

THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad has only conducted limited review on Part A of this Circular/Statement on the Proposed Shareholders' Mandate (as defined herein) and has not perused Part B of this Circular/Statement on the Proposed Renewal of Share Buy-Back Authority (as defined herein) before its issuance as it is prescribed as an Exempt Circular. Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals as set out herein.



PRESTARIANG®

PRESTARIANG BERHAD

(Company No. 922260-K)

(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE
("PROPOSED SHAREHOLDERS' MANDATE")**

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

(COLLECTIVELY KNOWN AS "THE PROPOSALS")

The above Proposals will be tabled as Special Business at Prestariang Berhad's Eighth Annual General Meeting ("8th AGM") to be held at Dewan Putra Perdana 1, PULSE GRANDE Hotel (formerly known as Putrajaya Shangri-La Hotel), Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 16 May 2018 at 10:00 a.m. The Notice of the 8th AGM together with the Form of Proxy are set out in the Annual Report of Prestariang Berhad for the year ended 31 December 2017.

If you are unable to attend and vote at the 8th AGM, you may complete the Form of Proxy and deposit it at the office of the Company's Share Registrar, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not later than forty-eight (48) hours before the time set for holding the 8th AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy..... : Monday, 14 May 2018 at 10:00 a.m.

Date and time of the AGM : Wednesday, 16 May 2018 at 10:00 a.m.

[THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/ Statement:-

“Act”	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
“AESB”	:	Anjakan Evolusi Sdn. Bhd. (915202-D)
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of PRESBHD
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purposes of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon, a director of the Company or any other company which is its subsidiary company or holding company or a chief executive officer of the Company, its subsidiary company or holding company
“Dr. Abu”	:	Dr. Abu Hasan Bin Ismail
“ESB”	:	Ekohati Sdn. Bhd. (921149-H)
“EPS”	:	Earnings per share
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	:	19 March 2018, being the latest practicable date prior to the printing of this Circular/Statement
“Major Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: a) 10% or more of the number of voting shares in the Company; or b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purposes of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Act. For the purposes of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of the Company or any other company which is its subsidiary company or holding company.

DEFINITIONS (Cont'd)

“NA”	:	Net assets
“Person(s) Connected”	:	In relation to any person [includes a body of persons, corporate or unincorporate (including a trust)] (“referred to as “said Person”) means such person who falls under any one of the following categories: (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
“PRESBHD” or “Company”	:	Prestariang Berhad (922260-K)
“PRESBHD Group” or “Group”	:	PRESBHD and its subsidiary companies as defined in Section 4 of the Act
“PSSB”	:	Prestariang Systems Sdn. Bhd. (630804-K)
“PServices”	:	Prestariang Services Sdn. Bhd. (1123408-X)
“PTSB”	:	Prestariang Technology Sdn. Bhd (1078988-K)
“Puan Nik Amlizan” or “Nik Amlizan”	:	Puan Nik Amlizan Binti Mohamed
“KWAP”	:	Kumpulan Wang Persaraan (Diperbadankan) (KWAPACT6622007)
“PRESBHD Share(s)” or “Share(s)”	:	Ordinary share(s) in PRESBHD
“Prevailing Laws”	:	Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
“Proposals”	:	Proposed Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority

DEFINITIONS (Cont'd)

“Proposed Renewal of Share Buy-Back”	:	Proposed Renewal of authority for PRESBHD to purchase its own shares of up to ten percent (10%) of its total number of issued shares at any point in time.
“Proposed Shareholders’ Mandate”	:	Proposed new shareholders’ mandate for Recurrent Related Party Transactions of a revenue or trading nature
“Purchased Shares”	:	PRESBHD shares that have been purchased pursuant to the Proposed Renewal of Share Buy-Back
“Recurrent Related Party Transaction(s)” or “RRPT”	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day transactions of the PRESBHD Group and are within the ordinary course of business of the PRESBHD Group
“Related Party(ies)”	:	A Director, Major Shareholder or Persons Connected with such Director or Major Shareholder
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time and any re-enactment thereof
“SC”	:	Securities Commission Malaysia
“SDSB”	:	Sigma Dedikasi Sdn. Bhd. (921322-U)
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the number or the aggregate number of such shares is not less than five per centum of the total number of all the voting shares included in the Company as defined under Section 136 of the Act
“Treasury Shares”	:	The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

CONTENTS

	Page
LETTER TO THE SHAREHOLDERS OF PRESBHD	1
<u>PART A</u>	
PROPOSED SHAREHOLDERS' MANDATE	
1.0 INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE	
1.1 The Listing Requirements	3
1.2 Validity Period of the Proposed Shareholders' Mandate	3
1.3 Principal Activities of PRESBHD Group	4-5
1.4 Details of the Recurrent Related Party Transactions	6
1.5 Review Procedures for the Recurrent Related Party Transactions	7
1.6 Statement by the Audit Committee	7
1.7 Disclosure of Recurrent Related Party Transactions	8
1.8 Guidelines on Thresholds of Authority	8
2.0 RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE	8
3.0 FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE	8
4.0 INTEREST OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	9
5.0 DIRECTORS' RECOMMENDATION	10
6.0 EIGHTH AGM	10
7.0 FURTHER INFORMATION : APPENDIX I	11

CONTENTS (Cont'd)

Page**PART B****PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

1.0	INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	
1.1	Details of the Proposed Renewal of Share Buy-Back Authority	13
1.2	Treatment of Shares Purchased	13-14
2.0	RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	14
3.0	POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	
3.1	Potential Advantages	14
3.2	Potential Disadvantages	14-15
4.0	FUNDING	15
5.0	SHAREHOLDINGS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	15-17
6.0	PUBLIC SHAREHOLDINGS SPREAD	18
7.0	IMPLICATIONS RELATING TO THE RULES	18
8.0	EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	
8.1	Share Capital	18-19
8.2	Net Assets	19
8.3	Earnings	19
8.4	Working Capital	19
8.5	Dividends	19
8.6	Gearing	19
9.0	PREVIOUS PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES	20
10.0	HISTORICAL SHARE PRICES	20
11.0	DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS	21
12.0	DIRECTORS' RECOMMENDATION	21
13.0	AGM	21
14.0	FURTHER INFORMATION: APPENDIX II	22
	EXTRACT OF NOTICE OF EIGHTH AGM	23-24

[THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]



PRESTARIANG

PRESTARIANG BERHAD

(Company No. 922260-K)

(Incorporated in Malaysia)

Registered Office:

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

17 April 2018

Board of Directors

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

Dr Abu Hasan Bin Ismail (*President/ Group Chief Executive Officer*)

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

Mr Paul Chan Wan Siew (*Independent Non-Executive Director*)

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

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

To: The Shareholders of PRESBHD

Dear Sir/Madam,

- (A) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- (B) PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

INTRODUCTION

The Board had on 22 March 2018, announced that the Company is proposing to seek approval from its shareholders on the Proposed Shareholders' Mandate and Proposed Renewal of Share Buy-Back at an AGM. The existing authority for share buy-back which was approved by the shareholders at the Seventh AGM held on 22 May 2017, shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless renewal is obtained from the shareholders of PRESBHD at the said AGM.

The purpose of this Circular/Statement is to provide you with details of the Proposals and to seek your approval for the ordinary resolution(s) pertaining to the Proposals under the agenda of Special Business to be tabled at the forthcoming AGM of the Company. The Notice of the forthcoming AGM together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial year ended 31 December 2017.

SHAREHOLDERS OF PRESBHD ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR/STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM.

PART A

PROPOSED SHAREHOLDERS' MANDATE

1.0 INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE

1.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of less than RM60 million:
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more,whichever is the lower.
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow the PRESBHD Group, in the normal course of business, to enter into the RRPT referred to in Section 1.4 with the Related Parties, provided that such transactions are made at arm's length, on PRESBHD Group's normal commercial terms, transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of PRESBHD.

1.2 Validity Period of the Proposed Shareholders' Mandate

The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate is passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or
 - (b) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,
- whichever is the earlier.

1.3 Principal Activities of PRESBHD Group

The principal activity of PRESBHD is investment holding. The details of PRESBHD's subsidiary companies as at LPD are as follows:

Name of Company	Principal activities	Place/ Date of incorporation	Effective equity interest %
I) DIRECT SUBSIDIARY COMPANIES OF PRESBHD			
Prestariang Systems Sdn. Bhd.	Provide Information and Communication Technology (ICT) training and certification, and software license distribution and management	Malaysia 8 October 2003	100.00
Prestariang Talentxchange. Sdn. Bhd	Provide best-fit talents to the local, regional and global markets and delivering practical talent management solutions	Malaysia 3 May 2012	100.00
Prestariang Technology Sdn. Bhd.	Dormant	Malaysia 27 January 2014	100.00
Prestariang Digital Sdn. Bhd.	Dormant	Malaysia 23 November 2016	100.00
Prestariang Education Sdn. Bhd.	Provide personalised ICT education in a diverse and vibrant community	Malaysia 12 January 2005	100.00
Prestariang Capital Sdn. Bhd.	Investment Holding	Malaysia 27 July 2017	100.00
Prestariang Services Sdn. Bhd	Investment Holding	Malaysia 18 December 2014	70.00
Prestariang O&G Sdn. Bhd	Provide training and placement services as well as employment and documentation services for foreign workers	Malaysia 20 June 2013	51.00

Name of Company
Place/ Date of incorporation
Effective equity interest %

Principal activities

II) INDIRECT SUBSIDIARY COMPANIES OF PRESBHD

a) Subsidiary Companies of PSSB

Logisys Sdn. Bhd.	Dormant	Malaysia 9 April 2001	100.00
Prestariang R&D Sdn. Bhd.	Dormant	Malaysia 17 May 2004	100.00

b) Subsidiary Companies of PServices

Prestariang SKIN Sdn. Bhd.	A special purpose vehicle solely for the purpose to study, design, develop, customize, supply, deliver, install, configure, integrate, interface, test, commission, support and maintain the immigration system known as "Sistem Kawalan Imigresen Nasional" (SKIN)	Malaysia 16 April 2015	100.00
----------------------------	---	---------------------------	--------

Prestariang Tech Services Sdn. Bhd	Provide consultancy, advisory, research and development, human resource and other outsourcing services relating to ICT, security related system, network infrastructure and data/system analytics	Malaysia 16 April 2015	100.00
------------------------------------	---	---------------------------	--------

c) Subsidiary Company of PTSB

Total Leap Sdn. Bhd.	Dormant	Malaysia 8 April 2014	100.00
----------------------	---------	--------------------------	--------

1.4 Details of the Recurrent Related Party Transactions

The nature of the RRPT which will be entered into between PRESBHD Group and Related Parties under the Proposed Shareholders' Mandate on which a shareholders' approval is sought are set out below:

Name of Company/ Group Involved	Nature of Transaction	Name of Related Party	Relationship with PRESBHD – Interested Directors, Major Shareholders and Persons Connected	Estimated Aggregate Value of Transactions from 16 May 2018 (date of forthcoming AGM) to the next AGM
PSSB	Provision of Microsoft software licenses and services	KWAP	KWAP, Puan Nik Amlizan, Dr. Abu (See Note 1)	RM2,500,000/-

Notes:-

(1) KWAP is a Major Shareholder of PRESBHD.

Puan Nik Amlizan is the Non-Independent Non-Executive Director of PRESBHD and Chief Investment Officer of KWAP.

Dr. Abu is a Major Shareholder and President/Group Chief Executive Officer of PRESBHD and Director of PSSB.

The basis of arriving at the estimated value as indicated above is based on actual value transacted during the financial year ended 31 December 2017 as well as latest available information relating to the aforesaid transactions. The value of the aforesaid transactions may be subject to change in the financial year ending 31 December 2018.

1.5 Review Procedures for the Recurrent Related Party Transactions

PRESBHD has established a Related Party Transactions Policy sets out the procedures and requirements to be applied to all related party transactions and RRPTs entered into by PRESBHD to ensure that such transactions are conducted on arm's length basis and on transaction prices and terms not more favourable to the related parties than those generally available to the public and in accordance with good governance and with appropriate disclosures :

- i) A list of Related parties of PRESBHD Group is annexed together with the Related Party Transactions Policy and circulated to the respective Heads of Department and its subsidiary companies to notify the requirements involving related party transactions as well as RRPTs. It is also to notify that RRPTs are required to be undertaken on arm's lengths basis and on normal commercial terms and are not detrimental to the minority shareholders;
- ii) Records of RRPTs will be retained and compiled for review by the Chief Financial Officer before tabling the same for the review of the Audit Committee on a quarterly basis;
- iii) The Audit Committee will review all RRPTs presented to them and will request for additional information pertaining to the RRPTs, should the need arises;
- iv) Disclosure on material RRPTs will be made in the Annual Report of the Company;
- v) The interested directors who are members of the Board and Audit Committee will abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings;
- vi) At least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by PRESBHD Group based on its usual business practice to ensure that the RRPTs are entered into on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to PRESBHD or PRESBHD group.

There is no amount due and owing to the PRESBHD Group by its Related Parties pursuant to the RRPT which has exceeded the credit term. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

1.6 Statement by the Audit Committee

The Audit Committee of the Company has reviewed the procedures set out in Section 1.5 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are conducted at arm's length basis and on transaction prices and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Any member of the Audit Committee who is interested in any Recurrent Related Party Transaction shall not be involved in the review of the Recurrent Related Party Transaction.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. The Audit Committee's review procedures will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the Audit Committee considers appropriate having regard to the value and the frequency of the related party transactions.

1.7 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of PRESBHD in accordance with Paragraph 3.1.5 of Practice Note 12 of Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions entered into during the financial year based on the following information:

- (i) types of the Recurrent Related Party Transactions made; and
- (ii) names of the Related Parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

1.8 Guidelines on Thresholds of Authority

There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group. However, all Recurrent Related Party Transactions are subject to the approval of the respective Heads of Department and the President/Group Chief Executive Officer or as determined by the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary.

In compliance with Paragraph 10.09(1)(b) of the Listing Requirements, PRESBHD Group shall immediately announce a Recurrent Related Party Transaction(s) where:

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more, or
- (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the lower.

2.0 RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will enable the PRESBHD Group to carry out Recurrent Related Party Transactions necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) to seek prior approval of shareholders for such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad-hoc basis, improve administration efficiency and allow manpower resources and time to be channeled towards attaining other corporate objectives.

The Recurrent Related Party Transactions carried out with the Related Parties create mutual benefits for the PRESBHD Group, as it enhances our ability to explore business opportunities while maintaining close working relationship with the Related Parties. The Recurrent Related Party Transactions are:-

- carried out in the ordinary course of business of PRESBHD Group;
- made on an arm's length basis and on transaction prices;
- on terms not more favourable to the Mandated Related Party than those generally available to the public; and
- not in the Company's opinion detrimental to the minority shareholders

3.0 FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will have no material effect on the issued and paid-up share capital of PRESBHD and Major Shareholders' shareholdings in PRESBHD, the NA and earnings per share of the PRESBHD Group.

4.0 INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Dr. Abu Hasan and Puan Nik Amlizan being the interested Directors, Dr. Abu Hasan and KWAP being the interested Major Shareholder in the Recurrent Related Party transactions will have to be abstained from voting on the resolution pertaining to the Proposed Shareholders' Mandate. The interested Directors and interested Major Shareholder and/or Persons Connected to them will abstain from voting in respect of his/her direct and/or indirect shareholdings in the Proposed Shareholders' Mandate at the forthcoming AGM.

The interested Directors and interested Major Shareholders have undertaken to ensure that Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

The interested Directors have abstained and will continue to abstain from deliberation and voting at board meetings.

Save as disclosed in this Circular, none of the other Directors and/or Major Shareholders and/or Persons Connected to the Directors and/or Major Shareholders of PRESBHD has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The following table illustrates the direct and indirect interests of the interested Major Shareholders, interested Directors of PRESBHD and Persons Connected to them on LPD.

	Shareholding as at LPD [#]			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Major Shareholders</u>				
KWAP	59,021,800	12.24	⁽¹⁾ 3,133,000	0.65
<u>Interested Directors</u>				
Dr. Abu	-	-	⁽²⁾ 132,301,400	27.43
Puan Nik Amlizan	-	-	-	-
<u>Persons Connected to Interested Major Shareholders and/or Interested Directors</u>				
ESB	100,001,800	20.73	⁽³⁾ 32,299,600	6.70
AESB	18,480,000	3.83	⁽⁴⁾ 113,821,400	23.60
SDSB	13,819,600	2.87	-	-
Shahirul Azian Binti Abu Bakar	-	-	⁽⁵⁾ 132,301,400	27.43
Zubaidah Binti Ismail	-	-	⁽⁶⁾ 132,301,400	27.43

Notes:

Calculated based on 482,301,500 Shares, excluding 1,698,500 Shares already purchased and retained as Treasury Shares as at LPD.

(1) Deemed interested by virtue of the interest of KWAP's Fund Managers pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of his interest in ESB, SDSB and AESB pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of Dr. Abu's interests in SDSB and AESB pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of Dr. Abu's interests in ESB and SDSB pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of the interests of her spouse, Dr. Abu in ESB, SDSB and AESB pursuant to Section 8 of the Act.

(6) Deemed interested by virtue of the interests of her sibling, Dr. Abu in ESB, SDSB and AESB pursuant to Section 8 of the Act.

5.0 DIRECTORS' RECOMMENDATION

The Directors (with the exception of Dr. Abu and Puan Nik Amlizan who have abstained from making any opinions in respect of the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate are in the best interest of the Company.

Accordingly, the Directors (with the exception of Dr. Abu and Puan Nik Amlizan) who have abstained from making any recommendations in respect of the Proposed Shareholders' Mandate) recommend that the shareholders of PRESBHD vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

6.0 EIGHTH AGM

The Eighth AGM of PRESBHD, the Extract of Notice of Eighth AGM of which is enclosed in this Circular/ Statement, will be held at the Dewan Putra Perdana 1, PULSE GRANDE Hotel (formerly known as Putrajaya Shangri-La Hotel), Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 16 May 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Shareholders' Mandate as described herein.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the office of the Share Registrar, Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time fixed for the forthcoming AGM. The completion and returning of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently decide to do so.

7.0 FURTHER INFORMATION

You are advised to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
PRESTARIANG BERHAD

Dato' Mohamed Yunus Ramli Bin Abbas
Independent Non-Executive Chairman

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board of PRESBHD who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There were no material contracts entered by PRESBHD nor any of its subsidiaries within the two (2) years preceding the LPD, other than contracts entered into in the ordinary course of business.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither PRESBHD nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of PRESBHD and/or its subsidiaries and the Directors are not aware of any proceedings, pending or threatened against PRESBHD and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may eventually affect the financial position of PRESBHD and/or its subsidiaries.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (a) Memorandum and Articles of Association of PRESBHD; and
- (b) The audited consolidated financial statements of PRESBHD for the past two (2) financial years ended 31 December 2016 and 31 December 2017.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1.0 INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1.1 Details of the Proposed Renewal of Share Buy-Back Authority

The Board had, during the AGM held on 22 May 2017 obtained its shareholders' approval to continue the share buy-back exercise, to purchase up to 10% of the total number of issued shares of the Company as quoted on the Bursa Securities as at the point of purchase. In accordance with the Listing Requirements governing the purchase of own shares by a listed company, the aforesaid approval will lapse at the conclusion of the forthcoming AGM unless a new mandate is obtained from its shareholders.

In connection thereto, the Company had on 22 March 2018 announced its intention to seek approval of its shareholders on the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM of the Company which will be held on Wednesday, 16 May 2018.

The Board proposes to seek approval from the shareholders for a renewal of authorisation to enable the Company to purchase up to 10% of its total number of issued shares as quoted on the Bursa Securities as at the point of purchase. As at LPD, total number of issued shares of PRESBHD is 484,000,000 ordinary shares.

As an illustration, the maximum number of Shares which may be purchased by the Company will be no more than 48,400,000 Shares based on total number of issued shares of the Company as at LPD. The total number of Shares purchased by the Company and being held as Treasury Shares up to and including LPD is 1,698,500. As such, the balance that can be purchased taking into account the total cumulative Treasury Shares held up to LPD is 46,701,500 Shares.

The Proposed Renewal of Share Buy-Back Authority shall be effective upon the passing of the resolution at the forthcoming AGM of PRESBHD and shall continue to remain in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time it will lapse, unless by resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

1.2 Treatment of Shares Purchased

In accordance with Section 127 of the Act, the Directors would be able to deal with any PRESBHD Shares so purchased by the Company in the following manner:

- (a) to cancel the Purchased Shares; or
- (b) to retain the Purchased Shares as Treasury Shares; or
- (c) to retain part of the Purchased Shares as Treasury Shares and cancel the remainder; or
- (d) to distribute the Treasury Shares held as dividend to the Shareholders; or
- (e) to resell the Treasury Shares on the market of Bursa Securities; or
- (f) to transfer the Treasury Shares as purchase consideration; or
- (g) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, or any alternatives as mentioned above, will be made by the Board at the appropriate time.

If such Purchased Shares were held as Treasury Shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended and the Treasury Shares would not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at shareholders meetings.

As at the date of this Statement, the Board has yet to make a decision with regard to the treatment of the Purchased Shares and will take into consideration the effect of such treatment to the Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares purchased pursuant to the Proposed Renewal of Share Buy-Back.

2.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The implementation of the Proposed Renewal of Share Buy-Back is envisaged to benefit the Company and its shareholders as follows:

- (a) The Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the PRESBHD Shares traded on Bursa Securities and thereby support its fundamental value.
- (b) The EPS and the return on equity of the Company is expected to improve as a result of a reduced share capital base.
- (c) The Purchased Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company.
- (d) The Purchased Shares retained as treasury shares can be distributed as share dividends to shareholders as a reward.

The financial resources of the Company will increase if the Purchased Shares held as treasury shares are resold at prices higher than the purchase price.

3.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

3.1 Potential Advantages

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back will also provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal of Share Buy-Back may also stabilise the supply and demand of PRESBHD Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of PRESBHD Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

3.2 Potential Disadvantages

The potential disadvantages of the Proposed Renewal of Share Buy-Back are as follows:

- (a) The Proposed Renewal of Share Buy-Back if implemented is expected to temporarily reduce the immediate financial resources of PRESBHD Group.
- (b) The Proposed Renewal of Share Buy-Back may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds, such as deposit in interest bearing instruments.

- (c) The Proposed Renewal of Share Buy-Back may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantages to the Company and the shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the Proposed Renewal of Share Buy-Back.

4.0 FUNDING

The Proposed Renewal of Share Buy-Back, if implemented, is expected to be financed by internally generated funds and/or bank borrowings. In the event the Company decides to utilise bank borrowings to finance the Proposed Renewal of Share Buy-Back, the Board will ensure that the Company has sufficient financial capability to repay the bank borrowings and that such repayment will not have a material impact on the cash flow of the Company.

As at the LPD, the Company has not determined the source of funding for the Proposed Renewal of Share Buy-Back. The actual amount of funds to be utilised for the Proposed Renewal of Share Buy-Back will only be determined later depending on the actual number of PRESBHD Shares to be purchased, availability of funds at the time of purchase(s) and other relevant cost factors.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available. Based on the latest audited financial statements of the Company for the financial year ended 31 December 2017 and the latest unaudited financial statements of the Company for the three (3) months period ended 31 March 2018, the retained profits of the Company are as follows:-

	As at 31 December 2017 (RM'000)	As at 31 March 2018 (RM'000)
Retained Profits	575	2,465

5.0 SHAREHOLDINGS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings as at the LPD and assuming that the Proposed Renewal of Share Buy-Back is implemented in full (up to 10% of the total number of issued shares) and that the Purchased Shares are from shareholders other than the existing Directors and substantial shareholders of PRESBHD, the effect of the Proposed Renewal of Share Buy-Back on the shareholdings of the existing Directors and substantial shareholders of PRESBHD by virtue of Section 127(9) of the Act are as follows :-

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

	Shareholdings as at the LPD				After the Proposed Renewal Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Dato' Mohamed Yunus Ramli Bin Abbas	4,300,000	0.89	-	-	4,300,000	0.99	-	-
Dr. Abu	-	-	132,301,400 ^(a)	27.43	-	-	132,301,400 ^(a)	30.37
Chan Wan Siew	550,000	0.11	50,000 ^(b)	0.01	550,000	0.13	50,000 ^(b)	0.01
Dato' Maznah Binti Abdul Jalil	2,431,000	0.50	-	-	2,431,000	0.56	-	-
Ramanathan A/L Sathiamutty	-	-	-	-	-	-	-	-
Nik Amlizan	-	-	-	-	-	-	-	-
Substantial Shareholders								
Dr. Abu	-	-	132,301,400 ^(a)	27.43	-	-	132,301,400 ^(a)	30.37
Brahmal Vasudevan	28,500,000	5.91	-	-	28,500,000	6.54	-	-
ESB	100,001,800	20.723	32,299,600 ^(c)	6.70	100,001,800	22.96	32,299,600 ^(c)	7.41
AESB	18,480,000	3.83	113,821,400 ^(d)	23.60	18,480,000	4.24	113,821,400 ^(d)	26.13
Shahirul Azian Binti Abu Bakar	-	-	132,301,400 ^(e)	27.43	-	-	132,301,400 ^(e)	30.37
Zubaidah Binti Ismail	-	-	132,301,400 ^(f)	27.43	-	-	132,301,400 ^(f)	30.37
Kumpulan Wang Persaraan (Diperbadankan)	59,021,800	12.24	3,133,000 ^(g)	0.65	59,021,800	13.55	3,133,000 ^(g)	0.72
AIA Bhd.	45,801,300	9.50	1,167,600 ^(h)	0.24	45,801,300	10.51	1,167,600 ^(h)	0.27
AIA Group Limited	-	-	46,968,900 ⁽ⁱ⁾	9.74	-	-	46,968,900 ⁽ⁱ⁾	10.78
AIA Company Limited	-	-	46,968,900 ⁽ⁱ⁾	9.74	-	-	46,968,900 ⁽ⁱ⁾	10.78
Orange Policy Sdn. Bhd.	-	-	46,968,900 ⁽ⁱ⁾	9.74	-	-	46,968,900 ⁽ⁱ⁾	10.78
Premium Policy Berhad	-	-	46,968,900 ^(k)	9.74	-	-	46,968,900 ^(k)	10.78

Notes:

- (a) *Deemed interested by virtue of his interest in ESB, SDSB and AESB pursuant to Section 8 of the Act.*
- (b) *Deemed interested by virtue of his spouse, Lee Oi Lin's shareholdings.*
- (c) *Deemed interested by virtue of Dr. Abu's interests in SDSB and AESB pursuant to Section 8 of the Act.*
- (d) *Deemed interested by virtue of Dr. Abu's interests in ESB and SDSB pursuant to Section 8 of the Act.*
- (e) *Deemed interested by virtue of the interests of her spouse, Dr. Abu in ESB, SDSB and AESB pursuant to Section 8 of the Act.*
- (f) *Deemed interested by virtue of the interests of her sibling, Dr. Abu in ESB, SDSB and AESB pursuant to Section 8 of the Act.*
- (g) *Deemed interested by virtue of the interest of KWAP's Fund Managers pursuant to Section 8 of the Act.*
- (h) *Deemed interested in the shares held by AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn Bhd., pursuant to Section 8 of the Act.*
- (i) *Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn Bhd., pursuant to Section 8 of the Act.*
- (j) *Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn Bhd., pursuant to Section 8 of the Act.*
- (k) *Deemed interested in the shares held by AIA Bhd., AIA PUBLIC Takaful Bhd. and AIA Pension and Asset Management Sdn Bhd., pursuant to Section 8 of the Act.*

Save for the resulting increase in percentage of shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, Substantial Shareholders and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of Treasury Shares, if any.

6.0 PUBLIC SHAREHOLDINGS SPREAD

The Proposed Renewal of Share Buy-Back will be undertaken in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The public shareholding spread of the Company as at the LPD is approximately 64.89% held by public shareholders. The Company will not make any purchase of PRESBHD shares if that will result in breach of Paragraph 8.02(1) of the Listing Requirements, which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares (excluding treasury shares) or such lower percentage of shareholding spread as may be allowed by Bursa Securities in the hands of public shareholders. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of PRESBHD Shares by the Company.

7.0 IMPLICATIONS RELATING TO THE RULES

Pursuant to the Rules, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/their stake(s) in the Company is/are increased to beyond 33% of its total number of issued shares or if his/their existing shareholding(s) is/are more than 33% but less than 50% and it exceeds by another 2% in any six (6) months' period.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining PRESBHD Shares not held by him/them. However, an exemption from a mandatory offer obligation may be granted by SC under the Rules, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its Substantial Shareholders and/or parties acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Rules will not be triggered. However, in the event that an obligation to undertake a mandatory offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make necessary application to SC for an exemption from undertaking a mandatory offer under the Rules before a mandatory offer is triggered.

8.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, NA and earnings of the PRESBHD Group, assuming purchase of own shares up to the maximum ten percent (10%) of the total number of issued shares of PRESBHD, are set out below:

8.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back on the total number of issued shares of the Company will depend on whether the PRESBHD Shares purchased are cancelled or retained as treasury shares.

In the event that all the PRESBHD Shares purchased are cancelled and on the assumption that the Proposed Renewal of Share Buy-Back is exercised in full, the proforma effects of the Proposed Renewal of Share Buy-Back on the total number of issued shares of the Company as at the LPD are as follows:

	No. of PRESBHD Shares	RM
Total number of issued shares as at the LPD	484,000,000	48,400,000
Cancellation of PRESBHD Shares purchased pursuant to the Proposed Renewal of Share Buy-Back	(48,400,000)	4,840,000
After the Proposed Renewal of Share Buy-Back	435,600,000	43,560,000

However, the Proposed Renewal of Share Buy-Back will have no effect on the total number of issued shares of the Company if all the PRESBHD Shares are retained as treasury shares, resold or distributed to the shareholders of the Company.

8.2 Net Assets

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of PRESBHD Group will decrease if the cost per Share purchased exceeds the NA per Share of PRESBHD Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of PRESBHD Group at the relevant point in time, the NA per Share of PRESBHD Group will increase.

In the case where the Purchased Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of PRESBHD Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of PRESBHD Group will decrease by the cost of the treasury shares at the point of purchase.

8.3 Earnings

The effects of the Proposed Renewal of Share Buy-Back on the earnings of PRESBHD Group are dependent on the number of PRESBHD Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to PRESBHD Group if internally generated funds are utilised. Further, the purchase of the PRESBHD Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

8.4 Working Capital

The Proposed Renewal of Share Buy-Back, as and when implemented, will reduce the working capital and cash flow of PRESBHD Group, the quantum of which depends on, amongst others, the purchase price of the PRESBHD Shares and the number of PRESBHD Shares that would be purchased.

For Purchased Shares which are kept as treasury shares, upon resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

8.5 Dividends

Barring any unforeseen circumstances, the Proposed Renewal of Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of PRESBHD. As stated in Sections 2 and 3.1 above, the Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Share Buy-Back.

8.6 Gearing

The effect of the Proposed Renewal of Share Buy-Back on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of PRESBHD Shares. At this juncture, the Company has not determined whether to use any form of borrowings for purposes of the Proposed Renewal of Share Buy-Back.

9.0 PREVIOUS PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES

In the previous twelve (12) months, PRESBHD has purchased 376,500 Shares (all of which are retained as treasury shares). There were no further purchases after 25 July 2017 until the LPD, details of which are set out below. As at 19 March 2018, the Company held 1,698,500 treasury shares, none of the treasury shares held were resold or cancelled in the preceding twelve (12) months:-

Date of Purchase	No. of Shares Purchased	Lowest Purchase Price (RM)	Highest Purchase Price (RM)	Average Purchase Price (RM)	Total Purchase Consideration (RM)
15 June 2017	94,700	2.010	2.030	2.020	191,989.88
20 June 2017	40,000	2.040	2.040	2.040	82,292.79
29 June 2017	40,800	2.070	2.080	2.075	85,515.72
21 July 2017	50,000	2.010	2.050	2.03	102,096.82
24 July 2017	101,000	1.960	1.990	1.975	200,256.47
25 July 2017	50,000	1.910	1.910	1.910	96,334.98
Total	376,500				758,486.66

10.0 HISTORICAL SHARE PRICES

The monthly highest and lowest closing prices of PRESBHD Shares as traded on Bursa Securities for the past twelve (12) months are as follows :-

	HIGH (RM)	LOW (RM)
2017		
March	2.35	2.17
April	2.42	2.28
May	2.37	2.13
June	2.14	2.06
July	2.38	1.90
August	1.92	1.62
September	1.87	1.75
October	1.82	1.68
November	1.70	1.21
December	1.58	1.39
2018		
January	1.88	1.51
February	1.70	1.54

The last transacted market price of PRESBHD Shares on the LPD was RM1.47 per Share.

The last transacted market price of PRESBHD Shares on 21 March 2018 (being the date prior to the announcement of the Proposed Renewal of Share Buy-Back and printing of this Circular) was RM1.39 per Share.

(Source: Yahoo Finance and Bloomberg)

11.0 DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of Shares or resale of treasury shares, if any, in the future.

12.0 DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Directors recommend that the shareholders of PRESBHD vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

13.0 AGM

The 8th AGM of PRESBHD, the Extract of Notice of 8th Annual General Meeting which is enclosed in this Circular/Statement, will be held at the Dewan Putra Perdana 1, PULSE GRANDE Hotel (formerly known as Putrajaya Shangri-La Hotel), Taman Putra Perdana, Presint 1, 62000 Wilayah Persekutuan Putrajaya, Malaysia on Wednesday, 16 May 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority as described herein.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the office of the Share Registrar Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time fixed for the forthcoming AGM. The completion and returning of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently decide to do so.

14.0 FURTHER INFORMATION

Shareholders are advised to refer to Note 19(a) – Treasury Shares to the Audited Financial Statements for the financial year ended 31 December 2017 in the Annual Report 2017 which is despatched together with this Circular/Statement for further information.

You are advised to refer to the attached Appendix II for further information.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board of PRESBHD who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There were no material contracts entered by PRESBHD nor any of its subsidiaries within the two (2) years preceding the LPD, other than contracts entered into in the ordinary course of business.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither PRESBHD nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of PRESBHD and/or its subsidiaries and the Directors are not aware of any proceedings, pending or threatened against PRESBHD and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may eventually affect the financial position of PRESBHD and/or its subsidiaries.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (a) Memorandum and Articles of Association of PRESBHD; and
- (b) The audited consolidated financial statements of PRESBHD for the past two (2) financial years ended 31 December 2016 and 31 December 2017.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



PRESTARIANG

PRESTARIANG BERHAD
(Company No. 922260-K)
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION NO. 2

PROPOSED NEW SHAREHOLDERS' FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT subject to the provision of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to Prestariang Group ("Group") to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 1.4 of the Circular to Shareholders dated 17 April 2018, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed New Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed New Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or
- (ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed New Shareholders' Mandate."

ORDINARY RESOLUTION NO. 3

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT subject always to the Companies Act 2016, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, if applicable, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,
whichever occurs first;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]