PRESTARIANG BERHAD ("PRESTARIANG" OR THE "COMPANY")

I. PROPOSED PRIVATE PLACEMENT WITH WARRANTS;

II. PROPOSED RIGHTS ISSUE WITH WARRANTS; AND

III. PROPOSED LTIP

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

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1. INTRODUCTION

On behalf of the Board of Directors of Prestariang ("**Board**"), UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") wishes to announce that the Company proposes to undertake the following:-

i. a private placement of 79,579,740 new ordinary shares in Prestariang ("**Prestariang Share(s)**" or "**Share(s)**") ("**Placement Share(s)**") at an issue price of RM0.350 per Placement Share together with 79,579,740 free detachable warrants ("**Warrant(s)**") on the basis of 1 Warrant for every 1 Placement Share issued ("**Proposed Private Placement with Warrants**");

ii. a renounceable rights issue of up to 176,843,866 new Shares ("**Rights Share(s)**") at an issue price of RM 0.200 per Rights Share, on the basis of 1 Rights Share for every 3 existing Shares held, together with up to 176,843,866 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, on an entitlement date to be determined and announced later ("**Entitlement Date**") ("**Proposed Rights Issue with Warrants**"); and

iii. the establishment of a long term incentive plan, which comprises the Proposed ESOS (as defined herein) and the Proposed SGP (as defined herein), of up to 15% of the issued share capital of the Company (excluding treasury shares of Prestariang, if any) at any point in time during the duration of the long term incentive plan, for the eligible employees and Directors of Prestariang and its subsidiary companies ("**Prestariang Group**" or the "**Group**"), which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the long term incentive plan ("**Proposed LTIP**").

(The Proposed Private Placement with Warrants, the Proposed Rights Issue with Warrants and the Proposed LTIP are collectively referred to as the "**Proposals**").

Further details of the Proposals are set out in the ensuing sections.

2. PROPOSED PRIVATE PLACEMENT WITH WARRANTS

On 21 July 2020, Prestariang had entered into a Heads of Agreement with Dr. Abu Hasan Bin Ismail ("**Dr. Abu**"), who is the Non-Independent Executive Director, President/ Group Chief Executive Officer of the Company, for the subscription by Dr. Abu of 79,579,740 new Prestariang Shares at an agreed subscription price of RM0.350 per Share ("**HOA**").

Further to the HOA, Prestariang had on 23 July 2020, entered into a subscription agreement with Dr. Abu ("**Subscription Agreement**"), for the proposed private placement of:-

i. 79,579,740 Placement Shares, representing approximately 15% of the total issued share capital of 530,531,600 Shares (excluding 1,698,500 treasury shares of Prestariang) as at 20 July 2020 being the latest practicable date prior to the date of this announcement ("**LPD**"), at an issue price of RM0.350 per Placement Share; with

ii. 79,579,740 Warrants on the basis of 1 Warrant for every 1 Placement Share issued.

The subscription of the Placement Shares are to be satisfied in full by way of cash, in accordance with the terms and conditions of the Subscription Agreement. The Warrants will be issued at no cost to Dr. Abu.

For the avoidance of doubt, the Placement Shares are not entitled to the Proposed Rights Issue with Warrants. The allotment, listing of and the quotation for the new Placement Shares and Warrants will be implemented concurrently with the Rights Shares with Warrants.

Details of the salient terms of the Subscription Agreement and the indicative salient terms of the Warrants are set out in **Section 2.2** and **Section 3.7** of this announcement, respectively.

2.1 Information of Dr. Abu

Dr. Abu, a Malaysian aged 59, is currently the Non-Independent Executive Director, President/ Group Chief Executive Officer of Prestariang. He is the founder of Prestariang Group, and has been instrumental in steering the business of Prestariang Group since its inception. He has since overseen the financial and strategic growth of the Group and has over this period of time formed successful partnerships with global ICT organisation, which include Microsoft, Autodesk, IBM, Oracle, CompTIA, Certiport, Prometric, ASIC and others.

He obtained his Diploma in Architecture from Universiti Teknologi Malaysia in 1982, Bachelor of Science in Architecture in 1984 and Bachelor of Architecture in 1986, both from the University of Strathclyde, Glasgow, as well as Master of Philosophy in 1988, and Doctor of Philosophy in 1996, both from the University of Sheffield, United Kingdom.

He commenced his career in 1982 with Universiti Teknologi Malaysia as an Assistant Lecturer and became an Associate Professor in 1992. He left Universiti Teknologi Malaysia in 1997 to assume the post as the first Dean at the newly created Faculty of Creative Multimedia, Multimedia University.

Subsequently in 2000, he left and joined FSBM Holdings Bhd where he was appointed as Executive Director and held the post until 2003.

In 2003, he founded Prestariang Group and has since contributed to the Group's overall business development and driving its business growth as highlighted above. In November 2010, he was appointed to the Board as the Non-Independent Executive Director of Prestariang in which he holds this position up until today. He is also the Group's Chief Executive Officer, in which capacity he is currently instrumental in charting the Group's overall direction and strategy, R&D, developing new products and services, and managing the overall business operations of the Group.

As at the LPD, Dr. Abu does not hold any shares in the Company.

2.2 Salient terms of Subscription Agreement

Unless defined herein or the context otherwise requires, all capitalized terms used in this **Section 2.2** shall have the meanings ascribed to them in the Subscription Agreement.

i. Conditions precedent

The obligations of the Subscriber to subscribe for the Subscription Shares on the terms of the Agreement are conditional on:-

a. the issue of the Subscription Shares and the obligation of the Subscriber to subscribe for the Subscription Shares not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any Relevant Authorities;

b. the approval of the general meeting of the shareholders of the Company to the issuance of the Subscription Shares on the terms contemplated in the Agreement having been obtained;

c. Bursa Securities having granted approval for the listing of and quotation of the Subscription Shares and Warrants on the Main Market of Bursa Securities; and

d. the approval of the general meeting of the shareholders of the Company for the Proposed Rights Issue with Warrants on the terms contemplated in the circular to the shareholders of the Company having been obtained.

ii. Payment of Subscription Price

a. Within five (5) Business Days after the general meeting for the placement exercise,

   i. provide the Share Registrar with the details of the Central Depository System account ("**CDS Account**") particulars of the Subscriber and any other information or document required by Bursa Malaysia Depository Sdn Bhd in connection with the crediting of the Subscription Shares and Warrants into the CDS Account; and

   ii. pay to the Company or to the Escrow Agent the aggregate Issue Price for the Subscription Shares in accordance with clause 3 (Subscription Price).

b. In the case where the Issue Price for the Subscription Shares is paid to the Escrow Agent, at least five (5) Business Days prior to the Retention Release Date, the Parties shall instruct the Escrow Agent to:

   i. release to the Company from the Escrow Account an amount equal to the Issue Price for the Subscription Shares ("**Principal Amount**") at the Retention Release Date; and

   ii. release to the Subscriber from the Escrow Account any accrued interest on the Principal Amount less any applicable bank charges at the Retention Release Date.

c. At least eight (8) Business Days prior to the Completion Date,

   i. the Company shall procure the issuance and allotment of the Subscription Shares and the Warrants to the Subscriber in accordance with this clause. The Company shall undertake to deliver the Subscription Shares and the Warrants in accordance with the settlement rules of Bursa Securities; and

   ii. the Company shall procure that the Subscription Shares and the Warrants are credited to the CDS Account, through the facilities of the Bursa Malaysia Depository Sdn Bhd, before 5:00 p.m. (Kuala Lumpur time) on the Completion Date and that the name of the Subscriber be entered into the records of the depositors of the Company.

d. On the Completion Date, the Company shall procure:-

i. the listing of and quotation for the Subscription Shares, Rights Shares and new Ordinary Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities; and

ii. the admission of the Warrants and Rights Warrants to the official list of the Main Market of Bursa Securities and the initial listing of and quotation for the Warrants and Rights Warrants on the Main Market of Bursa Securities.

2.3 Basis and justification for the issue price of the Placement Shares

As highlighted in the HOA, the Placement Shares are agreed to be placed out at an issue price of RM0.350 per Placement Share.

The issue price of RM0.350 per Placement Share was arrived at between Prestariang and Dr. Abu on a willing-buyer willing-seller basis after taking into consideration, amongst others, the following:-

i. the historical market prices of the Company for the past 6 months (i.e. from January 2020 to June 2020) up to 20 July 2020 (being the last full trading day preceding the date of execution of the HOA), where the highest and lowest market prices of Prestariang Shares as traded on Bursa Malaysia Securities Berhad ("**Bursa Securities**") during the aforesaid period are RM0.59 and RM0.10, respectively; and

ii. the resultant theoretical ex-rights price of Prestariang Shares ("**TERP**") of RM0.385 computed based on the 5-day VWAMP of Prestariang Shares up to and including the LTD of RM0.446 (which is also highlighted in **Section 3.2** of this announcement), whereby the issue price of RM0.350 per Placement Share represents a discount of approximately 9.09% to the TERP of RM0.385. In addition, the issue price of RM0.350 per Placement Share represents the following discount to the respective TERP based on the respective VWAMP of Prestariang Shares:-

	VWAMP	**TERP (adjusted based on VWAMP)**	**Discount (i.e. Issue price – TERP)**	
	RM	**RM**	**RM**	**%**
Last transacted price of Prestariang Shares as at 20 July 2020 (being the last full trading day preceding the date of execution of the HOA) ("**LTD**")	0.465	0.399	(0.049)	(12.28)
5-day WAMP of Prestariang Shares up to and including LTD	0.446	0.385	(0.035)	(9.09)
1-month WAMP of Prestariang Shares up to and including LTD	0.498	0.424	(0.074)	(17.45)
3-month WAMP of Prestariang Shares up to and including LTD	0.441	0.381	(0.031)	(8.14)

	VWAMP RM	TERP (adjusted based on VWAMP) RM	Discount (i.e. Issue price – TERP) RM	%
6-month WAMP of Prestariang Shares up to and including LTD	0.412	0.359	(0.009)	(2.51)

As set out in **Section 3** of this announcement, in conjunction with the Proposed Private Placement with Warrants, the Company will also be undertaking a Proposed Rights Issue with Warrants exercise.

The Proposed Private Placement with Warrants will be implemented concurrently with the Proposed Rights Issue with Warrants (i.e. the listing of the Placement Shares, the Rights Shares and the Warrants will all be implemented simultaneously on the same day). The Placement Shares subscribed is not entitled to the Rights Shares pursuant to the Proposed Rights Issue with Warrants.

The Board has also taken into account further justifications in determining the discount represented by the issue price as follows:-

i. the historical financial performance of Prestariang for the past 3 financial years/ period up to the financial period ended ("**FPE**") 30 June 2019 and the 3-month FPE 31 March 2020, where Prestariang has been in a loss making position since the financial year ended ("**FYE**") 31 December 2017, further details as illustrated in the table below:-

	<------------------------------Audited---------------------------			>	<--Unaudited-->
	FYE 31 December 2016 RM'000	**FYE 31 December 2017 RM'000**	**FYE 31 December 2017[*1] RM'000**	**FPE 30 June 2019[*2] RM'000**	**9-month FPE 31 March 2020 RM'000**
Revenue	132,071	219,506	141,453	367,318	95,387
Profit after tax ("**PAT**")/ (Loss) after tax ("**LAT**")	9,048	24,570	(2,546)	(8,957)	(9,692)

Notes:-

*[*1] During the FPE 30 June 2019, Prestariang has adopted MFRS 15 and restated its accounts for the FYE 31 December 2017. The impact on the accounts for the FYE 31 December 2017 are as follows:-*

*i. The revenue recognition in respect of the Sistem Kawalan Imigresen Nasional ("**SKIN**") project in FYE 31 December 2017 was deferred to FPE 30 June 2019 based on the SKIN agreement effective date; and*

ii. the cost incurred in relation to the revenue mentioned in item i. above was also correspondingly deferred from FYE 31 December 2017 and recognised in FPE 30 June 2019.

*[*2] The Group has changed its financial year-end from 31 December to 31 March on 31 December 2018 and from 31 March to 30 June on 28 February 2019 effective from the financial period ended 30 June 2019. The change in financial year end was in line with the ongoing negotiations for compensation arising from the SKIN project.*

ii. the current business uncertainties which the company is facing following the concerns raised by the auditors in the last audited report in relation to the going concern status of the Group and the continued losses since coupled with the uncertainties arising from the recent Covid-19 pandemic and its impact on the global economy, the Board (save for Dr. Abu) is of the view RM0.350 was reasonable to entice Dr. Abu to subscribe for the Subscription Shares; and

iii. by fixing the issue price upfront and executing the Subscription Agreement, Dr Abu will anchor the proposed fund raising as he will inject approximately RM27.85 million, which represents approximately 78.09% (Minimum Scenario) and 44.06% (Maximum Scenario) of the indicative gross proceeds to be raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants. The funds will be received within 5 Market Days into a designated escrow account after the forthcoming EGM of the Company to be convened, subject to obtaining shareholders' approval for the Proposals. Accordingly, the funds will be held in the designated escrow account from the date of payment up to the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, thereafter the fund will be transferred to the Company on the completion date of the Proposed Private Placement with Warrants.

2.4 Basis and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to Dr. Abu.

The basis and justifications for the exercise price of the Warrants (to be issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are identical, details of which are set out in **Section 3.3** of this announcement.

2.5 Indicative salient terms of the Warrants

The terms of the Warrants (to be issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are identical, details of which are set out in **Section 3.7** of this announcement**.**

2.6 Ranking of the Placement Shares and the new Shares to be issued arising from the exercise of the Warrants

The Placement Shares will, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares. For the avoidance of doubt, the Placement Shares are not entitled to the Proposed Rights Issue with Warrants.

The ranking of the new Shares to be issued arising from the exercise of the Warrants (to be issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are identical, details of which are set out in **Section 3.5** of this announcement.

2.7 Listing of and quotation for the Placement Shares and Warrants

An application will be made to Bursa Securities for the admission of the Warrants to the official list of Bursa Securities as well as the listing of and quotation for the Placement Shares, the Warrants and the new Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

3. PROPOSED RIGHTS ISSUE WITH WARRANTS

3.1 Basis and number of Rights Shares and Warrants to be issued

The Proposed Rights Issue with Warrants entails a renounceable rights issue of up to 176,843,866 Rights Shares at an issue price of RM0.200 per Rights Share, on the basis of 1 Rights Share for every 3 existing Shares held, together with up to 176,843,866 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, by the shareholders of Prestariang whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("**Entitled Shareholders**").

As at the LPD, the total issued shares of Prestariang is 530,531,600 Shares (excluding 1,698,500 treasury shares of Prestariang). For the purpose of implementing the Proposed Rights Issue with Warrants, the Board has undertaken to ensure that the Company shall not purchase/ sell/ cancel/ distribute any Prestariang Shares currently held as treasury shares pursuant to the Company's share buy-back program until the completion of the Proposed Rights Issue with Warrants.

The Proposed Rights Issue with Warrants will be undertaken on a minimum subscription level basis, where the Proposed Rights Issue with Warrants would entail a minimum issuance of Rights Shares to raise a minimum gross proceeds of RM7,813,093 ("**Minimum Subscription Level**").

Notwithstanding the above, in the event all the Entitled Shareholders and/ or their renouncee(s) fully subscribe for their entitlements under the Proposed Rights Issue with Warrants, a total of up to 176,843,866 Rights Shares together with up to 176,843,866 Warrants will be issued, raising a maximum gross proceeds of RM35,368,773. In addition, a total of up to 176,843,866 Shares will be issued upon full exercise of the Warrants from the Proposed Rights Issue with Warrants over the tenure of the Warrants. The actual number of Rights Shares and Warrants to be issued would depend on the total issued shares of Prestariang as at the Entitlement Date and the eventual subscription rate.

The Proposed Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/ or renounce their entitlements to the Rights Shares in full or in part. Only Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares will be entitled to the Warrants.

The Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Proposed Rights Issue with Warrants will simultaneously relinquish their corresponding entitlements to the Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable. Any unsubscribed Rights Shares together with the Warrants will be made available to other Entitled Shareholders and/ or their renouncee(s) via the excess Rights Shares application. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately.

The Warrants (to be issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) will be issued upon in registered form and constituted by a deed poll ("**Deed Poll**").

Fractional entitlements of the Rights Share and Warrants, if any, will be dealt with in such manner and on such terms and conditions as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company.

3.2 Basis and justification for the issue price of the Rights Shares

The issue price of RM0.200 per Rights Share was determined by the Board after taking into consideration, amongst others, the following:-

i. The minimum gross proceeds of RM7,813,093 to be raised from the Proposed Rights Issue with Warrants;

ii. The TERP of RM0.385 computed based on the 5-day VWAMP of Prestariang Shares up to and including the LPD of RM0.446, whereby the issue price RM0.200 per Rights Share represents a discount of approximately 48.05% to the TERP of RM0.385. In addition, the issue price of RM0.200 per Rights Share represents the following discount to the respective TERP based on the respective VWAMP of Prestariang Shares:-

	VWAMP	TERP (adjusted based on VWAMP)	Discount (i.e. Issue price – TERP)	
	RM	RM	RM	%
Last transacted price of Prestariang Shares as at the LPD	0.465	0.399	(0.199)	(49,87)
5-day WAMP of Prestariang Sharesup to and including LPD	0.446	0.385	(0.185)	(48.05)
1-month WAMP of Prestariang Sharesup to and including LPD	0.498	0.424	(0.224)	(52.83)
3-month WAMP of Prestariang Sharesup to and including LPD	0.441	0.381	(0.181)	(47.51)
6-month WAMP of Prestariang Sharesup to and including LPD	0.412	0.359	(0.159)	(44.29)

iii. The historical financial performance of Prestariang for the past 3 financial years/ period up to the FPE 30 June 2019 and the 3-month FPE 31 March 2020, where Prestariang has been in a loss making position since the FYE 31 December 2017, further details as illustrated in **Section 2.3** of this announcement.

In view that the financial performance of Prestariang has been poor in the recent years, the Company is in its rebuilding and recovery stage following the impact of the SKIN project termination and as such, the proceeds raised from the Proposed Rights Issue with Warrants in addition to the Proposed Private Placement with Warrants will be instrumental in funding the abovementioned business plans of which details are set out in **Section 5** of this announcement.

Accordingly, the issue price of RM0.200 per Rights Share which represents a discount of 48.05% to the TERP computed based on the 5-day VWAMP of Prestariang Shares up to and including the LPD was considered reasonable by the Board in terms of the discounted value and discount percentage of the issue price as it could possibly entice the Entitled Shareholders and/ or their renouncee(s) to subscribe for their respective entitlements, and shall accordingly allow Prestariang to raise a maximum gross proceeds of RM35.37 million under the Maximum Scenario that will be channeled towards the proposed utilisation as set out in **Section 5** of this announcement.

3.3 Basis and justification for the exercise price of the Warrants

The Warrants (to be issued under to the Proposed Rights Issue with Warrants and the Proposed Private Placement with Warrants) will be issued at no cost to the Entitled Shareholders who subscribe for the Rights Shares and Dr. Abu who subscribes for the Placement Shares.

The exercise price of RM0.385 per Warrants (to be issued under the Proposed Rights Issue with Warrants and the Proposed Private Placement with Warrants) was determined by the Board after taking into consideration, amongst others, the following:-

i. the Warrants (to be issued under the Proposed Rights Issue with Warrants and the Proposed Private Placement with Warrants) will be issued at no cost to the Entitled Shareholders who subscribe for the Rights Shares and Dr. Abu who subscribes for the Placement Shares; and

ii. the TERP of the Shares of RM0.385 computed based on the 5-day VWAMP of Prestariang Shares up to and including the LPD of RM0.446.

3.4 Minimum Subscription Level, Entitlement Undertaking and underwriting arrangement for the Proposed Rights Issue with Warrants

The Board has determined to undertake the Proposed Rights Issue with Warrants on the Minimum Subscription Level after taking into consideration the minimum level of funds of approximately RM7.81 million that the Company intends to raise from the Proposed Rights Issue with Warrants that will be channeled towards the proposed utilisation as set out in **Section 5** of this announcement.

In order to achieve the Minimum Subscription Level, the Company will endeavor to procure written irrevocable undertakings from the substantial shareholders of Prestariang, namely Maybank Trustees Berhad Areca Dynamic Growth Fund ("**Areca Dynamic Growth Fund**") and CIMB Islamic Trustee Berhad – Affin Hwang Multi-Asset Fund ("**Affin Hwang Multi-Asset Fund**") (collectively referred to as the "**Undertaking Shareholders**") prior to the submission of the relevant applications to Bursa Securities in relation to the Proposed Rights Issue with Warrants.

Subject to the Company securing the necessary undertakings, both the Undertaking Shareholders, namely Areca Dynamic Growth Fund and Affin Hwang Multi-Asset Fund, will subscribe in full for their respective entitlements based on their shareholdings as at the Entitlement Date ("**Entitlement Undertakings**").

As at the LPD, the Undertaking Shareholders collectively hold 117,196,400 Shares representing approximately 22.09% of the issued share capital of Prestariang. The details of the Undertakings are set out below:-

Undertaking Shareholders	Direct shareholdings as at the LPD*1		Entitlement Undertakings*2		Direct shareholdings after the Proposed Rights Issue with Warrants*3	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Areca Dynamic Growth Fund	77,196,400	14.55	25,732,133	65.87	102,928,533	15.86
Affin Hwang Multi-Asset Fund	40,000,000	7.54	13,333,333	34.13	53,333,333	8.22
Total	**117,196,400**	**22.09**	**39,065,466**	**100.00**	**156,261,866**	**24.07**

Notes:-

*[*1] Based on the total issued share capital of Prestariang as at the LPD amounting to 530,531,600 Prestariang Shares (excluding 1,698,500 treasury shares).*

*[*2] Based on 39,065,466 Rights Shares available to be issued the Undertaking Shareholders pursuant to the Entitlement Undertakings.*

*[*3] Computed based on the enlarged issued share capital of Prestariang amounting to 649,176,806 Prestariang Shares upon completion of the Proposed Rights Issue under the Minimum Subscription Level.*

Given that the Proposed Rights Issue with Warrants is structured under the Minimum Subscription Level basis, the Company does not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders and/ or their renouncee(s) pursuant to the Proposed Rights Issue with Warrants.

Pursuant to Paragraphs 3.06(1) and 8.02(1) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), the Company must ensure that at least 25% of the total listed Shares are in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Shares each. For information purposes, the public shareholding spread of the Company is not expected to fall below 25% of the enlarged issued share capital of the Company after the completion of the Proposed Rights Issue with Warrants, including in the event that the Undertaking Shareholders subscribe to their full entitlement and no other Entitled Shareholders subscribe for the Rights Shares.

3.5 Ranking of the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the Rights Shares.

The new Shares to be issued arising from the exercise of the Warrants (to be issued under the Proposed Rights Issue with Warrants and the Proposed Private Placement with Warrants) will, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the said new Shares.

3.6 Listing of and quotation for the Rights Shares, the Warrants and the new Shares to be issued arising from the exercise of the Warrants

An application will be made to Bursa Securities for the admission of the Warrants to the official list of Bursa Securities as well as the listing of and quotation for the Rights Shares, the Warrants and the new Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

3.7 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are as follows:-

Issue size	:	79,579,740 Warrants pursuant to the Proposed Private Placement with Warrants and up to 176,843,866 Warrants pursuant to the Proposed Rights Issue with Warrants

Form and constitution	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Exercise period	:	The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants ("**Issue Date**") and ending on a date falling on a market day immediately preceding the date which is the fifth (5th) anniversary from the Issue Date, and if such a day is not a market day, on the immediate preceding market day ("**Expiry Date**"). Warrants not exercised during the exercise period will thereafter lapse and cease to be valid
Mode of exercise	:	The registered holder of the Warrant is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or in any other manner provided in accordance with the Deed Poll
Exercise price	:	RM0.385 per Warrant, which is only payable in respect of each new Share to which a Warrant Holder will be entitled to subscribe upon exercise of the exercise rights or subject to adjustments in accordance with the provisions of the Deed Poll
Exercise rights	:	Each Warrant holder is entitled, at any time during the exercise period, to subscribe for one (1) new Shares at the exercise price, subject to adjustments in accordance with the provisions and conditions of the Deed Poll
Board lot	:	For the purpose of trading on Bursa Securities and subject to such conditions which the Bursa Securities may impose from time to time, 1 board lot of Warrants shall be one hundred (100) Warrants carrying the right at the Issue Date to subscribe for one hundred (100) new Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities
Ranking of New Shares	:	The new Shares to be issued pursuant to the exercise of the Warrants shall rank equally in all respects with the existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution, the entitlement date of which is prior to the date of allotment and issuance of the new Shares
Participating rights of the holders of Warrants in any distribution and/ or offer of further securities	:	The Warrant holders are not entitled to voting rights and/ or to participate in any distribution, rights, allotment and/ or offer of further securities in the Company until and unless the Warrants holders are issued with the new Shares arising from the exercise of the Warrants and become a shareholder of the Company
Adjustments in the exercise price and/ or number of unexercised Warrants	:	The exercise price of the Shares to which a Warrant Holder is entitled to subscribe shall from time to time be adjusted by the Directors in consultation with the adviser and certified by the auditors in accordance with the provisions of the Deed Poll. Accordingly, upon and subject to the conditions of the Deed Poll, the exercise price of the Shares to which a Warrant Holder is entitled to subscribe will be adjusted in all or any of the following cases:- i. alteration of share capital of the Company through consolidation, subdivision or conversion; or

		ii. an issue by the Company of Shares to Shareholders by way of capitalisation of profits or reserves (whether of a capital or income nature); or iii. a capital distribution to Shareholders made by the Company whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or iv. an offer or invitation to Shareholders made by the Company whereunder they may acquire or subscribe for Shares by way of rights; or v. an offer or invitation to Shareholders made by the Company by way of rights whereunder they acquire or subscribe for securities convertible into, or rights to acquire or subscribe for new Shares; or vi. a combination of all or any of the above cases.
Rights in the event of winding-up, liquidation, compromise and/ or arrangement	:	If a resolution is passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or amalgamation of the Company with one or more companies, then:- i. for the purpose of such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holder (or some other person designated by them for such purposes by special resolution) shall be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant holders; and ii. in any other case, every Warrant holder of the Warrants shall be entitled upon and subject to the conditions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by submitting the Notice(s) of Exercise duly completed, authorising the debiting of his Warrants, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by such Warrants to the extent specified in the Notice(s) of Exercise and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. If the Company is wound up or an order has been granted for such compromise or arrangement, all the exercise rights which have not been exercised within six (6) weeks of the passing of such resolution or the granting of the court order, shall lapse and the Warrants will cease to be valid for any purpose
Listing status	:	Warrants shall be listed and quoted on the Main Market of Bursa Securities

Transferability	:	The Warrant Holder may transfer the Warrants in the manner provided under the Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd
Modifications	:	All or any of the rights for the time being attached to the Warrants (other than the exercise price and exercise rights on the formulae for the adjustment of the exercise price and exercise rights or other than as specifically provided in the conditions of the Deed Poll) may be altered or abrogated by the Company from time to time (whether or not the Company is being wound up) and the sanction of a special resolution passed at a meeting of the Warrant Holders shall be necessary and sufficient to effect such alteration or abrogation. For the avoidance of doubt, the adjustment of the exercise price or the number of Warrants held by each Warrant Holder pursuant to the provisions of the Warrants or the Deed Poll shall not be construed as a modification of any of the Warrants or the Deed Poll. Any of such modification shall however be subject to the approval of the relevant authorities, where necessary
Governing law	:	Laws and regulations of Malaysia

4. PROPOSED LTIP

The Proposed LTIP serves to attract, retain, motivate and reward Directors and employees of Prestariang Group (excluding subsidiary companies which are dormant), who fulfil the eligibility criteria as set out in **Section 4.3(iii)** in this announcement ("**Eligible Person(s)**") through the award of Prestariang Shares or the rights to subscribe for Prestariang Shares as determined by a committee to be appointed and authorised by the Board ("**LTIP Committee**") in accordance with the by-laws governing it ("**By-Laws**"). For avoidance of doubt, the Proposed LTIP (save for the Proposed SGP (as defined herein) will also be extended to Non-Executive Directors of the Company in recognition of their contributions towards the growth and performance of the Group.

The Proposed LTIP will be administered in accordance with the By-Laws by the LTIP Committee, who will be responsible for, amongst others, implementing, allocating and administering the Proposed LTIP. The members of the LTIP Committee shall comprise of such number of Directors and/or senior management personnel of the Group to be identified from time to time. The Board will also formulate and approve the terms of reference of the LTIP Committee.

The Proposed LTIP shall comprise of the proposed share grant plan ("**Proposed SGP**") and proposed employee share option scheme ("**Proposed ESOS**"). The Proposed SGP is intended to award Prestariang Shares to Executive Directors and/or senior management of the Group whilst the Proposed ESOS is intended to allow the Company to award share options to Directors and employees of the Group, subject to them fulfilling certain vesting conditions as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

In implementing the Proposed LTIP, the LTIP Committee may at its absolute discretion decide that the ESOS Options (as defined herein) or SGP Grant (as defined herein) (collectively, the "**LTIP Awards**") be satisfied by the following methods:-

i. issuance of new Shares;

ii. transfer of the Company's treasury shares or any other methods as may be permitted by the Companies Act 2016 ("**Act**"), as amended from time to time and any re-enactment thereof; or

iii. a combination of any of the above.

In considering whether to issue new Shares and/ or transfer of Company's treasury shares or any other methods as may be permitted by the Act, the LTIP Committee will take into consideration, among others, factors such as the issue price of the new Shares (which shall be determined based on fair value of the Shares as at the date of the LTIP Awards), the prevailing market price of the Shares, funding requirements of the Group, future returns and the potential cost arising from the granting of the LTIP Awards. Further details on the potential cost arising from the granting of the LTIP Awards are set out in **Section 8.3** of this announcement.

4.1 Proposed ESOS

Under the Proposed ESOS, the LTIP Committee may, within the tenure of the Proposed LTIP and at its discretion, grant an award of share options in writing to Eligible Persons ("**ESOS Option(s)**") at the award date to be allocated for Prestariang Shares at a prescribed option price, subject to the terms and conditions of the By-Laws ("**Option Price**") ("**ESOS Award(s)**").

Under the Proposed ESOS, the ESOS Options will be granted on an annual basis or at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the ESOS Awards by the Eligible Persons ("**ESOS Participants**"), the ESOS Awards will be vested to the ESOS Participants over the tenure of the Proposed LTIP, subject to the ESOS Participants fulfilling certain vesting conditions as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Option Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee based on the VWAMP of Prestariang Shares for the 5-market day immediately preceding the date of the ESOS Award with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the tenure of the Proposed LTIP.

4.2 Proposed SGP

Under the Proposed SGP, the LTIP Committee may, within the tenure of the Proposed LTIP and at its discretion, grant an award of Prestariang Shares in writing to Executive Directors and/or senior management of the Group ("**SGP Award(s)**").

Under the Proposed SGP, the SGP Awards will be awarded at nil consideration to the Eligible Persons on an annual basis or at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the SGP Awards by the Eligible Persons ("**SGP Participants**"), the SGP Awards will be vested to the SGP Participants over the tenure of the Proposed LTIP, subject to the SGP Participants fulfilling certain vesting conditions as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

4.3 Indicative salient terms of the Proposed LTIP

i. Maximum number of Shares available under the Proposed LTIP

The maximum number of Prestariang Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point of time during the tenure of the Proposed LTIP.

ii. Basis of allotment and maximum allowable allotment

The allocation of Prestariang Shares to be made available for the SGP Awards and/or ESOS Awards (collectively, "**LTIP Award(s)**") under the Proposed LTIP shall be determined by the LTIP Committee annually, or such other period as determined by the LTIP Committee.

Subject to the By-Laws, the maximum number of Prestariang Shares awarded to any one Eligible Person under the Proposed LTIP at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's designation, length of service, work performance and/or such other factors as the LTIP Committee deems fit, and subject to the following conditions:-

a. the total number of Prestariang Shares made available under the Proposed LTIP shall not exceed the amount in **Section 4.3(i)** above;

b. not more than 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of issued Shares made available under the Proposed LTIP shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued Shares of the Company (excluding treasury shares, if any);

c. up to a maximum of 50% of the total number of Prestariang Shares to be issued under the Proposed LTIP could be allocated, in aggregate, to the Directors and senior management of the Group who are Eligible Persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the LTIP Committee from time to time). This is intended to incentivise the Directors of the Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of the Group and to incentivise the senior management of the Group for their commitment, dedication and loyalty towards attainment of higher performance; and

d. the Directors and senior management of the Group shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

The LTIP Committee shall be entitled to determine the maximum number of LTIP Awards that will be made available to an Eligible Person under the Proposed LTIP, in the manner provided in the By-Laws in relation to each class or grade of the Eligible Persons and the aggregate maximum number of LTIP Awards that can be awarded to the Eligible Persons under the Proposed LTIP from time to time, and the decision of the LTIP Committee shall be final and binding.

For avoidance of doubt, the LTIP Committee may at its sole and absolute discretion determine whether granting of the LTIP Awards to the Eligible Persons will be staggered over the duration of the Proposed LTIP or in a single grant and/ or whether the LTIP Awards will be subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance targets, the determination of which will be carried out at a later date after the establishment of the Proposed LTIP.

iii. Eligibility

Subject to the discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the date of the LTIP Awards shall be eligible to participate in the Proposed LTIP:-

a. in respect of an employee, the employee must fulfil the following criteria as at the date on when the LTIP Award is made by the LTIP Committee from time to time to an Eligible Person ("**LTIP Award Date**") to participate in the Proposed LTIP in the manner provided in the By-Laws:-

   aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

   bb. is confirmed in writing as a full time employee and has been in the employment of the Company or any company in the Group for such period as may be determined by the LTIP Committee prior to and up to the LTIP Award Date; and

   cc. fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.

b. in respect of a Director, the Director must fulfil the following criteria as at the LTIP Award Date:-

   aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

   bb. has been appointed as a Director of the Company or any company in the Group for such period as may be determined by the LTIP Committee prior to and up to the LTIP Award Date; and

   cc. fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time,

provided always that the selection of any Director or employee for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to an Eligible Person under the Proposed LTIP shall be at the sole discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

Notwithstanding the above, the LTIP Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out in the By-Laws.

Subject to **Sections 4.3(iii)(a) and 4.3(iii)(b)** of this announcement, there are no performance targets to be achieved by the SGP Participants and ESOS Participants (collectively, "**LTIP Participants**") before the SGP Awards can be vested and ESOS Options can be exercised into Prestariang Shares, respectively at this juncture. Notwithstanding this, the LTIP Committee may from time to time at its own discretion decide on the performance targets in the future.

iv. Duration and termination

The Proposed LTIP, when implemented, shall be in force for a period of 5 years from the effective date of implementation of the Proposed LTIP ("**Effective Date**"). The Company may, if the Board deems fit and upon the recommendation of the LTIP Committee, extend the Proposed LTIP for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

Such extended Proposed LTIP shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed LTIP and the Company shall serve appropriate notices on each LTIP Participant and/or make any necessary announcements to any parties and/or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed LTIP.

The Proposed LTIP may be terminated by the LTIP Committee at any time before the date of expiry of the Proposed LTIP in accordance with the terms of the By-Laws provided that an announcement is released to Bursa Securities on the following:-

a. the effective date of termination;

b. the Prestariang Shares vested pursuant to the Proposed SGP and/ or number of ESOS Options exercised pursuant to the Proposed ESOS; and

c. the reasons and justification for termination.

Upon expiry or termination of the Proposed LTIP, any LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed cancelled and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of resolution in a general meeting and written consent of the LTIP Participants in relation to the unvested Prestariang Shares and/or unexercised ESOS Options are not required to effect the termination of the Proposed LTIP.

v. Basis of determining the subscription price of ESOS Options

For the Proposed ESOS, subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the subscription price of ESOS Options shall be the 5-day VWAMP of Prestariang Shares at the date on which an offer is made by the LTIP Committee in writing ("**Date of Offer**"), with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/ or any other relevant authorities from time to time at the LTIP Committee's discretion.

For avoidance of doubt, the new Shares pursuant to the Proposed SGP will vest with the SGP Grantees at no cost to the SGP Grantees.

vi. Ranking of the ESOS Options and new Shares arising from the exercise of the ESOS Options and/ or upon vesting of the SGP Grant

The Eligible Persons who have accepted the offer of ESOS Options ("**ESOS Grantee(s)**") will not be entitled to any voting right or participation in any form of distribution and/ or offer of further securities in the Company until and unless such ESOS Grantees exercise their ESOS Options into new Shares.

Any new Shares to be issued under the Proposed LTIP and/ or existing Shares procured by the Company for the transfer under the SGP Grant or exercise of the ESOS Options (vide treasury shares), shall upon allotment and issuance or transfer and full payment, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution of Prestariang and such amendments thereafter, if any.

vii. Retention Period

The LTIP Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on the transfer of the Shares to be issued and/ or transferred (vide treasury shares) pursuant to the Proposed LTIP as it deems fit.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, an Eligible Person who is a Non-Executive Director must not sell, transfer or assign Prestariang Shares obtained through the exercise of the ESOS Options offered to him/her within 1 year from the date of offer of the ESOS Award.

viii. Listing of and quotation for the new Shares

An application will be made for the listing of and quotation for the new Shares to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities.

5. UTILISATION OF PROCEEDS

5.1 Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants

The indicative gross proceeds to be raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants are set out as follows:-

				Gross proceeds to be raised	
Proposal	Investor(s)/ subscribers	No. of Placement Shares	Issue price	Minimum Scenario	Maximum Scenario
			RM	RM	RM
Proposed Private Placement with Warrants	Dr. Abu	79,579,740	0.350	27,852,909	27,852,909

Proposal	Investor(s)/ subscribers	No. of Placement Shares		Issue price RM	Gross proceeds to be raised Minimum Scenario RM	Gross proceeds to be raised Maximum Scenario RM
		No. of Rights Shares Minimum Scenario	No. of Rights Shares Maximum Scenario			
Proposed Rights Issue with Warrants	Undertaking Shareholders / Entitled Shareholders	39,065,466	176,843,866	0.200	7,813,093	35,368,773
Total					**35,666,002**	**63,221,682**

For illustrative purposes, the intended utilisation of proceeds to be raised from the Proposed Private Placement with Warrants and Proposed Rights Issue with Warrants is set out as follows:-

Proposed utilisation	Estimated timeframe for the utilisation of proceeds[*1]	Minimum Scenario RM'000	Minimum Scenario %	Maximum Scenario RM'000	Maximum Scenario %
Working capital for expansion of existing business[*2]	Within 12 months	28,266	79.25	28,309	44.78
Business expansion for new product offerings[*3]	Within 24 months	-	-	17,513	27.70
Partial repayment of advances from Directors as well as redemption of the Redeemable Secured Loan Stocks ("**RSLS**")[*4]	Within 3 months	6,500	18.23	16,500	26.10
Estimated expenses in relation to the Proposals[*5]	Upon completion	900	2.52	900	1.42
Total		**35,666**	**100.00**	**63,222**	**100.00**

Notes:-

[*1] *From the date of completion of the Proposals.*

[*2] *The proceeds earmarked for working capital will be utilised to finance the day-to-day operations of the Group and is estimated to be utilised in the following manner:-*

	Minimum Scenario RM'000	***Maximum Scenario RM'000***
To support distribution of software license business[*a]	*28,266*	*28,309*
Total	***28,266***	***28,309***

[*a] *The Group has earmarked approximately RM28.27 million under the Minimum Scenario and RM28.31 million under the Maximum Scenario for the software and services business which involves distribution of software licenses, provision of software support services, and software asset management. The working capital are required mainly to pay for the software and services to the principals, third party service providers and other operating cost.*

Sufficient working capital is important to ensure that the Group is able to source for the software and services and deliver to the customers on timely basis. This will improve the turnaround cycle from the start of customers orders to the delivery of the software and services to the customers and collection of payment from the customers. Such improvement is expected to enable the Group to repeat this cycle faster and generate more sales. The timely payments to suppliers will also allow the Group to enjoy more favorable terms from the principals and third party suppliers which will, in turn, enable the Group to achieve better profit margin.

The actual amount to be utilised for working capital requirements may differ subject to the operating requirements at the time of utilisation. In the event of a surplus/ deficit in the allocated amounts for the aforesaid working capital requirements, such variance will be adjusted to/ from the proceeds allocated for other working capital requirements, depending on the respective funding requirements at that point of utilisation.

*3 *The Group has earmarked approximately RM17.51 million under the Maximum Scenario for its business expansion plan which consists of the expansion of the Group's clientele base and product line and offerings of services to include new product principals such as Amazon, Google, SAP and others. In addition, the expansion of the Group's product and service offerings for development will include, amongst others, cloud management platform, business productivity applications, specialised software and talent training and placement. Based on the foregoing, the Group's expansion will mainly focus on licensing and software services (including cloud base products and services) which is in line with the current trend of accelerated dependency on digital systems and the ability to work remotely following the implementation of the movement control order enforced by the Government of Malaysia to tackled the Covid-19 pandemic.*

*4 *The proceeds earmarked for the partial repayment of advances from Directors as well as redemption of the RSLS will be utilised as set out below:-*

Liabilities	***Minimum Scenario RM'000***	***Maximum Scenario RM'000***
Directors' Loan[*a]*	*6,500*	*6,500*
RSLS[*b]*	*-*	*10,000*
Total	***6,500***	***16,500***
Estimated interest savings per annum	*1,170*	*2,170*

*a *The Group has earmarked approximately RM6.50 million under the Minimum Scenario and Maximum Scenario to fully settle the loans provided by its Directors.*

The loans obtained from the Directors were given as interim funding to the Company to cover for shortfall in cashflow at the time and were used to provide working capital to the Group. This include working capital to pay for software and services to Principals and vendors as part of the Group's cost of sales and for operating cost. The loans were intended to be for a short-term period of not more than one year. However, due to continued cashflow shortage faced by the Group, the period of both loans have been extended and remain outstanding. The repayment of these loans will result in cost savings of RM1.17 million per annum.

*b *The Group has earmarked approximately RM10.00 million under the Maximum Scenario to fully redeem all the RSLS at RM1.00 per RSLS. The RSLS was issued to Affin-Hwang Asset Management Bhd in May 2019. For avoidance of doubt, the term of the RSLS is for a period of 2 years, expiring in May 2021. The RSLS was issued to raise funds to provide working capital for the Group's operations. This include working capital to pay for software and services to Principals and vendors as part of the Group's cost of sales and for operating cost. The redemption of the RSLS is expected to result in interest savings of RM1.00 million per annum based on the coupon rate of 10% per annum.*

*5 *The estimated expenses in relation to the Proposals amount to approximately RM0.90 million. The proceeds earmarked for estimated expenses will be utilised as set out below:-*

	RM'000
Professional fees (i.e. adviser, lawyer, reporting accountant and placement agent) and placement fees	*540*
Regulatory fees	*140*
Other incidental expenses in relation to the Proposals	*220*
Total	***900***

If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.

The actual gross proceeds to be raised from the Proposed Rights Issue with Warrants is dependent on the total issued shares of the Company on the Entitlement Date, the final issue price and the eventual subscription rate of the Rights Shares.

Pending utilisation of proceeds from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

Any variance to the total gross proceeds raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants will be adjusted against the proceeds earmarked for working capital.

The exact quantum of proceeds that may be raised from the exercise of the Warrants will depend upon the actual number of Warrants as and when exercised during the tenure of the Warrants as well as the exercise price of the Warrants to be fixed. As such, the exact timeframe for utilisation of such proceeds arising from the exercise of the Warrants is not determinable at this juncture. Such proceeds raised shall be utilised to fund the Group's working capital requirements, the breakdown of which have not been determined at this juncture.

For avoidance of doubt, the actual gross proceeds to be raised from the Proposed Rights Issue will depend on the actual number of Rights Shares that will be issued.

5.2 Proposed LTIP

The Company will receive proceeds pursuant to the exercise of the ESOS Options by the Eligible Persons. However, the actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the subscription price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of the Group. The working capital would be used to fund the Group's day-to-day operations to support existing business operations which shall include, but not limited to, the payment of trade and other payables, staff costs such as salaries, statutory contributions and employee benefits e.g. medical and other operating expenses. The Company expects to utilise the proceeds for the said working capital requirements within a period of 12 months, as and when the proceeds are received throughout the tenure of the Proposed LTIP.

The Company will not receive any proceeds pursuant to the Proposed SGP as the SGP Grantees will not be required to pay for the new Shares to be issued and allotted to them and/ or the existing Shares to be transferred to them pursuant to the SGP Grant.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

6. FUND RAISING EXERCISES IN THE PAST 12 MONTHS

For shareholders' information, on 21 January 2020, the Company had announced the private placement of up to 48,230,100 new ordinary shares of Prestariang, representing not more than 10% of the total number of issued shares of the Company ("**Private Placement I**"). On 23 June 2020, a total of 48,230,100 Shares were placed out at the issue price of RM0.296 per Share, which raised gross proceeds of approximately RM14.28 million.

The Private Placement I was completed on 23 June 2020 and the utilisation of proceeds raised from the Private Placement I as at the LPD are set out below:-

Proposed utilisation	**Amount raised RM'000**	**Amout utilised as at the LPD RM'000**	**Amount unutilised as at the LPD RM'000**
Working capital[*1]	7,646	7,646	-
Repayment of bank borrowings[*2]	6,000	6,000	-
Defrayment of expenses related to the Private Placement I[*3]	630	195	435
Total estimated proceeds	14,276	13,841	435

Notes:-

[*1] *The proceeds earmarked for general working capital are intended to be utilised by the Group mainly for the payment of trade creditors pertaining to the Group's information and communications technology services and distribution business, staff costs and office related expenses.*

[*2] *The Company has earmarked RM6.00 million of the proceeds to repay the principal of its overdraft facility with an effective interest rate of 7.95% per annum. The repayment is expected to enable the Group to derive gross interest savings of approximately RM0.48 million per annum.*

[*3] *The expenses related to the Private Placement I include payment of fees to the relevant authorities, advisory and placement fees.*

Save for the Private Placement I, the Company had not undertaken any other fund raising exercises in the past 12 months up to the LPD.

7. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

7.1 Proposed Private Placement with Warrants

The Proposed Private Placement with Warrants, through the execution of the Subscription Agreement with Dr. Abu, enables the Company to secure additional funds for the purpose of strengthening the Group's capital structure and meet its working capital requirement with equity funding. This will build a more robust capital structure and prepare the Company for the challenging times amidst the global economic slowdown triggered by Covid-19 pandemic.

It also serves as an additional remedial effort undertaken by the Company to address the Group's working capital needs and going concern issues raised by auditors in the Independent Auditors' Report in the Group's Audited Financial Statements for the period ended 30 June 2019. Such fund raising will form part of larger strategy articulated at the 9th Annual General Meeting of the Company held on 27 November 2019 and the subsequent announcements made by Company.

As highlighted in **Section 5** of this announcement, the Proposed Private Placement with Warrants is expected to raise approximately RM27.85 million for the purpose of amongst others, to support the distribution of the Group's software license business and to finance the Group's business expansion plans, without having to incur additional borrowings and related interest expenses. This allows the Group to preserve cash flow for operational purposes and to reduce gearing level and risk.

In addition, as highlighted in **Section 2.3** of this announcement, by fixing the issue price upfront and executing the Subscription Agreement, Dr Abu will anchor the proposed fund raising as he will inject approximately RM27.85 million, which represents approximately 78.09% (minimum scenario) and 44.06% (maximum scenario) of the indicative gross proceeds to be raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants. The funds will be received within 5 Market Days into a designated escrow account after the forthcoming EGM of the Company to be convened, subject to obtaining shareholders' approval for the Proposals.

Upon completion of the Proposed Private Placement with Warrants, the enlarged capital base is also expected to further strengthen the balance sheet position of the Company. The Proposed Private Placement with Warrants will enable the Group to restore and strengthen its equity capital whilst rebuilding a stable footing for the Group's business following the termination of the SKIN contract.

7.2 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants is undertaken to raise proceeds to be utilised in the manner as set out in **Section 5** of this announcement. After due consideration of the various options available as well as the capital structure of the Company, the Board is of the opinion that the Proposed Rights Issue with Warrants is the most appropriate means of raising funds for the following reasons:-

i. The Proposed Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering in the Company on a pro rata basis and ultimately, participate in the prospects and future growth of the Group by subscribing to the Rights Shares; and

ii. The Proposed Rights Issue with Warrants will strengthen the Group's financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings which are expected to facilitate the continuous long-term growth and expansion plans of the Group.

Further, the Warrants to be issued pursuant to the Proposed Rights Issue with Warrants are expected to provide an incentive to the Entitled Shareholders to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants. The Company would also be able to raise additional proceeds as and when the Warrants are exercised.

7.3 Proposed LTIP

The implementation of the Proposed LTIP primarily serves to align the interests of the Eligible Persons to the corporate goals of the Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the objectives as set out below:-

i. To recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;

ii. To reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Company's shares;

iii. To motivate the Eligible Persons towards improved performance through greater productivity and loyalty;

iv. To inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and

v. To possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

The Proposed LTIP is also extended to Prestariang's subsidiary companies, which are not dormant, in recognition of their contributions towards the growth and performance of the Group.

7.4 Adequacy of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants in addressing the Group's financial concerns

Similar to the fundraising objectives of Private Placement I which was announced by the Group in January 2020 and was successfully completed in June 2020, the proceeds from the current fund raising exercises (i.e. the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are primarily earmarked to fund the Group's medium term capital requirements to enable the Group to continue its operation as well as with further expansion of its business without the risk of potential disruptions particularly for the Group's ICT Services and Distribution segment. This would enable the Group to continuously deliver orders to clients more efficiently and in timely manner whilst allowing the Group to focus on, amongst others, the following strategic initiatives to enhance the Group’s long term business prospects and financial performance:-

i. Divestment of non-core assets;

ii. Cost-cutting measures;

iii. Collaboration with other international technology players with the primary objective to expand the Group’s product and service offerings to its customers;

iv. Development and expansion of additional product and service offerings to existing customers; and

v. Expansion of project pipeline through replication of existing projects to other relevant customers.

As at 31 March 2020, the Group’s has net working capital of RM102.67 million computed as follows:-

	Audited 30 June 2019 RM'000	**Unaudited 31 March 2020 RM'000**
Current Assets	234,780	240,947[*1]
Less: Current liabilities	124,004	138,279
Net working capital	**110,776**	**102,668**

Note:-

*[*1] An amount of RM175,460,000 owing by the Government of Malaysia in relation to the development of the SKIN project is included in the trade receivables of the Group.*

The current fund raising exercises will allow the Group to bridge the timing differences between the collection from its trade debtors and payment to its trade creditors via a blend of equity capital and debt instead of purely funding its additional working capital needs via debt which may be challenging and costly for the Group to obtain given the current domestic and international economic condition.

Premised on the above, the Board is of the view that the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants are the most appropriate avenue of fundraising at this juncture to raise funds promptly to address the Group's medium term capital adequacy and maintain a good balance between debt and equity funding of its working capital. This would, in turn, facilitate the generation of long term financial benefits to the Group in the form of stronger top line and improved margins.

7.5 Expected value creation and the impact of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants on the Company and its shareholders

As highlighted in **Section 5** of this announcement, the current fund raising exercises (i.e. the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) will allow the Group to address its medium term capital requirements to enable the Group to continue its operation as well as with further expansion of its business without the risk of potential disruptions particularly for the Group's ICT Services and Distribution segment, which in turn facilitates the value creation to the Group and shareholders. In particular, the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants will allow the Group to achieve the said objectives with less reliance on financing facilities. This will also help reduce the financial cost to the Group, which has been escalating in the recent quarters. Further, the abovementioned fund-raising exercises will assist the Company in the expansion of its business and the offering of new products and services, details of which are set out in **Section 5** of this announcement.

The effects of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants on the issued share capital, substantial shareholding structure, the NA and gearing, earnings and EPS of our Group are disclosed in **Section 8** of this announcement.

Pursuant to the implementation of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants, the Group is expected to raise minimum gross proceeds of RM35.67 million under the Minimum Scenario and maximum gross proceeds of RM63.22 million under the Maximum Scenario, which is expected to result in the following effects:-

	Audited as at 30 June 2019	Subsequent adjustments up to the LPD*1	After the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants	
			Minimum Scenario*2	Maximum Scenario*3
Issued share capital (excluding treasury shares)	RM116,333,654 comprising 482,301,500 Shares	RM130,610,410 comprising 530,531,600 Shares	RM158,149,215 comprising 649,176,806 Shares	RM176,267,075 comprising 786,955,206 Shares
Current assets	RM234.78 million	RM249.06 million	RM284.73 million	RM312.28 million
Current liabilities	RM124.00 million	RM124.00 million	RM124.00 million	RM124.00 million
Current ratio	1.89 times	2.00 times	2.30 times	2.52 times
NA	RM108.44 million	RM122.71 million	RM157.48 million*4	RM185.03 million*4
Total equity	RM120.15 million	RM134.42 million	RM169.19 million*4	RM196.74 million*4
NA per Share (RM)	0.22	0.23	0.24	0.24
Gearing ratio (times)	0.53	0.47	0.38	0.27

Notes:-

*1 *On 23 June 2020, a total of 48,230,100 Shares were placed out at the issue price of RM0.296 per Share, which raised gross proceeds of approximately RM14.28 million, pursuant to the Private Placement I.*

*2 *Based on RM35.67 million in gross proceeds raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants under the Minimum Scenario.*

*3 *Based on RM63.22 million in gross proceeds raised from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants under the Maximum Scenario.*

*4 *After deducting the estimated expenses of RM0.90 million in relation to the Proposals.*

The Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants which is expected to be completed in the fourth quarter of 2020, are not expected to have any material effect on the earnings of the Group for the financial year ending 30 June 2021. However, there will be a dilutive effect on the EPS of the Group for the financial year ending 30 June 2021 due to the increase in the number of Shares arising from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants and as and when the Warrants are exercised into new Shares during the tenure of the Warrants. Notwithstanding that, the proceeds from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants is expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

8. EFFECTS OF THE PROPOSALS

For illustrative purposes, throughout this announcement, the effects of the Proposals shall be based on the following 2 scenarios:-

Minimum Scenario	:	Assuming the Proposed Rights Issue with Warrants is undertaken on a Minimum Subscription Level basis
Maximum Scenario	:	Assuming the Proposed Rights Issue with Warrants is fully subscribed by all the Entitled Shareholders and/ or their renouncee(s)

As highlighted in **Section 3.1** of this announcement, for the purpose of implementing the Proposed Rights Issue with Warrants, the Board has undertaken to ensure that the Company shall not purchase/ sell/ cancel/ distribute any Prestariang Shares currently held as treasury shares pursuant to the Company's share buy-back program until the completion of the Proposed Rights Issue with Warrants. As such, the treasury shares will be retained under the Minimum and Maximum Scenario.

8.1 Issued share capital

The Proposed LTIP will not have any immediate effect on the existing issued share capital of the Company until such time new Shares are issued pursuant to the Proposed LTIP. The issued share capital of the Company may increase progressively depending on the number of new Shares to be issued arising from the exercise of the ESOS Options that may be granted under the Proposed ESOS and/ or pursuant to the vesting of the new Shares under the SGP Grant. However, if existing Shares are to be transferred vide treasury shares to Eligible Persons pursuant to the Proposed LTIP, there will be no effect on the issued share capital of the Company.

The pro forma effects of the Proposals on the issued share capital of the Company are set out below:-

	Minimum Scenario		**Maximum Scenario**	
	No. of shares	**RM**	**No. of shares**	**RM**
Issued share capital as at the LPD	532,230,100	133,976,756	532,230,100	133,976,756
Less: Treasury shares, at cost	(1,698,500)	(3,366,346)	(1,698,500)	(3,366,346)
	530,531,600	130,610,410	530,531,600	130,610,410
Placement Shares to be issued pursuant to the Proposed Private Placement	79,579,740	22,401,697*1	79,579,740	22,401,697*1
Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants	39,065,466	5,137,108*2	176,843,866	23,254,968*2
	649,176,806	158,149,215	786,955,206	176,267,075
Assuming full exercise of Warrants	118,645,206	45,678,404*3	256,423,606	98,723,088*3
Reversal warrants reserve	-	8,127,197*4	-	17,565,017*4
	767,822,012	211,954,816	1,043,378,812	292,555,180
Shares to be issued pursuant to the Proposed LTIP	115,173,301*5	40,310,655*6	156,506,821*5	54,777,387*6
Enlarged issued share capital	**882,995,313**	**252,265,471**	**1,199,885,633**	**347,332,567**

Notes:-

*1 *Computed based on the issue price of RM0.350 per Placement Share and adjusted for the apportionment of its relative fair value for 79,579,740 Warrants at RM0.0685 per Warrant between the share capital account and the warrants reserve account.*

*2 *Computed based on the issue price of RM0.200 per Rights Share and adjusted for the apportionment of its relative fair value for 39,065,466 Warrants (Minimum Scenario) and 176,843,866 Warrants (Maximum Scenario) at RM0.0685 per Warrant between the share capital account and the warrants reserve account.*

*3 *Computed based on the exercise price of RM0.385 per Warrant.*

*4 *Computed based on the number of Warrants (issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) multiplied by the theoretical fair value of RM0.0685 per Warrant.*

*5 *Computed based on 15% of the total number of issued Shares (excluding treasury shares, where applicable) after full exercise of the Warrants. For avoidance of doubt, the maximum number of Shares which may be made available pursuant to the Proposed LTIP shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the tenure of the Proposed LTIP.*

*6 *Assuming the ESOS Options are exercised into new Shares at the indicative exercise price of RM0.350, which represents a discount of approximately 9.09% to the TERP of the Shares of RM0.385, calculated based on the 5-day VWAMP of Prestariang Shares up to and including the LPD of RM0.446.*

8.2 NA per Share and gearing

Based on the latest audited consolidated statements of financial position of the Group as at 30 June 2019, the pro forma effects of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants on the NA per Share and gearing of the Group are set out as follows:-

Minimum Scenario

		I	II	III	IV
	Audited as at 30 June 2019 RM'000	**Subsequent adjustments up to the LPD[*1] RM'000**	**After I and the Proposed Private Placement with Warrants RM'000**	**After II and the Proposed Rights Issue with Warrants RM'000**	**After III and assuming all Warrants are exercised RM'000**
Share capital	119,700	133,976	156,378[*2]	161,515[*3]	215,321[*5]
Treasury shares	(3,366)	(3,366)	(3,366)	(3,366)	(3,366)
Merger deficit	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)
Fair value reserve	(7,630)	(7,630)	(7,630)	(7,630)	(7,630)
Warrant reserve	-	-	-	8,127[*3]	-[*5]
Retained profit	10,534	10,534	10,534	9,634[*4]	9,634
Shareholders' fund/ NA	**108,438**	**122,714**	**145,116**	**157,480**	**203,159**
Non-controlling interest	11,711	11,711	11,711	11,711	11,711
Total equity	**120,149**	**134,425**	**156,827**	**169,191**	**214,870**
No. of Shares in issue	482,301,500	530,531,600	610,111,340[*2]	649,176,806[*3]	767,822,012[*5]
NA per Share (RM)	0.22	0.23	0.24	0.24	0.26
Total borrowings (RM)	63,521	63,521	63,521	63,521	63,521
Gearing ratio (times)	0.53	0.47	0.41	0.38	0.30

Notes:-

[*1] *On 23 June 2020, a total of 48,230,100 Shares were placed out at the issue price of RM0.296 per Share, which raised gross proceeds of approximately RM14.28 million, pursuant to the Private Placement I.*

[*2] *Computed based on 79,579,740 Placement Shares are issued at the issue price of RM0.350 per Placement Share pursuant to the Proposed Private Placement with Warrants.*

[*3] *Computed based on the Undertaking Shareholders' subscription of 39,065,466 Rights Shares at the issue price of RM0.200 per Rights Share under the Minimum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account and the recognition of 118,645,206 Warrants at the theoretical fair value of RM0.0685 per Warrant based on the trinomial option pricing model as extracted from Bloomberg.*

[*4] *After deducting the estimated expenses of RM0.90 million in relation to the Proposals.*

[*5] *Assuming all 118,645,206 Warrants (issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are exercised at the exercise price of RM0.385 per Warrant under the Minimum Scenario and the corresponding partial reversal of the warrant reverse to share capital.*

Maximum Scenario

		I	II	III	IV
	Audited as at 30 June 2019 RM'000	**Subsequent adjustments up to the LPD[*1] RM'000**	**After I and the Proposed Private Placement with Warrants RM'000**	**After II and the Proposed Rights Issue with Warrants RM'000**	**After III and assuming all Warrants are exercised RM'000**
Share capital	119,700	133,976	156,378[*2]	179,633[*3]	295,921[*5]
Treasury shares	(3,366)	(3,366)	(3,366)	(3,366)	(3,366)
Merger deficit	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)
Fair value reserve	(7,630)	(7,630)	(7,630)	(7,630)	(7,630)
Warrant reserve	-	-	-	17,565[*3]	-[*5]
Retained profit	10,534	10,534	10,534	9,634[*4]	9,634
Shareholders' fund/ NA	**108,438**	**122,714**	**145,116**	**185,036**	**283,759**
Non-controlling interest	11,711	11,711	11,711	11,711	11,711
Total equity	**120,149**	**134,425**	**156,827**	**196,747**	**295,470**
No. of Shares in issue	482,301,500	530,531,600	610,111,340[*2]	786,955,206[*3]	1,043,378,812[*5]
NA per Share (RM)	0.22	0.23	0.24	0.24	0.27
Total borrowings (RM)	63,521	63,521	63,521	53,521[*6]	53,521
Gearing ratio (times)	0.53	0.47	0.41	0.27	0.18

Notes:-

[*1] *On 23 June 2020, a total of 48,230,100 Shares were placed out at the issue price of RM0.296 per Share, which raised gross proceeds of approximately RM14.28 million, pursuant to the Private Placement I.*

[*2] *Computed based on 79,579,740 Placement Shares are issued at the issue price of RM0.350 per Placement Share pursuant to the Proposed Private Placement with Warrants.*

[*3] *Computed based on the Entitled Shareholders' subscription of 176,843,866 Rights Shares at the issue price of RM0.200 per Rights Share under the Maximum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account and the recognition of 176,843,866 Warrants at the theoretical fair value of RM0.0685 per Warrant based on the trinomial option pricing model as extracted from Bloomberg.*

[*4] *After deducting the estimated expenses of RM0.90 million in relation to the Proposals.*

[*5] *Assuming all 256,423,606 Warrants (issued under the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants) are exercised at the exercise price of RM0.385 per Warrant under the Maximum Scenario and the reversal of the warrant reserve to share capital.*

[*6] *After deducting the full redemption of the 10,000,000 RSLS at RM1 per RSLS under the Maximum Scenario as highlighted under **Section 5** of this announcement.*

Pursuant to the Proposed LTIP, save for the potential impact of Malaysian Financial Reporting Standards 2, on "Share-Based Payment" ("**MFRS 2"**) issued by the Malaysian Accounting Standards Board, as elaborated in **Section 7.3** of this announcement, the Proposed LTIP is not expected to have any immediate effect on the NA, NA per Share and gearing of the Group until such time new Shares are issued. Any potential effect on the NA, NA per Share and gearing of the Group in the future will depend on factors such as the actual number of Shares to be issued which can only be determined at the point of the exercise of the ESOS Options and option price and/ or the vesting of the SGP Grant.

Upon vesting of the SGP Grant and/ or exercise of the ESOS Options pursuant to the Proposed LTIP, the NA per Share of the Group is expected to:-

i. Increase if the exercise price of the ESOS Options or the fair value of the SGP Grant is higher than the NA per Share of the Group; or

ii. Decrease if the exercise price of the ESOS Options or the fair value of the SGP Grant is lower than the NA per Share of the Group,

at such point of exercise and/ or vesting.

8.3 Earnings and earnings per Share ("EPS")

The Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants which is expected to be completed in the fourth quarter of 2020, are not expected to have any material effect on the earnings of the Group for the financial year ending 30 June 2021. However, there will be a dilutive effect on the EPS of the Group for the financial year ending 30 June 2021 due to the increase in the number of Shares arising from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants and as and when the Warrants are exercised into new Shares during the tenure of the Warrants. Notwithstanding that, the proceeds from the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants is expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

The Proposed LTIP may have an effect on the earnings of the Group for the financial year ending 30 June 2021 and throughout the duration of the Proposed LTIP upon implementation due to possible impact of the MFRS 2 on share-based payment. However, any potential effect on the EPS of the Group in the future would depend on the number of ESOS Options granted and exercised, and the subscription price payable upon the exercise of the ESOS Options under the Proposed ESOS and the number of Shares granted under the Proposed SGP, as well as the earnings impact of the MFRS 2 on share-based payment.

In accordance with MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each date of offer and is recognised in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of the Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of the Shares, the risk-free rate, the subscription price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of the Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

Under the MFRS 2, the potential cost of awarding the Shares under the Proposed SGP will need to be measured at fair value on the date of granting and recognised as an expense in the statement of profit or loss and other comprehensive income of the Group over the vesting period of such Shares under the SGP Grant. The extent of the effect of the Proposed SGP on the Group's EPS cannot be determined at this juncture as it would depend on the fair value of the Shares at the respective dates of the SGP Grant. However, it is important to note that the potential cost of the award pursuant to the Proposed SGP do not represent a cash outflow and is only an accounting treatment.

Nevertheless, the Company has taken note of the potential impact of the MFRS 2 on the Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options and/ or the Shares to the Eligible Persons.

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8.4 Substantial shareholding structure

The pro forma effects of the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants on the substantial shareholders' shareholdings of the Company as at the LPD are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				I After the Proposed Private Placement with Warrants				II After I and the Proposed Rights Issue with Warrants				III After II and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%*1	No. of Shares	%	No. of Shares	%*2	No. of Shares	%	No. of Shares	%*3	No. of Shares	%	No. of Shares	%*4	No. of Shares	%
Areca Dynamic Growth Fund	77,196,400	14.55	-	-	77,196,400	12.65	-	-	102,928,533	15.86	-	-	128,660,666	16.76	-	-
Affin Hwang Multi-Asset Fund	40,000,000	7.54	-	-	40,000,000	6.56	-	-	53,333,333	8.22	-	-	66,666,666	8.68	-	-
Dr Abu Hasan*3	-	-	-	-	79,579,740	13.04	-	-	79,579,740	12.26	-	-	159,159,480	20.73	-	-

Notes:-

*1 *Based on the total issued shares of 530,531,600 of Prestariang.*

*2 *Based on the total issued shares of 610,111,340 of Prestariang.*

*3 *Based on the total issued shares of 649,176,806 of Prestariang.*

*4 *Based on the total issued shares of 767,822,012 of Prestariang.*

Maximum Scenario

					I				II				III			
	Shareholdings as at the LPD				**After the Proposed Private Placement with Warrants**				**After I and the Proposed Rights Issue with Warrants**				**After II and assuming full exercise of Warrants**			
	Direct		**Indirect**		**Direct**		**Indirect**		**Direct**		**Indirect**		**Direct**		**Indirect**	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%**	**No. of Shares**	**%[*4]**	**No. of Shares**	**%**
Areca Dynamic Growth Fund	77,196,400	14.55	-	-	77,196,400	12.65	-	-	102,928,533	13.08	-	-	128,660,666	12.33	-	-
Affin Hwang Multi-Asset Fund	40,000,000	7.54	-	-	40,000,000	6.56	-	-	53,333,333	6.78	-	-	66,666,666	6.39	-	-
Dr Abu Hasan[*3]	-	-	-	-	79,579,740	13.04	-	-	79,579,740	10.11	-	-	159,159,480	15.25	-	-

Notes:-

*[*1] Based on the total issued shares of 530,531,600 of Prestariang.*

*[*2] Based on the total issued shares of 610,111,340 of Prestariang.*

*[*3] Based on the total issued shares of 786,955,206 of Prestariang.*

*[*4] Based on the total issued shares of 1,043,378,812 of Prestariang.*

The Proposed LTIP will not have an immediate effect on the shareholdings of the substantial shareholders of Prestariang until such time when the new Shares are issued pursuant to the Proposed LTIP, which should result in a dilution in their shareholdings. Any potential effect on the substantial shareholdings in Prestariang will depend on the number of ESOS Options granted and new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS as well as the number of new Prestariang Shares issued under the Proposed SGP at any point in time.

8.5 Convertible securities

As at the LPD, the Company does not have any convertible securities.

9. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

i. Bursa Securities, for the following:-

   a. listing of and quotation for the Placement Shares on the Main Market of Bursa Securities;

   b. admission of the Warrants to the official list of Bursa Securities;

   c. listing of and quotation for the Rights Shares, Warrants and the new Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities; and

   d. listing of and quotation for such number of new Shares, representing up to 15% of Prestariang's total number of issued shares (excluding treasury shares of Prestariang, if any) that may be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities.

ii. Shareholders of Prestariang at an Extraordinary General Meeting ("**EGM**") to be convened; and

iii. Any other relevant authority, if required.

The Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants are inter-conditional upon each other.

The Proposed LTIP is not conditional upon the Proposed Private Placement with Warrants and the Proposed Rights Issue with Warrants.

The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors and major shareholders of Prestariang and/ or persons connected to them have any interest, direct or indirect, in the Proposals.

10.1 Proposed Private Placement with Warrants

Save for Dr. Abu, none of the Directors and/ or major shareholders of the Company and/ or persons connected to them have any interests, where direct or indirect, in the Proposed Private Placement with Warrants.

Dr. Abu is deemed interested in the Proposed Private Placement with Warrants by virtue of him being the Non-Independent Executive Director as well as the placee for the Proposed Private Placement with Warrants. In view of the foregoing, Dr. Abu has abstained and will continue to abstain from deliberating and voting on the Proposed Private Placement with Warrants and the allocation of the Placement Shares to himself at the relevant Board meeting(s).

He will also abstain from voting in respect of his direct and/ or indirect shareholdings in the Company, if any, and has undertaken to ensure that persons connected with him will abstain from voting in respect of their respective direct and/ or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Private Placement with Warrants and the allocation of the Placement Shares to himself at the forthcoming EGM of the Company to be convened.

10.2 Proposed Rights Issue with Warrants

None of the Directors and/ or major shareholders of the Company and/ or persons connected with them have any interest, either direct or indirect, in the Proposed Rights Issue with Warrants apart from their respective entitlements under the Proposed Rights Issue (including the right to apply for additional Rights Shares under excess Right Shares application), to which all the shareholders of the Company are similarly entitled.

10.3 Proposed LTIP

All the Directors are entitled to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed LTIP ("**Interested Directors**").

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed LTIP.

The Interested Directors will also abstain from voting in respect of their direct and/ or indirect shareholdings, if any, at the forthcoming EGM of the Company to be convened on the ordinary resolutions to be tabled for their respective proposed allocation, if any, as well as the proposed allocations to the persons connected to them, if any. The Interested Directors will undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, in the Company on the ordinary resolutions pertaining to their respective proposed allocation and the proposed allocations to the persons connected to them to be tabled at the forthcoming EGM of the Company to be convened.

The shareholdings of the Interested Directors as at the LPD are as follows:-

	Shareholdings as at the LPD			
	Direct		**Indirect**	
Interested Directors	**No. of Shares**	**%[*1]**	**No. of Shares**	**%**
Dr. Abu	-	-	-	-
Baldesh Singh A/L Manmohan Singh	-	-	-	-
Chan Wan Siew	950,000	0.18	50,000[*1]	-[*2]
Ramanathan A/L Sathiamutty	-	-	-	-
Ginny Yeow Mei Ying	-	-	-	-
Hafidah Aman Binti Hashim	-	-	-	-

	Shareholdings as at the LPD			
	Direct		Indirect	
Interested Directors	**No. of Shares**	**%[*1]**	**No. of Shares**	**%**
Professor Emeritus Dato' Dr. Hassan Bin Said	-	-	-	-

Notes:-

*[*1] Deemed interested by virtue of his spouse, Lee Oi Lin's shareholdings in Prestariang.*

*[*2] Negligible.*

11. DIRECTORS' STATEMENT

The Board (save for Dr. Abu who has abstained from all deliberations and voting in relation to the Proposed Private Placement with Warrants at the relevant Board meeting(s)), having considered all aspects of the Proposed Private Placement with Warrants, including but not limited to the rationale and justifications and effects of the Proposed Private Placement with Warrants, is of the opinion that the Proposed Private Placement with Warrants is in the best interest of the Group. Accordingly, the Board (save for Dr. Abu) recommends that the shareholders of Prestariang vote in favour of the resolution pertaining to the Proposed Private Placement with Warrants at the forthcoming EGM of the Company to be convened.

Further, the Board, having considered all aspects of the Proposed Rights Issue with Warrants and the Proposed LTIP, including but not limited to the rationale and justifications and effects of the Proposed Rights Issue with Warrants and the Proposed LTIP, is of the opinion that the Proposed Rights Issue with Warrants and the Proposed LTIP are in the best interest of the Group. Accordingly, the Board recommends that the shareholders of Prestariang vote in favour of the resolutions pertaining to the Proposed Rights Issue with Warrants and the Proposed LTIP at the forthcoming EGM of the Company to be convened.

Dr. Abu has abstained and will continue to abstain from deliberating and making any recommendations on the Proposed Private Placement with Warrants and the allocation of the Placement Shares to himself at the relevant Board meeting(s). He will also abstain from voting in respect of his direct and/ or indirect shareholdings in Prestariang, if any, and ensure that persons connected to him, if any, abstain from voting in respect of their direct and/ or indirect interests in Prestariang on the resolution pertaining to the Proposed Private Placement with Warrants and the allocation of the Placement Shares to himself at the forthcoming EGM of the Company to be convened.

In view that the Interested Directors are eligible to participate in the Proposed LTIP, the Interested Directors have abstained from deliberating and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed LTIP. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/or indirect interests in Prestariang, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed LTIP at the forthcoming EGM of the Company to be convened.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by the fourth quarter of 2020.

13. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities shall be made within 2 months from the date of this announcement.

14. ADVISER AND PLACEMENT AGENT

UOBKH has been appointed as the Adviser for the Proposals and the Placement Agent for the Proposed Private Placement with Warrants.

This announcement is dated 23 July 2020.

1. Financial position of the Group

The audited financial information of the Group for the FYE 31 December 2016, FYE 31 December 2017, restated consolidated financial statements for the FYE 31 December 2017, the eighteen months 18-month financial period ended FPE 30 June 2019 and the latest unaudited three 3-month FPE 31 March 2020 are as follows:

	<------Audited			------>	<--Unaudited-->
	FYE 31 December 2016 RM'000	**FYE 31 December 2017 RM'000**	**FYE 31 December 2017*1 RM'000**	**FPE 30 June 2019*2 RM'000**	**9-month FPE 31 March 2020 RM'000**
Revenue	132,071	219,506	141,453	367,318	95,387
Cost of sales	(99,673)	(153,673)	(109,338)	(258,967)	(77,940)
Gross Profit ("**GP**")	32,398	65,833	32,115	108,351	17,447
Other income	2,950	2,7252	2,725	1,511	430
Administrative expenses	(21,625)	(24,136)	(24,136)	(49,325)	(20,748)
Other expenses	(1,739)	(5,956)	(5,315)	(20,895)	(2,177)
Finance costs	(453)	(479)	(479)	(5,365)	(3,676)
Net impairment losses on financial assets	-	-	(16,323)	(16,323)	
Profit before tax ("**PBT**")/ (Loss) before tax ("**LBT**")	11,531	37,978	4,260	17,954	(8,724)
Taxation	(2,483)	(13,408)	(6,806)	(26,911)	(968)
PAT/ (LAT)	**9,048**	**24,570**	**(2,546)**	**(8,957)**	**(9,692)**
Profit/ (Loss) attributable to:					
Owners of the Company	8,884	18,208	(773)	(21,753)	(10,161)
Non-controlling interests	164	6,362	(1,773)	12,796	(182)
GP margin (%)	*24.53*	*30.00*	*22.70*	*29.50*	*18.29*
PBT/ (LBT) margin (%)	*8.73*	*17.30*	*3.01*	*4.89*	*9.15*
PAT/ (LAT) margin (%)	*6.85*	*11.19*	*(1.80)*	*(2.44)*	*(10.16)*
Share capital	48,400	119,700	119,700	119,700	119,700
Share premium	74,712	-	-	-	-
Treasury shares	(2,608)	(3,366)	(3,366)	(3,366)	(3,366)
Merger deficit	(14,212)	(10,800)	(10,800)	(10,800)	(10,800)
Fair value reserve	-	-	-	(7,630)	(8,180)
Retained profits	54,749	58,482	39,501	10,534	373
Shareholders' funds/ NA	**161,041**	**164,016**	**145,035**	**108,438**	**97,727**
Weighted average no. of Shares outstanding ('000)	482,678	482,302	482,302	482,302	482,302
NA per Share (RM)	0.33	0.34	0.30	0.22	0.20
Total borrowings	382	22,854	22,854	63,521	58,316
Gearing ratio (times)	Negligible	0.14	0.16	0.59	0.60

Notes:-

*1 *During the FPE 30 June 2019, Prestariang has adopted MFRS 15 and restated its accounts for the FYE 31 December 2017. The impact on the accounts for the FYE 31 December 2017 are as follows:-*

i. The revenue recognition in respect the SKIN project in FYE 31 December 2017 was deferred to FPE 30 June 2019 based on the SKIN agreement effective date; and

ii. the cost incurred in relation to the revenue mentioned in item i. above was also correspondingly deferred from FYE 31 December 2017 and recognised in FPE 30 June 2019.

*2 *The Group has changed its financial year-end from 31 December to 31 March on 3 Dec 2018 and from 31 March to 30 June on 28 February 2019 effective from the financial period ended 30 June 2019. The change in financial year end was in line with the ongoing negotiations for compensation arising from the SKIN project.*

FYE 31 December 2016

For FYE 31 December 2016, the Group's revenue improved by 14.36% to RM132.07 from RM115.48 million in FYE 31 December 2015. The improved results were due to the following:-

a. the Group's ICT Services and Distribution segment revenue increased by 33.24% to RM125.21 million (2015: RM93.97 million). This is mainly due to the full-year recognition of the Master Licensing Agreement 2.0 ("**MLA 2.0**") entered between the Group and Ministry of Finance in 2015 and was implemented in 2016; and

b. the Group's employment services segment saw an increase of more than 100% or RM3.98 million in revenue from RM0.32 million to RM4.30 million in FYE 31 December 2016. This is mainly due to the recognition of revenue from a joint venture undertaken for foreign workers management services.

The Group recorded PAT of RM9.05 million for the FYE 31 December 2016, which was lower by 46.86% as compared to FYE 31 December 2015 (RM17.03 million). The drop in the Group's gross margins to 24.53% in FYE 31 December 2016 (2015: 33.45%), was mainly due to the ICT Services and Distribution segment revenue mix for the year that include higher sales of lower margin – software and services, which were up by 27.00% and lesser sales from higher margin – training and certification services, which were down by 61.00%.

The depreciation of ringgit against US Dollars, that translated to higher cost of sales for software and services segment and deferments of some higher margin projects in Education segment also contributed to the lower PAT in FYE 2016.

Additionally, in FYE 31 December 2016, there was an absence of various one-off transactions, such as dividend income, fair value gain, foreign exchange gain and gain on disposal of assets that were recorded in the prior financial year.

FYE 31 December 2017 (before restatement)

For FYE 31 December 2017, the Group's revenue increased by 66.21% from RM132.07 million to RM219.51 million, primarily due to the following:-

a. the Group recognised its first revenue from the SKIN project amounting to RM78.05 million (2016: nil);

b. the Group's ICT Services and Distribution segment saw its revenue increased by RM4.66million to RM129.87 million, representing a 3.59% increase (2016: RM125.21 million), backed by the growth in MLA 2.0 projects and the distribution of Autodesk licences to local education institutions. In addition, the Group commenced the distribution of Adobe Creative Cloud Software and Services software via a contract awarded by the Ministry of Higher Education in November 2017;

c. the Group's education segmental revenue increased by 140.47% or RM6.18 million in FYE 31 December 2017 (2016: RM2.57 million) due to the on-going operational and branding revamp undertaken for University Malaysia of Computer Science and Engineering; and

d. the Group's employment services segment continues to see an increase in revenue as the segment provided human resource services to workers for the Refinery & Petrochemicals Integrated Development (RAPID), which peaked in 2017 and 2018. The segment recorded revenue of RM5.40 million, higher by 25.6% in FYE 2017 (2016: RM4.30 million).

For FYE 2017, the Group recorded a PAT of RM24.57 million, an increase of 171.49% compared to the FYE 31 December 2016 of RM9.05 million. This was mainly due to improved sales and better margins derived from the SKIN project. However, the improvement was moderated by a one-off impairment loss of development cost amounting to RM3.50 million and an increase in staff cost to RM25.13 million against RM16.54 million a year earlier.

Restated FYE 30 June 2017

In FYE 31 June 2019, the Group adopted MFRS 15, and restated its FYE 31 December 2017 accounts. The major impact to the Group's consolidated financial statements for the FYE 31 December 2017, were as follows:-

a. deferment of RM78.05 million of revenue recognised for the SKIN project from FYE 31 December 2017 to FYE 30 June 2019 based on the concession agreement effective date; and

b. recognition of costs of RM44.3 million incurred in relation to the SKIN project was also correspondingly deferred from FYE 31 December 2017 and recognised in FYE 30 June 2019.

The above caused the restated revenue for FYE December 2017 to be lower at RM141.45 million as compared to the revenue of RM219.51 million before the reinstatement. Correspondingly, this resulted in the restated LAT of RM2.55 million as compared to the PAT of RM24.57 million before restatement.

FPE 30 June 2019

For the 18-months FPE 30 June 2019, the Group reported revenue of RM367.32 million, an increase of 160% compared to the restated FYE 31 December 2017 of RM141.45 million or an increase in revenue of 73.12% or RM103.43 million on annualised basis mainly due to the following:-

a. recognition of RM175.45 million revenue from the SKIN project during the FYE 30 June 2019 (FYE 2017: nil); and

b. increase in revenue of 222.23% for the Group's employment services segment to RM17.40 million or RM11.60 million or 114.81% on annualised basis for the FYE 30 June 2019 (restated 2017: RM5.40 million). The significant increase was mainly due increase in the number of workers managed as the RAPID project activities reached its peak in 2018.

For FPE 30 June 2019 the Group recorded LAT of RM8.96 million or RM5.97 million on annualised basis. This annualised LAT of RM5.97 million was 134.12% more than the LAT for FYE 31 December 2017 of RM2.55 million. The higher loss was mainly due to material provisions made for impairment of trade receivables, development costs, fixed costs and others, in compliance with the relevant MFRS amounting to RM28.37 million and one-off tax penalties resulted from tax audit conducted by Lembaga Hasil Dalam Negeri for FYE 2011 to FYE 2016 amounting to RM2.00 million.

FPE 31 March 2020

For the 9-month FPE 31 March 2020, the Group recorded revenue of RM95.39 million with a loss after tax of RM9.49 million, primarily due to the following:-

a. Software & Services and Talent segment recorded revenue of RM87.43 million and was affected by the deferment of trainings starting February 2020 and the delays in issuance of orders from customers following the onset of Covid-19 and the ensuing MCO. Despite the challenging environment, this segment continues to be the core driver delivering profit before tax and finance cost of RM5.54 million;

b. The Education segment posted a revenue of RM3.75 million with loss before interest and tax of RM4.61 million. The Company entered into a Sale & Purchase agreement for the disposal of the entire equity interest of Prestariang Education Sdn Bhd ("**PESB**") on 25th February 2020. Pending completion of the sale, the net operating results of PESB starting March 2020 will be shown as arising from Discontinued Operations;

c. Employment Services recorded revenue of RM4.21 million with small profit contribution before tax and finance cost of RM 0.12 million. This is primarily linked to the winding down of its project in Pengerang; and

d. The Concession segment has ceased operation in January 2019 and has stopped incurring additional operational cost since the end of the FPE 30 June 2019.

For FPE 31 March 2020, the Group's overheads and finance costs were RM5.95 million and RM3.68 million, respectively and the Group will continue with its rationalization plan that include, among others, cost cutting measures, divestment of assets and equity fund raising to improve its cash flow and increase working capital.

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