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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 ("**Bursa Securities**") has not perused the contents of this Statement prior to its issuance as it is prescribed as an exempted document pursuant to the provisions of Practice Note No. 18 of the Bursa Securities Main Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this 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 Statement.

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



PRESTARIANG®

PRESTARIANG BERHAD

[Registration No. 201001038336(922260-K)]
(Incorporated in Malaysia)

**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")**

The above Proposed Renewal of Share Buy-Back Authority will be tabled as Special Business at Prestariang Berhad's Tenth Annual General Meeting ("10th AGM") to be held on a fully virtual basis at the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 November 2020 at 10:00 a.m. The Notice of the 10th AGM together with the Form of Proxy are set out in the Annual Report of Prestariang Berhad for the financial year ended 30 June 2020.

If you are unable to attend and vote at the 10th AGM, you may complete the Form of Proxy and deposit it at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than forty-eight (48) hours before the time set for holding the 10th AGM. The lodging of the Form of Proxy does not preclude you from attending and voting at the meeting should you subsequently decide to do so. The Form of Proxy can also be submitted electronically via the Boardroom's Smart Investor Portal at <https://boardroomlimited.my>. For further information on the electronic submission of Form of Proxy, kindly refer to the Administration Guide.

Last date and time for lodging the Form of Proxy: Monday, 23 November 2020 at 10:00 a.m.
Date and time of the AGM: Wednesday, 25 November 2020 at 10:00 a.m.

This Statement is dated 23 October 2020

DEFINITIONS

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

"Act"	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Announcement LPD"	:	20 July 2020, being the LPD prior to the Company's announcement dated 23 July 2020 in relation to the Corporate Exercises, which is also the last full trading day preceding the date of execution of the HOA
"Board"	:	Board of Directors of PRESBHD
"Bursa Securities"	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
"Corporate Exercises"	:	The Rights Issue with Warrants, the Private Placement with Warrants and the LTIP collectively to be undertaken by the Company which approval for the aforesaid have been sought from the shareholders during the Company's EGM held on 15 September 2020
"Director(s)"	:	Directors(s) of PRESBHD
"Dr. Abu"	:	Dr. Abu Hasan Bin Ismail, the Non-Independent Executive Director, President/ Group Chief Executive Officer of the Company
"EGM"	:	Extraordinary General Meeting
"EPS"	:	Earnings per share
"HOA"	:	The Heads of Agreement dated 21 July 2020, entered into between the Company and Dr. Abu, for the subscription by Dr. Abu of 79,579,740 new PRESBHD Shares at an agreed subscription price of RM0.350 per Share
"Listing Requirements"	:	Bursa Securities Main Market Listing Requirements, including any amendments thereto that may be made from time to time
"LPD"	:	30 September 2020, being the latest practicable date prior to the printing of this Statement
"LTIP"	:	Long term incentive plan comprising the Employees' Share Option Scheme and the Share Grant Plan of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the tenure of the LTIP for eligible Directors and employees of the Group (excluding subsidiaries which are dormant)

DEFINITIONS (Cont'd)

- "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.
- "NA" : Net assets
- "Person(s) Connected" : In relation to any person ("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.
- "Placement Share(s)" : 79,579,740 new PRESBHD Shares pursuant to the Private Placement with Warrants at an issue price of RM0.350 per Placement Share
- "PRESBHD" or "Company" : Prestariang Berhad [201001038336 (922260-K)]
- "PRESBHD Group" or "Group" : PRESBHD and its subsidiary companies as defined in Section 4 of the Act
- "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

DEFINITIONS (Cont'd)

"Proposed Renewal of Share Buy-Back Authority"	:	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.
"Purchased Shares"	:	PRESBHD Shares that have been purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
"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
"SKIN"	:	Sistem Kawalan Imigresen Nasional
"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
"Warrant(s)"	:	Up to 256,423,606 free detachable warrants to be issued at an exercise price of RM0.385 per Warrant (i.e. 79,579,740 Warrants to be issued on the basis of 1 Warrant for every 1 Placement Share pursuant to the Private Placement with Warrants and up to 176,843,866 Warrants to be issued on the basis of 1 Warrant for every 1 Rights Share pursuant to the Rights Issue with Warrants)

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 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 Statement shall be a reference to Malaysian time, unless otherwise stated.

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PRESTARIANG®

PRESTARIANG BERHAD

[Registration No. 201001038336(922260-K)]
(Incorporated in Malaysia)

Registered Office:

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

23 October 2020

Board of Directors

Mr. Paul Chan Wan Siew (*Senior Independent Non-Executive Director, Interim Chairman*)
Mr. Ramanathan A/L Sathiamutty (*Independent Non-Executive Director*)
Ms. Ginny Yeow Mei Ying (*Independent Non-Executive Director*)
Dr. Abu Hasan Bin Ismail (*Non-Independent Executive Director, President/ Group Chief Executive Officer*)
Mr. Baldesh Singh A/L Manmohan Singh (*Non-Independent Executive Director/ Chief Operating Officer*)
Professor Emeritus Dato' Dr. Hassan Bin Said (*Independent Non-Executive Director*)
Puan Hafidah Aman Binti Hashim (*Independent Non-Executive Director*)

To: The Shareholders of PRESBHD

Dear Sir/Madam

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

INTRODUCTION

The Board had on 19 October 2020 announced that the Company is proposing to seek approval from its shareholders on the Proposed Renewal of Share Buy-Back Authority at an AGM. The existing authority for share buy-back which was approved by the shareholders at the Ninth AGM held on 27 November 2019, 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 Statement is to provide you with details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval in respect of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 10th AGM of PRESBHD.

SHAREHOLDERS OF PRESBHD ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.

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 27 November 2019 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 19 October 2020 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, 25 November 2020.

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 532,230,100 ordinary shares.

As an illustration, the maximum number of Shares which may be purchased by the Company will be no more than 53,223,000 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 51,524,500 Shares.

For the avoidance of doubt, for illustrative purposes throughout this Statement including the proforma effects as disclosed in Section 8 below, we have not taken into account:-

- (i) any grant of options or Shares to the eligible Directors and employees of PRESBHD and its subsidiary companies, which are not dormant, who fulfill eligibility criteria as set out in the By-Laws of the LTIP to be executed at the date to be determined later after the LPD;
- (ii) any purchase of Shares by PRESBHD pursuant to the share buy-back authority approved by shareholders at 9th AGM, after the LPD; and
- (iii) any issuance of additional Shares pursuant to Sections 75 and 76 of the Act after the LPD.

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 ordinary 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 Authority is as follows:

- (a) in managing the business of the Group, the management team strives to increase shareholder value by improving, inter alia, the return on equity of the Company. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) shares purchased or acquired under the Share Buy-Back Authority can also be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its shareholders; and
- (c) share buy-back mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

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 Authority 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 Authority 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 Authority 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 Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of PRESBHD Group.
- (b) The Proposed Renewal of Share Buy-Back Authority 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 Authority 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 Authority 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 Authority.

4.0 FUNDING AND RETAINED PROFITS

The Proposed Renewal of Share Buy-Back Authority, 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 Authority, 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. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

As at the LPD, the Company has not determined the source of funding for the Proposed Renewal of Share Buy-Back Authority. The actual amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority 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 Authority 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 period ended 30 June 2019 and the latest unaudited financial statements of the Company for the three (3) months period ended 30 June 2020, the retained profits/(accumulated losses) of the Company are as follows:-

	Audited As at 30 June 2019 (RM'000)	Unaudited As at 30 June 2020 (RM'000)
Retained Profits/ (Accumulated Losses)	(61,526)	(69,335)

5.0 SHAREHOLDINGS OF DIRECTORS, MAJOR SHAREHOLDER, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THE DIRECTORS AND/OR MAJOR SHAREHOLDER

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 Authority 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 Authority on the shareholdings of the existing Directors and major shareholder/substantial shareholders of PRESBHD by virtue of Section 127(9) of the Act are as per the table shown below.

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	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	%
<u>Directors</u>								
Chan Wan Siew	950,000	0.18	150,000 ^(a)	0.03	950,000	0.20	150,000 ^(a)	0.03
Ramanathan A/L Sathiamutty	-	-	-	-	-	-	-	-
Ginny Yeow Mei Ying	-	-	-	-	-	-	-	-
Dr. Abu Hasan Bin Ismail	-	-	-	-	-	-	-	-
Baldesh Singh A/L Manmohan Singh	-	-	-	-	-	-	-	-
Professor Emeritus Dato' Dr. Hassan Bin Said	-	-	-	-	-	-	-	-
Hafidah Aman Binti Hashim	-	-	-	-	-	-	-	-
<u>Major Shareholder*</u>								
Maybank Trustees Berhad Areca Dynamic Growth Fund	77,196,400	14.55	-	-	77,196,400	16.12	-	-
<u>Substantial Shareholders</u>								
CIMB Islamic Trustee Berhad – Affin Hwang Multi-Asset Fund	48,917,900	9.22	-	-	48,917,900	10.21	-	-
CIMB Commerce Trustee Berhad – Affin Hwang Multi-Asset Fund 3	32,315,100	6.09	-	-	32,315,100	6.75	-	-

Notes:

(a) Deemed interested by virtue of his spouse, Lee Oi Lin's shareholdings.

* The Major Shareholder is also the Substantial Shareholder of the Company.

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, Major Shareholder, Substantial Shareholders and/or Persons Connected to the Directors and/or Major Shareholder has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of Treasury Shares, if any.

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6.0 PUBLIC SHAREHOLDINGS SPREAD

The Proposed Renewal of Share Buy-Back Authority 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 69.93% 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 Authority 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 Authority is exercised in full, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of the Company as at the LPD are as follows:

	No. of PRESBHD Shares
Total number of issued shares as at the LPD	532,230,100
Cancellation of PRESBHD Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority	(53,223,000)

	No. of PRESBHD Shares
After the Proposed Renewal of Share Buy-Back Authority	479,007,100

However, the Proposed Renewal of Share Buy-Back Authority 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 NA

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 Authority 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 Authority, 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 Authority 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 Authority.

8.6 Gearing

The effect of the Proposed Renewal of Share Buy-Back Authority 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 Authority.

9.0 DETAILS OF PURCHASE OF SHARES, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not purchased any Shares, or resold, transfer or cancelled any Treasury Shares during the previous twelve (12) months and up to the LPD.

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 :-

	LOW (RM)	HIGH (RM)
2019		
October	0.48	0.50
November	0.43	0.53
December	0.42	0.44
2020		
January	0.36	0.45
February	0.32	0.42
March	0.12	0.35
April	0.17	0.30
May	0.28	0.33
June	0.30	0.55
July	0.41	0.57
August	0.61	1.16
September	0.51	1.12

The last transacted market price of PRESBHD Shares on the LPD was RM0.57 per Share.

(Source: Investing.com)

11.0 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.

12.0 AGM

The 10th AGM of PRESBHD, the Extract of Notice of 10th Annual General Meeting which is enclosed in this Statement, will be on a fully virtual basis at the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 25 November 2020 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 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 Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time fixed for the forthcoming AGM. The Form of Proxy can also be submitted electronically via the Boardroom Smart Investor Portal at <https://boardroomlimited.my>. For further information on the electronic submission of Form of Proxy, kindly refer to the Administration Guide. The

completion and returning of the Form of Proxy will not preclude you from attending and voting at the forthcoming AGM should you subsequently decide to do so.

13.0 FURTHER INFORMATION

Shareholders are advised to refer to Note 19 – Treasury Shares to the Audited Financial Statements for the financial year ended 30 June 2020 in the Annual Report 2020 which is despatched together with this Statement for further information.

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

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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

Save as disclosed below, 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.

1. On 4 November 2019, Prestariang Capital Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional Share Exchange Agreement ("**Share Exchange Agreement**") with OpenLearning Limited ("**OLL**"), a company listed on the Australian Securities Exchange ("**ASX**"), Magna Intelligent Sdn Bhd ("**Magna**") and other investors for the purpose of exchanging the total of 36.11% of the issued and paid-up share capital of OpenLearning Global Pte Ltd ("**OGPL**") held in aggregate by Prestariang Capital Sdn Bhd, Magna and others to OLL. As a result of the Share Exchange Agreement, Prestariang Capital Sdn Bhd received 13,726,784 shares in OLL, representing 9.83% shareholding of the total issued and paid-up share capital of OLL.

On 12 December 2019, Prestariang Capital Sdn Bhd disposed a total of 4,118,035 ordinary shares, representing 2.95% equity interest held in OLL, through an off-market block trade transaction at a price of Australian Dollar ("**AUD**") 0.20 per share for gross cash proceeds of AUD823,607. On 2 June 2020, Prestariang Capital Sdn Bhd entered into several separate agreements with several investors ("**Investors**") for the disposal of a total of 9,608,749 ordinary shares, representing the remaining 6.88% equity interest held in OLL to the Investors via an off-market block trade transaction for a cash consideration of AUD0.20 per OLL share or a total of AUD1,921,749.80.

2. On 25 February 2020, the Company entered into a conditional Shares Sale Agreement with Serba Dinamik Group Berhad for the proposed disposal of 20,000,000 ordinary shares, representing 100% equity interest held in Prestariang Education Sdn Bhd, a wholly-owned subsidiary of the Company, to Serba Dinamik Group Berhad for a cash consideration of RM2,500,000. Upon completion of the proposed disposal, Prestariang Education Sdn Bhd shall cease to be a wholly-owned subsidiary of the Company.

As at the LPD, the proposed disposal has not yet been completed and is pending the approval of the Ministry of Higher Education in respect of the change of shareholder and shareholding structure in Prestariang Education Sdn Bhd.

3. On 21 July 2020, the Company entered into a HOA with Dr. Abu for the subscription by Dr. Abu of 79,579,740 new PRESBHD Shares at an agreed subscription price of RM0.350 per Share.

Further to the execution of the HOA, on 23 July 2020, the Company entered into a subscription agreement with Dr. Abu ("**Subscription Agreement**") for the Private Placement with Warrants i.e. the private placement of: -

- a. 79,579,740 Placement Shares, representing approximately 15% of the total issued share capital of 530,531,600 Shares (excluding 1,698,500 treasury shares) as at the Announcement LPD, at an issue price of RM0.350 per Placement Share; with
- b. 79,579,740 Warrants on the basis of 1 Warrant for every 1 Placement Share issued.

The Company executed a Letter of Novation on 8 September 2020 pursuant to which Dr. Abu had novated and transferred all its rights and obligations under the Subscription Agreement to Eco Cloud Assets Sdn Bhd. The Warrants will be issued at no cost to Eco Cloud Assets Sdn Bhd.

As at the LPD, the Private Placement with Warrants has not yet been completed.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, 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:-

- i. **Kuala Lumpur High Court Civil Suit No.: WA24NCVC-2312-11/2019**
Prestariang Skin Sdn. Bhd.Plaintiff
The Government of Malaysia ("Government")Defendant

Prestariang Skin Sdn Bhd, a wholly owned subsidiary of Prestariang Services Sdn Bhd, which in turn is owned by PRESBHD, entered into a concession agreement dated 9 August 2017 ("Concession Agreement") with the Government as represented by the Ministry of Home Affairs in relation to the implementation of SKIN project. The relevant announcements had been made to Bursa Securities by PRESBHD on 20 November 2015, 24 November 2015, 26 November 2015 and 18 November 2016.

On 12 December 2018, PRESBHD announced that Prestariang Skin Sdn Bhd received a letter from the Ministry of Home Affairs dated 11 December 2018, confirming the decision to terminate the SKIN project by way of expropriation.

On 22 January 2019, PRESBHD announced that in accordance with the terms of the Concession Agreement, Prestariang Skin Sdn Bhd is entitled to compensation in accordance with the formula set out in the Concession Agreement as Prestariang Skin Sdn Bhd is not in default of the Concession Agreement. However, both parties were unable to reach an agreement. On 15 April 2019, Prestariang Skin Sdn Bhd commenced legal proceedings against the Government by way of an Originating Summons in relation to the termination of the Concession Agreement by the Government by way of expropriation pursuant to Clause 31.1 of the Concession Agreement, to seek for, among others, the following orders from the Court:

- (a) a declaration that the Defendant, the Government, is under an obligation to pay to the Plaintiff a sum representing the present value of the availability charges for the remaining unexpired concession period discounted at weighted average cost of capital of the Plaintiff as at the termination date of 22 January 2019 ("Termination Date"), in accordance with Clause 28.3.1(b)(iii) read together with Appendix 14 of the Concession Agreement and Schedule 1 of the Supplemental Agreement dated 11 April 2018 ("Supplemental Agreement");
- (b) a declaration that the sum payable by the Defendant to the Plaintiff pursuant to Clauses 28.3.1(b)(iii), 31 and Appendix 14 of the Concession Agreement and Schedule 1 of the Supplemental Agreement is RM732,860,194.00, or any such sum as ordered by the Court; and
- (c) an order that the Defendant makes payment to the Plaintiff of the sum of as declared and ordered by the Court in respect of item (b) above, not later than six (6) months after the Termination Date i.e. on or before 22 July 2019, in compliance with Clause 28.3.1(b)(iii) of the Concession Agreement.

The sealed Originating Summons was served on the Government on 25 April 2019. On 19 June 2019, the Court granted a protective order in favour of Prestariang Skin Sdn

Bhd's application.

On 12 July 2019, the Government filed an application to convert the Originating Summons into a Writ action, which had been heard by the High Court Judge on 25 September 2019. On 30 October 2019, the High Court Judge dismissed the Government's application and awarded costs to Prestariang Skin Sdn. Bhd.

The Government appealed against the High Court Judge's decision dismissing its application on 30 October 2019. On 10 June 2020, the Court of Appeal found that there was no merit to Government's appeal and awarded costs Prestariang Skin Sdn. Bhd.

In dismissing the Government's appeal, the Court of Appeal held that the Government would not suffer any prejudice with Prestariang Skin Sdn Bhd's action continuing by way of Originating Summons in light of the directions given by the High Court Judge to allow for the cross-examination of the various deponents as well as for expert evidence to be tendered.

The hearing of the Originating Summons and cross-examination of the deponents of affidavits have been fixed on 21 January 2021, 22 January 2021, 29 January 2021 and 26 February 2021. A case management has also been fixed on 30 November 2020.

PRESBHD's solicitors are of the view that Prestariang Skin Sdn Bhd has reasonable prospects of success in its claims against the Government.

Separately, Prestariang Skin Sdn Bhd and the Government have also agreed to refer the dispute in respect of Prestariang Skin Sdn Bhd's Originating Summons to a court annexed mediation conducted by the Kuala Lumpur Court Mediation Centre. The parties agreed that the mediation process shall proceed concurrently with the court proceedings. On 30 October 2019, representatives from Prestariang Skin Sdn Bhd and the Government (with parties' respective Counsel) attended the first mediation session. A further mediation session between the parties has yet to be fixed.

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 Statement up to and including the date of the AGM:

- (a) Constitution of PRESBHD;
- (b) The audited consolidated financial statements of PRESBHD for the past two (2) financial years ended 31 December 2017 and 30 June 2019;
- (c) The latest unaudited consolidated financial results of PRESBHD for the period ended 30 September 2020; and
- (d) The Material Contracts as disclosed in Section 2 of Appendix I of this Statement.



PRESTARIANG®

[Registration No. 201001038336(922260-K)]
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE TENTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION NO. 2

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 Constitution of the Company, the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements 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 ten percent (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any);
- (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 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."

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