

PRESTARIANG BERHAD

(Incorporated in Malaysia)
Company No: 922260 - K

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2016	2015	2016	2015
	%	%	RM'000	RM'000
POGSB	49	49	459	295

- (b) Summarised financial information of non-controlling interest has not been presented as the non-controlling interest of the subsidiary is not material to the Group.

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6. PROPERTY AND EQUIPMENT

The Group 2016	Building RM'000	Computer systems and equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
Cost								
At 1 January	5,255	2,855	1,998	2,093	5,144	1,889	301	19,535
Additions	-	181	47	31	65	555	51	930
Reclassification	-	-	5	-	304	-	(309)	-
Disposal	-	-	-	-	-	(940)	-	(940)
At 31 December	5,255	3,036	2,050	2,124	5,513	1,504	43	19,525
Accumulated depreciation								
At 1 January	585	1,497	598	728	1,672	1,491	-	6,571
Charge for the year (Note 27)	105	483	201	194	543	212	-	1,738
Disposal	-	-	-	-	-	(870)	-	(870)
At 31 December	690	1,980	799	922	2,215	833	-	7,439
Net carrying amount								
At 31 December	4,565	1,056	1,251	1,202	3,298	671	43	12,086

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6. PROPERTY AND EQUIPMENT (CONT'D)

	Building RM'000	Computer systems and equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Group								
2015								
Cost								
At 1 January	5,255	2,392	1,879	1,766	4,705	2,150	-	18,147
Additions	-	463	119	327	439	-	301	1,649
Disposal	-	-	-	-	-	(261)	-	(261)
At 31 December	5,255	2,855	1,998	2,093	5,144	1,889	301	19,535
Accumulated depreciation								
At 1 January	480	1,041	396	540	1,152	1,408	-	5,017
Charge for the year (Note 27)	105	456	202	188	520	344	-	1,815
Disposal	-	-	-	-	-	(261)	-	(261)
At 31 December	585	1,497	598	728	1,672	1,491	-	6,571
Net carrying amount								
At 31 December	4,670	1,358	1,400	1,365	3,472	398	301	12,964

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6. PROPERTY AND EQUIPMENT (CONT'D)

The Company
2016

Cost	Building RM'000	Computer systems and equipment RM'000	Furniture and Fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
At 1 January	-	-	-	-	-	180	-	180
Additions	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	114	-	114
Charge for the year (Note 27)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	150	-	150
Net carrying amount								
At 31 December	-	-	-	-	-	30	-	30

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6. PROPERTY AND EQUIPMENT (CONT'D)

The Company
2015

Cost	Building RM'000	Computer systems and equipment RM'000	Furniture and fittings RM'000	Office Equipment RM'000	Office Renovation RM'000	Motor Vehicles RM'000	Capital work in progress RM'000	Total RM'000
At 1 January	-	-	-	-	-	180	-	180
Additions	-	-	-	-	-	-	-	-
At 31 December	-	-	-	-	-	180	-	180
Accumulated depreciation								
At 1 January	-	-	-	-	-	78	-	78
Charge for the year (Note 27)	-	-	-	-	-	36	-	36
At 31 December	-	-	-	-	-	114	-	114
Net carrying amount								
At 31 December	-	-	-	-	-	66	-	66

(a) Included in property and equipment of the Group are motor vehicles with a total net book value of RM444,790 (2015: nil) held under hire purchase arrangements.

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7. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2016	2015
	RM'000	RM'000
At 1 January	(19)	-
Recognised in profit or loss (Note 30)	-	(19)
At 31 December	<u>(19)</u>	<u>(19)</u>
Presented as follows:-		
Deferred tax assets	1,154	1,154
Deferred tax liabilities	<u>(1,173)</u>	<u>(1,173)</u>
	<u>(19)</u>	<u>(19)</u>

The Group has recognised the deferred tax assets based on its expected level of operations of a subsidiary and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

The deferred tax assets/(liabilities) recognised at the end of the reporting period and after appropriate offsetting are as follows:-

	The Group	
	2016	2015
	RM'000	RM'000
Deferred tax assets:-		
Unutilised tax losses	779	779
Unabsorbed capital allowance	617	617
Provisions	385	385
	<u>1,781</u>	<u>1,781</u>
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(1,185)	(1,185)
Deductible differences on development cost	(449)	(449)
Others	(166)	(166)
	<u>(1,800)</u>	<u>(1,800)</u>
	<u>(19)</u>	<u>(19)</u>

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7. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

No deferred tax assets is recognised in the statements of financial position on the following items:-

	The Group	
	2016	2015
	RM'000	RM'000
Unutilised tax losses	13,656	11,739
Unabsorbed capital allowance	-	-
	<u>13,656</u>	<u>11,739</u>

8. DEVELOPMENT COSTS

	The Group	
	2016	2015
	RM'000	RM'000
Cost		
At 1 January	6,611	4,773
Addition during the financial year	2,120	1,838
At 31 December	8,731	6,611
Accumulated amortisation		
As at 31 December	<u>(1,390)</u>	<u>(1,390)</u>
	<u>7,341</u>	<u>5,221</u>

- (a) The development costs at the end of the reporting period comprised the development of 1 citizen, proficiency in communication, green ICT, EduCloud and programme for international student assessment.
- (b) At the end of the reporting period, the development costs for the projects yet to be commercialised amounted to approximately RM7,341,000 (2015: RM5,221,000).

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9. INVENTORIES

	The Group	
	2016 RM'000	2015 RM'000
Finished goods	<u>2,512</u>	<u>1,755</u>
Recognised in profit or loss:- Inventories recognised as cost of sales	<u>- 76,613</u>	<u>63,984</u>

10. TRADE RECEIVABLES

	The Group	
	2016 RM'000	2015 RM'000
Trade receivables	32,029	31,751
Allowance for impairment losses	(299)	(299)
	<u>31,730</u>	<u>31,452</u>

Trade receivables are non-interest bearing and are generally on 30 to 60 days credit terms. They are recognised at their original invoiced amounts less trade discounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	The Group	
	2016 RM'000	2015 RM'000
Neither past due nor impaired:-		
1 to 30 days	22,327	21,172
31 to 60 days	<u>1,223</u>	<u>2,076</u>
	23,550	23,248
Past due but not impaired:-		
61 to 90 days	393	88
More than 90 days	<u>7,787</u>	<u>8,116</u>
	8,180	8,204
	<u>31,730</u>	<u>31,452</u>
Past due and impaired:-		
More than 90 days	299	299
	<u>32,029</u>	<u>31,751</u>

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10. TRADE RECEIVABLES (CONT'D)

Trade receivables that are impaired

The Group's trade receivables that are impaired as at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	The Group Individually impaired	
	2016 RM'000	2015 RM'000
At 1 January	299	299
Addition during the financial year	-	-
At 31 December	<u>299</u>	<u>299</u>

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has been no significant change in the credit quality and the balances are still considered recoverable.

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11. OTHER RECEIVABLES

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sundry receivables	4,229	5,293	644	4,878
Other deposits	3,496	556	-	-
Prepayments	695	694	20	3
Advances	118	111	-	-
	<u>8,538</u>	<u>6,654</u>	<u>664</u>	<u>4,881</u>

Sundry receivables are non-interest bearing. They are recognised at the amounts which represent their fair values on initial recognition.

12. AMOUNT OWING BY CONTRACT CUSTOMER

	The Group	
	2016 RM'000	2015 RM'000
Contract costs incurred to date	<u>24,515</u>	<u>15,747</u>

The amount owing by contract customer represents unbilled contract costs incurred relating to activities of Sistem Kawalan Imigresen Nasional ("SKIN" or the "Project") project. Based on the current state of affairs and other available information on the Project, the directors are confident that the Project will be completed and implemented according to plan.

The contract costs incurred to date included the following charges made during the financial year:

	The Group	
	2016 RM'000	2015 RM'000
Staff costs (Note 28)	<u>2,574</u>	<u>2,709</u>

13. AMOUNTS DUE FROM SUBSIDIARIES

The non-trade balances represent unsecured interest-free advances and payment made on behalf. The amount due from are repayable on demand and are to be settled in cash.

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14. SHORT-TERM INVESTMENTS

	The Group			
	2016	2016	2015	2015
	Carrying Amount RM'000	Market Value RM'000	Carrying Amount RM'000	Market Value RM'000
Equity funds unit trusts in Malaysia, at fair value	326	326	5,265	5,265
Investments placed with fund managers in Malaysia, at fair value	51,170	51,170	35,712	35,712
	<u>51,496</u>		<u>40,977</u>	

15. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	6,131	5,206	2,075	20
Deposits with licensed banks	51,737	82,591	15,109	57,785
	<u>57,868</u>	<u>87,797</u>	<u>17,184</u>	<u>57,805</u>
Less: Deposits pledged with licensed banks	(2,698)	(2,698)	-	-
Cash and cash equivalents	<u>55,170</u>	<u>85,099</u>	<u>17,184</u>	<u>57,805</u>

The deposits with licensed banks of the Group and of the Company bore effective interest rates ranging from 2.80% to 4.00% (2015: 2.80% to 4.70%) per annum. The deposits have maturity periods ranging from 30 to 120 days (2015: 30 to 120 days) at the end of the reporting period.

Included in deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,698,000 (2015: RM2,698,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

16. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 (2015: 60) days.

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17. OTHER PAYABLES

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sundry payables	4,011	3,527	231	322
Accruals	3,006	2,262	58	311
Advances received from customers	11,808	5,302	-	-
Dividend payable	3,620	4,834	3,620	4,834
	<u>22,445</u>	<u>15,925</u>	<u>3,909</u>	<u>5,467</u>

18. BORROWINGS

	The Group	
	2016 RM'000	2015 RM'000
Short-Term Borrowings		
Secured		
Hire purchase (Note 19)	73	-
Term loan (Note 20)	-	92
	<u>73</u>	<u>92</u>
Long-Term Borrowings		
Secured		
Hire purchase (Note 19)	309	-
Term loan (Note 20)	-	623
	<u>309</u>	<u>623</u>
Total Borrowings		
Secured		
Hire purchase (Note 19)	382	-
Term loan (Note 20)	-	715
	<u>382</u>	<u>715</u>

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19. HIRE PURCHASE PAYABLES

	The Group	
	2016	2015
	RM'000	RM'000
Secured		
Minimum hire purchase payments:		
Not later than 1 year	90	-
Later than 1 year and not later than 2 years	90	-
Later than 2 years and not later than 5 years	248	-
	<u>428</u>	<u>-</u>
Less: Future finance charges	(46)	-
Present value of hire purchase payables	<u>382</u>	<u>-</u>
Present value of hire purchase payables		
Not later than 1 year (Note 18)	73	-
Non-current:		
Later than 1 year and not later than 2 years	77	-
Later than 2 years and not later than 5 years	232	-
Total non-current portion (Note 18)	<u>309</u>	<u>-</u>
	<u>382</u>	<u>-</u>
Analysed as:		
Due within 12 months (Note 18)	73	-
Due after 12 months (Note 18)	309	-
	<u>382</u>	<u>-</u>

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase.
- (b) The hire purchase payables of the Group at the end of the reporting period bore an effective interest rate of 4.82% (2015: nil) per annum. The interest rate is fixed at the inception of the hire purchase arrangements.

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20. TERM LOAN

	The Group	
	2016 RM'000	2015 RM'000
Secured		
Current		
Not later than 1 year (Note 18)	-	92
Non-current		
Later than 1 year and not later than 2 years	-	143
Later than 2 years and not later than 5 years	-	311
Later than 5 years	-	169
Total non-current portion (Note 18)	-	623
	<u>-</u>	<u>715</u>

The details of the repayment terms are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENT	MONTHLY INSTALMENT RM	DATE OF COMMENCEMENT OF REPAYMENT	THE GROUP AMOUNT OUTSTANDING	
				2016 RM'000	2015 RM'000
1	180	14,333	July 2008	<u>-</u>	<u>715</u>

At the end of the previous reporting period, the term loan bore an effective interest rate of 5.35% per annum.

The term loan was secured by:-

- a general facility agreement;
- a Deed of Assignment cum Power of Attorney over six units of buildings of the Group; and
- a personal guarantee of a director of the Group for RM1,350,000.

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21. SHARE CAPITAL

	The Company			
	Number of Ordinary Shares of RM0.10 each		Amount	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000
Authorised Share Capital				
At 1 January/31 December	<u>1,000,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>100,000</u>
Issued and Fully Paid-up				
At 1 January/31 December	<u>484,000</u>	<u>484,000</u>	<u>48,400</u>	<u>48,400</u>

The holders of the ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

22. SHARE PREMIUM

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 January/31 December	<u>74,712</u>	<u>74,712</u>	<u>71,300</u>	<u>71,300</u>

Included in the share premium of the Group is an amount of RM3,412,000 (2015: RM3,412,000) relating to the share premium in a subsidiary.

The share premium reserve represents the premium paid on subscriptions of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

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23. OTHER RESERVES

(a) Treasury Shares

During the financial year, the Company has purchased 667,000 of its own issued ordinary shares from the open market at prices ranging from RM1.98 to RM2.13 per share. The total consideration paid for the purchase was RM1,404,355 including the transaction costs. The ordinary shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 484,000,000 issued and fully paid-up ordinary shares at the end of the reporting period, 1,322,000 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

(b) Merger Deficit

The merger deficit arose from the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries acquired under the pooling interest method of accounting.

24. REVENUE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ICT training and certification	7,952	18,891	-	-
Software licence distribution and management	117,254	93,974	-	-
Gross dividend income	-	-	18,097	17,017
Education	2,565	2,293	-	-
Employment services	4,300	318	-	-
	<u>132,071</u>	<u>115,476</u>	<u>18,097</u>	<u>17,017</u>

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25. OTHER INCOME

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Dividend income	-	303	-	-
Fair value gain on short-term investments	-	642	-	-
Foreign exchange gain:				
- realised	-	1,038	-	-
- unrealised	-	843	-	-
Interest income	2,703	2,348	827	2,346
Profit income received from deposits with licensed Islamic Banks	19	23	-	-
Rental income	16	51	-	-
Gain on disposal of:				
- property and equipment	180	75	-	-
- short-term investment	-	481	-	-
Others	32	268	-	-
	<u>2,950</u>	<u>6,072</u>	<u>827</u>	<u>2,346</u>

26. FINANCE COSTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Bank charges	216	124	-	1
Commission charges	177	153	-	-
Interest expense:				
- hire purchase	5	2	-	-
- term loan	55	44	-	-
	<u>60</u>	<u>46</u>	<u>-</u>	<u>-</u>
	<u>453</u>	<u>323</u>	<u>-</u>	<u>1</u>

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27. PROFIT BEFORE TAXATION

In addition to those disclosed in Note 25 and Note 26 to the financial statements, profit before taxation is arrived at after charging/(crediting):-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Auditors' remuneration:				
- audit fees	111	101	28	28
Bad debts written off	-	179	-	-
Depreciation of property and equipment (Note 6)	1,738	1,815	36	36
Rental of equipment	782	831	-	-
Rental of office	1,295	1,883	-	-
Staff costs (Note 28)	13,961	12,585	2,442	2,913
	<u>13,961</u>	<u>12,585</u>	<u>2,442</u>	<u>2,913</u>

28. STAFF COSTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries and other benefits	13,140	12,566	1,420	2,399
Defined contribution plans	1,334	1,467	184	238
Social security costs	88	76	13	11
Other staff related expenses	1,973	1,185	825	265
	<u>16,535</u>	<u>15,294</u>	<u>2,442</u>	<u>2,913</u>
Less: Include in amount owing by contract customer (Note 12)	(2,574)	(2,709)	-	-
	<u>13,961</u>	<u>12,585</u>	<u>2,442</u>	<u>2,913</u>

Included in the staff costs of the Group and the Company are directors' remuneration amounting to RM2,258,000 and RM1,464,000 (2015: RM1,482,000 and RM840,000) respectively, as further disclosed in Note 29 to the financial statements.

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29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

- (a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- Salaries, bonuses and other benefits	1,496	872	798	307
Defined contribution benefits	170	95	86	27
	<u>1,666</u>	<u>967</u>	<u>884</u>	<u>334</u>
<i>Non-executive Directors</i>				
Short-term employee benefits:				
- Fee	328	240	316	231
- Allowance	264	275	264	275
	<u>592</u>	<u>515</u>	<u>580</u>	<u>506</u>
	<u>2,258</u>	<u>1,482</u>	<u>1,464</u>	<u>840</u>
<u>Other Key Management Personnel</u>				
Short-term employee benefits	2,257	2,809	352	795
Defined contribution benefits	264	327	40	90
Benefit-in-kind	37	-	12	-
	<u>2,558</u>	<u>3,136</u>	<u>404</u>	<u>885</u>

The estimated monetary value of benefits-in-kind provided by the Company to its executive director is RM79,000 (2015: RM78,000).

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29. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive Directors:				
RM1 - RM50,000	-	-	1	1
RM250,001 - RM300,000	-	1	-	1
RM650,001 - RM700,000	-	1	-	-
RM800,001 - RM850,000	2	-	1	-
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Non-executive Directors:				
RM50,001 - RM100,000	1	-	2	1
RM100,001 - RM150,000	4	4	3	3
	<u>7</u>	<u>6</u>	<u>7</u>	<u>6</u>

30. INCOME TAX EXPENSE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense:				
- for the financial year	3,035	5,320	-	-
- (over)/underprovision in prior years	(552)	88	-	-
	<u>2,483</u>	<u>5,408</u>	<u>-</u>	<u>-</u>
Deferred tax expense relating to the origination of temporary difference (Note 7):				
- current financial year	-	(956)	-	-
- underprovision in the previous financial year	-	975	-	-
	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>
	<u>2,483</u>	<u>5,427</u>	<u>-</u>	<u>-</u>

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30. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before taxation	11,531	22,458	16,020	15,750
Tax at statutory tax rate of 24% (2015: 25%)	2,767	5,614	3,845	3,938
Tax-exempt income under pioneer status	-	(1,578)	-	-
Non-taxable income	(1,256)	(1,097)	(4,542)	(4,841)
Non-deductible expenses	1,043	1,153	697	903
Deferred tax assets not recognised during the financial year	481	272	-	-
(Over)/Underprovision in the previous financial year:				
- current year	(552)	88	-	-
- deferred tax	-	975	-	-
Income tax expense for the financial year	2,483	5,427	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

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31. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, as follows:-

	The Group	
	2016	2015
Profit attributable to owners of the Company (RM000)	8,884	17,226
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 January	484,000	484,000
Effect of treasury shares held	(1,018)	(233)
Weighted average number of ordinary shares at 31 December ('000)	<u>482,982</u>	<u>483,767</u>
Basic earnings per share (sen)	<u>1.84</u>	<u>3.56</u>

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

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32. DIVIDENDS

	The Group/ The Company	
	2016	2015
	RM'000	RM'000
In respect of the financial year ended 31 December 2014:		
- declared and paid fourth interim tax-exempt dividend of 0.5 sen per ordinary share	-	2,420
In respect of the financial year ended 31 December 2015:		
- declared and paid a first interim tax-exempt dividend of 0.75 sen per ordinary share	-	3,630
- declared and paid a second interim tax-exempt dividend of 1 sen per ordinary share	-	4,833
- declared and paid a third interim tax-exempt dividend of 1 sen per ordinary share	-	4,834
- declared and paid fourth interim tax-exempt dividend of 1 sen per ordinary share	4,833	-
In respect of the financial year ended 31 December 2016:		
- declared and paid a first interim tax-exempt dividend of 0.75 sen per ordinary share	3,623	-
- declared and paid a second interim tax-exempt dividend of 0.75 sen per ordinary share	3,621	-
- declared and paid a third interim tax-exempt dividend of 0.75 sen per ordinary share	3,620	-
	<u>15,697</u>	<u>15,717</u>

On 22 February 2017, the Board of Directors declared a fourth interim single-tier dividend of 0.75 sen per ordinary share amounting to RM3,620,085 in respect of the financial year ended 31 December 2016. The interim dividend shall be paid on 21 March 2017. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2017.

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33. PURCHASE OF PROPERTY AND EQUIPMENT

	The Group	
	2016	2015
	RM'000	RM'000
Cost of property and equipment purchased (Note 6)	930	1,649
Amount financed through hire purchase	(400)	-
Cash disbursed for purchase of property and equipment	<u>530</u>	<u>1,649</u>

34. CAPITAL COMMITMENTS

	The Group	
	2016	2015
	RM'000	RM'000
Authorised but not Contracted for		
Purchase of property and equipment	33	-
Development costs	-	600
	<u>33</u>	<u>600</u>
Contracted but not Provided for		
Purchase of property and equipment	25,452	-
Development costs	-	6,738
	<u>25,452</u>	<u>6,738</u>

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35. OPERATING LEASE COMMITMENTS

LEASES AS LESSEE

The Group leases a number of office buildings for campus and apartments for accommodation of students under non-cancellable operating leases. The lease periods range from 1 to 5 years with an option to renew after those dates. Lease payments are increased every 2 years to reflect market rentals and none of the leases includes contingent rentals. The Group is restricted from sub-leasing the leased assets to third parties.

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	The Group	
	2016	2015
	RM'000	RM'000
Not more than one year	1,019	2,198
Later than one year and not later than five years	-	1,019
	<u>1,019</u>	<u>3,217</u>

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36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currency other than the respective functional currency of entities within the Group. The currency giving rise to the risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currency for working capital purposes.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar RM000	Ringgit Malaysia RM000	Total RM000
The Group 2016			
<u>Financial Assets</u>			
Trade receivables	743	30,987	31,730
Other receivables	-	7,843	7,843
Short-term investments	-	51,496	51,496
Cash and bank balances	306	57,562	57,868
	<u>1,049</u>	<u>147,888</u>	<u>148,937</u>
<u>Financial Liabilities</u>			
Trade payables	10,622	2,280	12,902
Other payables	-	22,445	22,445
Borrowings - hire purchase payables	-	382	382
	<u>10,622</u>	<u>25,107</u>	<u>35,729</u>
Net financial (liabilities)/ assets	(9,573)	122,781	113,208
Less: Net financial assets denominated in the respective entities' functional currencies	-	(122,781)	(122,781)
Currency exposure	<u>(9,573)</u>	<u>-</u>	<u>(9,573)</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group 2015			
<u>Financial Assets</u>			
Trade receivables	3,810	27,642	31,452
Other receivables	-	5,960	5,960
Short-term investments	-	40,977	40,977
Cash and bank balances	1,089	86,708	87,797
	<u>4,899</u>	<u>161,287</u>	<u>166,186</u>
<u>Financial Liabilities</u>			
Trade payables	13,091	2,632	15,723
Other payables	-	15,925	15,925
Borrowings	-	715	715
	<u>13,091</u>	<u>19,272</u>	<u>32,363</u>
Net financial asset	(8,192)	142,015	133,823
Less: Net financial assets denominated in the respective entities' functional currencies	-	(142,015)	(142,015)
Currency exposure	<u>(8,192)</u>	<u>-</u>	<u>(8,192)</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	2015
	RM'000	RM'000
Effect on Profit After Taxation		
USD/RM - strengthened by 5%	(364)	(307)
- weekend by 5%	364	307
	<hr/>	<hr/>

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	2015
	RM'000	RM'000
Effect on Profit After Taxation		
Increase of 100 basis points	-	(5)
Decrease of 100 basis points	-	5

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure equity price risks by maintaining a portfolio of equities with different risk profiles.

The Group's equity price profile as monitored by management is set out below:-

	The Group	
	2016	2015
	RM'000	RM'000
Equity funds unit trusts	326	5,265
Investments placed with fund managers	51,170	35,712
	<u>51,496</u>	<u>40,977</u>

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group	
	2016	2015
	RM'000	RM'000
Effect on Profit After Taxation		
Increase of 5%	1,957	1,537
Decrease of 5%	<u>(1,957)</u>	<u>(1,537)</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 47% of its total trade receivables at the end of the reporting period.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile (Cont'd)

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2016 RM'000	2015 RM'000
Singapore	743	3,810
Malaysia	30,987	27,642
	<u>31,730</u>	<u>31,452</u>

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
The Group							
2016							
<u>Non-derivative Financial Liabilities</u>							
Trade payables	-	12,902	12,902	12,902	-	-	-
Other payables	-	22,445	22,445	22,445	-	-	-
Hire purchase payables	4.82	382	428	90	90	248	-
		<u>35,729</u>	<u>35,775</u>	<u>35,437</u>	<u>90</u>	<u>248</u>	<u>-</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Contractual Interest Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
<u>Non-derivative</u>							
<u>Financial Liabilities</u>							
Trade payables	-	15,723	15,723	15,723	-	-	-
Other payables	-	15,925	15,925	15,925	-	-	-
Term loan	5.35	715	867	173	173	347	174
		<u>32,363</u>	<u>32,515</u>	<u>31,821</u>	<u>173</u>	<u>347</u>	<u>174</u>

The Group 2015

Non-derivative
Financial Liabilities
Trade payables
Other payables
Term loan

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Contractual Interest Rate (%)	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within one year or on demand RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000
The Company 2016							
<u>Non-derivative Financial Liabilities</u>							
Other payables	-	3,909	3,909	3,909	-	-	-
		<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
The Company 2015							
<u>Non-derivative Financial Liabilities</u>							
Other payables	-	5,467	5,467	5,467	-	-	-
		<u>5,467</u>	<u>5,467</u>	<u>5,467</u>	<u>-</u>	<u>-</u>	<u>-</u>

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 Capital Risk Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 Classification of Financial Instruments

The Group 2016	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Trade receivables	10	31,730	-	-	31,730
Other receivables	11	7,843	-	-	7,843
Short-term investments	14	-	-	51,496	51,496
Cash and bank balances	15	57,868	-	-	57,868
Total financial assets		97,441	-	51,496	148,937
Total non-financial assets					49,465
Total assets					198,402
Liabilities					
Trade payables	16	-	12,902	-	12,902
Other payables	17	-	22,445	-	22,445
Borrowings	18	-	382	-	382
Total financial liabilities		-	35,729	-	35,729
Total non-financial liabilities					1,173
Total liabilities					36,902

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.3 Classification of Financial Instruments (Cont'd)

The Group 2015	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Trade receivables	10	31,452	-	-	31,452
Other receivables	11	5,960	-	-	5,960
Short-term investments	14	-	-	40,977	40,977
Cash and bank balances	15	87,797	-	-	87,797
Total financial assets		125,209	-	40,977	166,186
Total non-financial assets					38,171
Total assets					204,357
Liabilities					
Trade payables	16	-	15,723	-	15,723
Other payables	17	-	15,925	-	15,925
Borrowings	18	-	715	-	715
Total financial liabilities		-	32,363	-	32,363
Total non-financial liabilities					2,440
Total liabilities					34,803

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****36. FINANCIAL INSTRUMENTS (CONT'D)****36.3 Classification of Financial Instruments (Cont'd)**

The Company	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Other receivables	11	644	-	-	644
Amounts due from subsidiaries	13	62,538	-	-	62,538
Cash and bank balances	15	17,184	-	-	17,184
Total financial assets		80,366	-	-	80,366
Total non-financial assets					41,342
Total assets					121,708
Liabilities					
Other payables	17	-	3,909	-	3,909
Total financial liabilities		-	3,909	-	3,909
Total non-financial liabilities					-
Total liabilities					3,909

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****36. FINANCIAL INSTRUMENTS (CONT'D)****36.3 Classification of Financial Instruments (Cont'd)**

The Company 2015	Note	Loan and Receivables Financial Assets RM'000	Other Financial liabilities RM'000	Fair Value through Profit or Loss RM'000	Total RM'000
Assets					
Other receivables	11	4,878	-	-	4,878
Amounts due from subsidiaries	13	20,148	-	-	20,148
Cash and bank balances	15	57,805	-	-	57,805
Total financial assets		82,831	-	-	82,831
Total non-financial assets					41,517
Total assets					124,348
Liabilities					
Other payables	17	-	5,467	-	5,467
Total financial liabilities		-	5,467	-	5,467
Total non-financial liabilities					-
Total liabilities					5,467

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Group								
2016								
<u>Financial Asset</u>								
Short-term investments	51,496	-	-	-	-	-	51,496	51,496
<u>Financial Liability</u>								
Hire Purchase Payables	-	-	-	-	382	-	382	382

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 Fair Value Information (Cont'd)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
The Group								
2015								
Financial Asset								
Short-term investments	40,977	-	-	-	-	-	40,977	40,977
Financial Liability								
Term Loan	-	-	-	-	715	-	715	715

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36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- (i) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting period.

There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value, which are for disclosure purposes, and have been determined using the following basis:-

- (i) The fair values of the Group's terms loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair values of hire purchase payables and term loan that carry fixed interest rate are determined by discounting the relevant future contractual cash flow using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2016	2015
	%	%
Hire purchase payables	4.82	-

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37. OPERATING SEGMENTS

The Group's business segments can be organised into the following segments reflecting the Group's internal reporting structure:

- (a) Information and Communications Technology ("ICT") training and certification and software license distribution and management (collectively referred to as the "ICT services and distribution") - provision of both basic and professional ICT training and certification encompassing instructor-led courses and certification examination at the end of the course. At the same time distributing and managing the software licences.
- (b) Education - University Malaysia of Computer Science and Engineering (UniMy) is designed to develop talented market-ready computing professionals to meet the challenge of advancing Malaysia's economic success in the next decade. To enhance human knowledge in computer science and engineering and explore the challenge of integrating it with emerging technology in an interdisciplinary environment, while educating outstanding students to become creative, innovative and responsible members of society.
- (c) Employment Services - Human resource management services is to provide facilities for foreign workers' recruitment and document services.
- (d) Others - The holding company involved in the activity of investment holding.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

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37. OPERATING SEGMENTS (CONT'D)

37.1 Business Segments

	ICT Services and Distribution Education		Employment Services	Other	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
2016					
Revenue					
External revenue	125,206	2,565	4,300	-	132,071
Inter-segment revenue	-	-	-	18,097	18,097
Segment revenue	125,206	2,565	4,300	18,097	150,168
Consolidation adjustments					(18,097)
Consolidated revenue					132,071
Results					
Segment profit/(loss)					
before interest and taxation	19,855	(6,068)	335	15,959	30,081
Finance costs					(453)
Consolidation adjustments					(18,097)
Consolidated profit before taxation					11,531
Segment profit/(loss) before interest and taxation include the following:-					
Depreciation and amortisation	1,122	567	13	36	1,738
Gain on disposal of: - property and equipment	180	-	-	-	180
Interest income	1,879	-	-	824	2,703

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37. OPERATING SEGMENTS (CONT'D)

37.1 Business Segments (Cont'd)

	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Group RM'000
2016					
Assets					
Segment assets	181,879	7,510	1,932	122,189	313,510
Current tax assets	632	-	50	480	1,162
	<u>182,511</u>	<u>7,510</u>	<u>1,982</u>	<u>122,669</u>	<u>314,672</u>
Deferred tax assets					1,154
Consolidation adjustments					(117,424)
Consolidated total assets					<u>198,402</u>
Liabilities					
Segment liabilities	93,554	12,433	1,068	6,931	113,986
	<u>93,554</u>	<u>12,433</u>	<u>1,068</u>	<u>6,931</u>	<u>113,986</u>
Deferred tax liabilities					1,173
Consolidation adjustments					(78,257)
Consolidated total liabilities					<u>36,902</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:					
- property and equipment	604	206	120	-	930
- development costs	2,120	-	-	-	2,120
	<u>2,724</u>	<u>206</u>	<u>120</u>	<u>-</u>	<u>3,050</u>

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37. OPERATING SEGMENTS (CONT'D)

37.1 Business Segments (Cont'd)

	ICT Services and Distribution		Education	Employment Services	Other	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2015						
Revenue						
External revenue	112,865	2,293	318	-		115,476
Inter-segment revenue	-	-	-	17,017		17,017
Segment revenue	<u>112,865</u>	<u>2,293</u>	<u>318</u>	<u>17,017</u>		<u>132,493</u>
Consolidation adjustments						<u>(17,017)</u>
Consolidated revenue						<u>115,476</u>
Results						
Segment profit/(loss)						
before interest and taxation	<u>31,137</u>	<u>(5,794)</u>	<u>(397)</u>	<u>15,559</u>		<u>40,505</u>
Finance costs						(323)
Consolidation adjustments						<u>(17,724)</u>
Consolidated profit before taxation						<u>22,458</u>
Segment profit/(loss) before interest and taxation include the following:-						
Bad debts written off	-	-	-	179		179
Depreciation and amortisation	1,203	576	-	36		1,815
Fair value gain on short-term investments	642	-	-	-		642
Gain on disposal of:						
- property and equipment	75	-	-	-		75
- short-term investment	481	-	-	-		481
Interest income	-	2	-	2,346		2,348
Foreign exchange gain: - unrealised	843	-	-	-		843

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37. OPERATING SEGMENTS (CONT'D)

37.1 Business Segments (Cont'd)

	ICT Services and Distribution RM'000	Education RM'000	Employment Services RM'000	Other RM'000	Group RM'000
2015					
Assets					
Segment assets	129,666	8,817	993	124,227	263,703
Current tax assets	-	-	-	636	636
	<u>129,666</u>	<u>8,817</u>	<u>993</u>	<u>124,863</u>	<u>264,339</u>
Deferred tax assets					1,154
Consolidation adjustments					(61,136)
Consolidated total assets					<u>204,357</u>
Liabilities					
Segment liabilities	40,215	7,464	413	6,240	54,332
Current tax liabilities	1,267	-	-	-	1,267
	<u>41,482</u>	<u>7,464</u>	<u>413</u>	<u>6,240</u>	<u>55,599</u>
Deferred tax liabilities					1,173
Consolidation adjustments					(21,969)
Consolidated total liabilities					<u>34,803</u>
Additions to non-current assets other than financial instruments and deferred tax assets are:					
- property and equipment	1,052	597	-	-	1,649
- development costs	1,838	-	-	-	1,838
	<u>1,052</u>	<u>597</u>	<u>-</u>	<u>-</u>	<u>1,649</u>
	<u>1,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,838</u>

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37. OPERATING SEGMENTS (CONT'D)

37.2 Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

Geographical information

	Malaysia RM'000	Singapore RM'000	Total RM'000
The Group			
2016			
Revenue	129,626	2,445	132,071
2015			
Revenue	109,374	6,102	115,476

The Group's non-current assets are located in Malaysia.

37.3 Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

Customer	Business Segment	Revenue	
		2016 RM'000	2015 RM'000
Customer C	ICT services and distributions	13,734	11,187

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38. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transaction

Other than those disclosed elsewhere in the financial statements, the Company had the following significant transaction with related parties during the financial year:-

	The Company	
	2016	2015
	RM'000	RM'000
Dividend received from:		
- PSSB	18,097	17,017

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39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 15 November 2016, the Company has received a letter from the Government of Malaysia ("Government") via Ministry of Home Affairs to confirm that the Cabinet has approved for the Company to implement 'Sistem Kawalan & Imigresen Nasional' ("SKIN"). SKIN is a comprehensive and integrated technology platform to modernize the core applications and infrastructure of the national immigration system with the objective to enhance the national border security. SKIN will be implemented by way of a Public Private Partnership through Build, Operate, Maintain and Transfer (BOMT) method. The concession shall be for a period of fifteen (15) years and will consist of three (3) years of build and deployment phase and twelve (12) years of maintenance and technical operation phase.

40. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The details of the significant events occurring after the reporting period are as follows:

- (a) On 12 January 2017, the Company entered into a Memorandum of Understanding (MoU) with Alibaba.com Singapore E-Commerce Private Limited and Conversant Solutions Pte. Ltd. to form a strategic joint collaboration to create an Integrated Education Platform (IEP) known as EduCloud. The co-operation is to create EduCloud as a Single Platform to derive innovative ecosystem to deliver all activities linked to education and education-related activities and services including but not limited to campus management, teaching and learning, ICT security, entertainment, digital payment and other activities and/or services undertaken by educational institutions and other online applications.
- (b) On 12 January 2017, the Company had acquired two (2) ordinary shares of RM1.00 each in Prestariang Digital Sdn Bhd ("PDSB"), representing 100% of the total issued and paid-up share capital of PDSB, for a total consideration of RM2.00 from Dr. Abu Hasan Bin Ismail and Encik Abdul Razak Bin Bakrun ("the Acquisition"). Subsequent to the Acquisition, PDSB became a wholly-owned subsidiary of the Company.

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40. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

The details of the significant events occurring after the reporting period are as follows (Cont'd):

- (c) The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaces the existing Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that will affect the financial statements of the Group and of the Company upon its initial adoption are:-

- (i) Removal of the authorised share capital;
- (ii) Ordinary shares will cease to have par or nominal value; and
- (iii) Share premium account and capital redemption reserve will become part of the share capital.

The adoption of the Companies Act 2016 is to be applied prospectively. Therefore, the changes in the accounting policies and the possible impacts on the financial statements upon its initial adoption will be disclosed in the financial statements of the Group and of the Company for the financial year ending 31 December 2017.

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41. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	52,471	57,481	707	384
- Unrealised	-	1,639	-	-
	<u>52,471</u>	<u>59,120</u>	<u>707</u>	<u>384</u>
Add: Consolidation adjustments	2,278	2,442	-	-
At 31 December	<u>54,749</u>	<u>61,562</u>	<u>707</u>	<u>384</u>