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*FOR IMMEDIATE RELEASE*

*22 January 2019*

**MEDIA STATEMENT**

**Media Statement by Prestariang Berhad (Company) following the termination of Sistem Kawalan Imigresen Nasional (SKIN) Project by the Ministry of Home Affairs (MOHA)**

Effective Termination Date

1. We refer to our announcement dated 12 December 2018 whereby the Company had announced that Prestariang SKIN Sdn Bhd (PSKIN) had on 11 December 2018 received a letter from the MOHA confirming the decision of the Cabinet to terminate the SKIN Project by way of expropriation.
2. Following clarification with the Government, the parties have mutually agreed that the termination of the concession will take effect on 22 January 2019.
3. We wish to reiterate that PSKIN is not in default of the Concession Agreement. However, we respect the decision of the Government to exercise its rights to terminate the concession by expropriation in accordance with the terms of the Concession Agreement and PSKIN does not intend to challenge the termination of the concession.
4. PSKIN is entitled to compensation in accordance with the formula set out in the Concession Agreement and is currently in discussions with the Government to settle amicably in the interests of both parties.

**Background**

5. The SKIN Project is based on the Public Private Partnership (PPP) model, where PSKIN would finance, build, operate, maintain and ultimately, transfer the system to the Government after 15 years. Under this model, the Government was not required to make any payment to PSKIN during the first 3 years of development execution. PSKIN would undertake the entire funding and execution of the SKIN Project. The completion and execution risks were to be fully borne by PSKIN with a fixed contract value for the entire 15-year concession which included any fluctuations in interest rates, foreign currency exchange, and IT hardware and software



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prices. Charges would only be payable by the Government after the SKIN Solution was successfully implemented at all immigration sites in Malaysia and abroad.

6. The SKIN Project would not burden the Government or citizens as it is a self-funded project which could have generated new income and created savings to the Government, as outlined in PSKIN's business model and proposal.
7. Prior to the award of the SKIN Project, PSKIN went through 3 years of comprehensive technical, commercial and legal evaluation by MOHA and other relevant Government agencies including Jabatan Imigresen Malaysia (JIM), Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), Unit Kerjasama Awam Swasta (UKAS), Economic Planning Unit (EPU), Ministry of Finance (MOF) and the Attorney General's Chambers (AGC).
8. The detailed scope of work for the SKIN Project was specifically designed in accordance with the requirements of JIM and MOHA, after undergoing the business process re-engineering exercise spearheaded by MAMPU with the other Government agencies.

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