RRPT)

The AC formalised the Policy on RPTs (the Policy) in a single cohesive document for orderly treatment. The Policy was adopted in March 2018. The AC also reviewed the processes and procedures in the Policy to ensure that related parties are appropriately identified and that RPTs are appropriately declared, approved and reported. The policy is available in the website.

The AC reviewed on a quarterly basis the RRPTs of the Group at its meetings held on 22 February 2017, 22 May 2017, 24 August 2017 and 23 November 2017. The AC reviewed the Circular to Shareholders in relation to the proposed shareholders mandate for recurrent related party transactions.

v. Annual Report

The AC reviewed and recommended to the Board for approval, the AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company in respect of the FYE 2016.

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; and
- (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.

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 31 December 2017 is RM76,453 inclusive GST and out-of-pocket expenses.

During the year under review, the internal auditors completed two (2) audit cycles focused on key controls deployed by the Management in respect of the following processes as approved by the AC:-

Cycle 1 at University Malaysia of Computer Science & Engineering (UNIMY)

- **Governance**

Assess the adequacy and test the operating effectiveness of the following:-

- o Terms of reference for Board, Board Committee and Senior Management;
- o Organisational structure and practices that support the strategy and governance;
- o Appropriateness of limits of authority; and
- o Code of conduct/code of ethics.

- **Licensing Requirements**

Assess the adequacy and test the operating effectiveness of the following:-

- o Compliance with licensing requirements from the regulators.

Cycle 2 at University Malaysia of Computer Science & Engineering (UNIMY)

- **Admissions**

Assess the adequacy and test the operating effectiveness of the following:-

- o Admission policies and procedures;
- o Requirements for student admissions;
- o Options for in-campus residence; and
- o Insurance for students.

- **Billing and collection**

Assess the adequacy and test the operating effectiveness of the following:-

- o Students fee billing and collection;
- o Ageing of outstanding payments and credit control; and
- o Bank reconciliations.

Statement on Risk Management and **INTERNAL CONTROL**

INTRODUCTION

The Malaysian Code on Corporate Governance (Code) recommends that the Board of Directors (the 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 the Bursa Malaysia's Task Force on Internal Control.

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. The Group adopts Risks Management Framework which is principally aligned with ISO 31000:2009. Moving forward, the Group is embarking on the process to obtain certification for the ISO 27001 (Information Security Management System), ISO 22301 (Business Continuity Management) and ISO 20000 (Information Technology Service Management) standards.

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/GCEO and Chief Financial Officer 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 by 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.

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) as an outsourced internal auditor to manage the Company's internal audit function. The cost incurred for the outsourced internal audit function for the financial year ended 31 December 2017 were RM76,453 inclusive Goods and Services Tax and out-of-pocket expenses.

The internal audit engagements by KPMG MRC is headed by an Executive Director, namely Ms. Kasturi Nathan. Ms. Kasturi is a Fellow Certified Practising Accountant, Australia, a professional member of the Institute of Internal Auditors, Malaysia, and a Chartered Accountant (Malaysian Institute of Accountants). Ms Kasturi has accumulated over 20 years of experience in a wide range of governance advisory, risk and internal audit work.

There were a total of three (3) personnel which were deployed by KPMG MRC for each internal audit cycle during the financial year 2017. 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 is carried out based on KPMG Internal Audit Methodology, which is closely aligned with the International Professional Practices Framework (IPPF) 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. In addition, KPMG MRC carries out periodic assignments to ensure the policies and procedures established by the Board are complied with by Management. 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, 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 year under review, KPMG MRC had completed 2 audit cycles which focused on key controls deployed by Management in respect of the following processes as approved by the Audit committee:

Cycle 1 at University Malaysia of Computer Science & Engineering (UNIMY)

- **Governance**

Assess the adequacy and test the operating effectiveness of the following:-

- o Terms of reference for Board, Board Committee and Senior Management;
- o Organisational structure and practices that support the strategy and governance;
- o Appropriateness of limits of authority; and
- o Code of conduct/code of ethics.

- **Licensing Requirements**

Assess the adequacy and test the operating effectiveness of the following:-

- o Compliance with licensing requirements from the regulators.

Cycle 2 at University Malaysia of Computer Science & Engineering (UNIMY)

- **Admissions**

Assess the adequacy and test the operating effectiveness of the following:-

- o Admission policies and procedures;
- o Requirements for student admissions;
- o Options for in-campus residence; and
- o Insurance for students.

- **Billing and collection**

Assess the adequacy and test the operating effectiveness of the following:-

- o Students fee billing and collection;
- o Ageing of outstanding payments and credit control; and
- o Bank reconciliations.

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 and Finance & Investment 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 and the CEOs of the business divisions meet regularly with Senior Management 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 Non-Executive Members of the Board, who are also Independent Directors. The Audit Committee 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.
- 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.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financial and regulatory environment. Management Accounts are prepared in a timely manner and on a monthly basis and are reviewed by the President/GCEO and the CEOs of the business divisions with the Senior Management.

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 CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER

The Board has received assurance from the President/GCEO, and the Chief Financial Officer 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, Assurance Engagements Other than Audits or Reviews of Historical Financial Information: ISAE 3000, and Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants for inclusion in the Annual Report of the Group.

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 or that it is 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 did not raise any fund through any corporate proposal during the financial year.

b) Audit and Non-Audit Fees

During the financial year, the amount 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 31 December 2017 are as follows:-

	Group (RM)	Company (RM)
Audit Fees	178,000	42,000
Non-Audit Fees	174,400	16,000

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 new 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.

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 31 December 2017, 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 31 December 2017 as set out on pages 130 to 201 of this Annual Report.

Financial Review



119	Directors' Report
124	Statement by Directors
124	Statutory Declaration
125	Independent Auditors' Report
130	Statements of Financial Position
132	Statements of Profit or Loss and Other Comprehensive Income
133	Statements of Changes in Equity
135	Statements of Cash Flows
137	Notes to the Financial Statements

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

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. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	24,570	14,342
Attributable to:-		
Owners of the Company	18,208	14,342
Non-controlling interests	6,362	-
	24,570	14,342

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2016 are as follows:-

	RM'000
<u>In respect of the financial year 31 December 2016</u>	
A third interim dividend of 0.75 sen per ordinary share, paid on 6 January 2017	3,620
A fourth interim dividend of 0.75 sen per ordinary share, paid on 21 March 2017	3,620
<u>In respect of the financial year 31 December 2017</u>	
A first interim dividend of 0.75 sen per ordinary share, paid on 21 June 2017	3,620
A second interim dividend of 1.00 sen per ordinary share, paid on 20 September 2017	4,823
A third interim dividend of 0.50 sen per ordinary share, paid on 5 January 2018	2,412
	18,095

On 27 February 2018, the Company declared a fourth interim dividend of 0.50 sen per ordinary share amounting to RM2,411,508 in respect of the current financial year, paid on 5 April 2018 to shareholders whose names appeared in the record of depositors on 14 March 2018. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2018.

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) there were no changes in the issued share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 376,500 of its issued ordinary shares from the open market at prices ranging from RM1.91 to RM2.08 per share. The total consideration paid for the purchase was RM758,487 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 December 2017, the Company held as treasury shares a total of 1,698,500 of its 484,000,000 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(a) 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

Other than the contingent liabilities as disclosed in Note 38 to the financial statements, 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.

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:-

Dato' Mohamed Yunus Ramli Bin Abbas
 Dr. Abu Hasan Bin Ismail
 Dato' Maznah Binti Abdul Jalil
 Chan Wan Siew
 Ramanathan A/L Sathiamutty
 Nik Amlizan Binti Mohamed
 Mohd Arif Bin Ibrahim (Resigned on 17.1.2017)

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 (Appointed on 7.6.2017)
 Muhammad Nagib Gopal Bin Abdullah (Resigned on 13.7.2017)

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:-

	← Number of Ordinary Shares →			
	At 1.1.2017	Bought	Sold	At 31.12.2017
The Company				
<i>Direct Interests</i>				
Dato' Mohamed Yunus Ramli Bin Abbas	3,000,000	1,300,000	-	4,300,000
Chan Wan Siew	450,000	100,000	-	550,000
Dato' Maznah Binti Abdul Jalil	2,381,000	50,000	-	2,431,000
<i>Indirect Interests</i>				
Dr. Abu Hasan Bin Ismail #1	132,301,400	-	-	132,301,400
Chan Wan Siew #2	50,000	-	-	50,000

Notes:-

- #1- Deemed interested by virtue of his substantial shareholdings in Ekohati Sdn. Bhd., Sigma Dedikasi Sdn. Bhd. and Anjakan Evolusi Sdn. Bhd. which in turn are substantial shareholders of the Company pursuant to Section 8 of the Companies Act 2016.
- #2- 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.

By virtue of his interest in shares in the Company, Dr. Abu Hasan Bin Ismail is deemed to have an interest in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with 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 year, 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35 to the financial statements.

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' 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 30(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 RM17,600 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 EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

Signed in accordance with a resolution of the directors dated **12 APR 2018**



Dr. Abu Hasan Bin Ismail

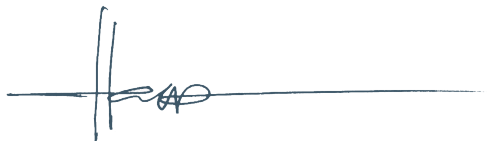


Dato' Mohamed Yunus Ramli Bin Abbas

Statement by **DIRECTORS** Pursuant To Section 251(2) of The Companies Act 2016

We, Dr. Abu Hasan Bin Ismail and Dato' Mohamed Yunus Ramli Bin Abbas, being two of the directors of Prestariang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 130 to 201 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 31 December 2017 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 APR 2018**



Dr. Abu Hasan Bin Ismail



Dato' Mohamed Yunus Ramli Bin Abbas

Statutory **DECLARATION** Pursuant To Section 251(1)(b) of The Companies Act 2016

I, Abdul Razak Bin Bakrun, MIA Membership Number: CA 22605, 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 130 to 201 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
Abdul Razak Bin Bakrun, NRIC Number: 680321-04-5245
at Kuala Lumpur
in the Federal Territory on this **12 APR 2018**



Abdul Razak Bin Bakrun

Before me



B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

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 31 December 2017 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 130 to 201.

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 31 December 2017, 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 judgment, 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.

Key Audit Matters (Cont'd)

Revenue and cost recognition for Sistem Kawalan Imigresen Nasional (SKIN) Project Refer to Note 25 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group has reported revenue and cost of approximately RM78.1 million and RM50.0 million respectively for SKIN Project during the financial year.</p> <p>The recognition of revenue on SKIN Project is based on the percentage of completion method. The determination of the percentage of completion requires management to exercise significant judgement in estimating the total costs to complete the SKIN Project.</p> <p>We focused on this area as the recognition of revenue and cost require the application of judgement.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • reviewing the contract value secured and projected budgeted costs. • assessing the estimated total costs to complete through inquiries with the operational and finance personnel of the Group. • inspecting documentation to support cost estimates made including contract variations and cost contingencies. • assessing the reliability of contract budgets by comparing contract budgets to actual outcomes. • performing verification on the actual costs incurred for the financial year. • performing recomputation on the profit recognised and checked calculation of the percentage of completion.
Recoverability of trade receivables Refer to Note 12 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The balance of trade receivables amounted to approximately RM42.1 million of which approximately RM23.9 million exceeded the credit terms.</p> <p>Management recognised the allowance of impairment losses on trade receivables based on specific known facts or customers' ability to pay.</p> <p>We focused on this area as determination of whether trade receivables are recoverable involves significant management judgement.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • reviewing the ageing analysis of receivables and testing its reliability. • reviewing subsequent cash collections for major receivables and overdue amounts. • examining other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules. • evaluating the reasonableness and testing the adequacy of the Group's impairment losses on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

Key Audit Matters (Cont'd)

<p>Development costs Refer to Note 10 to the financial statements</p>	
<p>Key Audit Matter</p> <p>The Group's development costs as at the end of reporting period amounted to approximately RM6.1 million were in respect of development projects which are yet to be commercialised.</p> <p>The Group's development costs capitalised and impaired during the financial year were approximately RM2.2 million and RM3.5 million respectively, which were disclosed in Note 10 to the financial statements.</p> <p>Management exercise their judgment in determining the development costs that are qualified for capitalisation with respect to the technical feasibility of the products developed and ability to generate future economic benefits.</p> <p>We focused on this areas as the determination of the indication of impairment and in quantifying the impairment, of the carrying value of previously recognised development costs, requires management judgement and assumptions which are affected by future market or economic development.</p>	<p>How our audit addressed the key audit matter</p> <p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> enquiring the management on the latest development and status of these projects and reviewed management's assessment of impairment by considering both internal and external sources of information. reviewing management's assessment on the recoverable amounts of these development costs which are determined using the value in use approach based on financial budgets and key assumptions approved by management. reviewing the management measurement and assessment in the identification of additional development costs capitalised.

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.

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.

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 Horwath

Firm No: AF 1018
Chartered Accountants

12 APR 2018

Kuala Lumpur



Cheong Tze Yuan

Approval No: 3034/04/18 (J)
Chartered Accountant

Statements of **FINANCIAL POSITION**

at 31 December 2017

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	41,347	40,812
Property and equipment	6	37,246	12,086	-	30
Long-term receivable	7	78,053	-	-	-
Other investment	8	9,885	-	-	-
Deferred tax assets	9	-	1,154	-	-
Development costs	10	6,051	7,341	-	-
		131,235	20,581	41,347	40,842
CURRENT ASSETS					
Inventories	11	840	27,027	-	-
Trade receivables	12	42,136	34,686	-	-
Other receivables, deposits and prepayments	13	10,721	5,582	2,631	664
Amount owing by subsidiaries	14	-	-	71,097	62,538
Short-term investments	15	26,504	66,605	4,365	15,109
Current tax assets		-	1,162	12	480
Cash and bank balances	16	44,782	42,759	148	2,075
		124,983	177,821	78,253	80,866
TOTAL ASSETS		256,218	198,402	119,600	121,708
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	119,700	48,400	119,700	48,400
Share premium	18	-	74,712	-	71,300
Treasury shares	19(a)	(3,366)	(2,608)	(3,366)	(2,608)
Merger deficit	19(b)	(10,800)	(14,212)	-	-
Retained profits		58,482	54,749	574	707
Equity attributable to owners of the Company		164,016	161,041	116,908	117,799
Non-controlling interests		7,050	459	-	-
Redeemable convertible preference shares	20	237	-	-	-
TOTAL EQUITY		171,303	161,500	116,908	117,799

The annexed notes form an integral part of these financial statements.

Statements of **FINANCIAL POSITION**
at 31 December 2017 (Cont'd)

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
NON-CURRENT LIABILITIES					
Hire purchase payables	21	116	309	-	-
Term loan	22	21,860	-	-	-
Deferred tax liabilities	9	1,138	1,173	-	-
		23,114	1,482	-	-
CURRENT LIABILITIES					
Trade payables	23	33,871	12,902	-	-
Other payables and accruals	24	20,553	22,445	2,692	3,909
Hire purchase payables	21	38	73	-	-
Term loan	22	840	-	-	-
Current tax liabilities		6,499	-	-	-
		61,801	35,420	2,692	3,909
TOTAL LIABILITIES		84,915	36,902	2,692	3,909
TOTAL EQUITY AND LIABILITIES		256,218	198,402	119,600	121,708

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 31 December 2017

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
REVENUE	25	219,506	132,071	17,775	18,097
COST OF SALES		(153,673)	(99,673)	-	-
GROSS PROFIT		65,833	32,398	17,775	18,097
OTHER INCOME	26	2,725	2,950	256	827
		68,558	35,348	18,031	18,924
ADMINISTRATIVE EXPENSES		(24,136)	(21,625)	(3,658)	(2,868)
OTHER EXPENSES		(5,965)	(1,739)	(30)	(36)
FINANCE COSTS	27	(479)	(453)	(1)	-
PROFIT BEFORE TAXATION	28	37,978	11,531	14,342	16,020
INCOME TAX EXPENSE	31	(13,408)	(2,483)	-	-
PROFIT AFTER TAXATION		24,570	9,048	14,342	16,020
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		24,570	9,048	14,342	16,020
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		18,208	8,884	14,342	16,020
Non-controlling interests		6,362	164	-	-
		24,570	9,048	14,342	16,020
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		18,208	8,884	14,342	16,020
Non-controlling interests		6,362	164	-	-
		24,570	9,048	14,342	16,020
EARNINGS PER SHARE (SEN)	32				
Basic		3.77	1.84		
Diluted		3.77	1.84		

The annexed notes form an integral part of these financial statements.

Statements of **CHANGES IN EQUITY**

for the financial year ended 31 December 2017

	Note	← Non-Distributable →			Distributable		Non-controlling Interests RM'000	Total Equity RM'000	
		Share capital RM'000	Treasury shares RM'000	Share Premium RM'000	Merger Deficit RM'000	Retained Profits RM'000			Attributable to Owners of the Company RM'000
The Group									
Balance at 1.1.2016		48,400	(1,203)	74,712	(14,212)	61,562	169,259	295	169,554
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	8,884	8,884	164	9,048
Distributions to owners of the Company:-									
- Purchase of treasury shares	19(a)	-	(1,405)	-	-	-	(1,405)	-	(1,405)
- Dividends	33	-	-	-	-	(15,697)	(15,697)	-	(15,697)
Total transactions with owners		-	(1,405)	-	-	(15,697)	(17,102)	-	(17,102)
Balance at 31.12.2016		48,400	(2,608)	74,712	(14,212)	54,749	161,041	459	161,500

	Note	← Non-Distributable →			Distributable		Redeemable Convertible Preference Shares RM'000	Non-controlling Interests RM'000	Total Equity RM'000	
		Share capital RM'000	Treasury shares RM'000	Share Premium RM'000	Merger Deficit RM'000	Retained Profits RM'000				Attributable to Owners of the Company RM'000
Balance at 1.1.2017		48,400	(2,608)	74,712	(14,212)	54,749	161,041	-	459	161,500
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	18,208	18,208	-	6,362	24,570
Contributions by and distributions to the owners of the Company:-										
- Purchase of treasury shares	19(a)	-	(758)	-	-	-	(758)	-	-	(758)
- Incorporation of subsidiaries		-	-	-	-	-	-	-	229	229
- Dividends	33	-	-	-	-	(14,475)	(14,475)	-	-	(14,475)
- Transfer to share capital upon implementation of the Companies Act 2016		71,300	-	(74,712)	3,412	-	-	-	-	-
Total transactions with owners		71,300	(758)	(74,712)	3,412	(14,475)	(15,233)	-	229	(15,004)
Issuance of redeemable convertible preference shares subscribed by non-controlling interests		-	-	-	-	-	-	237	-	237
Balance at 31.12.2017		119,700	(3,366)	-	(10,800)	58,482	164,016	237	7,050	171,303

The annexed notes form an integral part of these financial statements.

Statements of **CHANGES IN EQUITY**
for the financial year ended 31 December 2017 (Cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	Non- distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
The Company						
Balance at 1.1.2016		48,400	(1,203)	71,300	384	118,881
Profit after taxation/Total comprehensive income for the financial year		-	-	-	16,020	16,020
Distribution to owners of the Company:-						
- Purchase of treasury shares	19(a)	-	(1,405)	-	-	(1,405)
- Dividends	33	-	-	-	(15,697)	(15,697)
Total transactions with owners		-	(1,405)	-	(15,697)	(17,102)
Balance at 31.12.2016/1.1.2017		48,400	(2,608)	71,300	707	117,799
Profit after taxation/Total comprehensive income for the financial year		-	-	-	14,342	14,342
Contributions by and distributions to owners of the Company						
- Purchase of treasury shares	19(a)	-	(758)	-	-	(758)
- Dividends	33	-	-	-	(14,475)	(14,475)
- Transfer to share capital upon implementation of the Companies Act 2016		71,300	-	(71,300)	-	-
Total transactions with owners		71,300	(758)	(71,300)	(14,475)	(15,233)
Balance at 31.12.2017		119,700	(3,366)	-	574	116,908

The annexed notes form an integral part of these financial statements.

Statements of **CASH FLOWS**

for the financial year ended 31 December 2017

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		37,978	11,531	14,342	16,020
Adjustments for:-					
Impairment losses on receivables		650	-	-	-
Depreciation of property and equipment		1,812	1,738	30	36
Dividend income		-	-	(17,775)	(18,097)
Gain on disposal of property and equipment		(13)	(180)	-	-
Impairment losses of development costs		3,503	-	-	-
Interest expense		263	60	-	-
Interest income		(1,940)	(2,703)	(256)	(827)
Profit from deposits with licensed Islamic Banks		(20)	(19)	-	-
Operating profit/(loss) before working capital changes		42,233	10,427	(3,659)	(2,868)
Decrease/(Increase) in inventories		26,187	(757)	-	-
(Increase)/Decrease in trade and other receivables		(91,292)	(10,930)	(1,967)	4,217
Increase/(Decrease) in trade and other payables		20,285	4,913	(9)	(344)
CASH FLOW (FOR)/FROM OPERATIONS		(2,587)	3,653	(5,635)	1,005
Interest paid		(263)	(60)	-	-
Income tax (paid)/refunded		(4,628)	(4,276)	468	156
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(7,478)	(683)	(5,167)	1,161

The annexed notes form an integral part of these financial statements.

Statements of **CASH FLOWS**
for the financial year ended 31 December 2017 (Cont'd)

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(6,467)	(36,370)
Development cost paid		(2,213)	(2,120)	-	-
Dividend received		-	-	15,683	12,077
Interest received		1,940	2,703	256	827
Investment in a subsidiary		-	-	(535)	-
Placement of deposit pledged with a licensed bank		(200)	-	-	-
Profit received from deposits with licensed Islamic Banks		20	19	-	-
Proceeds from disposal of property and equipment		200	250	-	-
Purchase of other investment		(9,885)	-	-	-
Purchase of property and equipment	34(a)	(27,159)	(530)	-	-
NET CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		(37,297)	322	8,937	(23,466)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(15,683)	(16,911)	(15,683)	(16,911)
Drawdown of term loan		22,700	-	-	-
Proceeds from issuance of redeemable convertible preference shares		237	-	-	-
Proceeds from issuance of shares to non-controlling interest in a subsidiary		229	-	-	-
Purchase of treasury shares	19(a)	(758)	(1,405)	(758)	(1,405)
Repayment of hire purchase obligations		(228)	(18)	-	-
Repayment of term loans		-	(715)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		6,497	(19,049)	(16,441)	(18,316)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(38,278)	(19,410)	(12,671)	(40,621)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		106,666	126,076	17,184	57,805
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34(c)	68,388	106,666	4,513	17,184

The annexed notes form an integral part of these financial statements.

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 April 2018.

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. There have been no significant changes in the nature of these activities during the financial year.

3. 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 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)

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 - 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

- (a) The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. A reconciliation between opening and closing balances of these items is provided in Note 34(b) to the financial statements.

3. BASIS OF PREPARATION (CONT'D)

- 3.2 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
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 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119: Plan Amendments, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 - 2016 Cycles:	1 January 2018
<ul style="list-style-type: none"> • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value 	
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

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 except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principle classification categories for financial assets (measured at amortised cost, fair value through profit or loss, fair value through comprehensive income) and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available-for-sale financial assets.

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' (ECL) model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

3. BASIS OF PREPARATION (CONT'D)

3.2 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 except as follows (Cont'd):-

- (a) The Group is currently assessing the impact of implementing MFRS 9. As a result, the potential impact on the adoption of this standard would only be observable when the assessment is completed later.
- (b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

As a date of authorisation of issue of the financial statements, the assessment of implementing MFRS 15 has not been finalised. Thus, the potential impact of the adaptation of this standard cannot be determined and estimated reliably until the assessment is completed later.

- (c) MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. 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 leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

The directors of the Company shall comply with the adoption of MFRS 9 and 15 respectively in the financial statements of the Group and of the Company for the financial year ending 31 December 2018.

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) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property and Equipment

The Group determines whether its property and equipment is 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. The carrying amount of property and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(d) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its receivables and analyses their ageing profiles, historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables. The carrying amount of receivables as at the reporting date is disclosed in Note 12 and Note 13 to the financial statements.

(e) Construction Works

Significant judgement is required in determining the stage of completion of contracts awarded from customers, the extent of the contract costs incurred, the estimation of the variation works and total budgeted contract costs, as well as the recoverability of the contract works. In making the judgement, management evaluates based on experience and by relying the works of specialists and taking into account the expectations of the time and materials required to complete the contract works. The amount due from the receivable for contract works as at the reporting date is disclosed in Note 7 to the financial statements.

(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. The carrying amount of current tax liabilities/(assets) of the Group and of the Company as at the reporting date is RM6,499,000 (2016 - (RM1,162,000)) and (RM12,000) (2016 - (RM480,000)) respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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) 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.

(b) Fair Value Estimates for Certain Financial Assets

The Group carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets would affect profit and/or equity.

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 (including structured entities, if any) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

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) 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 effected 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.

(b) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(c) 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.

(d) 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.

(e) 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.

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 139 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(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 instruments 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. 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.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(i) Financial Assets at Fair Value Through Profit or Loss (Cont'd)

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets (Cont'd)

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(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. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and 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 through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

The redeemable convertible preference shares are regarded as compound financial instruments, consisting of a liability component and an equity component.

The proceeds from the issuance of the redeemable convertible preference shares are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not remeasured subsequent to the initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

When the preference shares are not redeemed from proceeds of an issuance of new shares, a sum equal to the amount redeemed shall be transferred from retained profits to share capital.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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.

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.

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:-

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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 RESEARCH AND DEVELOPMENT EXPENDITURE (CONT'D)

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.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investments in subsidiaries), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 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.

4.9 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.

4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 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.

4.12 LEASED ASSETS

(a) Finance Assets

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.

4.13 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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.

4.16 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.

4.17 EARNINGS PER ORDINARY SHARES

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.

4.18 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.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 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.

4.20 REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable, net of returns, cash and trade discounts.

(a) Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably by reference to the stage of completion at the end of the reporting period. The stage of completion is determined by reference to the proportion of costs incurred for work performed to date bear to the estimated total costs.

In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 REVENUE AND OTHER INCOME (CONT'D)

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost		
At 1 January	40,812	40,812
Addition during the financial year	535	-
At 31 December	41,347	40,812

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
	2017	2016	
	%	%	
<i>Subsidiaries of the Company</i>			
Prestariang Systems Sdn. Bhd. (PSSB)	100	100	Providing Information and Communication Technology (ICT) training and certification, and software license distribution and management.
Prestariang Education Sdn. Bhd. (PESB)	100	100	Providing personalised ICT education in a diverse and vibrant community.
Prestariang Talentxchange Sdn. Bhd. (PTXSB)	100	100	Providing best-fit talents to the local, regional and global markets and delivering practical talent management solutions.
Prestariang O&G Sdn. Bhd. (POGSB)	51	51	Providing training and placement services as well as employment and documentation services for foreign workers.
Prestariang Technology Sdn. Bhd. (PTSB)	100	100	Dormant.

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 (Cont'd):-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2017 %	2016 %	
<i>Subsidiaries of the Company (Cont'd)</i>			
Prestariang Digital Sdn. Bhd. (PDSB)	100	-	Dormant.
Prestariang Capital Sdn. Bhd. (PCSB)	100	-	Investment holding.
Prestariang Services Sdn. Bhd.^ (PSV)	70	70	Investment holding.
<i>Subsidiary of PTSB</i>			
Total Leap Sdn. Bhd. (TLSB)	100	100	Dormant.
<i>Subsidiaries of PSSB</i>			
Logisys Sdn. Bhd. (LSB)	100	100	Dormant.
Prestariang R&D Sdn. Bhd. (PR&D)	100	100	Dormant.
<i>Subsidiaries of PSV</i>			
Prestariang Skin Sdn. Bhd. (PSKIN)	100	100	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)	100	100	Providing consultancy, advisory, research and development, human resource and other outsourcing services relating to ICT, security related system, network infrastructure and data/system analytics.

^ Percentage of issued share capital held in trust by a director, Dr. Abu Hasan Bin Ismail in the previous financial year.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2017 %	2016 %	2017 RM'000	2016 RM'000
PSV	30	30	6,492	-
Other individually immaterial subsidiary	49	49	558	459
			7,050	459

(b) 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:-

	Prestariang Services Sdn. Bhd. and its Subsidiaries 2017 RM'000	Prestariang Services Sdn. Bhd. and its Subsidiaries 2016 RM'000
<u>At 31 December</u>		
Non-current assets	78,169	-
Current assets	13,158	4
Non-current liabilities	(1,138)	-
Current liabilities	(68,312)	(20)
Net assets	21,877	(16)
<u>Financial year ended 31 December</u>		
Revenue	78,053	-
Profit for the financial year	20,893	(10)
Total comprehensive income	20,893	(10)
Net cash flows for operating activities	(45,306)	-
Net cash flows for investing activities	(296)	-
Net cash flows from financing activities	55,691	-

6. PROPERTY AND EQUIPMENT

	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
The Group								
2017								
Cost								
At 1 January	5,255	3,036	2,050	2,124	5,513	1,504	43	19,525
Additions	25,510	591	55	65	96	-	842	27,159
Reclassification	-	(6)	15	167	107	69	(352)	-
Disposal	-	-	-	-	-	(234)	-	(234)
At 31 December	30,765	3,621	2,120	2,356	5,716	1,339	533	46,450
Accumulated Depreciation								
At 1 January	690	1,980	799	922	2,215	833	-	7,439
Charge for the year (Note 28)	106	511	211	223	562	199	-	1,812
Disposal	-	-	-	-	-	(47)	-	(47)
At 31 December	796	2,491	1,010	1,145	2,777	985	-	9,204
Net carrying amount At 31 December	29,969	1,130	1,110	1,211	2,939	354	533	37,246
2016								
Cost								
At 1 January	5,255	2,855	1,998	2,093	5,144	1,889	301	19,535
Additions	-	181	47	31	65	555	51	930
Reclassification	-	-	5	-	304	-	(309)	-
Disposal	-	-	-	-	-	(940)	-	(940)
At 31 December	5,255	3,036	2,050	2,124	5,513	1,504	43	19,525
Accumulated Depreciation								
At 1 January	585	1,497	598	728	1,672	1,491	-	6,571
Charge for the year (Note 28)	105	483	201	194	543	212	-	1,738
Disposal	-	-	-	-	-	(870)	-	(870)
At 31 December	690	1,980	799	922	2,215	833	-	7,439
Net carrying amount At 31 December	4,565	1,056	1,251	1,202	3,298	671	43	12,086

Notes to the **FINANCIAL STATEMENTS**
for the financial year ended 31 December 2017

6. PROPERTY AND EQUIPMENT (CONT'D)

	2017 RM'000	2016 RM'000
The Company		
Motor Vehicles		
Cost		
At 1 January/31 December	180	180
Accumulated depreciation		
At 1 January	150	114
Charge for the year (Note 28)	30	36
At 31 December	180	150
Net carrying amount		
At 31 December	-	30

- (a) Included in property and equipment of the Group at the end of the reporting period are motor vehicles with a total net book value of RM175,575 (2016 - RM444,790) held under hire purchase arrangements. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 21 to the financial statements.
- (b) The buildings of the Group amounting to approximately RM25,510,000 (2016 - Nil) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.
- (c) The title of the buildings are in the process of being issued to the Group by the relevant authority.

7. LONG-TERM RECEIVABLE

Long-term receivable represents unbilled revenue recognised for Sistem Kawalan Imigresen Nasional (SKIN) project which will be billed in accordance with the terms and conditions agreed with the Government of Malaysia.

8. OTHER INVESTMENT

	The Group	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	9,885	-

- (a) Investment in unquoted shares of the Group are designated as available-for-sale financial assets but are stated at cost as their fair value cannot reliably measured using valuation techniques due to the lack of marketability of the shares.

9. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2017 RM'000	2016 RM'000
At 1 January	(19)	(19)
Recognised in profit or loss (Note 31)	(1,119)	-
At 31 December	(1,138)	(19)
Presented as follows:-		
Deferred tax assets	-	1,154
Deferred tax liabilities	(1,138)	(1,173)
	(1,138)	(19)

In the previous financial year, the Group has recognised the deferred tax assets based on its expected level of operations of a subsidiary and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

The deferred tax assets/(liabilities) recognised at the end of the reporting period and after appropriate offsetting are as follows:-

	The Group	
	2017 RM'000	2016 RM'000
Deferred tax assets:-		
Unutilised tax losses	52	779
Unabsorbed capital allowances	-	617
Impairment losses on trade receivables	128	21
Advances from customers	1,585	-
Others	183	364
	1,948	1,781
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(1,112)	(1,185)
Deductible differences on development costs	(836)	(449)
Concession	(1,138)	-
Others	-	(166)
	(3,086)	(1,800)
	(1,138)	(19)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

No deferred tax assets is recognised in the statements of financial position on the following items:-

	The Group	
	2017 RM'000	2016 RM'000
Unutilised tax losses	16,837	16,902
Unabsorbed capital allowances	2,749	1,563
Advances from customers	5,247	-
Others	350	-
	25,183	18,465

10. DEVELOPMENT COSTS

	The Group	
	2017 RM'000	2016 RM'000
Cost:-		
At 1 January	8,731	6,611
Additions during the financial year	2,213	2,120
At 31 December	10,944	8,731
Accumulated amortisation:-		
At 1 January/31 December	(1,390)	(1,390)
Accumulated impairment losses:-		
At 1 January	-	-
Impairment losses during the financial year (Note 28)	(3,503)	-
At 31 December	(3,503)	-
	6,051	7,341

10. DEVELOPMENT COSTS (CONT'D)

Included in additions during the financial year are:-

	The Group	
	2017 RM'000	2016 RM'000
Salaries, allowances and bonuses	645	1,218
Defined contribution plan	74	143
Other benefits	4	8
	723	1,369

- (a) The development costs at the end of the reporting period comprised the development of EduCloud which bundled with 1 Citizen, Proficiency In Communication, Green ICT and Programme for International Student Assessment.
- (b) At the end of the reporting period, the development costs for the projects yet to be commercialised amounted to approximately RM6,051,000 (2016 - RM7,341,000).
- (c) The Group has assessed the recoverable amounts of development costs and determined that no impairment losses is required other than the impairment losses provided amounted to approximately RM3,503,000 was recognised in profit or loss under the "Other Expenses" line item as disclosed in Note 28 to the financial statements. 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.

11. INVENTORIES

	The Group	
	2017 RM'000	2016 RM'000
Finished goods	840	2,512
Work-in-progress	-	24,515
	840	27,027
Recognised in profit or loss:-		
Inventories recognised as cost of sales	84,820	76,613

12. TRADE RECEIVABLES

	The Group	
	2017 RM'000	2016 RM'000
Trade receivables	43,085	34,985
Allowance for impairment losses	(949)	(299)
	42,136	34,686
Allowance for impairment losses:-		
At 1 January	299	299
Addition during the financial year (Note 28)	650	-
At 31 December	949	299

Trade receivables are non-interest bearing and are generally on 30 to 60 (2016- 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.

Ageing analysis of trade receivables

	The Group	
	2017 RM'000	2016 RM'000
Unbilled receivables	1,649	2,956
Neither past due nor impaired:-		
1 to 30 days	16,540	22,327
31 to 60 days	-	1,223
	16,540	23,550

12. TRADE RECEIVABLES (CONT'D)

Ageing analysis of trade receivables (Cont'd)

	The Group	
	2017 RM'000	2016 RM'000
Past due but not impaired:-		
31 to 60 days	12,291	-
61 to 90 days	521	393
More than 90 days	11,135	7,787
	23,947	8,180
	42,136	34,686
Past due and impaired:-		
More than 90 days	949	299
	43,085	34,985

Trade receivables that are impaired

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has been no significant change in the credit quality and the balances are still considered recoverable.

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13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other receivables:-				
Third parties	3,119	1,273	2,599	644
Advances	10	118	-	-
GST recoverable	2,825	-	-	-
	5,954	1,391	2,599	644
Other deposits	2,661	3,496	-	-
Prepayments	2,106	695	32	20
	10,721	5,582	2,631	664

14. AMOUNT OWING BY SUBSIDIARIES

The amount owing by subsidiaries represents unsecured, interest-free advances and payment made on behalf. The amount owing by is repayable on demand and will be settled in cash.

15. SHORT-TERM INVESTMENTS

	The Group			
	2017		2016	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Equity funds unit trust, at fair value	326	326	326	326
Investments placed with fund managers, at fair value	26,178	26,178	66,279	66,279
	26,504		66,605	

15. SHORT-TERM INVESTMENTS (CONT'D)

	The Company			
	2017		2016	
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Investments placed with fund managers, at fair value	4,365	4,365	15,109	15,109
	4,365		15,109	

16. CASH AND BANK BALANCES

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances	13,191	6,131	148	2,075
Fixed deposits with licensed banks	31,591	36,628	-	-
	44,782	42,759	148	2,075

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 3.38% (2016 - 2.80% to 4.00%) per annum. The fixed deposits have maturity periods ranging from 1 to 365 (2016 - 30 to 120) days.

Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,898,000 (2016 - RM2,698,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

17. SHARE CAPITAL

	The Group/The Company			
	Number of Shares		Amount	
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Authorised				
Ordinary shares	N/A	1,000,000	N/A	100,000

N/A: Not applicable pursuant to Companies Act 2016 which came into operation on 31 January 2017 as disclosed in item (ii) below.

	The Group/The Company			
	Number of Shares		Amount	
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Issued				
Ordinary Shares with no Par Value (2016- Par Value of RM0.10 Each)				
At 1 January	484,000	484,000	48,400	48,400
Transfer from share premium account	-	-	71,300	-
At 31 December	484,000	484,000	119,700	48,400

- (i) 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.
- (ii) On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

18. SHARE PREMIUM

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At 1 January	74,712	74,712	71,300	71,300
Transfer to share capital account	(71,300)	-	(71,300)	-
Transfer to merger deficit	(3,412)	-	-	-
At 31 December	-	74,712	-	71,300

In the previous financial year, included in the share premium of the Group is an amount of RM3,412,000 relating to share premium in a subsidiary accounted for in consolidation under the pooling of interest method of accounting.

19. OTHER RESERVES

(a) Treasury Shares

During the financial year, the Company has purchased 376,500 of its own issued ordinary shares from the open market at prices ranging from RM1.91 to RM2.08 per share via internally generated funds. The total consideration paid for the purchase was RM758,487 including the transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

Of the total 484,000,000 issued ordinary shares at the end of the reporting period, 1,698,500 (2016 - 1,322,000) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

(b) Merger Deficit

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of shares of subsidiaries acquired under the pooling interest method of accounting.

(c) Redeemable Convertible Preference Shares - Equity Component

This represents the residual amount of redeemable convertible preference shares after deducting the fair value of the liability component and is presented net of deferred tax liability.

20. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

		The Group			
		Number of Shares		Amount	
		2017	2016	2017	2016
		'000	'000	RM'000	RM'000
RCPS A	(a)	152	-	152	-
RCPS B	(b)	85	-	85	-
At 31 December		237	-	237	-

(a) Redeemable Convertible Preference Shares A (RCPS A)

The salient features of RCPS A are as follows:-

- (i) The RCPS A shall carry no right or entitlement to dividend.
- (ii) The RCPS A will be unsecured.
- (iii) The redemption sum per RCPS A shall be equivalent to the issued price.
- (iv) 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 the subsidiary, 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.
- (v) The redemption sum shall be payable on the redemption date.
- (vi) 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.
- (vii) 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.
- (viii) The holders of the RCPS A shall have the right to receive notices and attend general meetings of the Company but without any voting rights except in respect of the following:-
 - a. Any resolution proposing the liquidation dissolution or winding-up of the Company;
 - b. Any resolution proposing a reduction of the Capital of the Company;
 - c. Any proposition to be submitted to the general meeting abrogates or varies or otherwise directly affects the special right and privileges attaching to the RCPS A; and/or
 - d. Any other circumstances as provided by law.
- (ix) 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 to item (iv).
- (x) The RCPS A may, at the option of the RCPS A holder and at any time after the 5th anniversary of the Effective Date but prior to the expiry of 12 years from the Effective Date or in the event of proposed listing, be converted into ordinary share of RM1.00 each at such conversion price on such terms as may be mutually agreed in writing between the RCPS A holder and the Company, subject to the prior written approval of the Government of Malaysia through the Public Private Partnership Unit of the Prime Minister's Department (UKAS).
- (xi) The surplus assets of PSV remaining after the payment of its liabilities shall be applied:
 - a. Firstly, in paying to the RCPS A holder, an amount equivalent to the redemption sum provided that there shall be no further right to participate in the surplus assets or profits of PSV over and above the redemption sum.
 - b. In the event that PSV has insufficient assets to permit payment of the aforesaid sums, the assets of PSV shall be distributed rateably in proportion to the amount that each RCPS A holder would otherwise be entitled to receive.
- (xii) The RCPS A does not entitle the RCPS A holders to be represented on the Board.

20. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

(a) Redeemable Convertible Preference Shares A (RCPS A) (Cont'd)

The salient features of RCPS A are as follows (Cont'd):-

- (xiii) 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 shares, but shall rank behind all secured and unsecured obligations of PSV.
- (xiv) 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.
- (xv) The RCPS A and all rights title and interests attached thereto shall not be transferred nor assigned within a period of 5 years from the effective date. Any transfer or assignment of the RCPS A and any rights title and/or interest attached thereto shall be subject to the prior written approval of PSV and where applicable, the prior written approval of UKAS including any term and condition as may be determined by UKAS.

(b) Redeemable Convertible Preference Shares B (RCPS B)

The salient features of RCPS B are as follows:-

- (i) The RCPS B shall carry no right or entitlement to dividend.
- (ii) The RCPS B will be unsecured.
- (iii) The redemption sum per RCPS B shall be equivalent to the issued price.
- (iv) Unless the RCPS B shall have been converted within the conversion period, the RCPS B shall be redeemed on the expiry date or by mutual agreement of the RCPS B holder and the subsidiary, PSV or upon termination of the concession agreement.
- (v) The redemption sum shall be payable on the redemption date.
- (vi) 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.
- (vii) 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.
- (viii) The RCPS B may, at the option of the RCPS B holder and at any time after the 5th anniversary of the Effective Date but prior to the expiry of 12 years from the Effective Date or in the event of proposed listing, be converted into ordinary share of RM1.00 each at such conversion price on such terms as may be mutually agreed in writing between the RCPS B holder and the Company, subject to the issuance of the certificate of acceptance for SKIN duly signed-off by the Government of Malaysia in accordance with the terms of the Concession agreement and prior written approval of the Government of Malaysia through the UKAS.
- (ix) 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 to item (iv).
- (x) The holder of the RCPS B shall have the right to receive notices and attend general meetings of the Company but without any voting rights except in respect of the following:-
 - a. Any resolution proposing the liquidation dissolution or winding-up of the Company;
 - b. Any resolution proposing a reduction of the Capital of the Company;
 - c. Any proposition to be submitted to the general meeting abrogates or varies or otherwise directly affects the special right and privileges attaching to the RCPS B; and/or
 - d. Any other circumstances as provided by law.
- (xi) The surplus assets of PSV remaining after the payment of its liabilities shall be applied:
 - a. Firstly, in paying to the RCPS A holders, an amount equivalent to the redemption sum due to RCPS A holders and secondly to RCPS B holder equivalent to the redemption sum due to RCPS B holder, provided that there shall be no further right to participate in the surplus assets or profits of PSV over and above the redemption sum.

20. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

(a) Redeemable Convertible Preference Shares B (RCPS B) (Cont'd)

The salient features of RCPS B are as follows (Cont'd):-

- (xi) The surplus assets of PSV remaining after the payment of its liabilities shall be applied (Cont'd):-
 - b. In the event that PSV has insufficient assets to permit payment of the aforesaid sums, the assets of PSV shall be distributed to the RCPS A holders before any distribution to RCPS B holders.
- (xii) The RCPS B does not entitle the RCPS B holder to be represented on the Board.
- (xiii) The RCPS B shall rank equally amongst themselves and shall rank in priority to RCPS B but shall rank behind RCPS A and all secured and unsecured obligations of PSV.
- (xiv) In the event of liquidation, dissolution, winding-up or other repayment of capital of PSV, the RCPS B holder shall rank after RCPS A holders but shall have priority in repayment over any payment to the holders of ordinary shares of PSV.
- (xv) The RCPS A and all rights title and interests attached thereto shall not be transferred nor assigned within a period of 5 years from the effective date. Any transfer or assignment of the RCPS A and any rights title and/or interest attached thereto shall be subject to the prior written approval of PSV and where applicable, the prior written approval of UKAS including any term and condition as may be determined by UKAS.

21. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2017	2016
	RM'000	RM'000
Minimum hire purchase payments		
- not later than 1 year	45	90
- later than 1 year and not later than 2 years	45	90
- later than 2 years and not later than 5 years	78	248
	168	428
Less: Future finance charges	(14)	(46)
Present value of hire purchase payables	154	382
Analysed by:-		
Current liabilities	38	73
Non-current liabilities	116	309
	154	382

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under finance leases as disclosed in Note 6(a) to the financial statements. The hire purchase arrangements are expiring in 4 (2016 - 5) years .
- (b) The hire purchase payables of the Group at the end of the reporting period bore an effective interest rate of 4.82% (2016 - 4.82%). The interest rates are fixed at the inception of the hire purchase arrangements.

22. TERM LOAN (SECURED)

	The Group	
	2017 RM'000	2016 RM'000
Current liabilities	840	-
Non-current liabilities	21,860	-
	22,700	-

- (a) The term loan 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;
 - (iii) letter of support from the Company in form and substance acceptable to the bank; and
 - (iv) deed of assignment of Takaful/Insurance proceeds in relation to the building as disclosed in Note 6 to the financial statements.
- (b) The interest rate profile of the term loan is summarised below:-

	Effective Interest Rate %	The Group	
		2017 RM'000	2016 RM'000
Floating rate term loan	4.82	22,700	-

- (c) The term loan totalling to RM22,700,000 is secured by negative pledge that imposes certain covenants on the subsidiary that has received the loan. The significant covenants of the term loan is 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.

Notes to the **FINANCIAL STATEMENTS**
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23. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 (2016 - 60) days.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other payables:-				
Third parties	4,121	2,805	215	231
Advances received from customers	12,015	11,808	-	-
GST payable	1,452	1,206	-	-
	17,588	15,819	215	231
Accruals	553	3,006	65	58
Dividend payable	2,412	3,620	2,412	3,620
	20,533	22,445	2,692	3,909

25. REVENUE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ICT training and certification	4,585	7,952	-	-
Software license distribution and management	125,282	117,254	-	-
Gross dividend income	-	-	17,775	18,097
Concession	78,053	-	-	-
Education	6,182	2,565	-	-
Employment services	5,404	4,300	-	-
	219,506	132,071	17,775	18,097

26. OTHER INCOME

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Foreign exchange gain:				
- realised	366	-	-	-
Interest income	1,940	2,703	256	827
Profit from deposits with licensed Islamic banks	20	19	-	-
Rental income	3	16	-	-
Gain on disposal of property and equipment	13	180	-	-
Others	383	32	-	-
	2,725	2,950	256	827

27. FINANCE COSTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Bank charges	79	216	1	-
Commission charges	137	177	-	-
Interest expense:				
- hire purchase	14	5	-	-
- term loan	249	55	-	-
	263	60	-	-
	479	453	1	-

Notes to the **FINANCIAL STATEMENTS**
for the financial year ended 31 December 2017

28. PROFIT BEFORE TAXATION

In addition to those disclosed in Note 26 and Note 27 to the financial statements, profit before taxation is arrived at after charging:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Auditors' remuneration:				
- audit fee:				
- Crowe Horwath Malaysia	178	111	42	28
- non-audit fee:				
- Crowe Horwath Malaysia	8	8	8	8
Impairment losses on trade receivables (Note 12)	650	-	-	-
Depreciation of property and equipment (Note 6)	1,812	1,738	30	36
Rental of equipment	813	782	-	-
Rental of office	1,725	1,295	-	-
Impairment losses of development costs (Note 10)	3,503	-	-	-
Staff costs (Note 29)	25,128	16,535	2,358	2,442

29. STAFF COSTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Salaries and other benefits	20,655	13,140	1,942	1,420
Defined contribution plans	1,791	1,334	219	184
Social security costs	147	88	36	13
Other staff related expenses	2,535	1,973	161	825
	25,128	16,535	2,358	2,442

Included in the staff costs of the Group and the Company are directors' remuneration amounting to RM1,892,000 and RM811,000 (2016 - RM2,445,000 and RM1,464,000) respectively, as further disclosed in Note 30 to the financial statements.

30. 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.

(a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<u>Directors' of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	962	1,496	159	798
Defined contribution benefits	103	170	13	86
	1,065	1,666	172	884
<u>Directors of the Subsidiaries</u>				
<i>Non-Executive Directors</i>				
Short-term employee benefits:				
- fee	374	328	362	316
- allowances	278	264	277	264
	652	592	639	580
Short-term employee benefits:				
- salaries, bonuses and other benefits	158	169	-	-
Defined contribution benefits	17	18	-	-
	175	187	-	-
Total director remuneration	1,892	2,445	811	1,464
<u>Other Key Management Personnel</u>				
Short-term employee benefits	3,835	2,257	334	352
Defined contribution benefits	424	264	38	40
Benefit-in-kind	74	37	39	12
	4,333	2,558	411	404

The estimated monetary value of benefits-in-kind provided by the Company to its executive director is RM50,000 (2016 - RM79,000).

Notes to the **FINANCIAL STATEMENTS**
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31. INCOME TAX EXPENSE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax:				
- for the financial year	10,228	3,035	-	-
- under/(over)provision in the previous financial year	2,061	(552)	-	-
	12,289	2,483	-	-
Deferred tax (Note 9):				
- origination and reversal of temporary differences	1,138	-	-	-
- overprovision in the previous financial year	(19)	-	-	-
	1,119	-	-	-
	13,408	2,483	-	-

A reconciliation of income tax expense applicable to the 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit before taxation	37,978	11,531	14,342	16,020
Tax at the statutory rate of 24% (2016 - 24%)	9,115	2,767	3,442	3,845
Tax effects of:-				
Non-taxable income	(336)	(1,256)	(4,266)	(4,542)
Non-deductible expenses	975	1,043	824	697
Deferred tax assets not recognised during the financial year	1,612	481	-	-
Under/(Over)provision in the previous financial year:				
- current tax	2,061	(552)	-	-
- deferred tax	(19)	-	-	-
Income tax expense for the financial year	13,408	2,483	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2016 - 24%) of the estimated assessable profit for the financial year.

On 21 October 2016, the Government of Malaysia announced the reduction of income tax rate from 24% to a range of 20% to 24% based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment for years of assessment 2017 and 2018.

32. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares as follows:-

	The Group	
	2017	2016
Profit attributable to owners of the Company (RM'000)	18,208	8,884
Weighted average number of ordinary shares in issue ('000):-		
Ordinary shares at 1 January	484,000	484,000
Effect of treasury shares held at 1 January	(1,322)	(655)
Effect of new treasury shares purchased	(183)	(363)
Weighted average number of ordinary shares at 31 December ('000)	482,495	482,982
Basic earnings per share (Sen)	3.77	1.84

The diluted earnings per share is equal to the basic earning per share as there were no potential dilutive ordinary share outstanding at the end of the reporting period.

33. DIVIDENDS

	The Group/ The Company	
	2017 RM'000	2016 RM'000
In respect of the financial year ended 31 December 2015:		
- declared and paid fourth interim dividend of 1.00 sen per ordinary share	-	4,833
In respect of the financial year ended 31 December 2016:		
- declared and paid first interim dividend of 0.75 sen per ordinary share	-	3,623
- declared and paid second interim dividend of 0.75 sen per ordinary share	-	3,621
- declared and paid third interim dividend of 0.75 sen per ordinary share	-	3,620
- declared and paid fourth interim dividend of 0.75 sen per ordinary share	3,620	-
In respect of the financial year ended 31 December 2017:		
- declared and paid first interim dividend of 0.75 sen per ordinary share	3,620	-
- declared and paid second interim dividend of 1.00 sen per ordinary share	4,823	-
- declared and paid third interim dividend of 0.50 sen per ordinary share	2,412	-
	14,475	15,697

On 27 February 2018, the Company declared a fourth interim dividend of 0.50 sen per ordinary share amounting to RM2,411,508 in respect of the current financial year, paid on 5 April 2018 to shareholders whose names appeared in the record of depositors on 14 March 2018. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2018.

34. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property and equipment is as follows:-

	The Group	
	2017 RM'000	2016 RM'000
Cost of property and equipment purchased (Note 6)	27,159	930
Amount financed through hire purchase	-	(400)
Cash disbursed for purchase of property and equipment	27,159	530

- (b) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Term Loan RM'000	Hire Purchase RM'000	Total RM'000
2017			
At 1 January	-	382	382
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	22,700	-	22,700
Repayment of borrowing principal	-	(228)	(228)
Repayment of borrowing interests	(249)	(14)	(263)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	249	14	263
At 31 December	22,700	154	22,854

Comparative information is not presented by virtue of the exemption given in MFRS 107.

34. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances	13,191	6,131	148	2,075
Fixed deposits with licensed banks	31,591	36,628	-	-
Short-term investments	26,504	66,605	4,365	15,109
	71,286	109,364	4,513	17,184
Less: Fixed deposits pledged with licensed banks	(2,898)	(2,698)	-	-
Cash and cash equivalents	68,388	106,666	4,513	17,184

35. 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.

(b) 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:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Advances to subsidiaries	-	-	27,500	48,513
Advances from subsidiaries	-	-	(31,024)	(14,908)
Payment on behalf for subsidiaries	-	-	11,796	2,788
Payment on behalf from subsidiaries	-	-	(1,805)	(23)
Dividend income from a subsidiary	-	-	(17,775)	(18,097)

The outstanding balances of the related parties (including the allowance for impairment losses made) together with the terms and conditions are disclosed in the respective notes to the financial statements.

36. CAPITAL COMMITMENTS

	The Group	
	2017 RM'000	2016 RM'000
Purchase of property and equipment	10,180	25,485
Other investment	6,172	-
	16,352	25,485

37. OPERATING LEASE COMMITMENTS

(a) Leases as a Lessee

The Group leases a number of office buildings for campus and apartments for accommodation of students under non-cancellable operating leases. The lease periods range from 1 to 5 years with an option to renew after those dates. Lease payments are increased every 2 years to reflect market rentals and none of the leases includes contingent rentals. The Group is restricted from sub-leasing the leased assets to third parties.

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2017 RM'000	2016 RM'000
Not more than 1 year	1,290	1,019
Later than 1 year and not later than 5 years	1,319	-
	2,609	1,019

38. 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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Performance guarantee extended by a subsidiary to third parties	12,595	14,748	-	-
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	-	-	12,095	12,914
	12,595	14,748	12,095	12,914

39. 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.

39.1 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) and Australian Dollar (AUD). 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. The Group also holds cash and bank balances denominated in foreign currency for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM'000	Australian Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2017				
<u>Financial Assets</u>				
Long-term receivable	-	-	78,053	78,053
Other investment	-	9,885	-	9,885
Trade receivables	-	-	42,136	42,136
Other receivables and deposits	-	312	5,478	5,790
Short-term investments	-	-	26,504	26,504
Cash and bank balances	1	-	44,781	44,782
	1	10,197	196,952	207,150
<u>Financial Liabilities</u>				
Hire purchase payables	-	-	154	154
Term loan	-	-	22,700	22,700
Trade payables	21,507	-	12,364	33,871
Other payables and accruals	-	-	19,101	19,101
	21,507	-	54,319	75,826

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	United States Dollar RM'000	Australian Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
2017				
Net financial (liabilities)/assets	(21,506)	10,197	142,633	131,324
Less: Net financial assets denominated In respective entities' functional currency	-	-	(142,633)	(142,633)
Less: Forward foreign currency contracts (contracted notional principal)	6,252	-	-	6,252
Currency Exposure	(15,254)	10,197	-	(5,057)
2016				
<u>Financial Assets</u>				
Trade receivables	743	-	33,943	34,686
Other receivables and deposits	-	-	4,887	4,887
Short-term investments	-	-	66,605	66,605
Cash and bank balances	306	-	42,453	42,759
	1,049	-	147,888	148,937
<u>Financial Liabilities</u>				
Hire purchase payables	-	-	382	382
Trade payables	10,622	-	2,280	12,902
Other payables and accruals	-	-	21,239	21,239
	10,622	-	23,901	34,523
Net financial (liabilities)/assets	(9,573)	-	123,987	114,414
Less: Net financial (assets) denominated In respective entities' functional currency	-	-	(123,987)	(123,987)
Less: Forward foreign currency contracts (contracted notional principal)	7,586	-	-	7,586
Currency Exposure	(1,987)	-	-	(1,987)

The Company does not have any foreign currency exposure and hence, is not exposed to foreign currency risk.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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:-

	The Group	
	2017 RM'000	2016 RM'000
Effect on Profit After Taxation		
USD/RM - strengthened by 5%	(580)	(76)
- weakened by 5%	580	76
AUD/RM - strengthened by 5%	506	-
- weakened by 5%	(506)	-

(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.

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 disclosed in Note 22 to the financial statements.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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:-

	The Group	
	2017 RM'000	2016 RM'000
Effect on Profit After Taxation		
Increase of 100 basis points	(173)	-
Decrease of 100 basis points	173	-

(iii) Equity Price Risk

The Group's 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's and the Company's equity price profile as monitored by management is set out below:-

	The Group	
	2017 RM'000	2016 RM'000
- Equity funds unit trusts	326	326
- Investments placed with fund managers	26,178	66,279
	26,504	66,605

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

	The Company	
	2017 RM'000	2016 RM'000
- Investments placed with fund managers	4,365	15,109

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:-

	The Group	
	2017 RM'000	2016 RM'000
Effect on Profit After Taxation		
Increase of 5%	1,325	3,330
Decrease of 5%	(1,325)	(3,330)

	The Company	
	2017 RM'000	2016 RM'000
Effect on Profit After Taxation		
Increase of 5%	218	755
Decrease of 5%	(218)	(755)

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 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 Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides corporate guarantee 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 2 (2016 - 3) customers which constituted approximately 32% (2016 - 43%) of its total trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2017	2016
	RM'000	RM'000
Singapore	-	743
Malaysia	42,136	33,943
	42,136	34,686

(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).

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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.

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):-

	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
The Group					
2017					
<u>Non-derivative Financial Liabilities</u>					
Hire purchase payables	154	168	45	123	-
Term loan	22,700	28,406	1,929	13,345	13,132
Trade payables	33,871	33,871	33,871	-	-
Other payables and accruals	19,101	19,101	19,101	-	-
	75,826	81,546	54,946	13,468	13,132
The Group					
2016					
<u>Non-derivatives Financial Liabilities</u>					
Hire purchase payables	382	428	90	338	-
Trade payables	12,902	12,902	12,902	-	-
Other payables and accruals	21,239	21,239	21,239	-	-
	34,523	34,569	34,231	338	-
The Company					
2017					
<u>Non-derivatives Financial Liabilities</u>					
Other payables and accruals	2,692	2,692	2,692	-	-
The Company					
2016					
<u>Non-derivatives Financial Liabilities</u>					
Other payables and accruals	3,909	3,909	3,909	-	-

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 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. There was no change in the Group's approach to capital management during the financial year. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

The Group is also required to comply with certain loan covenants as disclosed in Note 22 to the financial statements, failing which, the bank may call an event of default. The Group has complied with this requirement.

39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Financial Assets				
<u>Available-for-sale Financial Assets</u>				
Other investment (Note 8)	9,885	-	-	-
<u>Loans and Receivables Financial Assets</u>				
Long-term receivable (Note 7)	78,053	-	-	-
Trade receivables (Note 12)	42,136	34,686	-	-
Other receivables and deposits (Note 13)	5,790	4,887	2,599	644
Amount owing by subsidiaries (Note 14)	-	-	71,097	62,538
Cash and bank balances (Note 16)	44,782	42,759	148	2,075
	170,761	82,332	73,844	65,257
<u>Fair Value through Profit or Loss</u>				
Short-term investments (Note 15)	26,504	66,605	4,365	15,109
Financial Liabilities				
Hire purchase payables (Note 21)	154	382	-	-
Term loan (Note 22)	22,700	-	-	-
Trade payables (Note 23)	33,871	12,902	-	-
Other payables and accruals (Note 24)	19,101	21,239	2,692	3,909
	75,826	34,523	2,692	3,909

39. FINANCIAL INSTRUMENTS (CONT'D)

39.4 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:-

The Group	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 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2017								
<u>Financial Assets</u>								
Other investment	-	-	-	-	-	-	#	9,885
Short-term investments	26,504	-	-	-	-	-	26,504	26,504
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	154	-	154	154
Term loan	-	-	-	-	22,700	-	22,700	22,700
2016								
<u>Financial Asset</u>								
Short-term investments	66,605	-	-	-	-	-	66,605	66,605
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	382	-	382	382
#	- The fair value cannot be reliably measured using valuation techniques.							
The Company								
2017								
<u>Financial Assets</u>								
Short-term investments	4,365	-	-	-	-	-	4,365	4,365
2016								
<u>Financial Assets</u>								
Short-term investments	15,109	-	-	-	-	-	15,109	15,109

39. FINANCIAL INSTRUMENTS (CONT'D)

39.4 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-
 - (aa) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting period.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

(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 hire purchase payables that carry fixed interest rate 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	
	2017 %	2016 %
Hire purchase payables	4.82	4.82
Term loan	4.82	-

40. 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.

The Group is organised into 5 main business segments as follows:-

- (a) Information and Communications Technology (ICT) training and certification and software license 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.
- (b) 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.
- (c) 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.
- (d) Employment Services - Human resource management services is to provide facilities for foreign workers' recruitment and document services.
- (e) Others - The holding company involved in the activity of investment holding.

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.

Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

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 31 December 2017

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS

The Group	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Total RM'000
2017						
Revenue						
External revenue	129,867	6,182	5,404	78,053	-	219,506
Inter-segment revenue	-	-	-	-	17,775	17,775
	129,867	6,182	5,404	78,053	17,775	237,281
Consolidation adjustments						(17,775)
Consolidated revenue						219,506
Results						
Segment profit before interest and taxation	18,877	(4,600)	321	27,479	14,155	56,232
Finance cost						(479)
Consolidated adjustments						(17,775)
Consolidated profit before taxation						37,978
Segment profit include the following:-						
Impairment losses on trade receivables	445	205	-	-	-	650
Depreciation of property and equipment	1,077	640	64	1	30	1,812
Gain on disposal of property and equipment	(13)	-	-	-	-	(13)
Impairment loss on development costs	3,503	-	-	-	-	3,503
Interest expense	263	-	-	-	-	263
Interest income	(1,664)	-	-	(20)	(256)	(1,940)
Profit from deposits with licensed Islamic Banks	(20)	-	-	-	-	(20)

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

The Group	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Concession RM'000	Other RM'000	Total RM'000
2017						
Assets						
Segment assets	174,236	9,170	2,921	91,327	120,878	398,532
Unallocated assets:- - other investment						9,885
						408,417
Consolidation adjustments						(152,199)
Consolidated total assets						256,218
Liabilities						
Segment liabilities	67,397	18,768	1,805	62,849	16,104	166,923
Unallocated liabilities:- - hire purchase payables - term loan - deferred tax liabilities - current tax liabilities						154 22,700 1,138 6,499
						197,414
Consolidated adjustments						(112,499)
Consolidated total liabilities						84,915
Additions to non-current assets other than financial instruments and deferred tax assets are:-						
- property and equipment	26,288	419	335	117	-	27,159
- development costs	2,159	-	54	-	-	2,213

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

The Group	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
2016					
Revenue					
External revenue	125,206	2,565	4,300	-	132,071
Inter-segment revenue	-	-	-	18,097	18,097
	125,206	2,565	4,300	18,097	150,168
Consolidation adjustments					(18,097)
Consolidated revenue					132,071
Results					
Segment profit before interest and taxation	19,855	(6,068)	335	15,959	30,081
Finance cost					(453)
Consolidated adjustments					(18,097)
Consolidated profit before taxation					11,531
Segment profit include the following:-					
Depreciation of property and equipment	1,122	567	13	36	1,738
Gain on disposal of property and equipment	(180)	-	-	-	(180)
Interest expense	60	-	-	-	60
Interest income	(1,879)	-	-	(824)	(2,703)
Profit from deposits with licensed Islamic Banks	(19)	-	-	-	(19)
Assets					
Segment assets	181,879	7,510	1,932	122,189	313,510
Unallocated assets:-					
- current tax assets					1,162
- deferred tax assets					1,154
					315,826
Consolidation adjustments					(117,424)
Consolidated total assets					198,402

40. OPERATING SEGMENTS (CONT'D)

40.1 BUSINESS SEGMENTS (CONT'D)

The Group	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
2016					
Liabilities					
Segment liabilities	93,172	12,433	1,068	6,931	113,604
Unallocated liabilities:-					
- hire purchase payables					382
- deferred tax liabilities					1,173
					115,159
Consolidated adjustments					(78,257)
Consolidated total liabilities					36,902
Additions to non-current assets other than financial instruments and deferred tax assets are:-					
- property and equipment	604	206	120	-	930
- development costs	2,120	-	-	-	2,120

40.2 GEOGRAPHICAL INFORMATION

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

The Group	Malaysia RM'000	Singapore RM'000	Total RM'000
2017			
Revenue	219,506	-	219,506
2016			
Revenue	129,626	2,445	132,071

The Group's non-current assets are located in Malaysia.

40. OPERATING SEGMENTS (CONT'D)

40.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

2017	Revenue RM'000	Business Segment
Customer A	78,053	Concession
2016	Revenue RM'000	Business Segment
Customer C	13,734	ICT services and distributions

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 12 January 2017, the Company entered into a Memorandum of Understanding (MoU) with Alibaba.com Singapore E-Commerce Private Limited and Conversant Solutions Pte. Ltd. to form a strategic joint collaboration to create an Integrated Education Platform (IEP) known as EduCloud. The co-operation is to create EduCloud as a Single Platform to derive innovative ecosystem to deliver all activities linked to education and education-related activities and services including but not limited to campus management, teaching and learning, ICT security, entertainment, digital payment and other activities and/or services undertaken by educational institutions and other online applications.
- (b) On 12 January 2017, the Company had acquired 2 ordinary shares of RM1.00 each in PDSB, representing 100% of the total issued and paid-up share capital of PDSB, for a total consideration of RM2.00 from Dr. Abu Hasan Bin Ismail and Encik Abdul Razak Bin Bakrun. Consequently, PDSB became a wholly-owned subsidiary of the Company.
- (c) On 13 July 2017, the Company had acquired 70 ordinary shares of RM1.00 each in PSV, representing 70% of the total issued share capital of PSV, at a total consideration of RM70.00 from Dr. Abu Hasan Bin Ismail. PSV has two wholly-owned subsidiaries, PSKIN and PTSSB. Consequently, PSV, PSKIN and PTSSB became partially-owned subsidiaries of the Company.
- (d) On 14 July 2017, PSV increased its issued share capital from RM100 to RM763,559. The Company subscribed 534,421 ordinary shares for a total consideration of RM534,421. Following the completion of the subscription, there is no change in the Company's equity interest in PSV.
- (e) On 18 July 2017, PSKIN, a wholly-owned subsidiary of PSV, which in turn is a subsidiary of the Company, entered into a concession agreement (CA) with the Government of Malaysia in relation to the implementation of an integrated and comprehensive core immigration system known as 'Sistem Kawalan Imigresen Nasional' (SKIN). PSKIN is granted the right and authority by the Government to:-
 - (i) undertake the planning, design, financing, development, customisation, supply, delivery, installation, configuration, integration, interfacing, testing and commissioning of SKIN; and
 - (ii) carry out maintenance services

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (e) The CA shall be conditional upon PSKIN having obtained a written notice from the Government confirming that PSKIN has fulfilled the conditions precedent (as stated in the CA) within 6 months from the date of execution of the CA or such extended period not exceeding 3 months as may be granted by the Government (Effective Date).

The Concession shall be for a period of 15 years commencing from the Effective Date or the date of commencement of the development works, whichever is later and expires on the 15th anniversary of that date, as may be extended or earlier determined in accordance with the terms of the CA.

- (f) On 27 July 2017, PCSB, was incorporated with the issued share capital of RM100. The principal activity of PCSB is an investment holding company. As a result, PCSB became a wholly-owned subsidiary of the Company.
- (g) On 2 August 2017, PSSB, a wholly-owned subsidiary of the Company, has received a letter of award dated 17 July 2017 from Ministry of Higher Education for the extension of contract for the distribution and management of Microsoft software licences to public higher education institutions in Malaysia under the "Managing University Software as an Enterprise" (MUSE) programme. The contract period is for 1 year commencing from 3 July 2017 until 2 July 2018 at a total value of RM10.0 million.
- (h) PCSB, a wholly-owned subsidiary of the Company had on 5 September 2017 entered into a Subscription agreement (Agreement) with OpenLearning Global Pte Ltd (OGPL) and Adam Maurice Brimo, for the subscription of up to 5,000,000 new "A" Ordinary Shares (A Shares) of OGPL and 3,069,578 convertible preference shares (CPS) (the Subscription).

On 3 November 2017, PCSB completed the first tranche subscription shares of 3,000,000 A Shares and the 3,069,578 CPS at the subscription price of AUD3,000,000 and AUD1.00 in respect of the 3,069,578 CPS. Upon completion of the Subscription, PCSB hold 10.71% interest in OGPL.

- (i) On 22 November 2017, PSSB, a wholly-owned subsidiary of the Company, has received a letter of award dated 21 November 2017 from the Ministry of Higher Education (MOHE) for the supply of software licences and related value-added services of Adobe Creative Cloud Software and Services to the MOHE and its agencies, and to all public universities, polytechnics and community colleges. The total contract price is RM13,308,300 (includes GST) over the course of 3 years effective from the acceptance of LOA, from 22 November 2017 until 21 November 2020.
- (j) The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaced Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Group upon its initial adoption are:-

- (i) Removal of the authorised share capital;
- (ii) Ordinary and preference shares ceased to have par value; and
- (iii) Share premium account transferred to share capital account.

The Companies Act 2016 was applied prospectively and the impacts on implementation are disclosed in the respective notes to the financial statements.

42. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The details of the significant events occurring after the reporting period are as follows:

- (a) On 29 January 2018, PSSB, a wholly-owned subsidiary of the Company, has received a letter of award dated 29 January 2018 from the Ministry of Finance for the extension of contract to supply Microsoft software licences, products and services under MLA 3.0 to all Government Agencies and Institut Latihan Awam in Malaysia. The extension of Contract is for the period of 3 years commencing from 1 February 2018 until 31 January 2021 at an estimated total value of RM222,600,000. The extension of contract under MLA 3.0 is an enhancement of MLA 2.0 that includes the Institut Latihan Awam as PSSB's new customer base with new added scope of services.

- (b) On 9 February 2018, PCSB has completed subscription of the second tranche of 2,000,000 A Shares at the subscription price of AUD2,000,000. After completion of the above, PCSB interest in OGPL increased from 10.71% to 16.67%.

The final equity interest of PCSB shall be determined based on a performance band that is if OGPL group achieve a consolidated profit after tax of AUD9,000,000 for the twelve months ending 31 December 2020, PCSB will receive an effective shareholding of 14.28%. However, reduction in profits for the twelve months ending 31 December 2020 could see the shareholding in OGPL rising to 24.3%.

- (c) On 14 March 2018, PSV has completed the conversion of the RCPS A to Redeemable Preference Shares A (RPS A).

The salient features of the RPS A are as follows:

- (i) The RPS A shall carry the right to receive fixed cumulative dividend at such rate or in such amount to be mutually agreed between the PSV and the RPS A holders.

The cumulative dividend is payable annually, subject to availability of distributable profits, as and when such dividend is declared by the board of directors of PSV (Board).

To the extent that the cumulative dividend or any part thereof is not declared or paid on an annual basis, with effect from the date as may be approved by the Board, it shall continue to accumulate and be declared and paid on a cumulative basis.

The Board shall not declare and pay dividends to the ordinary shareholders without declaring and paying the cumulative dividend to the holders of the RPS A. For avoidance of doubt, the Board may declare and pay the cumulative dividend to the RPS A holders without declaring or paying dividends to ordinary shareholders.

- (ii) The RPS A will be unsecured.
- (iii) The redemption sum per RPS A shall be equivalent to the issued price.
- (iv) The RPS A shall be redeemed
- on a date falling on the 13th anniversary of the effective date; or
 - in the event of the proposed listing exercise, at such time as may be determined by the Board and notified in writing to the RPS A holder, prior to the date of listing approved by the relevant authorities; or
 - on a date as may be mutually agreed between the RPS A holder and PSV;
- whichever is the earlier (Redemption Date).
- (v) The redemption sum shall be payable on the Redemption Date.
- (vi) No RPS A shall be redeemed otherwise than out of profits or a fresh issue of shares or the capital of PSV and subject always to the provisions of the Companies Act 2016.
- (vii) The receipt by the RPS A holder of the redemption sum from PSV shall constitute an absolute discharge of PSV in respect of the RPS A redeemed.
- (viii) 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:-
- in respect of any resolution which varies the rights and privileges attaching to the RPS A;
 - in respect of any resolution to reduce the share capital of PSV;
 - in respect of any resolution for the winding-up of PSV; and
 - any other circumstances as may be provided under the law.

42. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

- (c) The salient features of the RPS A are as follows (Cont'd):
- (ix) The surplus assets of PSV remaining after the payment of its liabilities shall be applied:
 - a. firstly, in paying to the RPS A holder, an amount equivalent to the redemption sum provided that there shall be no further right to participate in the surplus assets or profits of PSV over and above the redemption sum;
 - b. in the event that PSV has insufficient assets to permit payment of the aforesaid sums, the assets of PSV shall be distributed rateably in proportion to the amount that each RPS A holder would otherwise be entitled to receive.
 - (x) The RPS A does not entitle the RPS A holder to be represented on the Board.
 - (xi) The RPS A is not convertible into shares and the RPS A holder shall not have any convertible rights whatsoever in respect of the RPS A.
 - (xii) 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.
 - (xiii) In the event of liquidation, dissolution, winding-up or other repayment of capital of PSV, the RPS A shall have priority in repayment of the RPS A over any payment to the holders of other preference shares and/or ordinary shares of PSV.
 - (xiv) The RPS A and all rights title and interests attached thereto shall not be transferred nor assigned within a period of 5 years from the Effective Date. Any transfer or assignment of the RPS A and any rights title and/or interest attached thereto shall be subject to the prior written approval of PSV and where applicable, the prior written approval of UKAS including any term and condition as may be determined by UKAS.
- (d) On 30 March 2018, Halaman Kapital Sdn. Bhd. (HKSB), a company wholly owned by Dr. Abu Hasan Bin Ismail (Dr. Abu), the President/Group Chief Executive Officer of the Company, acquired a combined 16% equity stake in PSV from 2 shareholders, Muhammad Nagib Gopal Abdullah (Nagib) and Raja Azmi Adam Nadarajan (Raja Azmi). Consequently, HKSB holds 16% of the shareholdings in PSV while Nagib and Raja Azmi hold 2% each.
- (e) On 10 April 2018, PSKIN received a letter from the Ministry of Home Affairs, which confirmed that PSKIN has fulfilled all the conditions precedent in the CA, and the Effective Date of the CA is 11 April 2018.

43. COMPARATIVE FIGURE

	The Group		The Company	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Financial Position (Extract):-				
<u>Current assets</u>				
Amount owing by contract customers	-	24,515	-	-
Trade receivables	34,686	31,730	-	-
Other receivables, deposits and prepayments	5,582	8,538	-	-
Inventories	27,027	2,512	-	-
Short-term investments	66,605	51,496	15,109	-
Cash and bank balances	42,759	57,868	2,075	17,184
Consolidated Statements of Cash Flows (Extract):-				
Net cash from operating activities	-	-	1,161	19,258
Net cash from/(for) investing activities	322	(10,197)	(23,466)	(41,563)
Cash and cash equivalents at beginning of the financial year	126,076	85,099	-	-
Cash and cash equivalents at end of the financial year	106,666	55,170	-	-

List of **PROPERTIES**

No.	Location	Registered Owner	Tenure	Built-up Area	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.17 (RM'000)	Date of Acquisition
1.	70-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	9	223	4 Sept 2007
2.	71-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	9	223	4 Sept 2007
3.	72-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,710 sq.ft. building	Office	9	223	4 Sept 2007
4.	73-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,847 sq.ft. building	Office	9	268	4 Sept 2007
5.	72-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	8	424	4 Sept 2007
6.	73-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft. building/ Partially training room	Office	9	670	15 Sept 2007
7.	71-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	9	437	1 July 2009
8.	70-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,446 sq.ft. building	Office	9	437	1 July 2009
9.	73A-G, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	2,440 sq.ft. building	Office	9	882	3 Sept 2010
10.	73A-1, Biz Avenue 2, NeoCyber, 63000 Cyberjaya, Selangor	PSSB	Freehold	1,847 sq.ft. building	Office	9	668	3 Sept 2010
11.	Block 12, Corporate Park Star Central, @Cyberjaya	PSSB	Freehold	40,375 sq.ft. building	Office	–	25,511	4 Dec 2017

PSSB – Prestariang Systems Sdn Bhd

Analysis of **SHAREHOLDINGS**

as at 19 March 2018

SHARE CAPITAL

Total number of Issued shares	: 484,000,000 Ordinary Shares (including 1,698,500 treasury shares)
Class of share	: Ordinary Shares
Voting rights	: One (1) vote per Ordinary Share
Number of shareholders	: 2,811

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 99	14	0.50	200	0.00
100 – 1,000	347	12.34	252,300	0.05
1,001 – 10,000	1,537	54.68	7,865,100	1.63
10,001 – 100,000	693	24.65	23,644,500	4.90
100,001 – 24,115,074*	217	7.72	246,736,000	51.16
24,115,074 and above **	3	0.11	203,803,400	42.26
Total	2,811	100.00	482,301,500	100.00

Notes:

(*) *Less than 5% of issued holdings*

(**) *5% and above of issued holdings*

SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2018

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dr. Abu Hasan Bin Ismail	-	-	132,301,400 ^(a)	27.43
Brahmal Vasudevan	28,500,000	5.91	-	-
EkoHati Sdn Bhd	100,001,800	20.73	32,299,600 ^(b)	6.70
Anjakan Evolusi Sdn Bhd	18,480,000	3.83	113,821,400 ^(c)	23.60
Shahirul Azian Binti Abu Bakar	-	-	132,301,400 ^(d)	27.43
Zubaidah Binti Ismail	-	-	132,301,400 ^(e)	27.43
Kumpulan Wang Persaraan (Diperbadankan)	59,021,800	12.24	3,133,000 ^(f)	0.65
AIA Bhd.	45,801,300	9.50	1,167,600 ^(g)	0.24
AIA Group Limited	-	-	46,968,900 ^(h)	9.74
AIA Company Limited	-	-	46,968,900 ^(h)	9.74
Orange Policy Sdn Bhd	-	-	46,968,900 ⁽ⁱ⁾	9.74
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	46,968,900 ⁽ⁱ⁾	9.74

Analysis of **SHAREHOLDINGS**
as at 19 March 2018

SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2018 (CONT'D)

Notes:

- (a) Deemed interested by virtue of his interest in EkoHati Sdn Bhd, Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 8 of the Companies Act 2016 (the Act).
- (b) Deemed interested by virtue of Dr. Abu Hasan Bin Ismail (Dr. Abu) is interests in Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 8 of the Act.
- (c) Deemed interested by virtue of Dr. Abu's interests in EkoHati Sdn Bhd and Sigma Dedikasi Sdn Bhd pursuant to Section 8 of the Act.
- (d) Deemed interested by virtue of the interests of her spouse, Dr. Abu in EkoHati Sdn Bhd, Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 8 of the Act.
- (e) Deemed interested by virtue of the interests of her sibling, Dr. Abu in EkoHati Sdn Bhd, Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 8 of the Act.
- (f) Deemed interested by virtue of the interest of Kumpulan Wang Persaraan (Diperbadankan)'s Fund Managers pursuant to Section 8 of the Act.
- (g) Deemed interested in shares held by AIA Pension and Asset Management Sdn Bhd and AIA PUBLIC Takaful Bhd, pursuant to Section 8 of the Act.
- (h) Deemed interested in the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd, pursuant to Section 8 of the Act.
- (i) Deemed interested in the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd, pursuant to Section 8 of the Act.
- (j) Deemed interested in the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd, pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS AS AT 19 MARCH 2018

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Mohamed Yunus Ramli Bin Abbas	4,300,000	0.89	-	-
Dr. Abu Hasan Bin Ismail	-	-	132,301,400*	27.43
Dato' Maznah Binti Abdul Jalil	2,431,000	0.50	-	-
Chan Wan Siew	550,000	0.11	50,000**	0.01
Ramanathan A/L Sathiamutty	-	-	-	-
Nik Amlizan Binti Mohamed	-	-	-	-

Notes:

- (*) Deemed interest by virtue of his interest in EkoHati Sdn Bhd, Sigma Dedikasi Sdn Bhd and Anjakan Evolusi Sdn Bhd pursuant to Section 8 of the Act
- (**) Deemed interest by virtue of his spouse, Lee Oi Lin's shareholdings.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 19 MARCH 2018

No.	Securities Account Holders	No. of Shares	%
1	EKOHATI SDN BHD	100,001,800	20.73
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	58,531,200	12.14
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	45,270,400	9.39
4	ANJAKAN EVOLUSI SDN BHD	18,480,000	3.83
5	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	15,210,100	3.15
6	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR PACIFIC STRAITS HOLDINGS LTD (PB)	14,700,000	3.05
7	SIGMA DEDIKASI SDN BHD	13,819,600	2.87
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	12,905,500	2.68
9	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	12,820,000	2.66
10	PERMODALAN NASIONAL BERHAD	9,599,900	1.99
11	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	7,783,100	1.61
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD BANK KERJASAMA RAKYAT (M) BERHAD (412803)	6,000,000	1.24
13	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	5,205,200	1.08
14	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM NASIONAL 3 IMBANG	4,955,500	1.03
15	DATO' MOHAMED YUNUS RAMLI BIN ABBAS	4,300,000	0.89
16	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,108,700	0.85
17	YEOH ENG HUA	4,000,000	0.83

Analysis of **SHAREHOLDINGS**
as at 19 March 2018

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 19 MARCH 2018 (CONT'D)

No.	Securities Account Holders	No. of Shares	%
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	3,610,000	0.75
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN NYAP LIOU @ GAN NYAP LIOW	3,271,400	0.68
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	3,150,000	0.65
21	AMANAHRAYA BERHAD KUMPULAN WANG BERSAMA	3,100,000	0.64
22	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE AG (SG-CLT-T-OS PR)	3,006,000	0.62
23	TAYLOR'S EDUCATION SDN BHD	3,000,000	0.62
24	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	2,982,000	0.62
25	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,863,000	0.59
26	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM PENDIDIKAN	2,736,000	0.57
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR DATO' MAZNAH BINTI ABDUL JALIL (PB)	2,431,000	0.50
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MIDF AM IS EQ)	2,304,900	0.48
29	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM GEMILANG FOR AMANAH SAHAM KESIHATAN	2,270,800	0.47
30	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	2,198,900	0.46
	TOTAL	374,615,000	77.67

Notice of **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting (8th AGM) of the Company will be held at Dewan Putra Perdana 1, PULSE GRANDE Hotel (formerly known as Putrajaya Shangri-La Hotel), Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 16 May 2018 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 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 RM362,072 for the financial year ended 31 December 2017. **(Resolution 1)**
3. To approve the payment of Directors' benefits up to an amount of RM290,000 from 16 May 2018 until the next Annual General Meeting of the Company. **(Resolution 2)**
4. To re-elect Dato' Maznah binti Abdul Jalil who is retiring pursuant to Article 95 of the Company's Articles of Association and being eligible, has offered herself for re-election. **(Resolution 3)**
5. To re-elect Mr. Chan Wan Siew who is retiring pursuant to Article 95 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**
6. To re-appoint Messrs. Crowe Horwath as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

7. **ORDINARY RESOLUTION NO. 1** **(Resolution 6)**
- AUTHORITY TO ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject always to the Companies Act 2016 (the Act), the Articles of Association 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, for such persons and upon such terms and conditions and for such purposes as 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 ten per cent (10%) of the total number of issued shares of the Company for the time being;

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."

8. **ORDINARY RESOLUTION NO. 2**

(Resolution 7)

- PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (PROPOSED NEW SHAREHOLDERS' MANDATE)

"THAT subject to the provision of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Prestariang Group (**Group**) to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 1.4 of the Circular to Shareholders dated 17 April 2018, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed New Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed New Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
- (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the Act) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed New Shareholders' Mandate."

9. **ORDINARY RESOLUTION NO. 3**

(Resolution 8)

- 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 provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) 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 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (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 the 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.”

10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

LIM LIH CHAU (LS 0010105)

Company Secretaries

Kuala Lumpur

Dated: 17 April 2018

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 May 2018 (General Meeting Record of Depositories) 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 not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his 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 speak 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. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Notice of **ANNUAL GENERAL MEETING**

6. 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, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
7. This 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.
8. Explanatory Note on Special Business :-

(i) **Resolution 2 – 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 16 May 2018 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 6 – Authority to Allot shares pursuant to the Companies Act 2016**

The Company wishes to renew the mandate on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the 8th AGM of the Company (hereinafter referred to as the General Mandate).

The Company had been granted a general mandate by its shareholders at the Seventh Annual General Meeting (7th AGM) of the Company held on 22 May 2017. (hereinafter referred to as the Previous Mandate).

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate 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 10% of the total number of issued shares of the Company for the time being. The General Mandate, 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.

The General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

(iii) **Resolution 7 – Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate will enable the Company and its subsidiaries (Group) to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those general available to the public and are not, in the Company's opinion, detrimental to the Minority shareholder of the Company.

Please refer to the Share Buy-Back Statement and Circular dated 17 April 2018 for more information.

(iv) **Resolution 8 – 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 7th AGM of the Company held on 22 May 2017. 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 Share Buy-Back Statement and Circular dated 17 April 2018 for more information.



PRESTARIANG BERHAD
(Company No. 922260-K)
(Incorporated in Malaysia)

CDS Account No.	
Number of ordinary shares	

*I/We (full name), _____
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	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
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 Eighth Annual General Meeting of the Company to be held at Dewan Putra Perdana 1, PULSE GRANDE Hotel (formerly known as Putrajaya Shangri-La Hotel), Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 16 May 2018 at 10:00 a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy _____ (one only) shall vote on *my/our behalf.
My/our proxy/proxies shall vote as follows :-

*(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 31 December 2017 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees of RM362,072 for the financial year ended 31 December 2017.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM290,000 from 16 May 2018 until the next Annual General Meeting of the Company.	2		
4.	To re-elect Dato' Maznah binti Abdul Jalil as Director.	3		
5.	To re-elect Mr. Chan Wan Siew as Director.	4		
6.	To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
Special Business				
7.	Authority to allot shares pursuant to the Companies Act 2016.	6		
8.	Proposed Shareholders' Mandate.	7		
9.	Proposed Renewal of Share buy-back authority.	8		

As witness my/our hand(s) this day _____ of _____, 2018.

*Signature of Member/Common Seal

*Strike out whichever not applicable

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 May 2018 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 not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the Meeting, such appointment shall be invalid unless he specifies the proportions of his 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 speak 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. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. 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, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

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Stamp

To:
Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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CLIMATE CHANGE

Reference Indicator	Indicator Description	Page Reference
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	Pages 49, 56 to 57
ECC05	Initiatives in place include measures to address climate change through adaptation: a) Company mentions addressing adaptation b) Company explains specific actions taken	Pages 49 to 50 & 56 to 58
ECC08	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	Pages 50 to 51, 56, 84, 88 & 92
ECC12	Intensity of operational GHG emissions is: a) Measured and disclosed b) Reduced	Page 58
ECC14	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed	Page 58
ECC15	Three years of total energy consumption data is disclosed	Page 58
ECC31	Energy use- Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency	Pages 56 to 57
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	Page 58
ECC40	Disclosure of results measured against previously set and disclosed targets to reduce operational GHG emissions: a) Unquantified, process targets b) Quantified targets	Pages 58 to 61
ECC41	Independent verification of operational GHG emissions data: a) Independent Verification by third party b) International assurance standard used, and level of assurance declared	Page 50

CLIMATE CHANGE (continued)

Reference Indicator	Indicator Description	Page Reference
ECC42	Independent verification of operational energy consumption data: a) Independent Verification by third party b) International assurance standard used, and level of assurance declared	Page 50
ECC43	Recognition of climate change: a) As a relevant risk and/or opportunity to the business b) Discloses time horizon of risk and/or opportunity	Pages 60 to 61
ECC49	Scope 3 emissions	Page 59
ECC51	Internal carbon price: a) Company has an internal price of carbon b) Company discloses the price of carbon	Page 58

LABOUR STANDARDS

Reference Indicator	Indicator Description	Page Reference
SLS03	In relation to non-discrimination, company: a) Addresses non-discrimination/equal opportunity in general disclosures b) Race c) Religion d) Gender e) Age f) Sexual orientation g) Disabilities h) Nationality	Page 73
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	Pages 49 & 73
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	NOT APPLICABLE Prestariang Group has no Collective Bargaining Page 73

LABOUR STANDARDS (continued)

Reference Indicator	Indicator Description	Page Reference
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	Pages 71 & 75
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	Pages 71 & 76
SLS11	Policy supporting the community addressing: a) The employment of under-privileged groups b) Youth unemployment initiatives, apprenticeships or graduate placements	Pages 13, 72 to 73, 76 & 78
SLS12	Company policy on labour standards is: a) Communicated globally to employees b) Translated into relevant languages	Page 73
SLS16	Company has taken action to improve workforce diversity, equal opportunities, or reduce discrimination, including those based on: a) Race b) Religion c) Gender d) Age e) Sexual orientation f) Disabilities g) Nationality	Pages 72, 75 to 76
SLS21	In relation to instances of labour standards non-compliance, the company: a) Discloses the number of incidents b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents	Page 75
SLS24	Full time staff voluntary turnover rates	Page 77
SLS25	Percentage of employees that are contractors or temporary staff	Pages 77 to 78

LABOUR STANDARDS (continued)

Reference Indicator	Indicator Description	Page Reference
SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills	Page 73
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	Pages 72 to 74
SLS30	The company addresses bullying and/or harassment: a) Providing a confidential reporting channel or whistleblowing system b) Manager training on handling of reports or instances of bullying or harassment	Pages 73, 85, 90 to 91

HUMAN RIGHTS & COMMUNITY

Reference Indicator	Indicator Description	Page Reference
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	Page 65
SHR04	Policy addresses children's rights, other than child labour through: a) Evidence of support for children's rights in company operations or through programs b) Policy or commitment statement on children's rights	Pages 65 & 73
SHR05	Commitment to local employment and/or sourcing: a) Comment on local employment/sourcing b) Clear commitment	Pages 72, 76 & 78
SHR06	Addresses freedom of expression through: a) Having a statement/policy b) Being a member of a relevant industry initiative	Page 73
SHR07	Addresses data privacy through: a) Having a statement/policy b) Being a member of a relevant industry initiative such	Pages 52, 56, 72 to 73, 75 & 83

HUMAN RIGHTS & COMMUNITY (continued)

Reference Indicator	Indicator Description	Page Reference
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	Pages 65 to 71
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	Pages 75 & 78
SHR17	Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations.	Pages 65 to 71

CORPORATE GOVERNANCE

Reference Indicator	Indicator Description	Page Reference
GCG01	Separate Non-Executive Chairman and CEO a) Separate Non-Executive Chairman and CEO, where Chairman is not independent, OR his independence is not declared b) Separate Non-Executive Chairman and CEO, where Chairman is independent	NOT APPLICABLE Separate Chairman & CEO. Chairman is independent Page 31, 93 to 94
GCG02	Disclosure of details about Directors: a) Expertise b) Other Directorships	Pages 32 to 35
GCG03	Number of Board Directors	Page 94
GCG04	Number of independent Directors on the board	Page 94
GCG05	Number of women on the board	Pages 85 & 94
GCG06	Commitment to gender diversity on the board: a) Statement of support b) Targets in place to improve gender ratio	Pages 94 & 98
GCG07	Board addresses: a) Conflicts of interest b) Related party transactions	Pages 90, 93 & 110 Directors' Code of Ethics Related Party Policy.

CORPORATE GOVERNANCE (continued)

Reference Indicator	Indicator Description	Page Reference
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)	Pages 93 to 94 & 99 Board Charter.
GCG09	Disclosure of: a) Board Committee(s) b) Their Charters, terms of reference or equivalent	Pages 98 to 105
GCG10	Disclosure of number of times the board/each committee have/has met per annum: a) The Board b) Each Committee	Pages 98 to 105
GCG11	Disclosure of the attendance rate: a) For some individual board/committee members a) Of all individual directors at both board and committee level	Pages 95 to 105
GCG14	Disclosure of fixed and variable remuneration for: a) Senior executives b) Non-executive board members	Pages 101 to 103
GCG19	Annual General Meeting: Number of days between the date of notice and date of meeting	Page 106
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	Pages 95 & 107
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	Pages 95 & 107 Board Charter.
GCG26	Disclosure of voting results a) In at least a limited manner b) In a detailed manner	Pages 95 & 107
GCG27	Remuneration for senior executives: a) Includes long-term incentives or mechanisms b) Incorporates ESG performance	Pages 51, 103 to 104

HUMAN RIGHTS & COMMUNITY (continued)

Reference Indicator	Indicator Description	Page Reference
GCG40	Claw-back or malus provision exists for remuneration: a) Applies to CEO b) Applies to CEO and to one or more senior executives	Page 103 Remuneration Policy.
GCG42	Does the company provide for one share one vote for all company meeting resolutions?	Page 107
GCG43	If the company does not have a separate Non-Executive Chairman and CEO, does it have a Lead Director or Senior Independent Director?	NOT APPLICABLE
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	Pages 32 to 35 & 108
GCG46	There is a fully non-executive Audit Committee or Audit Board with: a) At least half independent members b) All independent members	Pages 98 & 108
GCG47	There is a fully non-executive Remuneration Committee with: a) At least half independent members b) All independent members	Page 100
GCG48	In relation to executive remuneration, the company discloses: a) High level principles b) A detailed process for setting remuneration	Page 103
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	Page 116

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