



PRESTARIANG BERHAD

(922260-K)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Second Quarter Ended 30 June 2018**

PRESTARIANG BERHAD (922260-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30/6/2018 RM'000	Preceding Year Quarter 30/6/2017 RM'000	Current Year To Date 30/6/2018 RM'000	Preceding Year To Date 30/6/2017 RM'000
Revenue		55,924	55,211	128,675	99,105
Cost of sales		(38,742)	(42,675)	(90,196)	(77,960)
Gross profit		17,182	12,536	38,479	21,145
Other income		311	493	993	1,165
		17,493	13,029	39,472	22,310
Administrative expenses		(9,162)	(5,272)	(16,819)	(10,172)
Other expenses		(981)	(464)	(1,621)	(888)
Finance costs		(438)	(29)	(1,031)	(165)
Profit before taxation	B5	6,912	7,264	20,001	11,085
Income tax expense	B6	(4,298)	(1,362)	(8,371)	(1,967)
Profit after taxation		2,614	5,902	11,630	9,118
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		2,614	5,902	11,630	9,118
Profit after taxation attributable to:-					
- Owners of the Company		529	5,817	7,041	9,033
- Non-controlling interest		2,085	85	4,589	85
		2,614	5,902	11,630	9,118
Total comprehensive income attributable to:					
- Owners of the Company		529	5,817	7,041	9,033
- Non-controlling interest		2,085	85	4,589	85
		2,614	5,902	11,630	9,118
Earnings Per Share attributable to owners of the Company (Sen)					
- Basic	B12	0.11	1.20	1.45	1.87

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Unaudited As at 30/6/2018 RM'000	Audited As at 31/12/2017 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		43,316	37,246
Other investment		16,057	9,885
Development costs		7,987	6,051
Long term receivables		134,726	78,053
		202,086	131,235
CURRENT ASSETS			
Inventories		2,685	840
Trade and other receivables		87,844	52,857
Short-term investments		5,841	26,504
Cash and bank balances		3,812	44,782
		100,182	124,983
TOTAL ASSETS		302,268	256,218
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		78,548	54,424
Borrowings	B8	9,727	878
Current tax liabilities		12,789	6,499
		101,064	61,801
NON-CURRENT LIABILITIES			
Borrowings	B8	22,107	21,976
Deferred tax liabilities		1,138	1,138
		23,245	23,114
TOTAL LIABILITIES		124,309	84,915
NET ASSETS		177,959	171,303
EQUITY			
Share capital		119,700	119,700
Other reserve		(14,166)	(14,166)
Retained profits		60,700	58,482
Total equity attributable to owners of the Company		166,234	164,016
Redeemable convertible preference shares		85	237
Non-controlling interest		11,640	7,050
TOTAL EQUITY		177,959	171,303
TOTAL LIABILITIES & EQUITY		302,268	256,218
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		34.35	33.89

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	←-----Non-distributable-----→				Distributable		Attributable to owners of the Company RM'000	Redeemable Convertible Preference Shares RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury shares RM'000	Merger Deficit RM'000	Retained Profits RM'000					
At 31 December 2016/1 January 2017	48,400	74,712	(2,608)	(14,212)	54,749	161,041	-	459	161,500	
Profit after taxation / Total comprehensive income	-	-	-	-	18,208	18,208	-	6,362	24,570	
Transaction with owners of the Company:-										
- Purchase of treasury shares	-	-	(758)	-	-	(758)	-	-	(758)	
- Incorporation of subsidiaries	-	-	-	-	-	-	-	229	229	
- Transfer to share capital upon implementation of the Company Act 2016	71,300	(74,712)	-	3,412	-	-	-	-	-	
- Dividends paid	-	-	-	-	(14,475)	(14,475)	-	-	(14,475)	
Total transaction with owners of the Company	71,300	(74,712)	(758)	3,412	(14,475)	(15,233)	-	229	(15,004)	
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	237	-	237	
At 31 December 2017 / 1 January 2018	119,700	-	(3,366)	(10,800)	58,482	164,016	237	7,050	171,303	
Profit after taxation / Total comprehensive income	-	-	-	-	7,041	7,041	-	4,590	11,631	
Transaction with owners of the Company:-										
-Purchase of treasury shares	-	-	-	-	-	-	-	-	-	
-Dividends paid	-	-	-	-	(4,823)	(4,823)	-	-	(4,823)	
Total transaction with owners of the Company	-	-	-	-	(4,823)	(4,823)	-	-	(4,823)	
Conversion of Redeemable Convertible Preference Shares to Redeemable Preference Shares	-	-	-	-	-	-	(152)	-	(152)	
At 30 June 2018	119,700	-	(3,366)	(10,800)	60,700	166,234	85	11,640	177,959	

Note a: Pursuant to Section 618(2) of the Companies Act 2016 ("CA2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA2016, use the amount standing to the credit of the share premium account of RM74,712,000 for the purpose set out in Section 618(3) of the CA2016.

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.

PRESTARIANG BERHAD (922260-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	Current Year To Date 30/6/2018 RM'000	Preceding Year To Date 30/6/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,001	11,085
Adjustments for:		
Depreciation of property and equipment	1,118	888
Profit income received from deposits with licensed islamic banks	(19)	(8)
Gain on disposal of property and equipment	(65)	-
Interest expense	547	9
Property equipment written off	97	-
Allowance for doubtful debts	504	-
Interest income	(220)	(1,107)
Operating profit before working capital changes	<u>21,963</u>	<u>10,867</u>
Operating profit before working capital changes:-		
Changes in inventories	(1,844)	(1,194)
Changes in trade and other receivables	(92,165)	(62,835)
Changes in trade and other payables	24,124	21,742
CASH USED IN OPERATING ACTIVITIES	<u>(47,922)</u>	<u>(31,420)</u>
Interest paid	(547)	(9)
Income tax paid	(2,082)	(1,713)
NET CASH USED IN OPERATING ACTIVITIES	<u>(50,551)</u>	<u>(33,142)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of equity interest in other investment	(6,172)	-
Purchase of property and equipment	(7,285)	(1,194)
Profit income received from deposits with licensed islamic banks	19	8
Interest received	220	1,107
Proceed from disposal of property, plant and equipment	65	-
Development costs paid	(1,935)	(575)
Increased in pledged fixed deposits with licensed bank	(222)	-
Net decrease in short term investments	20,663	10,301
NET CASH GENERATED FROM INVESTING ACTIVITIES	<u>5,353</u>	<u>9,647</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase obligation	(19)	(36)
Dividends paid	(4,823)	(10,860)
Proceeds from bank borrowing	8,848	-
Acquisition of treasury shares by the Company	-	(274)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	<u>4,006</u>	<u>(11,170)</u>
Net decrease in cash and cash equivalents	(41,192)	(34,665)
Cash and cash equivalents at beginning of the financial period	41,884	55,170
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD	<u>692</u>	<u>20,505</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	3,160	3,796
Deposits with licensed banks	652	19,407
	<u>3,812</u>	<u>23,203</u>
Less: Deposits pledged with licensed banks	(3,120)	(2,698)
	<u>692</u>	<u>20,505</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the requirement of Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017.

The accounting policies and methods of computation by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2017 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2018.

At the beginning of the current financial year, the Group adopted new MFRSs, Amendments to MFRSs and an IC Interpretation (collectively referred to as “pronouncements”) that have been issued by the MASB and are applicable as listed below:-

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140 Transfer of Investment Property
- Annual Improvements to MFRSs 2014-2016 Cycle
 - Amendments to MFRS 1 Deletion of Short-term Exemption for First-time Adopters
 - Amendments to MFRS 128 Measuring an Associates or Joint Venture at Fair Value
- Amendments to MFRS 15 Effective Date of MFRS 15
- Amendments to MFRS 15 Clarifications to MFRS 15 “Revenue from Contract Customers”

The Group expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 15 Revenue from Contracts with Customers

This Standard establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. Under this Standard, revenue will be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

A1. BASIS OF PREPARATION (Cont'd)

MFRS 15 Revenue from Contracts with Customers (Cont'd)

The adoption of this Standard results in changes in accounting policies for revenue recognition and has no impact other than the disclosures in the Group's financial statements.

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

The adoption of this Standard has no impact other than the disclosures in the Group's financial statements.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations were issued but not yet effective and have not been applied by the Group:-

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2019 :-

- MFRS 16 Leases
- IC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
- Annual Improvements to MFRSs 2015-2017 Cycle
- Amendments to MFRS 10 and MFRS 128 Sale of Contribution of assets between an Investor and its associate or Joint Venture (Deferred)

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 16, Leases which the Group is currently assessing the financial impact.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2017 was not qualified.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the period ended 30 June 2018 have not been affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

There was no material unusual items or events affecting the assets, liabilities, equity, net income or cash flow during the current financial period ended 30 June 2018.

A6. CHANGES IN ESTIMATES

There was no material changes in estimates of amounts reported in prior financial years that have a material effect to this interim financial report.

A7. CHANGES IN DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

These shares were retained as treasury shares and there is no resale or cancellation of the treasury shares.

A8. VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation of the property and equipment in the current financial quarter.

A9. CAPITAL COMMITMENT

Capital commitment for purchase of property and equipment not provided for in the condensed report as at the end of the financial period is as follows:

	Contracted but not provided for RM'000
Building	<u>11,407</u>

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

A10. DIVIDENDS PAID

	6 months ended	
	30/6/2018	30/6/2017
	RM'000	RM'000
In respect of the financial year ended 31 December 2016:		
- declared as fourth interim dividend of 0.75 sen per ordinary share	-	3,620
In respect of the financial year ended 31 December 2017:		
- declared as first interim tax-exempt dividend of 0.75 sen per ordinary share	-	3,620
- declared as fourth interim tax-exempt dividend of 0.5 sen per ordinary share	2,412	-
Total dividends paid	<u>2,412</u>	<u>7,240</u>

A11. SEGMENTAL INFORMATION

The Group's business segments are reflecting the Group's internal reporting structure as follow:

- a) **Software & Services and Academy** - distribution and managing the software licensing and providing the ICT and O&G training and certification.
- b) **Concession** – delivery of total solution for the integrated and comprehensive core immigration system includes design, customise, install, configure, test, commission and maintain throughout the concession period.
- c) **Education** – provide specialised computer science and engineering education. It offers computer studies ranges from foundation, diploma, degree, post graduate masters and PhD.
- d) **Employment services** – Human resource management services for foreign workers' recruitment and documentation services.
- e) **Others** – Comprise the holding company which involved in activity of investment holding and its subsidiary companies.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 30 JUNE 2018						RESULTS FOR 3 MONTHS ENDED 30 JUNE 2017					
	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
Revenue							Revenue					
External revenue	20,084	29,932	1,792	4,116	-	55,924	52,578	-	1,513	1,120	-	55,211
Inter-segment revenue	-	-	-	-	10,552	10,552	-	-	-	-	3,620	3,620
Segment revenue	20,084	29,932	1,792	4,116	10,552	66,476	52,578	-	1,513	1,120	3,620	58,831
Consolidation adjustments						(10,552)						(3,620)
Consolidated revenue						55,924						55,211
Results							Results					
Segment profit/(loss)							Segment profit/(loss)					
before interest and taxation	179	11,201	(1,772)	4	8,290	17,902	9,081	-	(948)	13	2,767	10,913
Finance costs						(438)						(29)
Consolidation adjustments						(10,552)						(3,620)
Consolidated profit before taxation						6,912						7,264

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 6 MONTHS ENDED 30 JUNE 2018						RESULTS FOR 6 MONTHS ENDED 30 JUNE 2017					
	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000	ICT Services and Distribution RM'000	Concession RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Total RM'000
Revenue							Revenue					
External revenue	63,136	56,672	3,130	5,737	-	128,675	External revenue	94,163	-	2,239	2,703	99,105
Inter-segment revenue	-	-	-	-	10,552	10,552	Inter-segment revenue	-	-	-	7,240	7,240
Segment revenue	63,136	56,672	3,130	5,737	10,552	139,227	Segment revenue	94,163	-	2,239	2,703	106,345
Consolidation adjustments						(10,552)	Consolidation adjustments					(7,240)
Consolidated revenue						128,675	Consolidated revenue					99,105
Results							Results					
Segment profit/(loss)							Segment profit/(loss)					
before interest and taxation	5,477	22,093	(3,179)	47	7,146	31,584	before interest and taxation	14,822	-	(2,282)	279	5,671
Finance costs						(1,031)	Finance costs					(165)
Consolidation adjustments						(10,552)	Consolidation adjustments					(7,240)
Consolidated profit							Consolidated profit					
before taxation						20,001	before taxation					11,085

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

In the opinion of the Board of Directors, there were no items, transactions or events of a material and unusual nature that have arisen since 31 December 2017 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended that have not been reflected in the condensed financial statements.

A13. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial quarter.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has no significant transactions with the related parties during the period under review.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

NOTES TO THE INTERIM FINANCIAL REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. OPERATING SEGMENTS REVIEW

Q218 vs. Q217 and Q218 YTD vs. Q217 YTD

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Quarter 6/30/2018 RM'000	Preceding Year Quarter 6/30/2017 RM'000	Variance		Current Year to Date 6/30/2018 RM'000	Preceding Year to Date 6/30/2017 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
Software & Services and Academy								
- Software & Services	19,772	50,582	(30,810)	-61%	61,534	89,711	(28,177)	-31%
- Academy	312	1,996	(1,684)	-84%	1,602	4,452	(2,850)	-64%
	<u>20,084</u>	<u>52,578</u>	<u>(32,494)</u>	<u>-62%</u>	<u>63,136</u>	<u>94,163</u>	<u>(31,027)</u>	<u>-33%</u>
Education	1,792	1,513	279	18%	3,130	2,239	891	40%
Employment services	4,116	1,120	2,996	>100	5,737	2,703	3,034	>100
Concession	29,932	-	29,932	n/a	56,672	-	56,672	n/a
Others	10,552	3,620	6,932	>100	10,552	7,240	3,312	46%
	<u>66,476</u>	<u>58,831</u>	<u>7,645</u>	<u>13%</u>	<u>139,227</u>	<u>106,345</u>	<u>32,882</u>	<u>31%</u>
Inter-segment Elimination	<u>(10,552)</u>	<u>(3,620)</u>			<u>(10,552)</u>	<u>(7,240)</u>		
Group	<u>55,924</u>	<u>55,211</u>	<u>713</u>	<u>1%</u>	<u>128,675</u>	<u>99,105</u>	<u>29,570</u>	<u>30%</u>
<u>Profit Before Taxation</u>								
Software & Services and Academy	(206)	9,054	(9,260)	>-100	4,499	14,733	(10,234)	-69%
Education	(1,773)	(950)	(823)	-87%	(3,180)	(2,357)	(823)	35%
Employment Services	4	13	(9)	>-100	47	279	(232)	-83%
Concession	11,149	-	11,149	n/a	22,041	-	22,041	n/a
Others	8,290	2,767	5,523	200%	7,146	5,670	1,476	>-100
Inter-segment Elimination	<u>(10,552)</u>	<u>(3,620)</u>			<u>(10,552)</u>	<u>(7,240)</u>		
Group	<u>6,912</u>	<u>7,264</u>	<u>(352)</u>	<u>-5%</u>	<u>20,001</u>	<u>11,085</u>	<u>8,916</u>	<u>80%</u>

B1. OPERATING SEGMENTS REVIEW

Q218 vs. Q217

The Group registered a higher revenue of RM55.9 million for the current quarter compared to RM55.2 million recorded in previous year corresponding quarter. The higher revenue of RM0.7 million or 1% increase was mainly contributed by Concession revenue of Sistem Kawalan Imigresen Nasional ("SKIN") project. The revenue was recognised based on the stage of completion at the end of the reporting period. The stage of completion is determined by reference to the proportion of costs incurred for work performed to date over the estimated total costs.

The Group's PBT for the current quarter was RM0.4 million, 5% lower than the corresponding quarter of last year as a result of lower revenue from Software & Services due to the current business environment. The Group forecast the overall financial performance for this segment (especially Government sector) to improve in the subsequent quarters.

YTD18 vs. YTD17

The Group's revenue for YTD18 was RM128.7 million, higher by RM29.6 million or 30% compared to RM99.1 million in YTD17. The YTD revenue was higher than last year mainly due to higher revenue contribution by SKIN project.

The Group's PBT recorded for YTD18 was RM8.9 million or 80% higher than last year mainly due to the flow through of higher revenue contributed by SKIN project. The Group's current and last year's PBT was RM20.0 million and RM11.1 million, respectively.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Q218 vs. Q118

	Current Quarter 6/30/2018 RM'000	Immediate Preceding Quarter 3/31/2018 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services and Academy				
- Software & Services	19,772	41,762	(21,990)	-53%
- Academy	312	1,290	(978)	-76%
	20,084	43,052	(22,968)	-53%
Education	1,792	1,338	454	34%
Employment services	4,116	1,621	2,495	>100
Concession	29,932	26,740	3,192	12%
Others	10,552	-	10,552	n/a
	66,476	72,751	(6,275)	-9%
Inter-segment Elimination	(10,552)	-		
Group	55,924	72,751	(16,827)	-23%
<u>Profit Before Taxation</u>				
Software & Services and Academy	(206)	4,705	(4,911)	>-100
Education	(1,773)	(1,407)	(366)	-26%
Employment services	4	43	(39)	>-100
Concession	11,149	10,892	257	2%
Others	8,290	(1,144)	9,434	>100
Inter-segment Elimination	(10,552)	-		
Group	6,912	13,089	(6,177)	-47%

The Group's revenue for the current quarter of RM55.9 million, RM16.8 million or 23% lower than the preceding quarter of RM72.7 million. The lower revenue recorded in the current quarter was due to lower contribution Software & Services and Academy segment.

The Group recorded lower PBT for the current quarter of RM6.9 million, RM6.2 million or 47% lower than the preceding quarter of RM13.1 million. The lower PBT was mainly due to lower revenue contributions from Software & Services and higher Opex from Education and Software & Services.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018

With SKIN Concession business becomes effective and have officially commenced on 25 April 2018, coupled with all current projects in hands scheduled for execution, the Group is expected to perform better in financial year 2018.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. PROFIT BEFORE TAXATION

Profit before taxation is derived after taking into consideration of the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	<u>30/6/2018</u>	<u>30/6/2017</u>	<u>30/6/2018</u>	<u>30/6/2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(45)	(472)	(220)	(1,107)
Interest expense	271	4	546	9
Depreciation and amortisation	556	464	1,118	888
Provision for doubtful debts	425	-	503	-
Foreign exchange loss/(gain)	485	(54)	(6)	13
Property and equipment written-off	97	-	97	-
(Gain) or loss on disposal of property and equipment	(65)	-	-	-

B6. INCOME TAX EXPENSE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	<u>30/6/2018</u>	<u>30/6/2017</u>	<u>30/6/2018</u>	<u>30/6/2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia tax:				
- for the current year	2,999	1,362	4,458	1,862
- Under provision in prior year	1,299	-	1,299	105
Deferred tax:				
- Deferred tax liabilities	-	-	2,614	-
	<u>4,298</u>	<u>1,362</u>	<u>8,371</u>	<u>1,967</u>

The effective tax rate for the current quarter is higher than the statutory income tax rate due to profit of certain companies.

B7. STATUS OF CORPORATE PROPOSALS

On 9 February 2018, Prestariang Capital Sdn Bhd (“PCapital”), has completed the subscriptions of 5,000,000 “A” Ordinary Shares (“A Shares”) in OpenLearning Global Pte Ltd (“OGPL”) and 3,069,578 convertible preference shares (“CPS”) with the total consideration of AUD5,000,001. As a result, PCapital total equity interest in OGPL is 16.67%.

Subsequent to the Subscription Agreement, OGPL has completed its fund-raising exercise whereby an additional AUD3,550,007 fund was raised through the subscription of ordinary shares and CPS by the follow-on investors. Further, on 1 June 2018 PCapital has subscribed for an additional 194,153 CPS at an aggregate consideration of AUD1.00 only. After the completion of the aforementioned, PCapital’s interest in OGPL decreased from 16.67% to 14.9%.

B8. BORROWINGS

The Group’s borrowing and debts securities as at 30 June 2018 are as follows:

	Long term borrowing			Short term borrowing			Total (RM'000)
	Secured	Unsecured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>							
- Hire purchase payables	96	-	96	39	-	39	135
- Term Loan	21,860	-	21,860	9,687	-	9,687	31,547
<u>Preference Shares</u>							
- RPS	152	-	152	-	-	-	152
Total	22,108	-	22,108	9,726	-	9,726	31,834

B9. MATERIAL LITIGATION

There was no material litigation as at the date of issuance of this quarterly report.

B10. FAIR VALUE HIERARCHY

There were no transfers between any levels of the fair value hierarchy took place during the current quarter and the comparative period. There was also no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

B11. PROPOSED DIVIDEND

On 29 August 2018, The Board of Directors declared a second interim single-tier exempt dividend of 0.2 sen per ordinary share amounting to RM0.968 million in respect of the financial year ending 31 December 2018.

PRESTARIANG BERHAD (922260-K)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

B12. EARNINGS PER SHARE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>	<u>Current Year To Date</u>	<u>Preceding Year To Date</u>
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Total comprehensive income attributable to owners of the Company (RM'000)	529	5,817	7,041	9,033
Weighted average number of ordinary shares in issue ('000)	484,000	484,000	484,000	484,000
Basic earning per share (sen)	0.11	1.20	1.45	1.87

B13. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2018.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
LIM LIH CHAU (LS 0010105)
 Secretaries
Kuala Lumpur
29 August 2018