

***Catalysing  
Digital Readiness***  
*Progressing with Purpose*

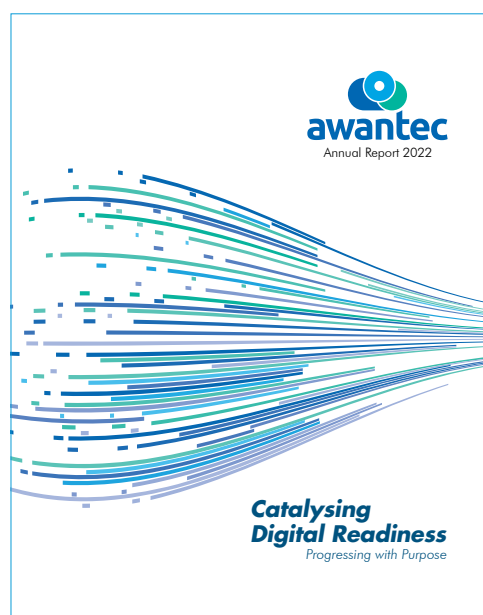


# Catalysing Digital Readiness

*Progressing with Purpose*

Staying true to our mission of transforming lives, Awantec continues to play its pivotal role as a Leading Technology and Talent Digitalisation Enabler in Catalysing Digital Readiness across the nation.

Having built our momentum, we are now better poised and focused on Progressing with Purpose of delivering long-term value towards a sustainable future for all, by empowering every walk of life with our solutions.



## **12<sup>th</sup> Annual General Meeting**

**Thursday, 24 November 2022**

**10:00 a.m.**

<https://meeting.boardroomlimited.my/>

(Virtual meeting platform)



This Report is also available at  
[www.awantec.my](http://www.awantec.my).

#### Feedback

Awantec aspires to continually improve the quality of our disclosures. For any feedback as well as enquiries on our report, please contact:

Legal and Corporate Governance  
Department  
Email: [ir@awantec.my](mailto:ir@awantec.my)

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# About This Report

AwanBiru Technology Berhad ("**Awantec**" or the "**Group**") is pleased to present its Annual Report 2022 ("**Report**"). This Report, along with Awantec's sustainability statement embedded within, is intended to provide a comprehensive, transparent and fair assessment of the value we have created, material matters, risks, opportunities, as well as the Group's performances to keep its stakeholders well informed.

This report has been prepared with information that is relevant and accurate at the time of its publication.

## Reporting Scope and Boundaries

The content of this Report encompasses both financial and non-financial aspects that contribute to Awantec's value creation capabilities across all of its operations and activities which include Multi-cloud Management Services, as well as Full Life Cycle Talent Management Services that took place in Malaysia, where the Group is headquartered and all of its subsidiaries are located unless stated otherwise.

This report has been prepared in accordance with the following reporting frameworks and guidelines:

	Annual Report	Sustainability Statement
Framework	<ul style="list-style-type: none"> <li>Bursa Malaysia Securities Berhad Main Market Listing Requirement</li> <li>Malaysian Code on Corporate Governance ("<b>MCCG</b>") 2021</li> <li>Malaysian Financial Reporting Standards ("<b>MFRS</b>")</li> <li>International Financial Reporting Standards ("<b>IFRS</b>")</li> <li>Malaysian Companies Act 2016</li> </ul>	<ul style="list-style-type: none"> <li>Bursa Malaysia Securities Berhad Sustainability Reporting Guide</li> <li>FTSE4Good Index Criteria</li> <li>Global Reporting Initiative ("<b>GRI</b>") Sustainability Reporting Standards</li> <li>The United Nations Sustainable Development Goals ("<b>UNSDGs</b>")</li> </ul>

## Reporting Period

This Report covers the period of 1 July 2021 to 30 June 2022 ("**FY2022**"). It also includes any material events that occurred after FY2022 up to the date of publication.

## Assurance Approach

Awantec has obtained third-party assurance for its audited financial statements from its external auditor, Crowe Malaysia PLT (page 148-251), and for selected segments of its sustainability statement from SIRIM QAS International Sdn. Bhd. (page 90-91). Internally, Awantec continues to maintain oversight to ensure reliable and quality disclosure.

## Forward-Looking Statements

This Report contains forward-looking statements which reference future prospects, plans and outlooks. These statements should not be taken as definitive, considering that they involve a marked degree of uncertainty and are based on predictions and expectations that may change due to various uncertainties beyond Awantec's control. Therefore, all forward-looking statements are not conclusive and have not been reviewed by Awantec's auditors.

## Exclusions

The information disclosed in this Report is guided by Awantec's appetite for disclosure. The Group has withheld information that falls under the following categories:

- Information that would jeopardise our strategic and competitive advantages;
- Information that we are contractually precluded from sharing; and
- Information which we are unable to verify.

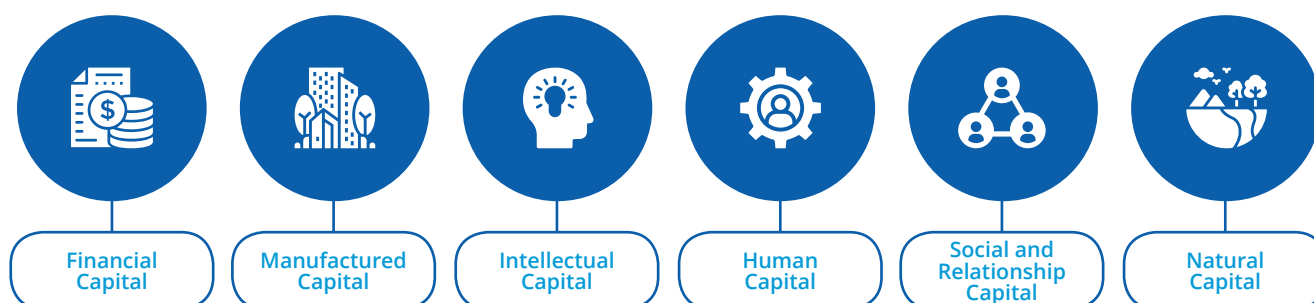


## Adopted UNSDGs



## Six Capitals

Awantec is committed to its strategy of **‘Doing Well by Doing Good’** across all six capitals to ensure that the Group stays on its course to Progress with Purpose.



## Our Material Matters



## Stakeholders

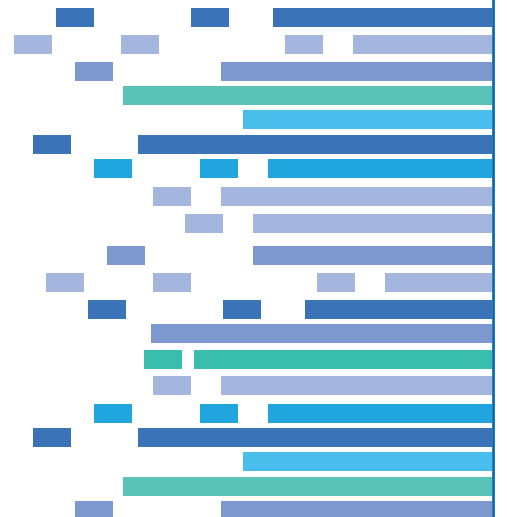




***Awantec pivots on  
digitalisation and  
leverages its vast  
experience to do one  
single thing -  
Deliver best-fit  
solutions built  
around every  
business need.***

# ABOUT AWANTEC

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## ABOUT AWANTEC

# Who We Are

For more than 19 years, AwanBiru Technology Berhad ("**Awantec**" or the "**Group**") has been instrumental in driving the nation's technology and talent industry towards digital Malaysia.

From its humble beginning in 2003 as Prestariang: Malaysia's leading information communication technology training and certification service provider, the Group has grown from strength to strength with its latest journey being pivot to digitalisation - Aptly rebranded as Awantec in December 2020 to reflect its new strategy in the direction of cloud computing and blue ocean strategies.



## VISION

**A Global Company that Provides 21<sup>st</sup> Century Talent and Technology Solutions to Transform Lives**



## MISSION

**To Drive Sustainable Recurring Profit Through Digital Transformation**



ABOUT AWANTEC  
**Who**  
We Are

## SHARED VALUES



**RESPECT**



**INTEGRITY**



**CUSTOMER-FOCUS**



**PASSIONATE**



**LIFELONG  
LEARNING**



Listed on  
Bursa Malaysia  
Securities Berhad's  
Main Market on  
27 July 2011



Google Cloud's Premier  
Partner



Google Cloud's  
Authorised Training  
Partner

Google Cloud

ASIA-PACIFIC

**Partner  
of the Year**

Public Sector

**2021**

Google Cloud's  
Public Sector  
Partner of the  
Year 2021





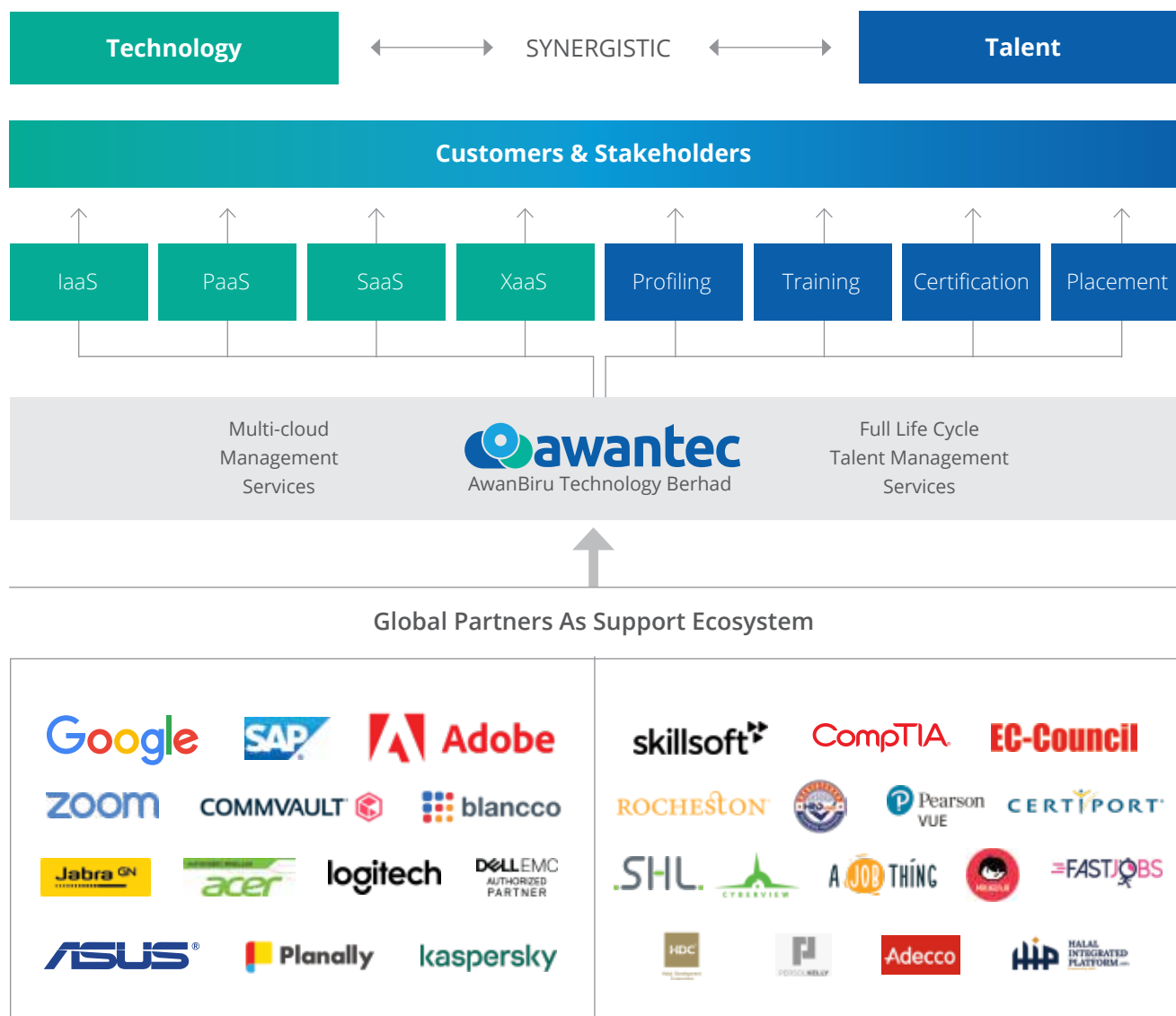
***Awantec provides  
synergistic Multi-cloud  
Management Services  
and Full Life Cycle  
Talent Management  
Services***

## What We Do

Awantec pivots on digitalisation and leverages its vast experience to do one single thing - Deliver best-fit solutions that are built around every business need.

The principal business of Awantec under the Technology division encompasses an array of Multi-cloud Management Services, which encapsulates Infrastructure as a Service ("IaaS"), Platform as a Service ("PaaS"), Software as a Service ("SaaS") and Anything as a Service ("XaaS").

Its Talent division, on the other hand, provides synergistic end-to-end offerings of talent management services, which cut across profiling, training, certification and placement.



## ABOUT AWANTEC

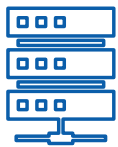
# What We Do

## We Catalyse Digital Readiness

That is Awantec's purpose as a Talent and Technology digitalisation enabler. A vital role to play as Malaysians were flung into a new terrain where digitalisation is key. Whether it is the Government, organisations, agencies, corporates, micro, small and medium enterprises or even individuals, everyone is trying to keep pace.

It is clear that digital transformation is the only way forward. Armed with our ethos of transforming lives, we ride the wave of digitalisation together with our global partners in equipping our stakeholders with new digital capabilities to ensure that no one is left behind.

And this is how we do it:



# 1

## CLOUD SOLUTIONS

We help organisations and businesses discover the right solution to unleash their true potential to scale, as Malaysia's trusted Google Cloud partner.



**>7,162,000**  
million  
cumulative software seats  
distributed

**>532,000**  
software seats distributed  
FY2022



## Multi-cloud Management Services



# 2

## MANAGED SERVICES

We ensure seamless implementation of brand new solutions to negate risk and maximise return for every ringgit spent.

Assess  
existing  
environment

Strategise  
migration and  
integration

Optimise  
resources

Manage  
day-to-day IT  
operations

# 3

## ON-PREMISE OFFERINGS

We supply the infrastructure and hardware required to match the digitalisation demands.

Unified communications

Hardware and servers

PCs and laptops





ABOUT AWANTEC  
**What**  
We Do

## Full Life Cycle Talent Management Services



## 4 TRAINING AND CERTIFICATION

We cultivate digital expertise and capabilities to take full advantage of the new and improved IT environment.



**>25,000**  
individuals trained and  
certified for FY2022

**>21,000**  
upskilled digitally

Awantec is accredited and endorsed as an Authorised Test Centre by:



## 5 PROFILING AND PLACEMENT

We provide befitting talents with the right attitude, capabilities as well as drive-complementing the newly acquired technologies to ensure true digital readiness.



- Strong collaboration with recruitment partners, nationwide
- Huge candidate and vacancy data across various industries
  - Technology
  - Human Resources
  - Retail
  - Manufacturing

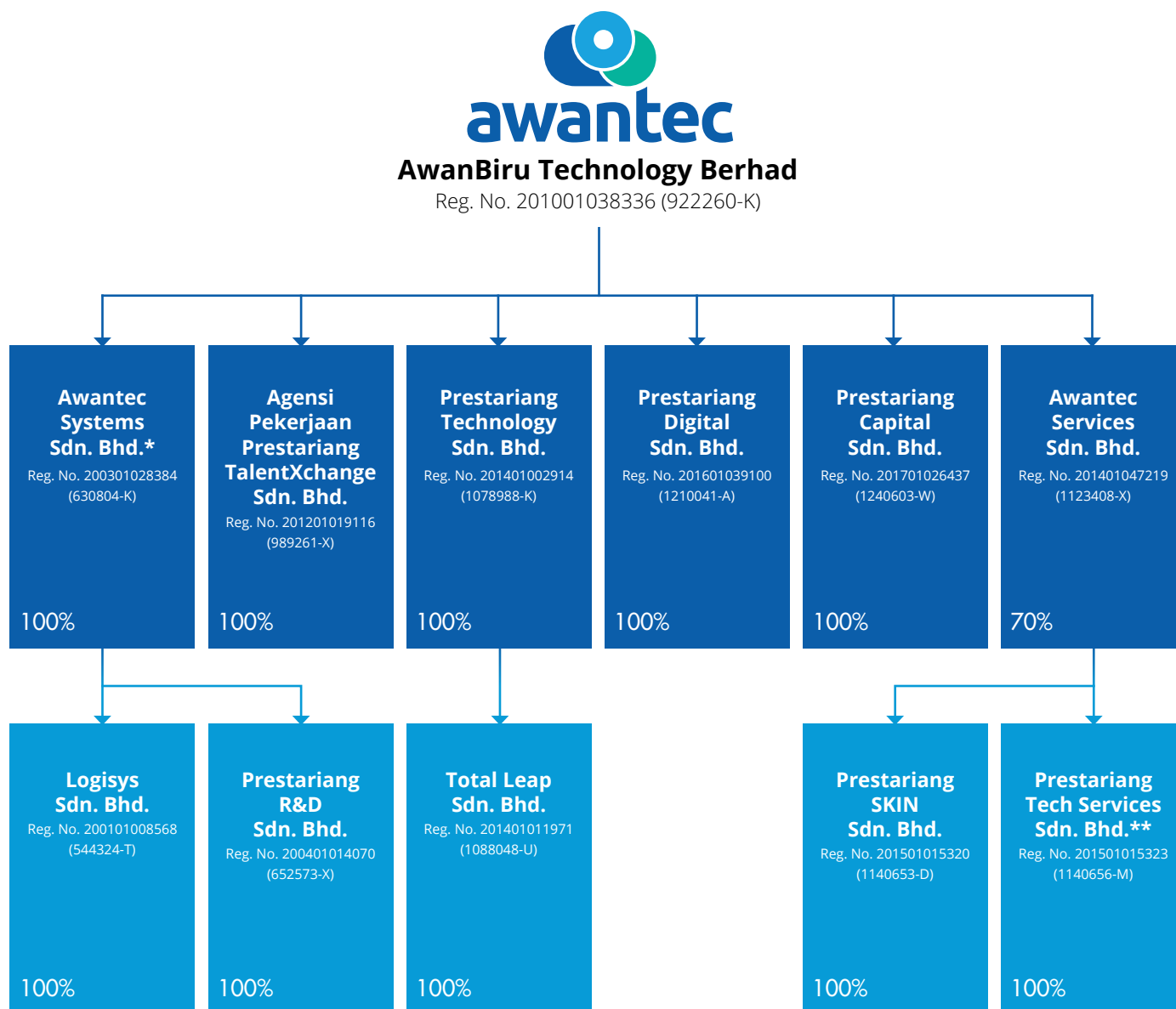
**>29,000**  
Job Seekers

**>390**  
Employers



## ABOUT AWANTEC

# Corporate Structure



\* Formerly known as Prestariang Systems Sdn. Bhd.

\*\* Currently undergoing creditors' voluntary winding up

The entire Group, along with all of its subsidiaries are located and operates in Cyberjaya, Selangor Darul Ehsan, Malaysia.

# Corporate Information

## BOARD OF DIRECTORS

### Syed Naqiz Shahabuddin bin Syed Abdul Jabbar

Independent Non-Executive Chairman

### Paul Chan Wan Siew

Senior Independent Non-Executive Director

### Ramanathan A/L Sathiamutty

Independent Non-Executive Director

### Ginny Yeow Mei Ying

Independent Non-Executive Director

### Professor Emeritus

### Dato' Dr. Hassan bin Said

Independent Non-Executive Director

### Hafidah Aman binti Hashim

Independent Non-Executive Director

### Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan

Independent Non-Executive Director

### YM Tunku Abang Faisal Amir bin Abang Abu Bakar

Independent Non-Executive Director

### Dr. Abu Hasan bin Ismail

Founder Mentor

Non-Independent Non-Executive Director

### Baldesh Singh

### A/L Manmohan Singh

Chief Operating Officer,  
Non-Independent Executive Director

### Rezal Adzly bin Abdul Rahman

Chief Executive Officer,  
Non-Independent Executive Director  
(Resigned w.e.f 29 July 2022)

## BOARD COMMITTEES

### BOARD OVERSIGHT COMMITTEE

Ramanathan A/L Sathiamutty (*Chairperson*)  
Dr. Abu Hasan bin Ismail

### NOMINATION COMMITTEE

Professor Emeritus Dato' Dr. Hassan bin Said (*Chairperson*)  
Ramanathan A/L Sathiamutty  
Ginny Yeow Mei Ying  
Hafidah Aman binti Hashim

### AUDIT COMMITTEE

Paul Chan Wan Siew (*Chairperson*)  
Ramanathan A/L Sathiamutty  
Professor Emeritus Dato' Dr. Hassan bin Said  
Hafidah Aman binti Hashim

### REMUNERATION COMMITTEE

Professor Emeritus Dato' Dr. Hassan bin Said (*Chairperson*)  
Ramanathan A/L Sathiamutty  
Ginny Yeow Mei Ying  
Hafidah Aman binti Hashim

### RISK MANAGEMENT COMMITTEE

Ramanathan A/L Sathiamutty (*Chairperson*)  
Dr. Abu Hasan bin Ismail  
Paul Chan Wan Siew  
Baldesh Singh A/L Manmohan Singh  
Ginny Yeow Mei Ying

### LONG-TERM INCENTIVE PLAN COMMITTEE

Professor Emeritus Dato' Dr. Hassan bin Said (*Chairperson*)  
Paul Chan Wan Siew  
Dr. Abu Hasan bin Ismail  
Ramanathan A/L Sathiamutty  
Baldesh Singh A/L Manmohan Singh

## COMPANY SECRETARIES

### Chua Siew Chuan

(MAICSA 0777689 Practitioner)  
SSM PC No.: 201908002648

### Lim Lih Chau

(LS 0010105)  
SSM PC No.: 201908001454

## BUSINESS ADDRESS

Block 11B, Star Central,  
Lingkar Cyber Point Timur, Cyber 12,  
63000 Cyberjaya,  
Selangor Darul Ehsan, Malaysia  
Tel : +603 8689 7000  
Fax : +603 8689 7009  
Website : www.awantec.my

## REGISTERED OFFICE

Level 7, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur, Malaysia  
Tel : +603 2084 9000  
Fax : +603 2094 9940

## INVESTOR RELATIONS

### Sherliza Samantha binti Asli

Block 11B, Star Central,  
Lingkar Cyber Point Timur, Cyber 12,  
63000 Cyberjaya,  
Selangor Darul Ehsan, Malaysia  
Tel : +603 8689 7044  
Fax : +603 8689 7009  
Email : ir@awantec.my

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities  
Berhad  
Stock Code : 5204  
Stock Name : AWANTEC

## PRINCIPAL BANKERS

Ambank Islamic Bank Berhad  
Maybank Islamic Bank Berhad  
CIMB Islamic Bank Berhad

## EXTERNAL AUDITOR

### Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018  
Level 16, Tower C, Megan Avenue II,  
12 Jalan Yap Kwan Seng,  
50450 Kuala Lumpur, Malaysia

## INTERNAL AUDITOR

### KPMG Management and Risk Consulting Sdn. Bhd.

Level 10, KPMG Tower,  
8, First Avenue, Bandar Utama,  
47800 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia

## SOLICITOR

### Lim Chee Wee Partnership

12-1, Lorong Dungun, Damansara Heights,  
50490 Kuala Lumpur, Malaysia  
Tel : +603 2011 3332  
Fax : +603 2011 6616  
Email : info@lcwpartnership.com  
Website : www.lcwpartnership.com

## SHARE REGISTRAR

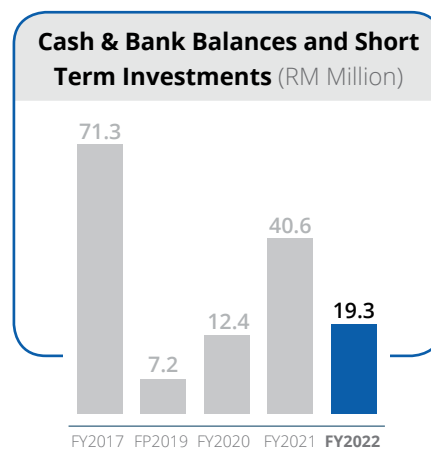
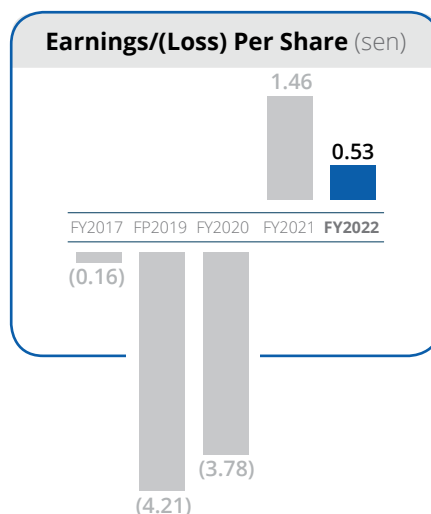
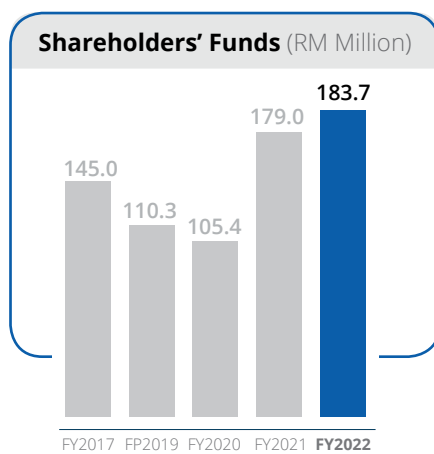
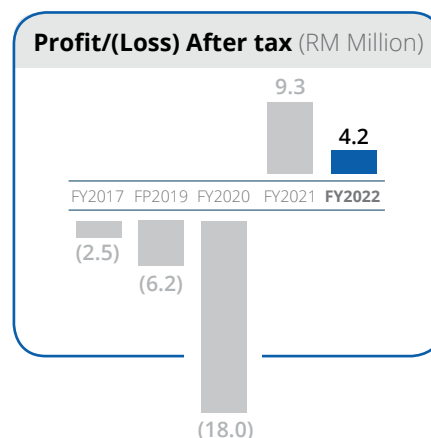
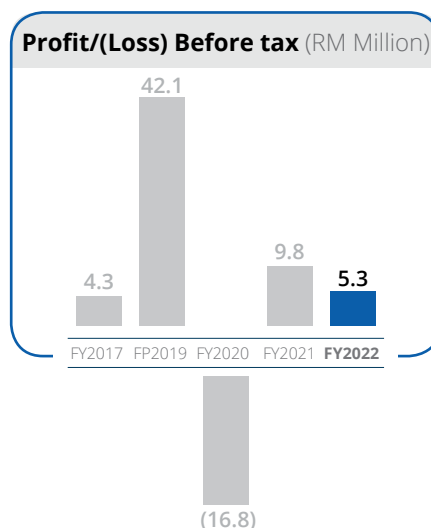
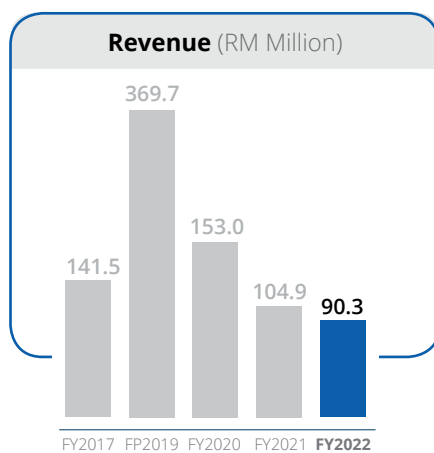
### Boardroom Share Registrars Sdn. Bhd.

Level 11, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia  
Tel : +603 7890 4700  
Fax : +603 7890 4670  
Email : info.my@boardroomlimited.com  
Website : www.boardroomlimited.com/my

## ABOUT AWANTEC

# The Year At a Glance

## FINANCIAL



## BUSINESS



Contract Secured  
**RM99.6**  
Million



Licences Distributed  
**>532,000**



Individuals Trained  
**>25,000**



Individual Placed  
**>1,400**

ABOUT AWANTEC  
**The Year**  
At a Glance

## SUSTAINABILITY AND GOVERNANCE



**FTSE4Good Constituent**  
since 2015  
Four out of four stars



**BMI VISA Sustainable  
Brand Awards 2021**  
winner

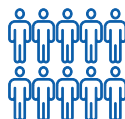


**Employee Demographic by Gender**

**56%** Female **44%** Male



**RM39,650**  
given back to the  
community



**Total Employees**  
**106**



**Employee Average Training Hours**  
**42.97**



**Ranked 75<sup>th</sup>**  
In MWSG Top 100 Companies  
for CG Disclosure 2020



**Disabled Employees**  
**2**

**TCFD**

**Listed as Task Force on  
Climate-related Financial  
Disclosures Supporters**

On July 2022



**Excellence Award for  
CG Disclosure**  
2020 Winner

## ABOUT AWANTEC

Key  
Milestones

## 2021

9 July



Secured a three-year contract worth RM22.8 million from the Ministry of Education ("MoE") to supply G Suite Enterprise for Education for schools under MoE's purview.



27 July

Celebrated the 10th year initial public offering anniversary, since being listed on Main Market Bursa Malaysia on 27 July 2011.

28 July



Entered into a partnership with Zoom Video Communications Incorporated to further expand unified communications offerings.

zoom



14 August

Nominated as the winner of Minority Shareholders Watch Group's Excellence award for Corporate Governance Disclosure in the category of Market Cap below RM100 Million.



9 September



Participated in the World Halal Business Conference, organised by Halal Development Corporation Berhad to catalyse national recovery via human capital development.



20 August

Orchestrated MyDigital Cloud Day with Google Cloud and Perjasa to guide business owners and communities to embark on their journey to the cloud.

14 September



Secured twin contracts worth RM109,000 from Leadership Institute of the Sarawak Civil Service to supply Skillsoft Percipio e-learning licences.

25 November



Secured a three-year contract worth RM75.9 million from Pernec Integrated Network Systems Sdn. Bhd. to supply Google Workspace Solution.

19 August

Promoted by Google Cloud as Premier Level Partner for strong commitment and consistent investment into Google Cloud business.



19 August

Collaborated with Malaysian Administrative Modernisation and Management Planning Unit ("MAMPU") and Ministry of Finance ("MoF") to convene the Public Sector Digital Conference 2021.

10 December

Appointed by the Malaysia Digital Economy Corporation as its technology solution provider for small and medium enterprises.

ABOUT AWANTEC  
**Key**  
Milestones

2022

17 March

Inked the inaugural **Cloud Framework Agreement with the government of Malaysia** as a **Managed Service Provider** together with Google Cloud as the Cloud Service Provider.



1 July

Officially became a **supporter of the Task Force on Climate-Related Financial Disclosures**.



28 July

Authorised as an **exclusive distributor and reseller of Rochester cyber security certification** across Malaysia's public sector and government agencies.

26 April



Secured an **RM821,500 contract from Jabatan Perkhidmatan Awam Negeri Sabah** to supply Skillsoft Percipio e-learning licences.

28 June



Entered into a **Memorandum of Understanding with Planally Sdn. Bhd.** to explore opportunities of providing a dynamic work management platform within the private sector.

1 June



Designated as a **Google Authorised Training Partner** to deliver certified curriculum courses on Google Cloud.

15 June



Won 2021 **Google Cloud Public Sector Partner of the Year - Asia Pacific** award for achievements in helping Malaysia's public sector to accelerate digitalisation.



28 August

Appointed as an **official training arm for Skillsoft - Global Knowledge** to resell and deliver its training products and portfolios across the Asia Pacific region.

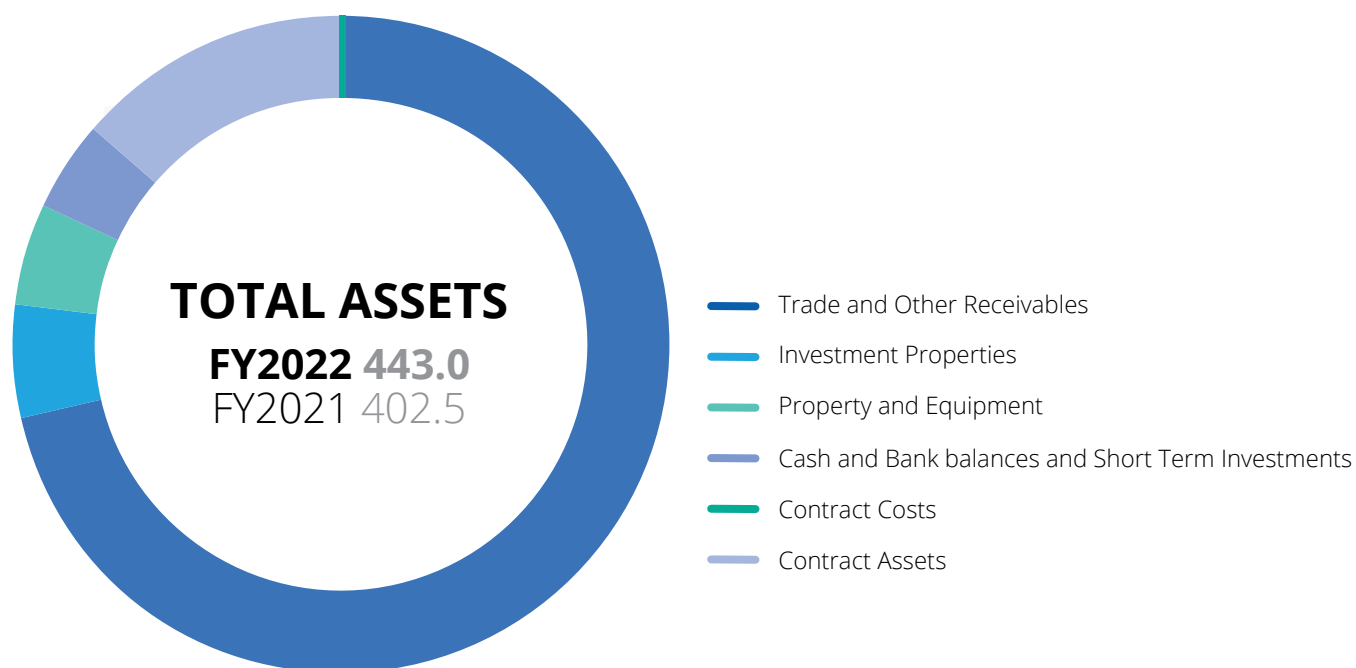
2 June

Entered into a **Memorandum of Understanding with Halal Development Corporation** to establish a collaborative partnership in creating an online halal skills repository and platform.



## ABOUT AWANTEC

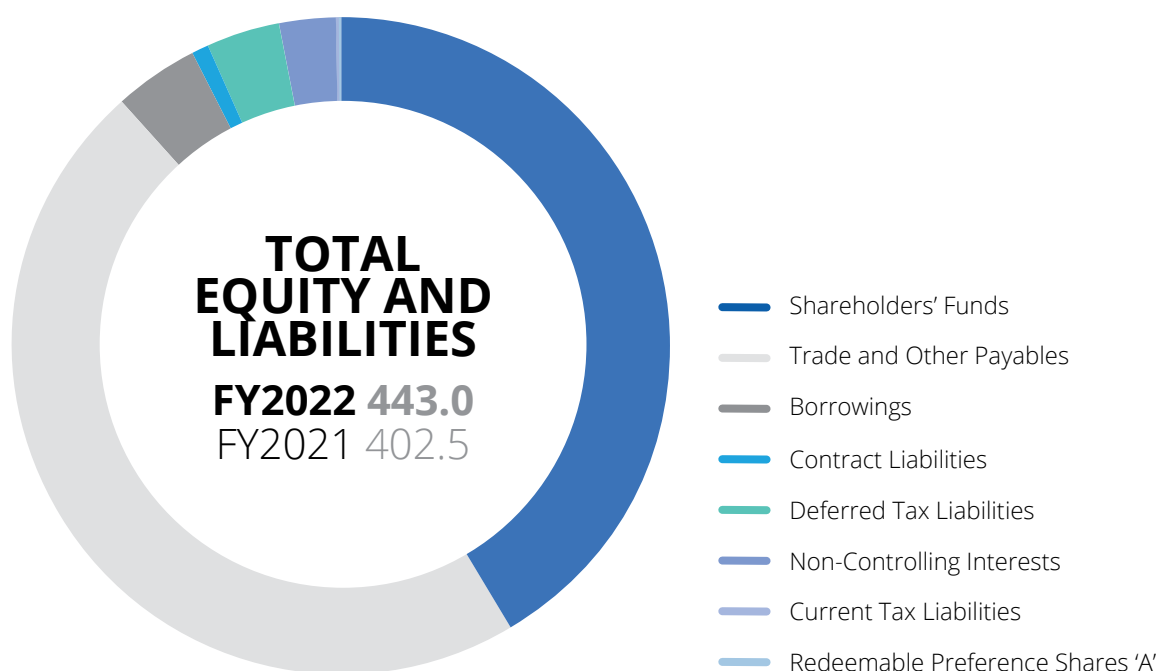
# Financial Position (RM Million)



ITEM	FY2021	%	FY2022	%
Trade and Other Receivables	314.3	78.1	<b>317.3</b>	<b>71.6</b>
Investment Properties	11.4	2.8	<b>24.2</b>	<b>5.5</b>
Property and Equipment	10.7	2.7	<b>22.4</b>	<b>5.0</b>
Cash and Bank Balances and Short Term Investments	40.6	10.1	<b>19.3</b>	<b>4.4</b>
Assets of Disposal Group Classified as Held for Sale	25.0	6.2	-	-
Contract Costs	0.4	0.1	<b>0.4</b>	<b>0.1</b>
Contract Assets	-	-	<b>59.4</b>	<b>13.4</b>
Current Tax Assets and Development Costs	0.1	0.0	<b>0.0</b>	<b>0.0</b>



ABOUT AWANTEC  
**Financial**  
Position (RM Million)



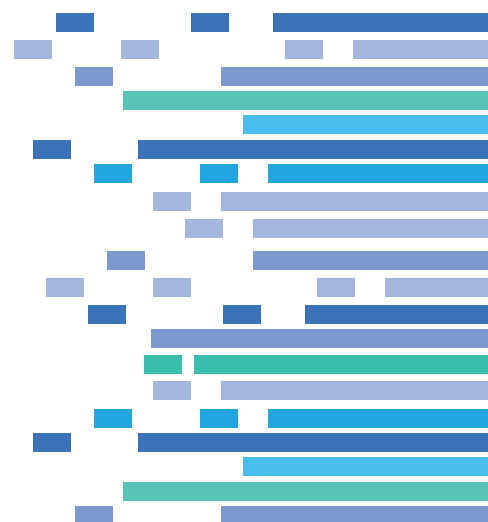
ITEM	FY2021	%	FY2022	%
Shareholders' Funds	179.0	44.3	<b>183.7</b>	<b>41.4</b>
Trade and Other Payables	160.5	39.9	<b>208.5</b>	<b>47.1</b>
Borrowings	24.1	6.0	<b>17.8</b>	<b>4.0</b>
Contract Liabilities	9.6	2.4	<b>4.0</b>	<b>0.9</b>
Deferred Tax Liabilities	16.9	4.2	<b>16.9</b>	<b>3.8</b>
Non-Controlling Interests	11.9	3.0	<b>11.5</b>	<b>2.6</b>
Current Tax Liabilities	0.3	0.1	<b>0.4</b>	<b>0.1</b>
Redeemable Preference Shares 'A'	0.2	0.1	<b>0.2</b>	<b>0.1</b>



***Armed with the right partners,  
the right people with the  
right products, we brought  
the value proposition of  
Catalysing Digital Readiness  
across Malaysia's public  
and private sectors, towards  
delivering our commitment to  
Progressing with Purpose.***

# VALUE CREATION

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## VALUE CREATION

# Approach to Value Creation

As a leading Technology and Talent Digitalisation Enabler, Awantec is operating in one of the most dynamic landscapes. With change as the only constant, we aspire to deliver value by **Catalysing Digital Readiness** - A purpose that can only be fulfilled by being proactive instead of reactive to any digitalisation needs and demands.

This level of proactiveness is realised through appreciation of our key internal and external factors, including our operating landscape, capitals, material matters and strategic priorities as part of our value creation consideration in **Progressing with Purpose** as a business.

## Delivering Value by Catalysing Digital Readiness in Progressing with Purpose

### 1 We Scrutinise Our Operating Context and Risks

#### Operating Context (Page 24)

Awantec's ability to create value is directly affected by various microeconomic and macroeconomic factors. This includes extreme weather instances, ringgit performance, economic uncertainty, inflation as well as national digitalisation plan.

- Digitalisation Agenda
- Competitive Market
- Evolving Regulations and Expectations
- Conservative Economic Outlook

#### Risk Considerations (Page 29)

Supported by our Risk Management Committee ("RMC"), Awantec recognised seven Strategic Risks which call for proactive action by the Group. This is vital to mitigate possible upsets to our value creation processes.

- Market Risk
- Project Delivery Risk
- Climate Change Risk
- Cybersecurity Risk
- Bribery and Corruption Risk
- Global Health Risk
- Foreign Exchange Risk

### 2 We Listen to Our Stakeholders and Understand What is Material

#### Stakeholder Engagements (Page 34)

To deliver true value, we identify and engage with our stakeholders to understand their respective needs. These meaningful discourses allow them to communicate the values they seek, which in turn, shape our delivery approaches.

- Shareholders, Investors and Analysts
- Customers
- Employees
- Strategic Partners
- Vendors
- Government and Regulators
- Non-Profit Organisation and Local Community
- Media

#### Material Matters (Page 38)

Input from our stakeholders also form the core of our material issues. The feedback obtained from both internal and external stakeholders allowed Awantec to prioritise key material matters for effective value delivery.

- Accelerating Digitalisation
- Local Sourcing
- Community Investment
- Water Use
- Waste Management
- Responsible Sourcing
- Energy Use
- GHG Emissions
- Occupational Health & Safety
- Privacy and Data Protection
- Talent Attraction, Growth and Retention
- Equal Opportunity
- Diversity and Inclusion
- Human Rights
- Customer Satisfaction
- Ethics, Governance and Compliance
- Climate Change

### 3 We Allocate Our Resources and Prioritise

#### Six Capitals (Page 40)

Awantec's six capitals are core resources that fuel our value-creation business models. Thus, access to and management of inputs and outputs across all six capitals are key to our operational success.

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

#### Value Creation Strategy (Page 41)

Awantec has identified four strategic priorities as a reflection of our focus towards Digital Malaysia and commitment to Catalysing Digital Readiness across the nation.

- Building Sustainable Returns
- Enhancing Capabilities
- Digitalising Operations
- Integrating Sustainability

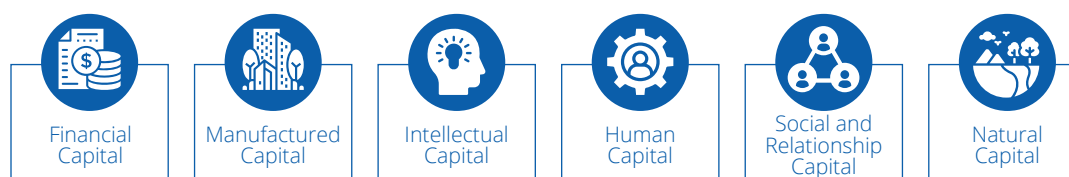
### 4 We Execute, Evaluate and Report on Our Value Creation Approach

#### Value Creation: Catalysing Digital Readiness - Progressing with Purpose (Page 42)

Awantec effectively manages its resources to drive its value-creating operations to address stakeholders' needs and expectations across the short, medium and long-term.

By delivering value, we safeguard our growth as a business and reputation as a sustainable organisation.

#### WE RELY ON OUR RESOURCES



#### TO DRIVE OUR BUSINESS ACTIVITIES

##### Multi-cloud Management Services:

- Cloud Solutions
- Managed Services
- On Prem Offerings

##### Full Life Cycle Talent Management Services:

- Training and Certification
- Profiling and Placement

**WHICH CREATE VALUE FOR OUR STAKEHOLDERS**

## VALUE CREATION

# Operating Context

True mettle of global businesses continued to be tested from all fronts in FY2022, as the year presented a variety of challenges on top of the existing impact of the pandemic which has yet to be subdued.

## Global Outlook

The International Monetary Fund ("IMF") forecasted a slower global growth output of 3.2% for 2022 against 6.1% last year, owing to the higher than expected inflation worldwide which worsened the already weakened economy<sup>1</sup>.

Climate change for one has brought major big weather events such as heat waves, droughts and much more frequent hurricanes to the forefront of the socioeconomic factors - right next to the slowdowns from COVID-19 outbreaks and further negative spillovers from the conflict in Ukraine.

While instances of uncommon heavy rainfalls and flash floods have taken place, things were looking better from the local economy lens as Malaysia registered a stronger growth of 8.9% in the second quarter of 2022, versus the recorded 5.0% in the first quarter of the same year<sup>2</sup>.

The growth was reflective of normalising economic activities as well as strengthened domestic demands from the recovery in the labour market and ongoing policy support.

However, facing the gloomy global outlook, the ringgit suffered greatly with the low prices of key commodities as well as the faster pace of rate hikes in the United States against the ones done by the Central Bank of Malaysia. This has weakened ringgit from the foreign exchange perspective which in turn drove up the local headline inflation rate by 3.4% in June 2022<sup>3</sup>.

With its gross domestic product forecasted to moderate to 4.1% in 2023<sup>4</sup>, sentiment for the ringgit is expected to remain weak in the upcoming year. On that note, Malaysia's headline inflation is likely to linger between 2.0% to 3.5% in 2023<sup>5</sup> on the back of the economic rebound.



On a brighter note, the expected inflation rates are relatively low compared to those in the emerging markets, thanks to the generous subsidies from the Malaysian Government<sup>6</sup>. The Government via its Budget 2023 is committed to the post-COVID-19 recovery with the centre of attention being job creation, income boost as well as business survival across the country<sup>7</sup>.

The aspiration will be supported by a few proposed solutions that cover among others, the development of skilled workers, productivity and business digitalisation. Against that backdrop, Government spending and opportunities within the national talent and technology market is expected to grow.

Demand for Awantec's synergistic offerings of Technology and Talent solutions will remain strong while we carefully navigate the gloomy global economic outlook.

**From the outlook, digitalisation will continue to be the agenda from both global and local lenses. However, the positive push will be balanced out by a higher number of players entering the market and the maturity of controls set by the authorities.**

1 Cited from World Economic Outlook Update (2022 Jul) by IMF  
 2 Cited from Malaysia Central Bank's 2022 Second Quarter Update  
 3 Cited from Department of Statistics Malaysia Official Portal (CPI June 2022)  
 4 Cited from CGS-CIMB Research via The Edge Market

5 Cited from Manulife Investment Management via The Malaysian Reserve  
 6 Cited from Manulife Investment Management via The Star  
 7 Cited from Free Malaysia Today



<b>KEY MARKET TREND</b>  <b>#1 Digitalisation</b>	<p>The global health concerns, coupled with the push to build resilience against climate change impacts continue to fuel the digitalisation agenda across Malaysia and other Asia Pacific ("<b>APAC</b>") countries.</p> <p>This includes the strengthening of service deliveries across both public and private sectors via the development of digital talents and cultivation of the cloud-first approach - The very building blocks of Shared Prosperity Vision 2030 ("<b>SPV 2030</b>") and Malaysia Digital Economy Blueprint ("<b>MyDIGITAL</b>"), which is currently in its first phase as of June 2022.</p>
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**POTENTIAL IMPACT**

- Increase in demand for cloud solutions and services
- Increase in demand for digital training and certifications
- Exigencies in hiring digital talents

**OUTLOOK**

- The first phase of MyDIGITAL is coming to an end. With the end post for the digital transformation thrusts drawing near, the demand for productivity and collaboration solutions is expected to grow.
- Concurrently, MyDIGITAL is advancing to its second phase with targets to develop digital literacy, as well as to develop digital transformers amongst public servants by 2025.
- The above and SPV 2030's push towards digitalisation of SMEs combined, are expected to drive demands for talent upskilling, reskilling and placement as well.

**RESPONSE**

Backed by our wide range of solutions and managed services expertise, Awantec will continue to actively capitalise on the potential demand growth for productivity and collaboration solutions as Malaysia's trusted Google Cloud partner.

Beyond that, the Group also has healthy pipelines for other industry-leading solutions to address various business needs, including Zoom for conferencing needs, Blancco for data security and Adobe for creative cloud solutions.

To complement our cloud offerings, Awantec will continue to upsell and cross-sell digital training and certifications to complement the technologies supplied for a true digitalization journey that cuts across the customers' people and process.

Our Google Cloud's Authorised Training Provider status, other global partnerships and exclusivity in distributing Skillsoft digital learning platform are expected to widen our reach within the talent development market.

In addition to upskilling and reskilling, our talent placement services are expected to form a sustainable revenue stream to address the nationwide need for digital-ready talents.

**CAPITALS**

Intellectual Capital	Social and Relationship Capital	Financial Capital

**MATERIAL MATTER**

Accelerating Digitalisation	Customer Satisfaction

**STRATEGY**

Building Sustainable Returns

## VALUE CREATION

# Operating Context

## KEY MARKET TREND

### #2 Competitive Market

With a CAGR of more than 15%, Malaysia's public cloud market is projected to continue growing through 2023 - amounting to more than USD 980 million in value across PaaS, SaaS and IaaS segments<sup>8</sup>.

The market is fairly consolidated between key players. However, the SME sector is wide open with less than half of them on any form of cloud services<sup>9</sup>. This sets the stage for vast opportunities between the service providers as they attempt to enter the market with competitive pricing and multifaceted services.

## POTENTIAL IMPACT

- Lower profit margin due to pricing competition
- Incapability to compete in certain segments
- Dilution of market share

## OUTLOOK

- The exponential growth of the public cloud market in Malaysia and its low entry barriers have enticed not only key players which make up 88% of the market share, but smaller new entrants as well, taking-up the remaining remaining 12%.
- Said new entrants are expected to raise the bar with new and competitive positionings, resulting in a fiercer market across the nation.

## RESPONSE

Wide partnerships have given us a competitive position in the market ecosystem. Awantec's partnership statuses with various key industry players such as our Premier Partner Level with Google Cloud, enable us to offer competitive pricing with a healthy margin across a wide array of solutions and services.

Awantec as a managed service provider and on-prem resellers also allow us to tap into the hybrid cloud segment and be versatile in bundling our solutions and services to match various business needs.

However, we recognise the uptrend of hybrid cloud adoption amongst enterprises and SMEs is also driven by the on-demand availability of various services - with some of them being specific and niche. Hence, it is imperative for us to continue growing our capabilities to unlock and compete in those areas.

On that note, Awantec will continue to build our internal practice team across multiple cloud disciplines in providing more value for customers across the nation. Our focus will be to continue to invest in our people and our growing network of partnerships.

## CAPITALS



Intellectual Capital



Social and Relationship Capital



Human Capital

## MATERIAL MATTER



Accelerating Digitalisation



Customer Satisfaction



Talent Attraction, Growth and Retention

## STRATEGY



Building Sustainable Returns



Enhancing Capabilities

<sup>8</sup> Cited from Twimbit

<sup>9</sup> Cited from Twimbit



<b>KEY MARKET TREND</b>  <b>#3</b> <b>Evolving Regulations and Expectations</b>	<p>The accelerated digitalisation and increased reliance on cloud services have solidified the regulatory landscape in Malaysia, with trust and personal data protection as the crux of the local cloud regulation framework.</p> <p>On the corporate level, local corporate governance requirements have gotten more robust as regulators attempt to promote resilience via the internalisation of good governance culture. Concurrently, listed issuers in Malaysia are expected to be more conscious of their ESG impact and proactive in their sustainability strategies.</p>
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**POTENTIAL IMPACT**

- Non-compliance which may lead to potential penalties
- Possible lawsuits and reputational damage
- Loss of customers to more responsible competitors

**OUTLOOK**

- Cybersecurity risks are getting exponentially higher with the adoption of digitalisation across the nation. With introductions of new safeguards such as the Cloud Service Regulation<sup>10</sup>, as well as future amendments to existing acts such as the Personal Data Protection Act 2010<sup>11</sup>, immediate actions are required to safeguard our ability to operate.
- That aside, greater emphasis is being placed on market regulation for the betterment of standard practices for listed issuers.
- With good corporate governance and climate change as the nexus, strategies and commitment toward adherence to framework updates such as the Malaysian Code on Corporate Governance ("MCCG") 2021 and new introductions such as the TCFD Recommendations are vital to ensure full compliance.

**RESPONSE**

Guided by ISO27001:2013, Awantec continues to practice our Information Technology Security Standards<sup>12</sup> to manage information security risks across the Group. The said standards cut across various aspects including governance of technology risk, operation security, security incident management and disaster recovery.

In line with Awantec's Personal Data Protection Notice, we remain committed to our strict data protection approach to manage, process and safeguard all personal information gathered in any of our dealings. As the digitalisation landscape evolves, Awantec will continue to manage our cybersecurity risks proactively.

Beyond compliance, our priorities are also set toward adapting to climate change and integrating sustainable practices. Leveraging digitalisation ourselves, we have moved a portion of our IT environment to the cloud in a bid to reduce our carbon emissions from our physical servers as well as to address risks of infrastructure damages and data losses from extreme weather events.

From the corporate perspective, Awantec remains committed to upholding high standards of corporate governance as we comply with majority of the prescribed practices as well as optional step-up practices within MCCG 2021. This is translated into our position in the Minority Shareholders Watch Group's List of Top 100 Companies for CG Disclosure 2020 (75<sup>th</sup> out of 851 listed issuers assessed) and our previous win of Excellence Award for CG Disclosure 2020.

On sustainability, our strides were steady as we remain a constituent of the FTSE4Good Index since 2015. With Awantec's strong ESG grading band of four out of four stars for June 2022<sup>13</sup>, we continue to advance in managing our climate change risks by declaring our support to TCFD and aligning our disclosures with its recommendations.

**CAPITALS**

Social and Relationship Capital	Manufactured Capital	Natural Capital

**MATERIAL MATTER**

Privacy and Data Protection	GHG Emissions	Ethics, Governance and Compliance	Climate Change

**STRATEGY**

Digitalising Operations	Integrating Sustainability

<sup>10</sup> Cited from MCMC

<sup>11</sup> Cited from The Edge Market

<sup>12</sup> Cited from IT Security Standards 4.0

<sup>13</sup> Cited from Bursa

## VALUE CREATION

Operating  
ContextKEY MARKET  
TREND#4  
Conservative  
Economic  
Outlook

Since the start of the FY2022, ringgit has depreciated by 6.3% against US dollar from RM4.15/US\$1 on 1 July 2021 to RM4.41/US\$1 on 30 June 2022<sup>14</sup>. This underwhelming performance was due to the aggressive US monetary policy tightening as well as increased aversion by investors on the back of economic uncertainty and concerns over global conflicts.

This has rendered local businesses with foreign dealings at a clear disadvantage as the depreciating currency gives a marked impact on costs, revenues and earnings.

Anchored by the moderate GDP forecast for 2023, sentiment for ringgit is expected to remain weak against the greenback.



## POTENTIAL IMPACT

- Lower profit margin due to higher sales cost
- Lower private spending

## OUTLOOK

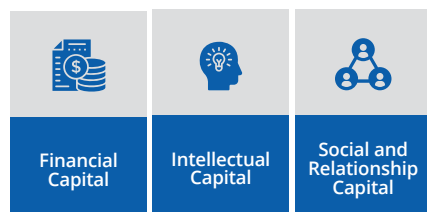
- Driven by the unimpressive GDP forecast for the upcoming year, ringgit is expected to depreciate further throughout 2023. Malaysia's headline inflation may be anywhere between the lower range of 2.0% to the upper end of 3.5% in 2023.
- The situation is expected to increase import prices and, to an extent, reduce profit margins for local businesses. Rising inflation, on the other hand, may result in pressure to pass costs to customers, which in turn may give birth to cautious market behaviour in terms of purchases and spending.

## RESPONSE

On the back of Awantec's strong alliance with our global partners, we continue to put in place various mechanisms to expand and refine our foreign exchange risk management practices. This is done to eliminate unnecessary transfer of costs in order to continue providing our customers with competitive price points across our offerings.

The majority of our costs are denominated in our local currency and for the small portion of our costs denominated in foreign currency, we adopt a currency hedging practice and we are also able to pass on the higher cost to our customers. These steps are taken in mitigating the direct impact generated by the unfavourable exchange rates to our bottom line.

## CAPITALS



## MATERIAL MATTER



## STRATEGY



14 Cited from Trading Economics

## Risk Considerations

Awantec is mindful of the risks that may affect its ability to create and deliver value. To mitigate those risks, the Group strategies are guided by a robust risk management framework that is principally aligned with the Committee of Sponsoring Organisations of the Treadway Commission's Internal Control - Integrated Framework Model.

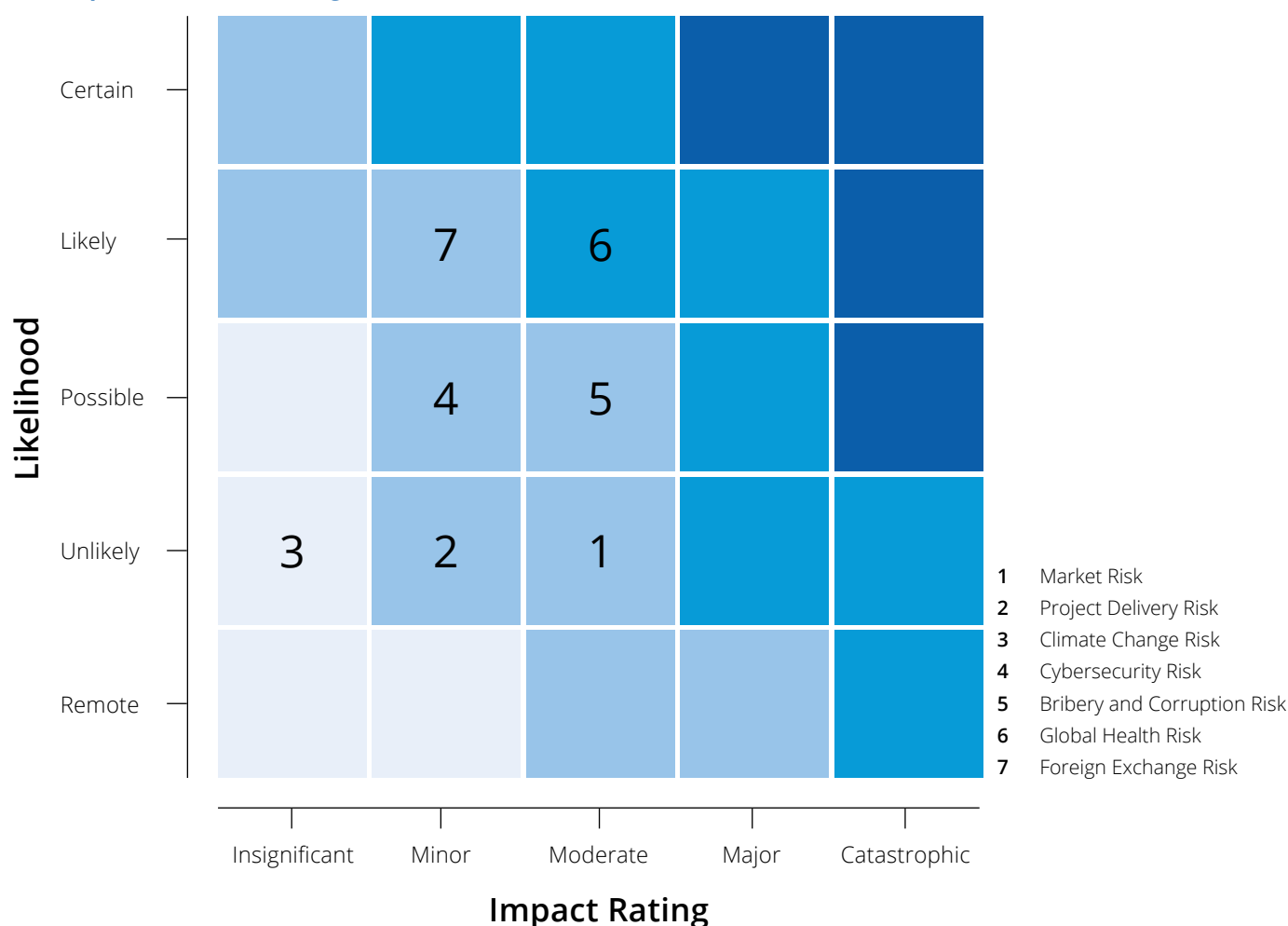
The risk management framework is designed with an ethos to strike a healthy balance between securing value creation opportunities and mitigating adverse strategic risks. This is to ensure that Awantec's value creation capabilities are well protected as well as to realise the Group's strategic objectives.

Awantec via its Risk Management Committee ("**RMC**") has identified seven strategic risks which are illustrated in the heatmap below, based on the level of likelihood and impact rating for each risk accordingly. These risks are monitored and managed by the RMC, to ensure that they remain within acceptable appetite and tolerance levels.



Please refer to pages 136-137 for more information on Awantec's RMC and pages 138-142 on Risk Management and Internal Control.

### Heatmap of Awantec's Strategic Risks



VALUE CREATION

# Risk Considerations

## Strategic Risk #1

### Market Risk



Awantec is operating in a market with a dynamic environment subject to regulations, policies, guidelines and key initiatives set by the local government, which shape the demand, size as well as opportunities in the market.

#### POSSIBLE IMPACT

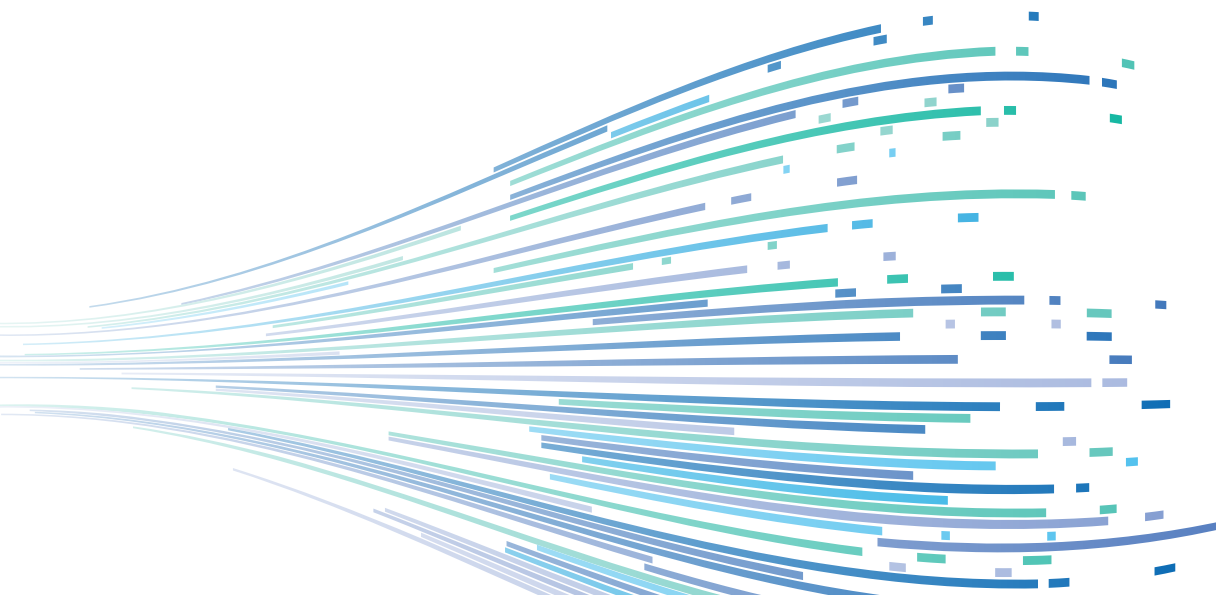
- Lower demand on existing products
- Impact on revenue and cash flow

#### MITIGATION STRATEGIES

- Remain adaptive to the possible shift of market demands by diversifying into new technology and talent offerings to reduce dependency on existing products and services.
- Monitor closely trends and possible changes to the government's strategies, regulations and key initiatives to stay on top of any possible shift in market demand.
- Carry out regular updates on Go-To-Market strategies and build internal competencies with integrated skill sets to stay ahead of the current market as well as competitors.

## RESULTS

- Pivoted to digitalisation and cloud services as part of the Group's strategy to diversify Awantec's offerings encompassing Infrastructure as a Service ("**IaaS**"), Platform as a Service ("**PaaS**"), Software as a Service ("**SaaS**"), Anything as a Service ("**XaaS**") as well as Learning Management System ("**LMS**").
- Nominated as a Managed Service Provider ("**MSP**") to support Malaysia Digital Economy Blueprint ("**MyDIGITAL**") by Google and the Malaysian Administrative Modernisation and Management Planning Unit ("**MAMPU**") to support Malaysia's digital transformation agenda.
- Secured RM22.8 million contract from the Ministry of Education to supply G Suite Enterprise for Education software for schools under the ministry's purview.
- Secured RM75.9 million contract from Pernec Integrated Network Systems Sdn. Bhd. to provide Google Workspace Solutions.
- Captured a fair amount of online learning solutions market share, with a total of RM0.9 million revenue registered from the supply of Skillssoft licences.



**Strategic Risk #2****Project Delivery Risk**

Both internal and external stakeholders are key to the successful and timely delivery of projects undertaken by Awantec. As the number of projects grows, human capital and strategic partners prove to be the most prominent elements of this risk.

**POSSIBLE IMPACT**

- Inability or delay in executing and delivering projects undertaken
- Impaired quality of products and services
- Failure to meet targets and service level agreements

**MITIGATION STRATEGIES**

- Hire sufficient talent with suitable skill sets to alleviate the load on existing manpower to improve productivity and carry out projects efficiently.
- Foster better relationships and understanding with strategic partners towards ideal planning, roadmaps as well as resource distributions in teaming agreements.

**RESULTS**

- Established enterprise practice teams for projects undertaken by Awantec, increasing employee headcount by 14% from the recorded 93 total employees in FY2021.
- Widened our talent development capabilities - Including Google Cloud Authorised trainers which positioned Awantec as an Authorised Training Partner ("ATP") to deliver official curriculum courses from Google Cloud.
- Revisited key elements such as the scope of work, legal components and liability limitations within existing and upcoming collaborations with strategic partners.

**Strategic Risk #3****Climate Change Risk**

Risk of extreme weather events brought about by climate change is now higher for Awantec which operates in Cyberjaya - A low elevation area (24 metres above sea level<sup>1</sup>) with a fairly high rainfall average of 2,960 mm per annum<sup>2</sup> and increasing average ambient temperature of 27.5 °C as of June 2022, from 26.8 °C ten years ago<sup>3</sup>.

**POSSIBLE IMPACT**

- Total disruption of business operations
- Loss of access to applications, data or office locations
- Increase in insurance premium across physical assets
- Higher spending on energy and cooling for IT infrastructure

**MITIGATION STRATEGIES**

- Put in place a robust disaster recovery and business continuity plan to reduce the possible risk of disruption on day-to-day business operations.
- Reduce reliance on on-premise IT infrastructures and leverage on cloud infrastructure as an attempt of risk transfer, as well as to reduce maintenance costs.
- Assess, integrate and articulate climate-related risks into corporate strategies to develop proper responses towards climate resilience.

**RESULTS**

- Established the Group's disaster recovery plan, as well as its business continuity plan to ensure minimal to no interruption across all business operations.
- Implemented offsite backups to all Awantec's enterprise data to mitigate the risk of inaccessible data or total data loss.
- Successfully migrated 9% of major IT applications, including those in relation to human resources, procurement, finance and customer relationship management to the cloud.
- Became a TCFD supporter<sup>4</sup> and committed to aligning the Group's disclosures to the recommendations towards climate resilience.

1 Cited from **Citipedia**  
2 Cited from **Climate-Data**

3 Cited from **The Weather Company**  
4 Cited from **Task Force on Climate-Related Financial Disclosures**

## VALUE CREATION

# Risk Considerations

## Strategic Risk #4

### Cybersecurity Risk



As cybersecurity breach incidents in Malaysia rose by 733% in the second quarter of 2022<sup>5</sup>, Awantec is very cognizant of the criticality to protect the Group's enterprise data which is growing exponentially in volume as its businesses grow. With such a large amount of data, any incident of a cybersecurity breach may cause an untold amount of damage.

#### POSSIBLE IMPACT

- Loss of data
- Service downtime for some operations
- Reputational and brand damage
- Lawsuits from affected stakeholders

#### MITIGATION STRATEGIES

- Assess internal cybersecurity level, put in place an overarching mitigation plan and communicate awareness as well as actions across the Group.
- Explore cyber insurance as part of the Group's attempt toward risk transfer.
- Align internal practices with ISO 27001 - Information Security Management System and be certified.

#### RESULTS

- Initiated a third-party cyber security assessment to review Awantec's security posture, towards establishing a cyber security readiness plan.
- Initiated cybersecurity campaign across the Group which generated awareness on various cyber threats, cutting across phishing, data protection, password security and more.
- Ramped up security level with all default security capabilities enabled for endpoint, servers and network.
- Implemented offsite backups to all Awantec's enterprise data to mitigate the risk of inaccessible data or total data loss.

## Strategic Risk #5

### Bribery and Corruption Risk



Malaysian Anti-Corruption Commission's Section 17A place a corporate liability on Awantec should any of its employees and/or associates commit corruption for the benefit of the organisation. This calls for immediate steps to be taken in ensuring adequate procedures are in place to prevent any corrupt acts.

#### POSSIBLE IMPACT

- Incidents of bribery and corruption
- Reputational and brand damage
- Inability to defend the Group due to inadequate procedure implemented
- Hefty fine cost and imprisonment

#### MITIGATION STRATEGIES

- Keep the Group abreast with Section 17A, its implications and relevant updates, as well as recommendations to ensure compliance.
- Assess the Group's existing controls and carry out remedial measures toward adequate procedures implementation.

#### RESULTS

- Established Awantec Anti-Bribery and Corruption Manual which was communicated and distributed across the Group.
- Integrated elements of anti-bribery and corruption within the Awantec Employee Code of Conduct.
- Conducted Group-wide training on anti-bribery and available whistleblowing channels as part of Awantec's Ethical Awareness Campaign.
- Generated healthy awareness and traction across the Group, with a fair number of online pledges made by employees via their respective social media.
- Successfully maintained zero incidents of bribery and corruption recorded in FY2022.

**Strategic Risk #6****Global Health Risk**

Awantec as well as many other Malaysian businesses have made marked progress despite unyielding COVID-19 variants and indefinite waves of cases, driving a healthier national GDP growth of 8.9%<sup>6</sup> in the second quarter of 2022. However, the reality of co-existing with COVID-19 as an endemic has left a marked degree of uncertainty towards a positive outlook for 2023.

**POSSIBLE IMPACT**

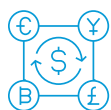
- Partial or temporary shutdown of business operations
- Lost revenue and man hours
- Delay in project delivery
- Lower demand for classroom/ physical training sessions

**MITIGATION STRATEGIES**

- Improve on the established business continuity plan and internal digitalisation for possible lockdown instances.
- Put in place effective standard operating procedures amid this post-movement control order environment as a control to avoid Group-wide spread.
- Facilitate vaccination to ensure employees' well-being in minimising infection rate.
- Diversify into alternatives such as virtual instructor-led training as well as online learning platforms to capture new markets.

**RESULTS**

- Established standard operating procedures and guidelines to ensure minimal to no disruption to business operations in the event of another serious outbreak and lockdowns.
- Recorded 100% vaccination rate, facilitated by Awantec's participation in Selangkah Vax to hasten employees' vaccination.
- Maintained relatively low COVID-19 cases, recording 37 mild cases which require home quarantine, two employees hospitalised and zero deaths recorded.

**Strategic Risk #7****Foreign Exchange Risk**

Given the underwhelming ringgit performance against the US dollar across the financial year under review, and the weak sentiment for the upcoming year, Awantec is cautious of the potential losses in financial transactions. The fair amount of yearly international software and applications purchases call for an approach to protect profitability.

**POSSIBLE IMPACT**

- Lower profit margin due to higher sales cost

**MITIGATION STRATEGIES**

- Employ measures to mitigate volatile currency exchange which includes hedging to safeguard earnings.
- Engage with key customers regularly to discuss workarounds and approaches in managing foreign exchange impacts.
- Continue to provide quality products and services with more added value to offset the potential cost transfer.
- Maximise cost of sales done in local currency across products and services offered.

**RESULTS**

- Had in place currency hedging strategies, and efforts were made to expand and refine the existing controls to better manage foreign exchange risks.
- Recorded encouraging financial performance with healthy profit margins as the cost of sales was well-managed, given the majority of our cost of sales were done in local currency.
- Key customers and prospects were regularly engaged to affirm the true value within our offerings and Awantec's willingness to navigate the situation with them to achieve win-win situations.

## VALUE CREATION

# Stakeholder Engagements

In **Catalysing Digital Readiness**, Awantec recognises the fact that our stakeholders are fundamental to our success. To address any opportunities as well as risks that may affect our ability to create and deliver value, it is key for us to keep ourselves abreast with the interests and concerns of our stakeholders.

This was made possible through meaningful engagements, which are underpinned by various tools, methods and channels. These discourses allow Awantec to obtain valuable insights which ultimately shape our strategies and approach in **Progressing with Purpose**.



## SHAREHOLDERS, INVESTORS AND ANALYSTS

### Why do they matter?

Shareholders and investors enable sustained access to capital, while analysts give balanced assessments of our performance and outlook.

#### Risks

- Low share price and market capitalisation
- Negative sentiments and loss of investor confidence
- Incomprehension of Awantec's strategies, outlook and potentials

#### Opportunities

- Bolster confidence in Awantec's prospects
- Open and transparent communications on Awantec's approaches and way forward

#### Value Propositions

- Healthy return of capital and growth of investments for shareholders and investors
- Transparent and fair disclosures for analysts

#### Engagement Platform

<b>General Meeting</b>	Annual
<b>Corporate Website</b>	As needed
<b>Analyst Briefings</b>	As needed
<b>Financial Reports</b>	Quarterly
<b>MWSG Letter</b>	Annual

#### Key Interests

- Business performance
- Business outlook amid the pandemic
- Good corporate governance

#### Our Responses

- Provided clear updates on Awantec's development, strategies and business outlook in both general meeting and briefings.
- Responded to all questions received from both shareholders and MSWG via the virtual general meeting, emails or letter of response.



## CUSTOMERS

### Why do they matter?

Customers generate demands for our products and services. They keep us in business and contribute directly to our financial performance.

#### Risks

- Shift of customer demands and behaviours
- Inability to retain and attract customers

#### Opportunities

- Diversification to align with market demand
- Expansion into new customer base

#### Value Propositions

- Best-fit solutions and services to meet every possible digitalisation needs within talent and technology segment

#### Engagement Platform

<b>Satisfaction Survey</b>	Biannual
<b>Events and Programmes</b>	As needed
<b>Social Media</b>	As needed
<b>Corporate Website</b>	As needed
<b>Meetings and Teleconferences</b>	As needed

#### Key Interests

- Solutions and services attuned to specific needs
- Customer service, experience and satisfaction
- Project deliveries

#### Our Responses

- Engaged the customers through various platforms and collaborations to position Awantec as the trusted partner for their digitalisation journey.
- Maintained our record of zero official complaints, zero cybersecurity breaches and a healthy Net Promoter Score of 78.
- Partook in regular discourse with customers to align on project timelines, as well as technical and commercial aspects.



**EMPLOYEES****Why do they matter?**

Employees are the backbone of our business. They carry Awantec's day-to-day operations as well as our brand to customers and the public.

**Risks**

- Challenges in attracting and retaining technology talent
- Incomplete adoption of internal transformation agenda
- Evolving digital skill requirements with advancement of technology

**Opportunities**

- Foster inclusivity, diversity and good work culture towards being the preferred employer
- Realignment of corporate vision, mission and values
- Investment in strategic development pathways for employees

**Value Propositions**

- Career opportunities with competitive compensation and benefits
- Diverse, flexible, safe and healthy work environment
- Fair chance for career progression, learning and development

**Engagement Platform**

<b>Corporate Town Halls</b>	As needed
<b>Employee Appraisals</b>	Biannual
<b>Events and Programmes</b>	As needed
<b>Intranet Portal</b>	As needed
<b>Email Blasts</b>	As needed

**Key Interests**

- Health and safety measures for COVID-19
- Business performance and way forward
- Training, development and career advancement
- Monetary and non-monetary benefits

**Our Responses**

- Participated in the company vaccination programme (Selangkah Vaccine Selangor) to ensure all employees are vaccinated.
- Carried on with work-from-home arrangements to ensure the safety of our employees until May 2022 when the pandemic is no longer rampant.
- Conducted regular town halls involving Management Committee and the Board of Directors to keep all employees up to speed with Awantec's progress as well as business directions.
- Enabled all of our employees to upskill themselves on curriculum attuned to their vision of career progression with Awan Learning Hub online learning platform which is powered by Percipio.
- Carried out regular performance and career development reviews through our Employee Performance Management ("EPM") process, involving all employees.
- Granted cash incentives, share options, grants and bonuses to our employees under the Group's Long-term Incentive Plan in recognition of their performance.

**STRATEGIC PARTNERS****Why do they matter?**

Our global partners form Awantec's support ecosystem. There is a limit to what Awantec can do on its own, and good partnerships enable us to do more.

**Risks**

- Deranking of partnership statuses
- Ineffective products, services and supports

**Opportunities**

- Foster exclusive partnerships to offer more products and services at competitive prices
- Acquire new capabilities via technology and knowledge transfer to unlock new opportunities

**Value Propositions**

- In-depth understanding, insight and experience of the local market demands from Awantec's previous projects and engagements

**Engagement Platform**

<b>Strategic Collaborations</b>	As needed
<b>Performance Reviews</b>	Annual
<b>Events and Engagements</b>	As needed

**Key Interests**

- Exploration of new business opportunities
- Performance and alignment of partnerships

**Our Responses**

- Collaborated with new partners, namely Zoom, Kaspersky, Commvault and Blancco to address the different market needs for large scale meetings and data security.
- Reviewed our performance as a partner regularly to ensure consistent quality delivery through our offerings.
- Assessed the feasibility of our partnerships which guide Awantec's decision to continue with the partnership or to cease and explore new opportunities.

## VALUE CREATION

# Stakeholder Engagements



## VENDORS

### Why do they matter?

Our vendors make up Awantec's supply chain, which enables us to obtain necessities to operate as a business.

#### Risks

- Complicity in non-compliance with applicable laws and regulations, as well as violation of rights and related sustainability practices
- Supply chain disruption
- Delay in project delivery

#### Opportunities

- Integration of sustainability via policies and processes to drive compliance
- Collaborations towards shared strategic business and sustainability goals

#### Value Propositions

- Fair business relationships and contracts, underpinned by good corporate governance and convenience of digitalised procurement processes

#### Engagement Platform

<b>Vendor Performance Review</b>	Annual
<b>Meetings and Teleconferences</b>	As needed

#### Key Interests

- Vendor performance
- Compliance and good governance
- Convenient vendor registration and procurement processes

#### Our Responses

- A total of 130 vendors were assessed across various aspects including quality, delivery, competency and compliance.
- Updated our Vendors' Code of Conduct to drive compliance with all applicable laws, regulations, rights and standards.
- Digitalised our procurement processes by leveraging SAP business solutions to ensure efficient procurement processes.



## GOVERNMENT AND REGULATORS

### Why do they matter?

Government and regulators set the national agendas as well as key initiatives. We support their aspirations and gain access to incentives and resources underpinning the agendas.

#### Risks

- Non-compliance with applicable rules and regulations
- Possible penalties and reputational damage

#### Opportunities

- Capitalise on opportunities arising from key national agendas
- Improve existing practices to maintain a high standard of corporate governance

#### Value Propositions

- A business model that is well aligned with national digitalisation and talent development needs
- Tax contributions to generate Government's revenue

#### Engagement Platform

<b>Site Visits and Audits</b>	As needed
<b>Corporate Website</b>	As needed
<b>Meetings and Teleconferences</b>	As needed
<b>Events and Programmes</b>	Quarterly

#### Key Interests

- Compliance with applicable rules and regulations
- Alignment with national agendas and trajectories

#### Our Responses

- Successfully underwent audits and site visits which deemed the Group as compliant to applicable rules and regulations.
- Recorded zero instances of non-compliance with any applicable laws and regulations.
- Maintained our constituency in the FTSE4Good Index Series for eight consecutive years, with four out of four stars ESG grading band.
- Paid RM1.0 million in tax payments as part of our contribution to nation-building.
- Collaborated with various Government agencies to drive national agendas such as:
  - Public Sector Digital Conference 2021 with MAMPU
  - MyDIGITAL Cloud Day with Perjasa
  - SME Digitalisation Initiatives with Malaysia Digital Economy Corporation ("MDEC")
  - World Halal Business Conference with MATRADE.



### NON-PROFIT ORGANISATIONS AND LOCAL COMMUNITIES

#### Why do they matter?

We share the space where we operate with the local communities. Our operations generate impacts on them and we strive for positive ones to obtain a social license to operate.

#### Risks

- Inability to operate due to the loss of local community support
- Brand and reputation damage

#### Opportunities

- Tax deduction from corporate social responsibility activities
- Drive local economy to increase brand awareness and support from the local communities

#### Value Propositions

- Business and employment opportunities that prioritise the local communities
- Contributions towards the development of the local community

#### Engagement Platform

<b>Corporate Social Responsibility Programmes</b>	As needed
<b>Social Media</b>	As needed
<b>Corporate Website</b>	As needed

#### Key Interests

- Aid and relief to community members affected by the pandemic and flash flood
- Cultivating economic competitiveness for Person with Disabilities ("PWD") and those from lower income bracket

#### Our Responses

- Placed more than 1,400 individuals that were affected by the pandemic back into employment through the Selangor Kerjaya Programme.
- Collaborated with businesses and non-profit bodies to establish food banks for PWDs and those affected by the pandemic.
- Carried out an aid relief and donation drive to help households that were affected by flash floods within our vicinity.
- Upskilled more than 170 PWDs and B40 students across UiTM nationwide on various competencies, including Data Analysis to give them a competitive edge in the job market.



### MEDIA

#### Why do they matter?

Media represents one of our key communication platforms to all stakeholders. They strive to inform the masses of relevant updates, and we are thankful to have them do so.

#### Risks

- Miscommunication that leads to misinformation of Awantec's business performance and outlook

#### Opportunities

- Foster healthy relationship with members of the media to generate tractions and obtain better communication reach

#### Value Propositions

- Timely and accurate dissemination of latest business performances and updates
- Insights into the industry that we operate in

#### Engagement Platform

<b>Press Releases</b>	As needed
<b>Media Briefings</b>	As needed
<b>Interviews and Engagements</b>	As needed

#### Key Interests

- Business performance and outlook
- New projects and their progress
- Corporate updates

#### Our Responses

- Distributed regular and timely press releases encompassing corporate updates as well as business developments.
- Practised 'open door policy' for media access to our Senior Management members, guided by our Corporate Disclosure Policy and Procedures.
- Engaged with members of the media for interviews on topics of interest, such as business outlook, project updates and change of leadership within Awantec.

## VALUE CREATION

# Material Matters

Awantec's material matters are the linchpin of our value creation approach. They govern the way we interact with our six capitals to deliver values in meeting the needs of our stakeholders. Concurrently, they enable Awantec to address the relevant risks and opportunities in the process.



































In FP2019, we carried out a materiality assessment to help prioritise our efforts and focus. Guided by Bursa Malaysia's Sustainability Reporting Guide, the assessment resulted in a total of 24 material matters identified, with seven of them being highly important to Awantec.















































Reference can be made to our Annual Report 2019 for more information on our material matters.

Throughout the years, the material matters identified remain relevant to Awantec and we continue giving our best in addressing all related concerns. However, the material matters have been consolidated down to 17 and were better aligned with UNSDGs as our strategy and approach mature.

The identification of our material issues along with their definitions can be found in the following table:

Material Matter	Strategic Risks	GRI Indicator	Stakeholder	UNSDGs
<b>OVERARCHING</b>				
 <b>Catalysing Digital Readiness</b> Empower Malaysians with cloud capabilities to enable and hasten digitalisation of the country.			Overarching	
<b>ECONOMIC</b>				
 <b>Local Sourcing</b> Ensure a fair proportion of spending on local suppliers in doing purchases where possible.	 <b>Project Delivery Risk</b>	204: Procurement Practices	 VD  CU	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 <b>Community Investment</b> Ensure reinvestment into the community to generate positive impacts.	 <b>Global Health Risk</b>	203: Indirect Economic Impacts	 NPOLC	 4 QUALITY EDUCATION
<b>ENVIRONMENT</b>				
 <b>Water Use</b> Ensure that water use remains at an optimal level by reducing or reusing the water withdrawn where possible.	 <b>Climate Change Risk</b>	303: Water and Effluents	 NPOLC	 6 CLEAN WATER AND SANITATION
 <b>Waste Management</b> Ensure reduction of waste generated and increase waste diverted from disposal.	 <b>Climate Change Risk</b>	301: Materials 306: Waste	 NPOLC	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 <b>Responsible Sourcing</b> Ensure that sourcing is made sustainably via a supply chain that is green and non-polluting.	 <b>Project Delivery Risk</b>  <b>Climate Change Risk</b>	308: Supplier Environmental Assessment	 GR  VD  SP	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 <b>Energy Use</b> Ensure that energy consumption remains at an optimal level by reducing usage where possible.	 <b>Climate Change Risk</b>	302: Energy	 NPOLC	 7 AFFORDABLE AND CLEAN ENERGY
 <b>GHG Emissions</b> To systematically reduce our GHG emissions.	 <b>Climate Change Risk</b>	305: Emissions	 GR  NPOLC	 13 CLIMATE ACTION

Material Matter	Strategic Risks	GRI Indicator	Stakeholder	UNSDGs
<b>SOCIAL</b>				
 <b>Occupational Health &amp; Safety</b> Ensure that occupational health and safety matters are well communicated to mitigate and prevent risks of work-related injuries as well as ill health.	 	403: Occupational Health and Safety	 EM	
 <b>Privacy and Data Protection</b> Establish and maintain a functioning mechanism to reduce vulnerabilities and potential breaches of customer data.		418: Customer Privacy	  CU EM	
 <b>Talent Attraction, Growth and Retention</b> Ensure a healthy talent pipeline via competitive offerings, career progression and incentives to attract, grow and retain talents.		401: Employment 404: Training and Education	 EM	
 <b>Equal Opportunity</b> Ensure employment decisions (hiring/promotion/Incentive) are made based on business needs and merits where possible.		406: Non discrimination	 EM	  
 <b>Diversity and Inclusion</b> Ensure a diverse board as well as employees with equal pay between genders.		405: Diversity and Equal Opportunity	 EM	 
 <b>Human Rights</b> Ensure operations are free from the risk of violations encompassing the aspects covered within our Human Rights Statement.		408: Child Labor 409: Forced or Compulsory Labor	   EM VD SP	 
 <b>Customer Satisfaction</b> Ensure quality delivery of products and services towards a high level of customer satisfaction.			 CU	
<b>GOVERNANCE</b>				
 <b>Ethics, Governance and Compliance</b> Ensure adoption of Awantec's corporate culture and sustainability commitments to manage risks and drive compliance.		205: Anti-corruption	  EM GR	
 <b>Climate Change</b> To assess all potential climate change-related risks and plan to adapt to them.		300: Environmental	  SIA EM	
<b>SIA</b> Stakeholder, Investors and Analysts	<b>CU</b> Customers	<b>EM</b> Employees	<b>SP</b> Strategic Partners	<b>VD</b> Vendors
<b>GR</b> Government and Regulators	<b>NPOLC</b> Non-Profit Organisation and Local Community	<b>MD</b> Media		

While we remain committed to the same materiality matters for the current reporting period, we take cognisance that Awantec operates in a domain that changes rapidly. Disruptions occur on a daily basis, calling for the advancement of technology, people and processes to match.

This renders the needs and interests of our stakeholders dynamic - making it imperative for Awantec to conduct our materiality assessment annually in understanding the constant changes to continue delivering value. The Group remains resolute toward our aspiration of continuous improvement and high-quality reporting.

## VALUE CREATION

# Six Capitals

Awantec is committed to its strategy of **'Doing Well by Doing Good'** across all six capitals to ensure that the Group stays on its course to Progress with Purpose.

## FINANCIAL CAPITAL



Sustainable financial income flow is imperative to Awantec's competitiveness and survival in the market. A fair amount of the Group's earnings are leveraged for growth, development and innovation as well as to deliver values to its stakeholders. This includes providing job opportunities, income for employees, capital gains for shareholders and also investment in the development of our communities.



## MANUFACTURED CAPITAL

Located in the heart of Malaysia's silicon valley - Cyberjaya, Awantec's assets which include our office buildings and IT infrastructure (e.g. physical servers, networks as well as cloud infrastructures) are strategically positioned to give competitive advantages as the nation's digital enabler. Being in the middle of the peninsular, and right beside the centre of Malaysia's administration, Putrajaya, Awantec is well poised to play its role in catalysing the digital readiness of Malaysia.



## INTELLECTUAL CAPITAL

Awantec's in-depth experiences, global partnerships, exclusivity/special partner statuses and capabilities in the realm of cloud technology, software and application solutions as well as talent management, form the solid bedrock for the Group's core businesses. Awantec makes full use of this strong foundation to provide the solutions and services required to realise Malaysia's digital aspirations.

## HUMAN CAPITAL



From the Boardroom to the working level - the pooled multifaceted competencies, capabilities and experiences of members from across the Group are vital to the success of our digital transformation journey. The combined adroitness and diversity in Awantec form the unique tapestry that fosters strong leadership, a holistic view of ethics, risks, opportunities and approaches to consistently deliver values for its stakeholders. Investment into the development, inclusivity and well-being of human capital is critical to Awantec's success, and the Group will continue to do so in its pivot to the cloud and blue ocean ventures.



## SOCIAL AND RELATIONSHIP CAPITAL

Awantec is only as strong as its relationship with the stakeholders. The trust placed by the Group's shareholders and customers, combined with the strong bond with its employees, partners and vendors, as well as healthy rapport between the Group, regulators and community enable Awantec to grow as a business. Emphasis is placed on two-way communication, and Awantec will continue to discover better ways to engage with its stakeholders.



## NATURAL CAPITAL

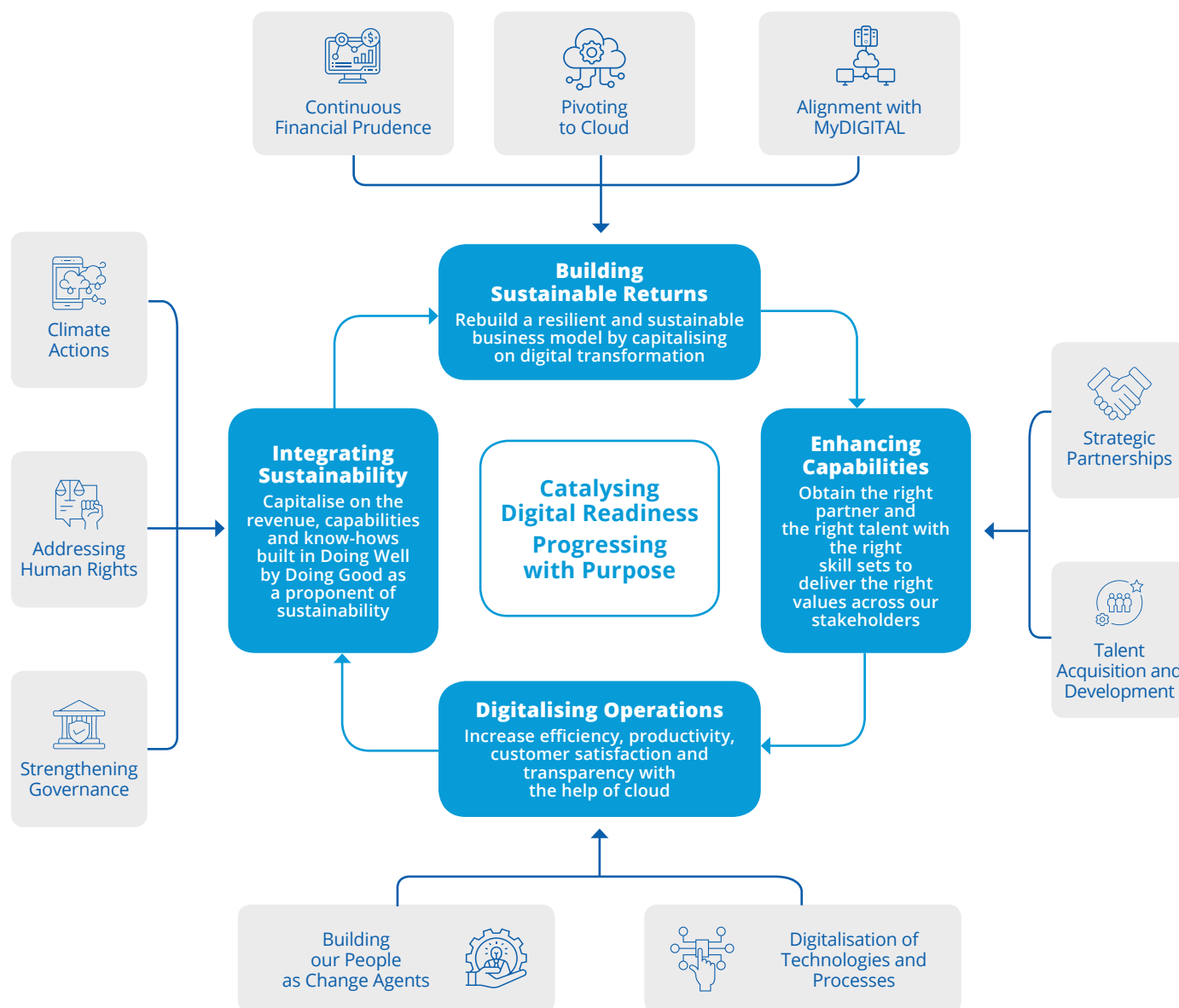
As a business, Awantec is cognisant of the natural resources it uses across all of its operations. This includes coals for energy, water withdrawn and trees as the main source of paper in Awantec's day-to-day activities. Where possible, the Group resorts to either abating or optimising the consumption of non-renewable natural resources via technological alternatives, process optimisations, internal policies and awareness campaigns.

# Value Creation Strategy

## Strategic Priorities

Digitalisation is the way forward for all. It is definitely the destination for Awantec. As we continue to scale ourselves with the right people, the right products and the right partners, the Group is set to ride on the wave of digitalisation.

In doing so, our collective focus is invested in rebuilding ourselves and our value creation capabilities to meet digitalisation demands - Which calls for strategic priorities with the right mixture of resilience and growth in **Catalysing Digital Readiness** - **Progressing with Purpose**.



These strategic priorities are pivotal to providing value in addressing the needs of all our stakeholders. They ensure that Awantec will be able to capitalise on growth opportunities within the booming digital transformation market, as well as to come together as a Group in Doing Well by Doing Good - Leaving nobody behind as we march towards digital Malaysia.



## VALUE CREATION

# Value Creation Model

## OUR VALUE CREATION PROCESS IS A RESULT OF CAREFUL CONSIDERATION OF HOW WE CAN

### INPUTS

#### FINANCIAL CAPITAL

- RM183.7 million Shareholders' Funds
- RM17.8 million Borrowings

#### MANUFACTURED CAPITAL

- RM22.4 million worth of properties and equipment
- RM24.2 million worth of investment properties

#### INTELLECTUAL CAPITAL

- 19 years of industry experience
- Exclusive partnerships with leading industry players
- Managed Service Provider ("MSP") status
- Four cloud-certified professionals

#### HUMAN CAPITAL

- 106 highly competent employees
- RM163,188 human capital development investment
- Integration of Awantec's ABAC Manual

#### SOCIAL AND RELATIONSHIP CAPITAL

- Commitment towards UNSDGs and ESG initiatives
- RM135,461 invested into customer relationship management system

#### NATURAL CAPITAL

- 238,068 kWh electricity consumption
- 680.02 m<sup>3</sup> water consumption
- RM0.7 million invested into digitalisation to optimise the consumption of natural resources

### BUSINESS ACTIVITIES

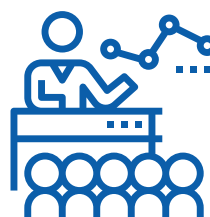
Catalysing Digital Readiness via Technology and Talent

#### KEY MARKET TRENDS



#### Multi-cloud Management Services

- Cloud Solutions
- Managed Services
- On-Premise Offerings



#### Full Life Cycle Talent Management Services

- Training and Certification
- Profiling and Placement

#### MATERIAL MATTERS

STRATEGIC PRIORITIES

STRATEGIC RISKS

### OUR ETHOS IS MADE UP OF THE FOLLOWING BUILDING BLOCKS:

Our Mission to be A Global Company that Provides 21<sup>st</sup> Century Talent and Technology Solutions to Transform Lives

Our Focused Sustainability Agenda of Doing Well by Doing Good



**DELIVER VALUE BY CATALYSING DIGITAL READINESS IN PROGRESSING WITH PURPOSE****OUTPUTS**

Digital Malaysia

**OUTCOMES****TRADE-OFFS**

- RM90.3 million generated in revenue
- RM5.3 million profit before tax
- RM183.7 million shareholders' funds

- Healthy revenue and profit
- Shareholder returns

Majority of our financial capital is invested into long-term growth strategies which affect the interest of short-term investors.

- Accredited training centre with state of the art equipments

- World-class training facilities

While vital to our business growth, our training facilities and rented office spaces may generate higher carbon emissions as well as waste.

- Diversified offerings to include cloud as well as online training solutions and services
- Secured various new contracts worth RM99.6 million
- Managed to distribute more than 532,000 seats/licences across various solutions
- Trained and certified 25,000 individuals for both public and private organisations

- Stable new income stream
- Wider range of offerings
- More contracts secured

Continued investments in people, partners as well as products and services are earmarked for the long-term growth, despite the lower short term rewards.

- 42.97 total average manhours of employee training recorded
- Outperformed minimum wage set by local authorities
- Maintained zero bribery and corruption record

- Diverse and inclusive workforce
- Improved talent development rate
- Healthy turnover rate
- Zero instances of non-compliances

Investment into training and development of our human capital enabled greater productivity, in exchange for expected short-term capital stress.

- RM39,650 community investments
- Healthy net promoter score of 78 with zero complaints
- Remained a constituent of FTSE4Good Index
- Ranked 75<sup>th</sup> on MSWG's Top 100 Company List

- High level of customer satisfaction
- Steady sustainability performances
- Positive social impacts

As Awantec continue to rebuild its revenue stream since its pivot to the Cloud, priorities are given to its business and operations which resulted in less capital invested in other stakeholders.

- 165.22 MtCO<sub>2</sub>e Scope 2 Emissions
- 159.08 MtCO<sub>2</sub>e Scope 3 Emissions
- 584 kg of waste recycled

- Increased carbon emissions
- Higher resource consumptions

Awantec's recent expansion and projects secured have increased our carbon emissions as well as consumptions of natural resources.

**...and underpinned by our competitive advantages:**

..... Strong Board and Management Leadership ..... Google Cloud Premier Partner Status

..... Google Cloud Authorised Training Provider ..... Appointed MSP by MAMPU and Google

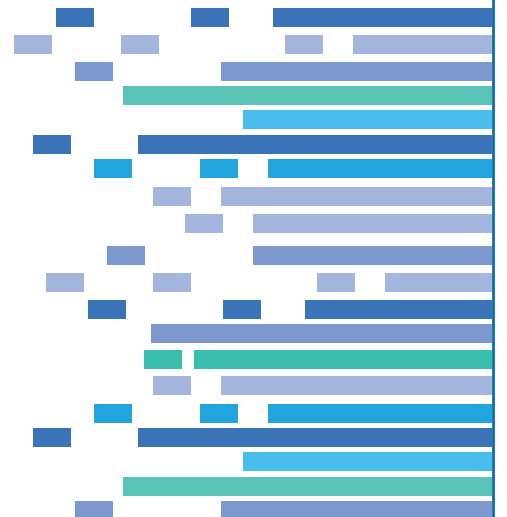


***Our overall results  
for FY2022  
show a return  
to operational  
profitability on  
the back of strong  
performance from  
our talent segment  
and good traction  
in our software and  
services segment.***

# KEY MESSAGES

**46** Chairman's Statement

**50** Management Discussion and Analysis



## KEY MESSAGES

**Chairman's**  
Statement

# CATALY DIGITAL PROGRE

**SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR**  
Independent Non-Executive Chairman

**Despite the throes of macroeconomic impediments and the lingering effects of major setbacks from the past, we persevered and carried on with rebuilding our revenue base.**

**As a result, we managed to put in an encouraging financial performance and recorded a strong turnaround in the financial year under review.**



# SING READINESS SSING WITH PURPOSE



## Dear Valued Stakeholders,

FY2022 has been just as challenging if not more compared to the last financial year as the world continued to grapple with repercussions from COVID-19 outbreaks, global conflicts, as well as climate change impacts that resonated worldwide in the form of worldwide supply chain disruptions and rising inflation.

Despite the throes of macroeconomic impediments and the lingering effects of major setbacks from the past, we persevered and carried on with rebuilding our revenue base. As a result, we managed to put in an encouraging financial performance and recorded a strong turnaround in the financial year under review.

## Business and Operation Highlights

Through FY2022, the wave of digital adoption continued to travel across the nation at a neck-breaking speed, accelerated by the COVID-19 pandemic. Consumers have moved dramatically toward digital channels, and companies and industries have responded in turn.

Amid the opportunities presented by the booming digitalisation market, we posted strong performance from our Talent segment and good traction in our Technology segment following our pivot to the cloud and new partnerships with cloud giants such as Google and Zoom.

This was done with four strategic priorities in mind - building sustainable returns, enhancing our capabilities, digitalising our operations and integrating sustainability into our decisions.

The said strategic priorities have guided us in securing our appointment as the exclusive Managed Services Provider ("**MSP**") for Google to the Government of Malaysia under the Malaysia Digital Economy Blueprint ("**MyDIGITAL**").

Within this blueprint, we saw strong engagement and significant traction for our offerings as the Malaysian government under the stewardship of MAMPU, began to transition to the Cloud, which has created opportunities in both Technology and Talent segments.

## KEY MESSAGES

# Chairman's Statement

Over the 12 months, we have scaled our capabilities to boost national digitalisation by means of collaborations through new partnerships, human capital development as well as exploration of new offerings.

True to the strategic focus, we have also digitalised various key functions and processes within our operations by pivoting to the cloud ourselves. This is part of our effort to deliver more efficient services to our customers, as well as to manage our risks and carbon footprints better.

Armed with right people, the right partners with the right products, we brought the value proposition of **Catalysing Digital Readiness** across both Malaysia's public and private sectors, towards delivering our commitment to **Progressing with Purpose**.

The old adage stands true on how success is never accidental - It is a sum of efforts. Our efforts gave rise to our first key win in the form of a three-year supply contract with the Ministry of Education ("MoE") which came into effect in July 2021 worth RM22.8 million.

The success was then followed by a series of e-learning licence supply contracts worth RM0.9 million combined for Leadership Institute of the Sarawak Civil Service and Jabatan Perkhidmatan Awam Negeri Sabah which were secured in September 2021 and April 2022 respectively.

Towards the end of the first half of the financial year under review, our effort yielded yet another key win as we secured a three-year supply contract with Pernec Integrated Network Systems Sdn. Bhd. worth RM75.9 million. The contract which came into effect in November 2021, spans until February 2024.

On behalf of the Board, I am also pleased to inform you that in recognition of our achievements, Awantec has been awarded the 2021 Google Cloud Public Sector Partner of the Year – APAC by Google Cloud.

The award that we received on top of the appointment as an MSP, serves as a strong testament to our focused execution in providing best-fit cloud-based products and services to our clients, especially in the public sector.

Given the encouraging results as we continue to seed new opportunities, I am optimistic with the Group's position to capitalise on the task of meeting the market requirement for our Technology and Talent services to spearhead Awantec's business growth.

## Financial Highlights

Our overall results for FY2022 show a return to operational profitability on the back of strong performance from our talent segment and good traction in our software and services segment. Contribution from new businesses including but not limited to our partnership with Google as well as existing opportunities in the Talent segment have demonstrated good growth in the financial year under review.

For FY2022, the Group recorded total revenue of RM90.3 million against RM104.9 million in the preceding financial year, representing a decrease of 13.9%. This is attributed to the rebuilding stage of our pivot-to-cloud business model, following the expiry of the Master Licensing Agreement.

Despite the decrease in revenue, the Group managed to register a gross profit of RM27.7 million compared to RM19.8 million in the previous financial year due to the improved margins in our software and services segment and higher revenue from our talent segment which carried a higher gross profit margin.

This translated into an improved Group profit after tax from continuing operations of RM4.2 million in FY2022 as compared to a loss after tax of RM7.0 million recorded in FY2021.

## Dividend

Guided by our Dividend Policy which allocates 50% of PAT to shareholders, Awantec has paid a cumulative dividend pay-out of RM134.9 million since our listing.

However, in view of our continued investment and acceleration following our pivot to the cloud in 2021, we believe it is prudent to retain sufficient financial resources in the form of our working capital to enable the execution of our strategic objectives in creating value over the coming years. Therefore, for the financial year ended 30 June 2022, the Board has decided that no dividend will be declared for FY2022.

## Sustainability and Corporate Governance

As we progress through FY2022, we continue to integrate sustainability better into our business strategies and approaches. We have strengthened the oversight of our Sustainability Policy with the appointment of a dedicated Sustainability Officer to embed best ESG practices into Awantec's culture and processes.



The said oversight was further solidified with the establishment of our ESG Champions - An extension of the Group's Sustainability Governance Structure which consists of selected employees across every department in the Group. The ESG Champions are collectively responsible to guide their fellow employees in optimising energy use, water consumption, waste management as well as fostering a healthy and safe working environment.

In achieving the optimisation objectives above, various efforts were carried out ranging from the migration of our physical IT environment to the cloud in a bid to reduce our energy use, all the way to the continuous series of awareness campaigns, including a recycling campaign against single-use plastics.

While steady strides were made in our attempt to rebuild the Group's businesses, an equal amount of attention was paid to our sustainability strategies and approaches through the regularisation of Awantec's ESG goals. This effort has allowed the Group to re-calibrate its sustainability objectives with its material matters, as well as the present business trajectories which resulted in the improvement of our alignment to United Nations Sustainable Development Goals.

Playing our part in the climate action, we took our first step and declared our full support to the TCFD and committed to aligning our disclosures to the TCFD recommendations.

Concurrent with our sustainability efforts, we have ensured a prudent oversight of our governance and risk management as well. With Section 17A of the Malaysian Anti-Corruption Commission Act being at the forefront of national discussion, our efforts were directed toward generating awareness across the Group.

Sessions of talks, contests and pledges were done involving Awantec employees to gain a better understanding of the new amendment. In mitigating any risks of non-compliance with Section 17A, as well as other aspects of corporate governance, we have further improved our whistleblowing platform, guided by our Whistleblowing Policy and Code of Conduct.

### Acknowledgements

As we continue with our investment and acceleration phase following our pivot to the cloud in 2021, we are appreciative of the support given by all of our stakeholders through this transformative journey.

In a recent development, we have revisited our Shared Values to spur enterprise-wide transformation. We identified Respect, Integrity, Customer-Focus, Passionate and Lifelong Learning as our Shared Values. These values will be adopted into principles of action as part of our business fabric in creating unity and inspiring performance.

Strategically aligning with our transformation journey, we will continue to invest into our people, develop a strong network of capable and supportive partners, deliver innovative and cost effective solutions to our customers, and keep giving back to communities.

On this note, I would like to personally thank all of our shareholders for the unwavering trust given to us and to me, as we went through a steep learning curve in navigating the various headwinds to remain resilient.

My deepest gratitude goes to the members of our Board, our Management Committee and all of our employees who have worked tirelessly in making this turnaround possible.

It is the most opportune time for me to thank Mr. Ramanathan A/L Sathiamutty and Dr. Abu Hasan bin Ismail for their guiding hands as members of the Board Oversight Committee, which was established to oversee and provide guidance to the management team of Awantec.

**SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR**

Independent Non-Executive Chairman

## KEY MESSAGES

## Management Discussion and Analysis



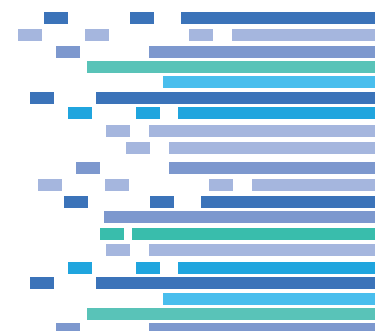
**BALDESH SINGH A/L MANMOHAN SINGH**  
Chief Operating Officer

**Led by our clear goal of Catalysing Digital Readiness - Progressing with Purpose and our strategic priorities, Awantec is set to ride on the heavy swell of digitalisation in a bid to deliver values to our stakeholders as a technology and talent digitalisation enabler.**



## KEY MESSAGES

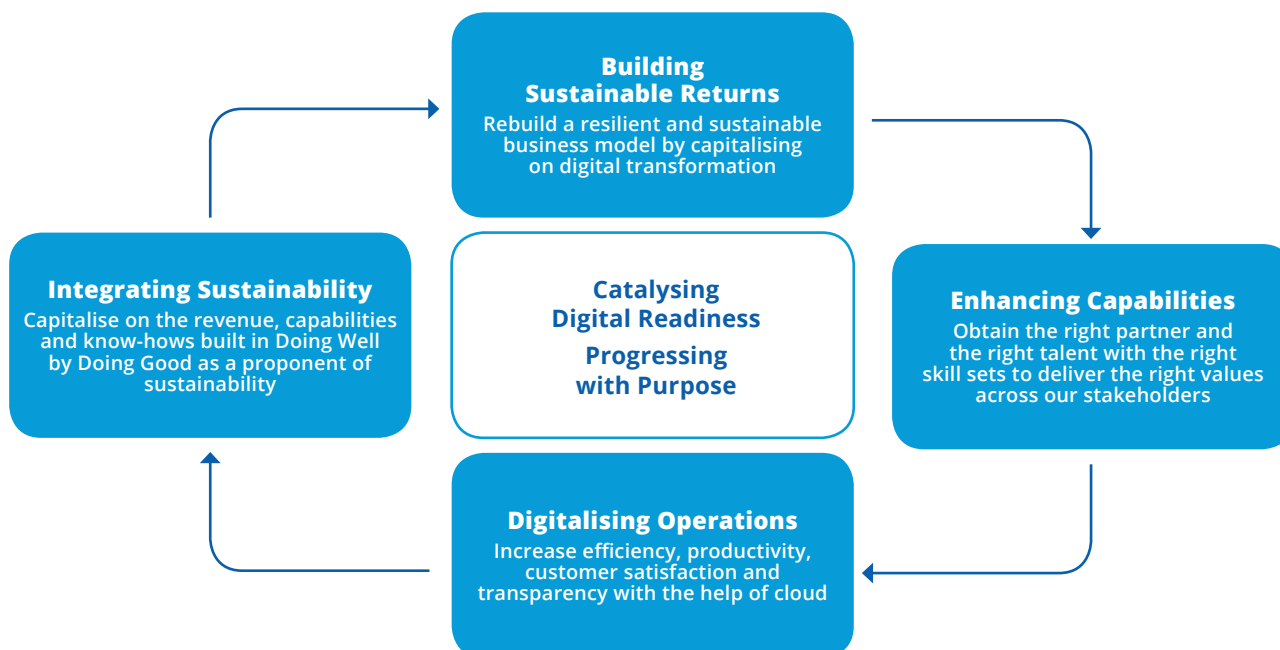
# Management Discussion and Analysis



### Overview

Fueled by negative spillovers from the COVID-19 outbreak, Malaysia continued digitalising at hyper speed - Creating a wave of disruption that calls for rapid technological advancement across all organisations, businesses and individuals to remain competitive in this new digital landscape.

Led by our clear goal of Catalysing Digital Readiness - Progressing with Purpose and our strategic priorities, Awantec is set to ride on the heavy swell of digitalisation in a bid to deliver values to our stakeholders as a technology and talent digitalisation enabler.



The set strategic priorities ensured that beyond capitalising on the booming digital transformation market, we came together as a Group, guided by our Shared Values of Respect, Integrity, Customer-Focus, Passionate and Lifelong Learning in addressing the needs of all our stakeholders as the nation progresses toward the digital economy.

## KEY MESSAGES

# Management Discussion and Analysis

## Building Sustainable Returns

It has been two years since we started pivoting to the cloud - an overarching strategy that we have adopted to capitalise on the digital transformation market and emerge from our past setbacks by rebuilding ourselves from within.

Throughout the financial year under review, we carried on with the strategy conscientiously. As a result, our resilience came to fruition as we successfully launched our Multi-cloud Management Services and repositioned our talent management services as new sustainable growth engines backed by our global partners.

### Multi-cloud Management Services (Software and Services Segment)

Owing to said strategy and alignment with the Malaysia Digital Economy Blueprint ("MyDIGITAL") initiative, our offerings now cut across cloud-based solutions and services including Platform as a Service ("PaaS"), Infrastructure as a Service ("IaaS"), Software as a Service ("SaaS"), Anything as a Service ("XaaS") and other niche services.

In the latest development, we have successfully inked the Cloud Framework Agreement ("CFA") with the Government of Malaysia under the MyDIGITAL initiative.

This milestone sealed our pivotal role as a Managed Service Provider ("MSP"), alongside our partner Google Cloud as the Cloud Service Provider ("CSP") to provide feasible solutions in catalysing digital readiness across public sector agencies.

Even prior to the CFA signing, we have been able to secure two key contracts worth a total of RM98.7 million as there is a push for the government and its agencies to move to the cloud. Now with the CFA completed and the framework in place, we are optimistic that there will be an increase in government cloud procurement.

## Key Contracts

Contract to supply the G Suite Enterprise for Education to schools under the Ministry of Education

July 2021 - July 2024

**RM22.8**  
million

Supply and service agreement for a service managed by Pernec Integrated Network Systems Sdn. Bhd.

November 2021 - February 2024

**RM75.9**  
million

Our optimism is also driven by the recent announcement made by Google Cloud that they will be adding Malaysia as a cloud region to meet the growing demand of cloud services locally and around the world. This will address the concerns of our government on data sovereignty and also help accelerate the government's digital transformation objectives.

Touted to be one of the cleanest cloud infrastructure that is capable of delivering high-performance services, the cloud facilities will unlock new opportunities for us to explore.

On that note, we are pleased to see that our efforts in accelerating the adoption of digitalisation for the public sector have been recognised, as we were awarded the 2021 Google Cloud Partner of the Year: Public Sector - APAC award.

The award is a strong testament to our dedication, knowledge and focus in helping customers from the public sector through their cloud journey as their trusted Google Cloud partner.



KEY MESSAGES

## Management Discussion and Analysis

### Talent Management Services (Talent Segment)

Riding on the wave of digitalisation, our talent management services which cuts across training, certification, profiling and placement services achieved strong performance in FY2022.

On the back of COVID-19, learners worldwide shifted to online learning. The recent development saw online learning emerge as a standard and modality is no longer an issue for learners globally. These factors have sparked demand for a digital learning platform that makes it possible for learners to upskill and reskill themselves at their own pace.

Businesses and organisations in return have progressively shied away from the old ways of developing their human capital and become much more receptive to digital learning platforms.

This behaviour change has brought us more contractual wins on the back of our learning solution offerings, made possible through strong collaboration with our partner Skillsoft.

#### Contract Secured

<p>Contract to supply Skillsoft Percipio e-Learning Licences for Leadership Institute of the Sarawak Civil Service</p> <p><b>RM115,540</b></p>	<p>Contract to supply Skillsoft Percipio e-Learning Licences for Jabatan Perkhidmatan Awam Negeri Sabah</p> <p><b>RM821,500</b></p>
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We have also received an honourable mention in the Skillsoft 2021 APAC Partner of the Year Award which took place in November 2021.

Moving on to our profiling and placement services project arm, Selangor Kerjaya has made significant strides in the financial year under review. The placement rate has increased tenfold against our previous record in FY2021, which translated to revenue of RM5.8 million in FY2022.

The sharp increase in placements recorded was due to the lift of the Movement Control Order in December 2021, which enabled us to ramp up our strategic engagement activities including outreach programmes and career fairs which resulted in more leads and placements in the second half of the financial year under review.

The improved performances across both of our segments were underpinned by our continuous emphasis on the pivot-to-cloud approach, as well as the strong emphasis on our talent services as a synergy to our software and services offerings.

### Enhancing Capabilities

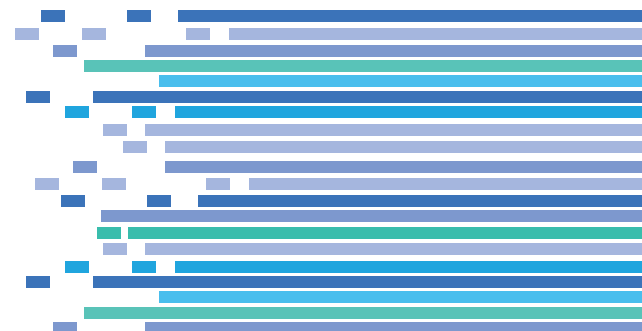
Operating in a very dynamic environment, change is the only constant for us. Disruptions take place on a daily basis, diminishing existing market wants and building new needs all at the same time.

We have learned not just to anticipate change, but to embrace and act on it to safeguard our value creation capabilities across our stakeholder base. On that note, we have continued to strengthen our partner support ecosystem that is bolstered by our strategic partners, as well as our own internal capabilities to match the identified future demands.

Across our software and services segment, we continued to scale our offerings through wider partnerships with key global brands such as Zoom, CommVault, Kaspersky and Blancco.

These new partnerships enabled us to agnostically address the growing demand across online conferencing as well as data management, protection and erasure solutions - alongside our existing offerings of Google, Adobe and SAP solutions.

Meanwhile, in our talent segment, we have managed to expand our footprint further across the region through new partnerships with one of the big four accounting firms in both Malaysia as well as in Vietnam. We expect to grow our customer base within the next financial year, underpinned by said partnerships.



## KEY MESSAGES

# Management Discussion and Analysis

In addition to the collaborations above, we have taken our partnership with Skillsoft to a whole new level as we managed to establish regional partnerships with Skillsoft and its newly acquired company - Global Knowledge to resell and deliver its instructor-led training products and portfolio across the APAC region.

The partnership made in August 2022 is expected to contribute positively to the Group's revenue in the coming financial years. As part of our endeavour to diversify the segment's source of income, we have also secured exclusive distributor status for Rocheston's cybersecurity certification - Giving Awantec the rights to exclusively sell, market and offer the curriculum for both public and private agencies across Malaysia.

Factoring in the current shortage of cybersecurity talent across the nation and the push from MyDIGITAL combined, we anticipate a fair demand for this curriculum.

Within Awantec, we have upskilled existing talents and acquired new talent with the right skill sets to build our internal capabilities. This has resulted in the award of Google Cloud Authorised Training Partner status to Awantec in May 2022 which enabled us to be a one-stop training centre to deliver Google Cloud's training curriculum and complement our solutions offerings.

## Digitalising Processes

As a talent and technology advocate, our people are the most treasured resource that forms the backbone of Awantec's businesses. Being our agents to catalyse digital readiness across our customer base, it is key for them to fully understand and experience our own offerings first-hand.

Against this backdrop, we have embarked on our very own digital transformation journey and transitioned our employees to make full use of our own solutions across Awantec's operations.

This was done via a Group-wide migration to Google Workspace and new Chromebooks - Replacing the old hardware, followed by a series of change management campaigns that were accompanied by regular training to foster effective adoption.

Beyond people, we have also digitalised our technology and process, encompassing a few of our internal day-to-day operations. This includes integrating Salesforce within our Customer Relationship Management system, SAP for our finance and procurement processes, BrioHR for the majority of our human resources functions, as well as Planally across our risk management and other general processes.

The efforts above enabled us to migrate a fair portion of our IT environments from our physical servers to the cloud. The migration will enable us to scale better and reduce the carbon footprint generated by our operations.

## Integrating Sustainability

The extreme weather events that occurred in the financial year under review are the loudest wake-up call for all businesses. The recent flood that submerged one-third of Pakistan, the severe heat wave in China, as well as the floods on our own doorstep in Malaysia are a few of many examples of extreme weather events due to climate change.

It was heartwrenching to see how these series of events have resulted in more than just loss of properties, business disruptions and supply chain interruptions - They have also caused the loss of numerous lives, with a total of 54 deaths of our fellow Malaysians and more than RM5.3 billion lost to the recent floods in Malaysia alone.

With climate action being at the forefront of global discussion, we at Awantec continue to do the best we can and play our part in ensuring that our operations are sustainable. Guided by our Sustainability Policy and led by our Sustainability Governance Structure, we remain committed to embedding ESG considerations into our business strategy and operations.

Our efforts started with helping our fellow Malaysians who were affected by the recent flash flood as well as COVID-19 within our vicinity via outreach programmes. We extended our hands to help, carried out a donation drive and established a food bank as means to share what we have gained with the community.

We have also improved our ESG disclosures. In the year under review, we have widened our carbon emission disclosures to account for Scope 1 emissions that can be traced back to our office buildings and vehicles, on top of the existing disclosures and efforts to manage our Scope 2 and Scope 3 emissions.

KEY MESSAGES  
**Management Discussion**  
and Analysis

This initiative will provide us with a better understanding of the true impact of our operations on the environment, forming a solid base to better manage our emissions.

As part of our continuous improvement process, we have also engaged with SIRIM QAS International Sdn. Bhd. to verify our sustainability disclosures as part of our assurance approach to validate the integrity of our disclosures as well as to ensure that all of our material issues have been well-addressed.

As part of our efforts to address climate change, we have listed ourselves as one of many supporters of the Task Force on Climate-related Financial Disclosures (“TCFD”) in July 2022. We expect to embark on an assessment of the climate risks and opportunities in relation to our operations and assets as an ongoing initiative - in line with the TCFD framework.

FY2022 also witnessed our efforts in fostering equality, diversity and inclusion among our workforce across the Group.

Aspiring to provide equality, fairness and respect for all - the Board articulated our acknowledgement of the internationally recognised human rights standards and our commitment to identify, assess and manage (identified) human rights impacts within our business and operations via our newly adopted Human Rights Statement and Equality, Diversity and Inclusion Policy.

Representing the Group, I am pleased to announce that our sustainability efforts and progress made were well acknowledged by Business Media International (“BMI”) and VISA via the nomination of Awantec as a winner of BMI VISA Sustainable Brand Awards 2021.

Owing to the collaboration between Awantec and all of our stakeholders, we are proud to remain a constituent of the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index for yet another year since 2014, with the ESG Grading Band of four stars out of four stars by FTSE Russell.

### Financial Review

Our overall results for FY2022 shows a return to operational profitability on the back of strong performance from our talent segment and good traction in our software and services segment.

Summary of Key Financial Indicators (RM million)	FY2021	FY2022	Variance (%)
Revenue	104.9	90.3	(13.9)
Gross Profit	19.8	27.7	39.9
Operating Profit Before Tax	9.8	5.3	(45.9)
Operating Profit After Tax	9.3	4.2	(54.8)
(Loss)/Profit After Tax: - Continuing Operations	(7.0)	4.2	160.0
Profit After Tax: - Discontinued Operations	16.3	-	(100.0)
Shareholders' Funds	179.0	183.7	2.6
Total Asset	402.5	443.0	10.1
Earnings per Share (sen)	1.46	0.53	(63.7)
Income Tax Expenses	(0.5)	(1.2)	(140.0)

For FY2022, our revenue has dropped by 13.9% which is attributed to the rebuilding stage of our pivot-to-cloud business model, following the expiry of the Master Licensing Agreement.

Despite the lower revenue, the Group has managed to register an increase of 39.9% gross profit on the back of the improved margins in our software and services segment and the higher revenue from our talent segment which has a higher gross profit margin.

As a result of the increased gross profit coupled with lower operating expenses, the Group profit after tax from continuing operations has increased to RM4.2 million for the financial year under review as compared to a loss after tax of RM7.0 million recorded in FY2021.

## KEY MESSAGES

# Management Discussion and Analysis

The PAT from discontinued operations registered for FY2021 was driven by the impact of our previous one-off gain obtained from the disposal of Prestariang Education Sdn. Bhd. (now known as Serba Dinamik Education Sdn. Bhd.).

Comparison of Revenue (RM'000)	FY2021	FY2022
Continuing Operations		
Software and Services	99,609	76,112
Talent	5,070	14,147
Education	1,658	-
Employment Services	230	-
<b>Total</b>	<b>106,567</b>	<b>90,259</b>

From the analysis of our business segments, our revenue from Software and Services has decreased by 23.6% in FY2022. Taking into consideration that this segment was being rebuilt from the ground up to replace our major revenue lost to the discontinuation of the previous partnership with Microsoft, the performance is indeed commendable.

Moving on to Talent, the business segment has generated 179.0% higher revenue in FY2022 than the preceding financial year. This is mainly attributed to the traction of our learning management software offerings as well as the higher placement rate post-movement control order from our Selangor Kerjaya Programme.

## Shareholders' Funds, Group Total Assets and Dividends

Our shareholders' funds has increased by 2.6% to RM183.7 million during the financial year, against RM179.0 million the financial year before.

As of 30 June 2022, our shareholder base has decreased by 0.1% to 7,117 institutional and retail shareholders, as compared to 7,126 total shareholders recorded in the previous financial year.

As for our share price, it has been on a downward trend in FY2022. This was due to the macroeconomic factors attributed to the impacts of the pandemic and economic uncertainty. The share price opened at RM0.800 on 1 July 2021 and closed at RM0.385 on 30 June 2022, representing a 51.9% decrease for the financial year.

For the financial year ended 30 June 2022, the Board of Directors did not declare any dividend. This decision was a result of our investment and acceleration phase following our pivot to the cloud in 2021. As we rebuild our top line and invest in our people, we believe it is prudent to retain sufficient financial resources in the form of our working capital to enable the execution of our strategic objectives in creating value over the coming years.

## Anticipated and Known Risks

Guided by our Risk Management Framework, Awantec undertakes comprehensive risk assessment and audit to identify all factors that might affect our ability to create and deliver value - Prioritising those that could impact us significantly.

In doing this, we analyse the likelihood and the impact of such risks on the Group's business and performance. We then derive strategies to mitigate or eliminate such risks.

Below are some critical risks that may have a material effect on Awantec's growth trajectory:

- The need to reskill, upskill and retain talent to meet the demands of the Group's focus on multi-cloud management services and products.
- The speed of adoption of cloud solutions by our clients depends on the macroeconomic environment we operate in.

Details of our activities on risk management can be found in our Statement on Risk Management and Internal Control ("SORMIC") on pages 138-142 of this report.

KEY MESSAGES  
**Management Discussion**  
and Analysis

**Outlook**

The first phase of MyDIGITAL's thrusts and strategies is to move 80% of the Government's storage to the cloud by 2022. Therefore, the demand for cloud productivity and collaboration solutions is anticipated to increase in the upcoming years. Concurrently, MyDIGITAL is advancing to its second phase with targets to equip the public sector with digital literacy, as well as to develop 250 digital transformers under the Digital Government Competency and Capability Readiness programme by 2025.

This effort also includes education sectors, with targets set to enable access to digital devices, drive the adoption of digital solutions in schools, and establish open access to knowledge banks by 2025. These targets will give birth to exigencies beyond cloud computing solutions, which encompass IT infrastructures and talent development as well.

Well-aligned with MyDIGITAL, Awantec is perfectly positioned to capitalise on the adjournment of the blueprint's first phase and the commencement of its second phase across a few identified key thrusts. Our synergistic offerings of technology and talent are primed for the realisation of the Government's digital transformation agenda.

As for private sectors, local companies are impeded by minimal openness to learn and adapt to digitalisation. This factor, combined with talent scarcity, high entry costs as well as limited resource availability with regard to building cloud infrastructures and applications will be strong demand drivers for our change management, talent development and Multi-cloud Management Services.

Similar to larger enterprises, Micro, Small and Medium Enterprises ("MSMEs") face the same challenge of digital talent shortage - which is a key driver in any technology adoption. This issue and the lack of proper infrastructures continue to spell missed opportunities for them to penetrate wide opportunities within e-commerce and digitalisation as a whole.

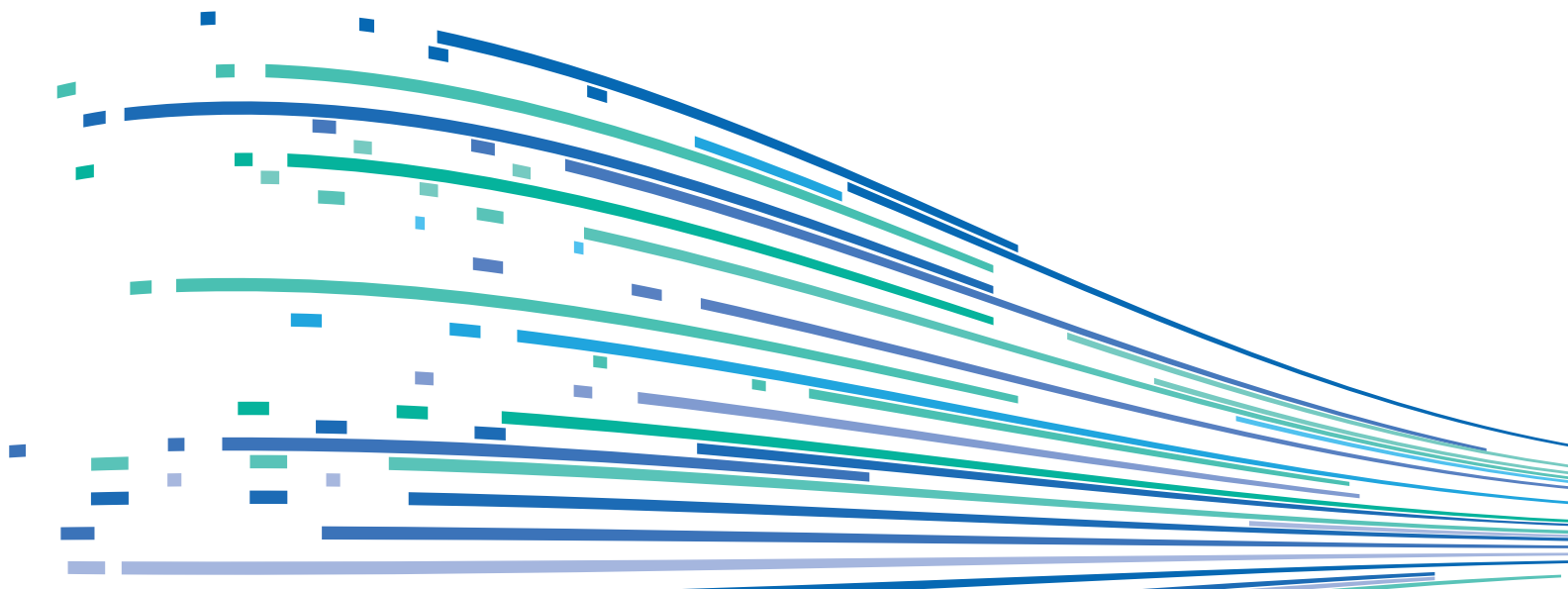
These factors would also trigger the need for synergistic offerings of talent and technology solutions which are the very foundation of our business.

There is also the element of uniqueness that Awantec and Google Cloud have that other competitors do not, such as the Google Maps Platform which provides real-world insights and location solutions and Google being a leader in cloud data analytics. We believe that this is a viable niche market for us to tap into.

All in all, Awantec is well-positioned to capitalise on the task of meeting the market requirement for technology and talent services in spearheading our business growth. Building on the momentum from FY2022, we see opportunities arising from the continuous digitalisation push in providing innovative and cost-effective solutions. We will continue to invest in our people, partners products and services to enhance our capabilities and build a sustainable business for the long term.

**BALDESH SINGH A/L MANMOHAN SINGH**

Chief Operating Officer



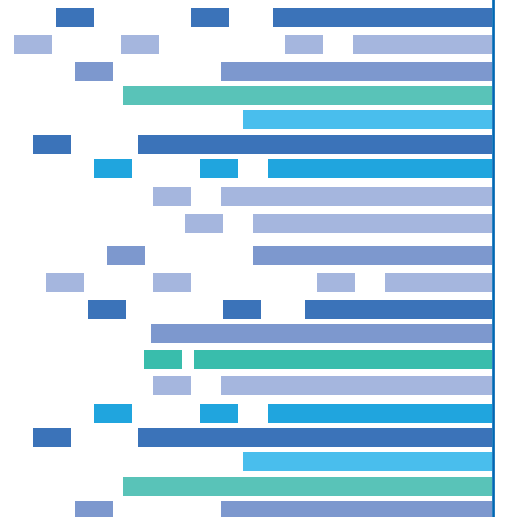




***As a proponent of sustainability, Awantec is committed to operating sustainably and promoting sustainability as an integral part of our business in Doing Well by Doing Good.***

# SUSTAINABILITY

- 60 Sustainability Statement
- 90 Independent Assurance Statement



## SUSTAINABILITY

# About This Statement

This is the seventh Sustainability Statement (the “**Statement**”) by Awantec. This Statement covers our sustainability strategies, initiatives and performance for each of our principles that are directly mapped to our Environmental, Social and Governance (“**ESG**”) issues for the financial year 1 July 2021 to 30 June 2022. Our reporting scope, boundaries and period can be found on the inside front cover of this annual report.

This Statement is reported annually following the Group’s financial year unless stated otherwise. Subject to our scope, all data, statistics and targets are in relation to Awantec’s operations in Malaysia.

## Restatement of Information

We have restated our internal carbon pricing across FY2020 and FY2021 to peg our disclosures against the actual average ringgit to US dollar exchange rates for both periods respectively. While this method allows us to put a more accurate value on our Greenhouse Gas (“**GHG**”) emissions, it has resulted in a higher internal carbon pricing as compared to our previous method which uses a flat assumption of US\$1 = RM4.00.

We have also restated the Gender Mix by Employee Category (% Female) for FY2020 and FY2021, due to reporting error.

Apart from the above, no other restatement has been made during the reporting cycle.

## Significant Changes

There were no significant changes to the organisation and our supply chain during the reporting cycle.

## Statement of Use

The information reported in this statement by the Group has been prepared in reference to the Global Reporting Initiative (“**GRI**”) Standards.

## External Assurance

We have engaged SIRIM QAS International Sdn. Bhd. to independently assure a selection of our key disclosures. The assurance statement can be found on pages 90 to 91.

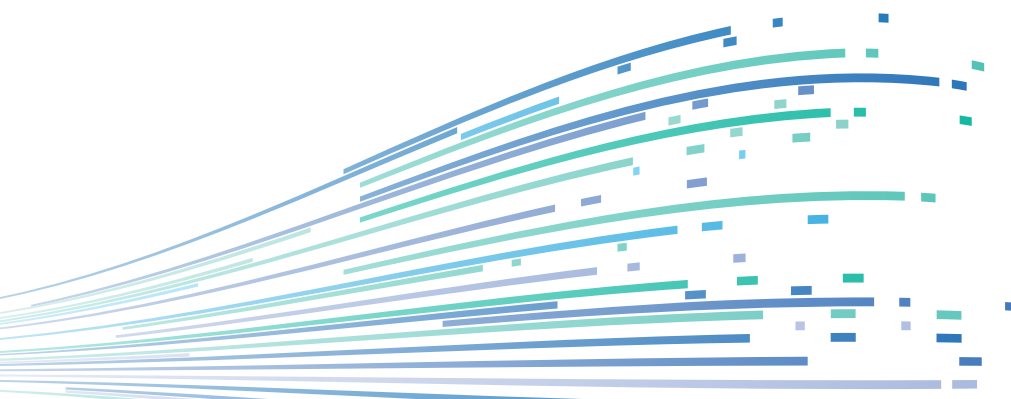
## Feedback

Awantec aspires to continually improve the quality of our disclosures. For any feedback as well as inquiries on our report, please contact:

### Mohamed Saiful Amir bin Sharudin

Manager, Corporate Sustainability

Email: [sustainability@awantec.my](mailto:sustainability@awantec.my)



# Key Highlights FY2022

## Environment and Climate Change



Further expanded our disclosures to account for Scope 1 emissions



Reduced Scope 2 emissions intensity down to 1.56 MtCO<sub>2</sub>e per employee from 1.77 MtCO<sub>2</sub>e per employee in the last financial year

# TCFD

Listed as a supporter of the Task Force on Climate-related Financial Disclosures

## Social



Total training investment of RM163,188 in both technical and non-technical skills



Published our Human Rights Statement as well as Equality, Diversity and Inclusion Policy



Maintained a diverse and inclusive workplace with 56% female employees and 2 person with disabilities ("PWDs")

## Governance



# FTSE4Good

Remained a constituent of FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index since 2014



Rated as top 25% public listed companies assessed by FTSE Russell (4 out of 4 stars)



Won BMI VISA Sustainable Brand Awards 2021



Listed on the MSWG's Top 100 Companies for CG Disclosures 2020 (Rank: 75<sup>th</sup>)

All in all, we have continued to consolidate our efforts in **Doing Well by Doing Good** throughout the financial year under review, and that motto will remain a key consideration for every business and operational decision that we make in the future.

## SUSTAINABILITY

# Sustainability at Awantec

## Our Focused Agendas

Awantec is committed to not only operating sustainably but promoting sustainability as an integral part of our business as well. This is to fulfil our fiduciary responsibility as a business in **Doing Well**, and our calling as a Technology and Talent Digitalisation Enabler by **Doing Good** in positively impacting our people, environment, customers, economy and ultimately society at large - Leading Malaysia towards the digital economy.



Our efforts are guided by our five Sustainability Principles within Awantec's Sustainability Policy. The five principles are well-aligned with the four themes under the Environment, Social and Governance ("ESG") pillars, namely: Climate Change, Human Rights and Community, Labour Standards and Corporate Governance.

The said Sustainability Policy is reviewed on a regular basis. The last review was done in FY2021 which saw the policy being updated and re-aligned to better reflect our current business trajectories. Do visit Awantec's website (<https://www.awantec.my>) to learn more about our Sustainability Policy and Principles.

Through our synergistic Technology and Talent business verticals, we deliver values by **Catalysing Digital Readiness - Progressing with Purpose** as we provide more than just access to the latest technologies - We upskill and reskill individuals and organisations to help them future-proof themselves and remain competitive by embracing digitalisation.

Internally, we adapt to digitalisation ourselves to further elevate customer satisfaction levels, and at the same time, minimise our own carbon footprint, optimise the utilisation of our resources and build resilience against climate change impacts.

All in all, we have continued to consolidate our efforts in **Doing Well by Doing Good** throughout the financial year under review, and that motto will remain a key consideration for every business and operational decision that we make in the future.

### Governance Structure

Here in Awantec, sustainability efforts remain a shared responsibility across all levels in the Group. Accountability and Key Performance Index (“**KPI**”) for sustainability performances are distributed across the Group, encompassing the Board of Directors (“**BODs**”), Management Committees, Heads of Departments, all the way to each and every employee of Awantec.

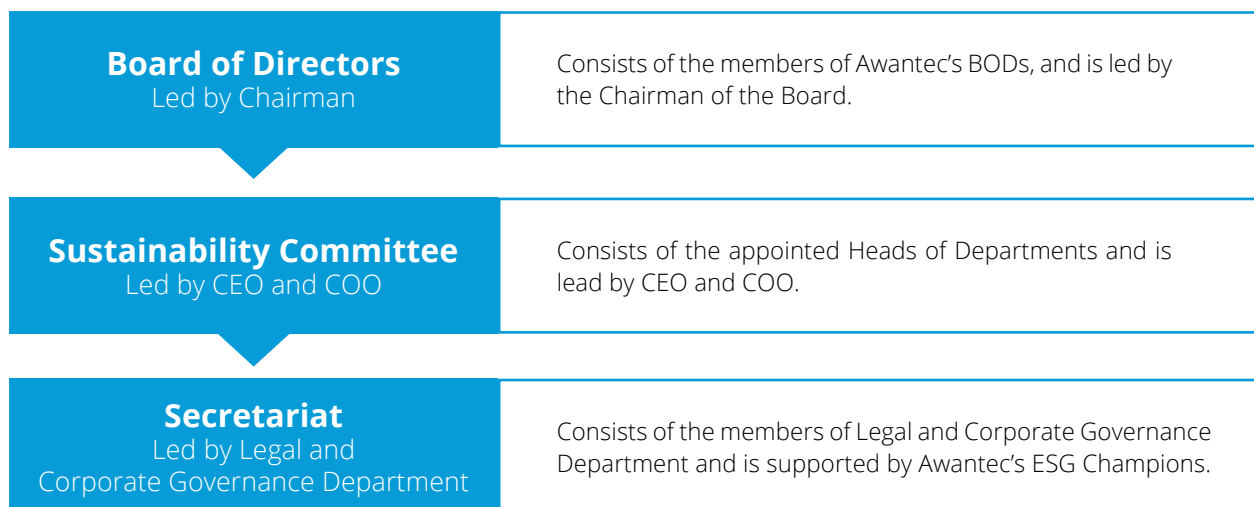
At the board level, our BODs are responsible to ensure the formation of the Group’s strategic plan which supports long-term value creation that includes strategies on economic, environmental and social considerations to underpin sustainability performance.

The Group’s strategic plan is then translated into specific parameters that encompass Environmental, Social and Governance (“**ESG**”) performance, including management of climate change risks for both our Chief Executive Officer (“**CEO**”) and Chief Operating Officer (“**COO**”). Their compensations and benefits will be determined according to the performances within these parameters. This is to ensure that full commitment is given to all ESG considerations on every decision.

Awantec’s sustainability efforts are then decentralised further down to the Management Committees, Head of Departments and all employees as well, via the Group mandated ESG parameters within each of their KPIs. Accounted for a fixed 10% of each individual’s KPI, the Group ESG performance will also directly impact compensation and incentives for all employees of Awantec as well.

For more information on how we govern sustainability at Awantec, please visit our website (<https://www.awantec.my>).

### Awantec Sustainability Governance Structure



## SUSTAINABILITY

# Sustainability at Awantec

## Sustainability Goals






In a bid to drive ESG performance, we have set our sustainability goals with short-term and long-term targets across all four of our ESG themes. The goals which were established in the financial period of 2019 ("FP2019"), continue to guide our efforts in addressing our material matters as well as in realising the United Nations Sustainable Development Goals ("UNSDGs").

Taking into consideration our current business trajectories and our ahead-of-time progress for some of the goals previously set, we have increased the bar (marked with ▲) for some of our sustainability goals and re-calibrated (marked with ◆) the others to better reflect our latest position as we progress.

### Environment: Climate Change

Goal	Baseline	Short-Term Target (FY2025)	Long-Term Target (FY2030)	Progress
Greenhouse Gas ("GHG") Intensity Reduction ◆	Scope 2 emissions intensity of 1.77 MtCO <sub>2</sub> e per employee in FY2021	Reduce Scope 2 emissions intensity down to 1.5 MtCO <sub>2</sub> e per employee (or 15% reduction)	Reduce carbon intensity for Scope 2 emissions down to 1.3 MtCO <sub>2</sub> e per employee (or 27% reduction)	1.56 MtCO <sub>2</sub> e per employee
Paper Intensity Reduction ◆	Usage of 2.63 paper reams per employee in FY2021	Reduce paper usage down to 2.5 reams per employee (or 5% reduction)	Reduce paper usage down to 2.0 reams per employee (or 24% reduction)	2.92 paper reams per employee
Energy Intensity Reduction ◆	Energy intensity of 2,547 kWh per employee in FY2021	Reduce energy intensity down to 2,300 kWh per employee (or 10% reduction)	Reduce energy intensity down to 2,000 kWh per employee (or 22% reduction)	2,246 kWh per employee
Climate Change Considerations ▲	Initiatives done to address climate change impacts	Carry out three impactful initiatives in mitigating and adapting to climate change	Carry out five impactful initiatives in mitigating and adapting to climate change	One initiative: Cloud Migration (9% complete)



### Material Matters

-  GHG Emissions
-  Energy Use
-  Climate Change
-  Waste Management
-  Catalysing Digital Readiness

### UNSDGs Alignment



















### Strategic Priorities

-  Digitalising Operations
-  Integrating Sustainability



**Social: Labour Standards, Human Rights and Community**

Goal	Baseline	Short-Term Target (FY2025)	Long-Term Target (FY2030)	Progress
Stable Work Environment 	Average turnover rate of 10.6% for all industries in 2022	Maintain a low turnover rate of less than 5% per financial year	Further reduce the turnover rate to 3% or less per financial year	Turnover rate of 2.3%
Decent Work and Fair Income	Malaysia's minimum monthly wage and industry benchmark	Ensure employees are paid above minimum wage and equal to industry benchmark	Ensure employees are paid above industry benchmark	Employees are paid above minimum wage and equal to industry benchmark
Equal Growth Opportunity	Average eight training man days in FY2016	Fulfill or exceed baseline average training man days	Ensure each employees are professionally certified	5.37 average training man days
Fostering Employee Volunteerism 	Participation level in volunteerism initiatives	Participation of 60% employees across all initiatives	Participation of 100% employees across all initiatives	28% employee participations
High-Level Customer Satisfaction	Five official customer complaints in FP2019	Reduce the number of official complaints down to 2 per financial year	Achieve zero complaints	Zero official complaints recorded

Material Matters	UNSDGs Alignment	Strategic Priorities
 Talent Attraction, Growth and Retention  Equal Opportunity  Diversity and Inclusion  Human Rights  Customer Satisfaction  Catalysing Digital Readiness	 3 GOOD HEALTH AND WELL-BEING  5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES  16 PEACE, JUSTICE AND STRONG INSTITUTIONS	 Enhancing Capabilities  Digitalising Operations  Integrating Sustainability

## SUSTAINABILITY

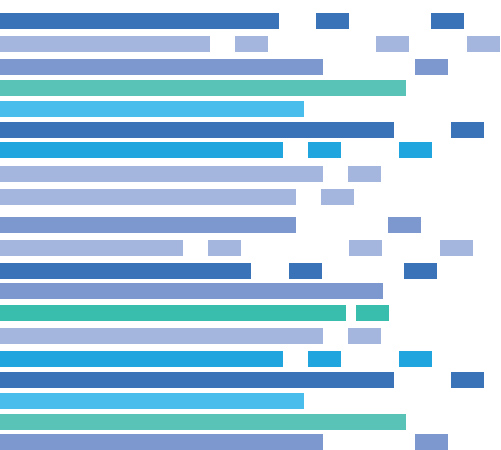
# Sustainability

## at Awantec

### Governance: Economic and Corporate Governance

Goal	Baseline	Short-Term Target (FY2025)	Long-Term Target (FY2030)	Progress
Products and Services Diversification ▲	Diversification of existing offerings to meet changing needs	Scale our existing products and services to address digitalisation demands via partnerships with global industrial players		Investments were made into obtaining the right people, partners and products
Holistic Succession Planning	Existing sources of successors for all employment levels	Establish the first tier successors for all positions	Establish the second tier of successors for all positions	First tier successors are currently being established for all positions
Fair Business Practices ▲	Initiatives and controls in place to mitigate incidents of corruption	Assess part of operations for corruption risks and place controls	Assess all operations for corruption risks and place controls	Assessment is being done with zero instances of corruption recorded
Robust Cyber Security ▲	Existing cyber security controls and recorded incidents	Assessment and establishment of cyber security readiness plan	ISO 27001 (Information Security Management) certified	Assessment is being done with zero instances of breaches recorded
Strong Sustainability Performances ▲	FTSE4Good Rating versus the technology industry average	Maintain above average rating of 2.3 for technology industry	Be on par or exceed the rating of technology industrial peers	ESG rating of 4.1 with grading band of four out of four stars

Material Matters	UNSDGs Alignment	Strategic Priorities
 Catalysing Digital Readiness  Privacy and Data Protection  Ethics, Governance and Compliance	 	 Enhancing Capabilities  Digitalising Operations  Integrating Sustainability



**Contribution to UNSDGs**

Through the financial year under review, we have made fair progress in contributing to the UNSDGs. With priorities given to those that are critical and immediately addressable in the financial year under review, we have created our share of positive impacts in realising the targets and indicators as listed below:

UNSDGs	Description	Our Stand	Some of the Efforts Done
	<b>Good Health and Well-Being</b> Ensure healthy lives and promote well-being for all at all ages	Awantec is committed to the well-being of our employees. As such, it is critical for our employees to be vaccinated and equipped with essential healthcare coverage	<ul style="list-style-type: none"> <li>- Participated in the Selangkah Company Vaccination Programme and recorded a vaccination rate of 100% for all employees, Group-wide</li> <li>- Provided medical coverage as a standard for all contract and permanent employees, regardless of categories via MiCare inpatient and outpatient panel coverage</li> </ul>
	<b>Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	As an advocate of technology and talent, Awantec is committed to: <ul style="list-style-type: none"> <li>- Upskilling and reskilling Individuals with ICT skills to boost digital adoption</li> <li>- Building and upgrading education facilities to provide inclusive and effective learning environment</li> </ul>	<ul style="list-style-type: none"> <li>- Trained and certified more than 25,000 individuals for various ICT skills including cloud certifications</li> <li>- Collaborated with local government agencies and held Public Sector Digital Conference (“<b>PDISA</b>”) to foster digital competencies within the public sector in meeting digitalisation demands</li> <li>- Collaborated with Google Cloud and other local government agencies to guide business owners and communities including small and medium enterprises to start their cloud journeys</li> </ul>
	<b>Gender Equality</b> Achieve gender equality and empower all women and girls	Awantec is committed to ensuring effective participation and equal opportunities for leadership as well as other employment levels across the Group	<ul style="list-style-type: none"> <li>- Remained committed as an equal opportunity employer with all employment decisions made purely according to business needs, job requirements and qualifications, disregarding race, colour, religion, gender, age, sexual orientation, disabilities, political beliefs and nationality</li> <li>- Employed 59 female staff, which account for 55.5% of our total workforce</li> </ul>
	<b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Awantec is committed to fostering employment and decent work for all women and men, including persons with disabilities (“ <b>PWDs</b> ”)	<ul style="list-style-type: none"> <li>- Employed an average of 106 staff, with 99% of them being local, 59 female staff and two PWDs within the Group</li> <li>- Continued to curb unemployment across Selangor, with aim of 10,000 placements to be made by 2023</li> </ul>
	<b>Climate Action</b> Take urgent action to combat climate change and its impacts	Awantec is committed to reducing our environmental footprint in our operations towards realising the set GHG reduction targets	<ul style="list-style-type: none"> <li>- Declared full support to Task Force on Climate-Related Financial Disclosures (“<b>TCFD</b>”) and committed to embark on an assessment in addressing the risks of climate change to our business</li> <li>- Engaged SIRIM QAS International Sdn. Bhd. to assess our disclosures on GHG emissions and energy use in ensuring accuracy to effectively manage our emissions</li> </ul>

## SUSTAINABILITY

# Principle 1: Sustainable Lifelong Learning Environment

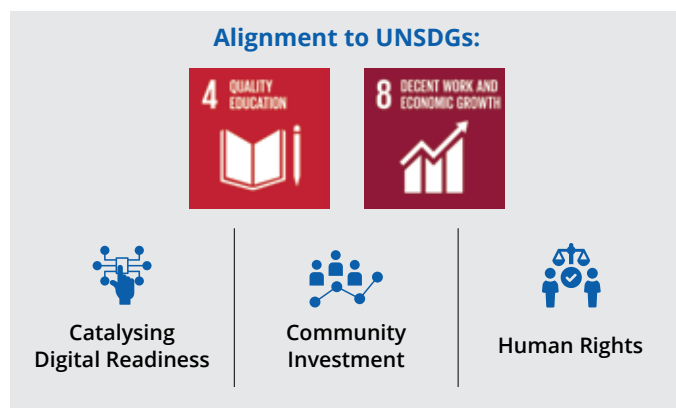
## Doing Well by Catalysing Digital Readiness

Digital adoption has increased markedly over the past two years, which saw the information technology industry rise as the highest paying industry. As the world continues to pivot toward digital technologies, demand for digital talent in Malaysia has spiked by nearly 50% in the first half of 2022 alone, against the record in the previous year.<sup>2</sup>

Most Malaysians believe in the bright opportunities presented by digitalisation. However, they are concerned that jobs are at risk, with more than half of them seeing themselves being made obsolete in the next few years.<sup>3</sup>

True to our first sustainability principle, we carried out our fiduciary duty as a Talent and Technology Digitalisation Enabler to address the anxiety by Catalysing Digital Readiness as digital transformation plans intensify across the nation.

Led by the strategy and supported by our core verticals of Technology and Talent offerings, we are committed to equipping the workforce with the right tools, as well as to upskilling and reskilling them with the correct mix of capabilities to adapt to and capitalise on the digital era.



## Driving Digital Readiness Across the Nation

In upholding our first sustainability principle, we remained steadfast in our approach to driving digital adoption through the distribution of affordable technologies. This was done via Awantec's Multi-cloud Management offerings of SaaS, PaaS and IaaS delivery model through which we have empowered the Government of Malaysia, organisations, businesses and individuals with more than 532,000 software seats in the financial year under review alone.

### DID YOU KNOW?

Companies may achieve a carbon reduction of 30% (for large enterprises) up to 90% (for small businesses) by migrating to the cloud.

Complimenting the multi-cloud provisions, we have imparted the knowledge required with the support of our training partners - Google, Skillsoft, CompTIA, SHL, EC-Council, HRD Corp and Pearson Vue via our complete life cycle talent management offerings of training and certifications. These were done to foster strong adoption for the newly acquired technologies, for a maximum return on investment towards capitalising on the surge of digitalisation.

Most of our upskilling and reskilling efforts were delivered through the online learning platform, given how versatile, flexible, cost-effective, efficient and environmentally friendly it is. With more than 21,000 active users recorded in the financial under review, our online learning platform remained the preferred approach to address digital skill gaps within the Malaysian workforce - Complimented by our virtual instructor-led as well as classroom training.

## Some of the Digital Skill Gaps Addressed:

Digital Transformation	Data Analytics	Process Automations
Cloud Infrastructure	Virtual Collaborations	Agile and DevOps
API Development	Programming	Azure SQL
Application Coding	Artificial Intelligence	Cyber Security

### DID YOU KNOW?

Online learning really is the green way to go. By eliminating the need to travel and consume natural resources such as paper, CO<sub>2</sub> emissions are significantly reduced across human capital development process chains.

## Our Progress So Far:

- Distributed more than 532,000 affordable software seats
- Trained and certified more than 25,000 individuals on various digital competencies

<sup>2</sup> PIKOM's Digital Job Market Outlook

<sup>3</sup> Hopes and Fears Survey 2021 by PwC

## Sustainable Lifelong Learning Environment



Leadership Institute of the Sarawak Civil Service is among the agencies that transcended the old ways of human capital development. Our online learning platform has liberated 250 of its officers from the physical boundaries of classroom training in upskilling and reskilling themselves.



Jabatan Perkhidmatan Awam Negeri Sabah is another prime example of our success in driving strong adoption of online learning for human capital development - with 1,500 of their officers successfully upskilled in FY2021, and 5,000 more to come before 2022 ends.

### Digitalising Unemployed into Employed

As we gave our best to drive digital transformation across the workforce to take advantage of digitalisation, Awantec has maintained the same level of dedication to inculcating digital adoption among the unemployed with one goal in mind - To get them back into the workforce.

We continued to collaborate with Menteri Besar Selangor Incorporated to run the Selangor Kerjaya programme that aims to train and place 10,000 job-seeking Selangorians in eradicating unemployment.



**LAND A NEW JOB OR HIRE NEW TALENTS FOR FREE WITH SELANGOR KERJAYA!**

Scan the QR code or click on the [link](#) to find out more about the Selangor Kerjaya programme

With the UNSDG 4 (Target 4.4 of increasing the proportion of youths and adults with ICT skills), and UNSDG 8 (Target 8.5 of achieving employment and decent work for all) in mind, we took full advantage of our three-pronged approach to effectively place unemployed individuals into the right jobs for high retention and job satisfaction rate:

#### Identify Talent Availabilities and Market Needs

We evaluate the untapped human capital, along with the urgent and emerging market needs. This is done by profiling job seekers, fostering collaborative relationships with business owners in Malaysia, and partnering with recruitment agencies.



#### Decide on Best-Fit Jobs

With the combination of data obtained from our talent management platform, TalentXchange and psychometric assessment, we make guided decisions in pairing individuals with the right jobs, based on their respective characteristics and strengths.



#### Prepare Talents for New Roles

In helping individuals to be agile and competent in their new jobs, we capitalise on our capabilities as a Technology and Talent innovator to address any identified skill or knowledge gaps via continuous career coaching, upskilling, reskilling and monitoring.



On top of equipping the talents with the essential skills required for their specific jobs, we have also included elements of digital know-how including cyber security to keep them competitive in the evolving job market.

As a result, we have managed to place 695 females and 708 males back into work as of 30 June 2022, with the majority of placements made in the professional, scientific and technical industries.

**I think Selangor Kerjaya is the best platform for job seekers out there. Overall I had a great experience!**

**Arna Farisa**

Business Development Executive



## SUSTAINABILITY

# Principle 1: Sustainable Lifelong Learning Environment

## DID YOU KNOW?

The right to work is part of the universally declared human rights. Everyone has the right to work to sustain themselves and be protected against unemployment.

### Digitalising Recruitment for Employers to Employ

The vast number of quality job seekers can only be translated into employment with an effective recruitment approach by employers. As business owners and organisations continue to pivot toward digitalisation to remain competitive in this new playing field, we dedicated ourselves to leverage on digital technologies and data to relieve recruitment processes off their shoulders.

To do so, we collaborated with our recruitment partners in supporting the employers via the following strategy:



#### Identify Employment Needs

We engage with companies across Klang Valley and Selangor, to discern their employment requirements. This enables us to provide businesses and organisations with end-to-end employment solutions for them to obtain the right talents that match their business needs.



#### Shortlist Right Talents

We help to advertise the vacancies and leverage data acquired via our TalentXchange platform, coupled with the psychometric assessment to screen, shortlist and interview the right individuals in meeting employers' business needs.



#### Get Talents Onboard

Upon a successful interview, we get the new employees on board - ready to contribute to the businesses and organisations. Continuous upskilling, reskilling and certification are also provided to eliminate any identified skill or knowledge gaps for the said employee to be fully effective.

This strategy of ours has resulted in registrations of 249 companies with thousands of vacancies, which we continue to fill for virtually zero cost for both employers and job-seekers. The actual expenditures were borne by the Selangor State Government as part of their recovery plan and effort to restore the economic health of the state.

We are pleased to see that Malaysia's unemployment rate has declined by 19% in June 2022 from where it was in July 2021, knowing that we have contributed our fair share to the cause.<sup>4</sup> However, the unemployment issue is still far from over, and we are committed to playing our part in addressing it by Catalysing Digital Readiness through an effective placement approach and strategy.

### Helping Locals to Help Locals

As we boost employment through Selangor Kerjaya, Awantec has also offered a temporary solution to elevate the economy of our local communities where we serve through Talent Scout - A derivation of the Selangor Kerjaya programme, built to support its recruitment and placement processes.



# Talent SCOUT



**Feed two birds with one scone! Generate extra income with every fellow Selangorians that you have helped to get employed.**

Scan the QR code or click on the [link](#) to find out more.

Launched back in FY2021, Talent Scout offers fees up to RM500 for each successful placement made by locals who registered as a scout. Through this initiative, we hope to share our gains and alleviate some of their financial burdens until they secure better opportunities for themselves.

In the financial year under review, 37 locals registered as Talent Scout and they have generated a total income of RM71,600 (or an average of more than RM1,900 each) for their efforts. We are glad to be able to not only place the unemployed back into the workplace but to create a temporary gig for the locals to capitalise on as well.



Jom Cari Kerja bersama ADUN Subang



## Principle 2: Stakeholder Engagement and Disclosure

### Doing Well by Delivering Values

Guided by our second sustainability principle, we have kept ourselves on top of current and emerging issues that concern our stakeholders through regular engagements with them.

With emphasis on enabling effective partnerships and maintaining high customer satisfaction levels, we have consistently engaged our stakeholders which includes both the government and private sector to enable their digital transformation by pooling collective knowledge, expertise and resources.

By doing so, we have managed to address the current key issues which have leaned towards adapting to the uncertainties and volatility that comes with digitalisation.

Our focus in engagement embodies both our long-standing commitment to ensure our stakeholders keep pace with the disruptions, and our vision to secure a stable footing in driving sustainable recurring revenues.



### Riding Digitalisation Wave with Businesses and Communities

In the financial year under review, we have collaborated with our partner, Google Cloud and Perjasa to organise MYDIGITAL Cloud Day ("MDCD") as a collective effort to empower business owners and communities around us to embark on their cloud journey.

Aspiring to enable cloud adoption by the members of the community where we serve, we bring forth our new Multi-cloud Management Services capabilities as a result to our pivot-to-cloud strategy for the participants to capitalise on.

Participated by more than 300 individuals from both public and private sectors, including government agencies, government-linked companies, small and medium enterprises, colleges and universities around Malaysia, MDCC has facilitated cloud adoption for the participants via virtual talks, free flow discussions and cloud-capability demonstrations.

Experts from both Google Cloud and Awantec shed lights on various key topics including cloud best practices, adoption, security, modern collaboration, business processes digitisation and application of artificial intelligence - with hope to have the attendees to harness the power of cloud to thrive in this new normal.

**Disruption is the current business model. And this model will either make us if we manage to hop on the Digital Transformation in time, or break us if we don't. Whether we are ready or not, uncertainties and disruption will be the new normal. And whether we like it or not, we have to adapt for our businesses to remain relevant.**

Efforts after another were done by our government to ensure the people make it through this pandemic. And it is only fair that we play our part in helping them do so, with this initiative to show you the ropes, and equip you with the knowledge and tools required to face the disruptions head on.

**Dr. Abu Hasan bin Ismail**  
Founder Mentor

Committed to leading Malaysia towards the digital economy and beyond, Awantec will continue to leverage on its expertise, experiences and global partnerships to hold more engagements like MDCC in the near future.





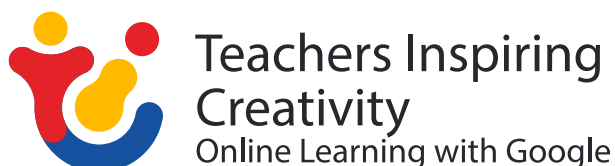
## SUSTAINABILITY

## Principle 2: Stakeholder Engagement and Disclosure

### Empowering Digital Classroom

FY2022 witnessed yet another effort by us to foster digital adoption across the nation, in a bid to deliver value for all our stakeholders. This time around, we have collaborated with Ministry of Education ("MoE") Malaysia and our partner Google Cloud, to run Guru Kreatif Google competition.

With intention set to encourage teachers to utilise the Google applications available via the Digital Educational Learning Initiative Malaysia ("DELIMa") portal, we empower our educators to give Google Workspace a taste to sharpen their skills in using online teaching tools for a true experience of digital teaching and learning.



Participating teachers were tasked with uploading their most creative videos on Youtube or Google Drive on how they have used Google Workspace tools available in the DELIMa portal to teach their students creatively and in a fun way.

The result was overwhelmingly positive, with a total of 300 submissions from which three winners were selected. From the survey conducted post the competition, we are pleased to receive arrays of positive feedback from the teachers of their experiences in using Google Workspace:



Google Workspace helped me create class groups easily, and the information for each class can be delivered quickly via email. In addition, video recording and Google Meet meetings during PDPR with students can also be carried out easily, and PDPR activities can be carried out in a fun way because I used various gaming apps to attract the attention of my students!

**Chian Chai Hling**

Sekolah Menengah Kebangsaan Abdul Rahman Talib

### Ensuring the Best for Customers

Guided by our sustainability goal and material matter of high-level customer satisfaction, the aspect remains vital to us in driving sustainable recurring revenues. This is true to our Shared Values of Customer as our Focus and our Sustainability Goals of High Level of Customer Satisfaction.

Throughout the financial year under review, we have continued to improve our customer relationship via engagements, digitalisation of customer journey, refinement of digital purchasing experiences and improving turnaround time in delivering better values to our customers.

These efforts were then measured via our biannual Customer Satisfaction Survey, which was conducted twice within the FY2022. Using Net Promoter Score ("NPS") to measure our performance, we inquired our customers on how likely they are to recommend Awantec's products and services to their organisations and peers, with a rating range of 0 (not at all likely) all the way to 10 (extremely likely).

Depending on the response, our customer will fall under one of these three (3) categories:

 <b>Promoters</b>	Customers who scored 9-10 which are interpreted as loyal Awantec evangelists
 <b>Passives</b>	Customers who scored 7-8 which are interpreted as satisfied but not enough to be considered promoters
 <b>Detractors</b>	Customers who scored 6-0 which are interpreted as unhappy and unlikely to use our products and services again

**Stakeholder Engagement and Disclosure**

This has resulted in an NPS score of 78 for FY2022, as we record 83% promoters, and 5% detractors, on which remedial action was taken immediately to address their concerns. In the financial year under review, we have also managed to maintain our record of zero official complaints recorded in the FY2021. This achievement reflects the fruition of our efforts in improving customer satisfaction levels.

**Keeping Shareholders and Investors Informed**

We remain steadfast with our commitment of transparency and full disclosure in keeping our shareholders and investors well informed to make their decisions.

Led by our newly adopted Corporate Disclosure Policy which replaces our previous Investor Relations Policy, we continue to adhere to standard process and best practices in ensuring effective communications to internal and external stakeholders. The said policy also dictates the review and release of information to regulatory authorities to facilitate full disclosure of the Company's material information.

This has allowed us to accurately and timely disseminate our financial results, operational performances, business strategies and other corporate matters - including filing of pertinent information with regulators where necessary.

All relevant information, reports, policies, IR presentations, general meeting minutes and updates are published on our website at <https://www.awantec.my> in a timely manner. Stakeholders may also submit enquiries via our dedicated investor relations email at [ir@awantec.my](mailto:ir@awantec.my).

**Financial Results**

Our timely release of financial results on a quarterly basis provides shareholders with the latest information on the Group's performance and operations. Where required, an analyst briefing is held after the release of each quarter's financial results to Bursa Malaysia Securities Berhad. Materials presented during these briefing sessions are made available to investors upon request and are also featured on the Group's website.

**Announcement of Quarterly Results**

**4<sup>th</sup> Quarter Result FY2022 : 29 August 2022**

**3<sup>rd</sup> Quarter Result FY2022 : 27 May 2022**

**2<sup>nd</sup> Quarter Result FY2022 : 28 February 2022**

**1<sup>st</sup> Quarter Result FY2022 : 25 November 2021**

**Shareholder Base**

As of 30 June 2022, our shareholder base has decreased by 0.1% to 7,117 institutional and retail shareholders, as compared to 7,126 total shareholders recorded in the previous financial year. Maybank Trustees Berhad for Areca Dynamic Growth Fund and Eco Cloud Assets Sdn. Bhd. remained our two major shareholders with direct equity holdings of 13.1% and 10.1% of our total share capital respectively. Foreign shareholdings accounted for 5.3% of the total.

**Share Performance**

As for our share price, it has been on a downward trend in FY2022. This was due to the macroeconomic factors attributed to the impacts of the pandemic and economic uncertainty. The share price opened at RM0.800 on 1 July 2021 and closed at RM0.385 on 30 June 2022, representing a 51.9% decrease for the financial year, for a total of 789,584,700 shares (including treasury shares).

**Dividend Policy and Return to Shareholders**

Awantec issuance of dividend is guided by its Dividend Policy which sets the distribution of dividends at a minimum of 50% of Profit After Tax. The said policy was approved in 2016 and has been practiced since to reward our shareholders for their commitment and loyalty to the Group. You may visit our website at <https://www.awantec.my> for more information on our distribution of dividends.

For the financial year ended 30 June 2022, the Board of Directors did not declare any dividend. This decision was a result of our investment and acceleration phase following our pivot to the cloud in 2021. As we rebuild our top line and invest in our people, we believe it is prudent to retain sufficient financial resources in the form of our working capital to enable the execution of our strategic objectives in creating value over the coming years.

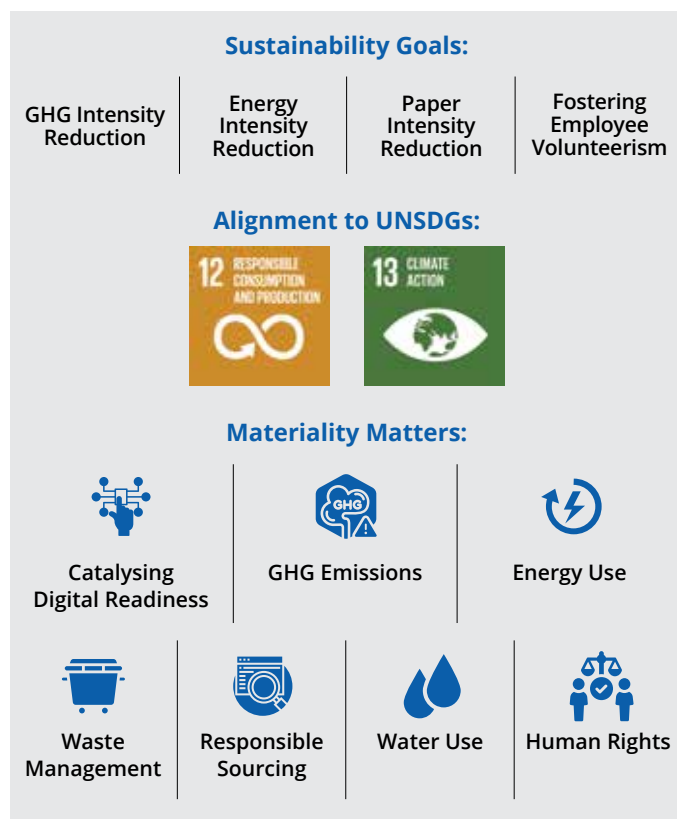
## SUSTAINABILITY

## Principle 3: Commitment to Corporate Responsibilities

### Doing Well by Operating Responsibly

Following our third sustainability principle, we have further consolidated our efforts in Operating Sustainably to safeguard human rights within our sphere of influence, including the right to a healthy and sustainable environment, the right to education for equal growth opportunities, as well as the right to basic needs for the recent flood victims.

For the financial year under review, we have carried on with our commitment to reducing GHG emissions and energy use, as well as lessening climate change impact in making Awantec's operation more sustainable. This is in line with our sustainability goals, our alignment with UNSDGs and our materiality matters.



### Adapting to Digitalisation to Reduce GHG Emissions

As a trade-off to the efforts that we have carried out to rebuild our business and grow, Awantec's GHG emissions have increased in parallel. This was due to our increased human capital size, which in turn elevated our consumption of energy and natural resources.

We are cautious of the impact that our progress may have on the environment. To manage our impact on the environment and climate change, we have adapted to digitalisation to reduce our GHG emissions and energy intensity, as well as our consumption of natural resources.

Guided by our Green ICT Practices, we have carried out initiatives listed below:

### Shift to Cloud Collaborations and Productivity Tools

Capitalising on our own offerings of Google for Workspace and its capabilities, we were less reliant on physical papers as the majority of our business documentation was created, edited and stored online. This shift to paperless was further reinforced by technologies such as Adobe Sign, which has enabled us to reduce the signing of physical documents and rely on digital signatures in carrying out normal operations instead.

Most of our meetings were carried out online in the financial year under review, thanks to the online meeting facilities within the Google Meet application. While enabling effective discussions and collaborations from the comfort of the employees' homes or offices, this shift has markedly reduced the need for business commuting and travel in carrying out most of our duties.

### Hardware Change

During the year under review, Awantec has carried out a Group-wide hardware change where we have retired our former laptops into brand new, energy-efficient Chromebooks and Dell XPS laptops. Driven by a lightweight operating system - Chrome OS, our new Chromebooks are very prudent in their energy consumption. The same can be said for our Dell XPS laptops which are Energy Star certified and Electronic Product Environmental Assessment Tool ("EPEAT") Gold registered.

As much as the new arrays of hardware have boosted work efficiencies, they allowed us to last longer without requiring frequent charges, which in turn allowed Awantec to maintain a low energy intensity as well as scope 2 emissions.

## Commitment to Corporate Responsibilities

**Migration of Physical IT Applications to Cloud**

In the same period, we initiated our migration from physical IT applications to the cloud by leveraging various SaaS, PaaS and IaaS offerings, including a few of our own across key functions.

We have completed 9% of the migration which cut across:

<b>BrioHR</b> Human Resource Functions	<b>SAP</b> Finance and Procurement Functions	<b>Google Cloud Platform</b> IT Functions
<b>Planally</b> Workflow Functions	<b>Salesforce</b> Customer Relationship Functions	<b>Google Workspace</b> Collaboration Functions

We aim to migrate 60% of our total IT applications to the cloud and decommission our physical servers by the financial year 2023, in a bid to improve not only our energy consumption but to manage our cyber security risks and risks from climate change impacts as well.

By adapting to digitalisation, we have managed to:

<b>Our Energy Intensity</b> reduced by	<b>↓11.8%</b>	compared to the previous financial year
<b>Our Scope 2 Emissions Intensity</b> reduced by	<b>↓11.9%</b>	compared to the previous financial year

However, our absolute scope 2 and scope 3 GHG emissions for FY2022 have increased on the back of our growing employees and operations (Kindly refer to page 78 for our Environmental Performance Indicators). Notwithstanding our performance for the financial under review, we are steadfast in our commitment to reducing GHG footprint, energy consumption and climate change impact, moving forward.

**GREEN ICT PRACTICE**

**Awantec Green ICT Practice guides our use of technologies in ensuring a sustainable day-to-day operation with the least possible emissions and cyber security risks.**



Scan the QR code or click on the [link](#) for more information.

**Making GHG Reduction Our Responsibility**

In line with our material matters and UNSDGs alignment, we have set short and long-term targets in FP2019 for the Group to manage our ESG performances better towards realising the established goals. The said goals, among others, include the reduction of GHG emissions and energy use in a bid to manage our impact on the environment and climate change.

These goals were translated into the KPI of our employees (which is referred to as “**ESG KPI**”), in the form of active objectives such as reducing departmental energy consumption, as well as adopting digitalisation in our processes to reduce paper use and business travel.

Said ESG KPI constitutes 10% of the overall KPI weightage, which applies to all employees and is directly tied to their compensation and incentives.

**Following our pivot-to-cloud and acceleration phase, we are cognizant of our potential impact on the environment that we are operating in. The ESG KPI is one of our efforts in a bid to operate responsibly with the least possible GHG emissions and environmental footprint.**

**Beyond environmental performances, the adopted ESG KPI also encompasses improvements and better management of our social and governance performances as well. This is to make certain that sustainability will be well-integrated as a Group-wide culture by all of us.**

**Yasmin binti Abdullah**

Director, Human Resource and Administration

In the financial year under review, we have not recorded any instances of non-compliance with the applicable environmental laws and regulations. There were no fines imposed to us either. Should the position change in the future, disclosure will be made to that effect.

## SUSTAINABILITY

## Principle 3: Commitment to Corporate Responsibilities

### Empowering Communities Through Digitalisation

Throughout the financial year under review, our focus on empowering our communities is affixed towards driving the employability of individuals through digital enablement and lifelong learning opportunities. The said focus enabled us to live up to our Corporate Citizenship Commitments of improving the quality of life and living standards of communities around us.

#### CORPORATE CITIZENSHIP COMMITMENTS

We are committed to improving quality of life, especially in enhancing digital adoption, education opportunities and lifelong learning. This is our steadfast contribution and definition towards quality sustainable education for the betterment of local communities, their children and society in its entirety.

Our commitments above and our community investment focus are directly linked to Awantec's business strategy of **Catalysing Digital Readiness** (Refer page 10) in riding the digital transformation wave together with Malaysians to see that no one is left behind.

### Upskilling the Disadvantaged: No One Left Behind

In the last financial year, we collaborated with Universiti Teknologi MARA ("UiTM") to upskill and reskill students within UiTM campuses across the country. Codenamed 'No One Left Behind', we focused on addressing economic disparities across two selected groups of students:

92

Person with Disabilities  
("PWD") Students

78

Students from the Bottom  
40% ("B40") income brackets

In driving effective upskilling and reskilling of these students, we capitalised on our own offerings of profiling services to identify their knowledge gaps and areas of strength. This information enabled us to curate a customised curriculum within our online learning platform for each student with objectives set toward employability and digital competitiveness in the fourth industrial revolution ("IR 4.0").

In the recent development of No One Left Behind, the abovementioned 170 students along with 9 UiTM site administrators have completed more than 1,834 learning sessions and equipped themselves with new technical skills as well as soft skills including:

Data Analysis  
Using R

Essential Math for  
Data Science

Marketing Manager  
Journey

Effective  
Communications

DID  
YOU  
KNOW?

Our Skillsoft online learning platform enabled the students to learn from any location and any device that they prefer, at their own time and pace! For every course that they completed, a badge and digital certificate will be issued which can be embedded on their curriculum vitae and LinkedIn profiles to boost employability.

Changes are taking place. Everything is evolving rapidly. There is no other way around, other than future-proofing the disadvantaged to give them the same edge to prosper as everyone else.

We are all in to ensure the PWD and B40 students are able to benefit from online learning and all of its advantages to accommodate for their needs, towards a holistic and inclusive society growth.

**Dr. Peter Lee Fuei Siong**

Director, Talent and Development



**Commitment to Corporate Responsibilities****Helping Local Flood Victims**

December 2021 saw Malaysia's worst flood in years with more than 30,000 displaced across eight states - Including Selangor where we operate. Right after the neck-high flood water subsided, we called for a Group-wide donation from all employees and collected various basic necessities including food, diapers, clothes and cleaning utensils.



Supported by 30 of our employees, RM38,000 cash donations and truckloads of basic necessities collected, we extended our helping hands and distributed the cash as well as necessities to more than 20 families within our neighbourhood community in Dengkil via a donation drive.

The two-day donation drive saw our employees work hand-in-hand with the people of Dengkil to help the flood victims scrub, clean and lift in restoring their homes ravaged by the flash flood.

We have also extended another cash donation of RM1,000 to Al-Ikhlas Nursing and Old Folks Home and RM650 to Maahad Tahfiz Darul Imli Boundry in the hope that the donations will help to alleviate some of their financial distress in recovering from the flash flood.

**Looking Forward**

In view of our increased absolute GHG emissions, energy use, and consumption of other natural resources such as paper, we are committed to making haste with our cloud migration plan. Despite growing in size, we anticipate a better emissions intensity level as we commission more of our physical servers in the upcoming financial years.

Guided by our Green ICT Practice and our sustainability goals, we will carry on with our commitment to operating responsibly as we continue to expand our operations to capitalise on the digital transformation market. Digital adoption aside, Awantec will also pursue new ways of developing resiliency against climate change as well as managing our own impact on the environment.

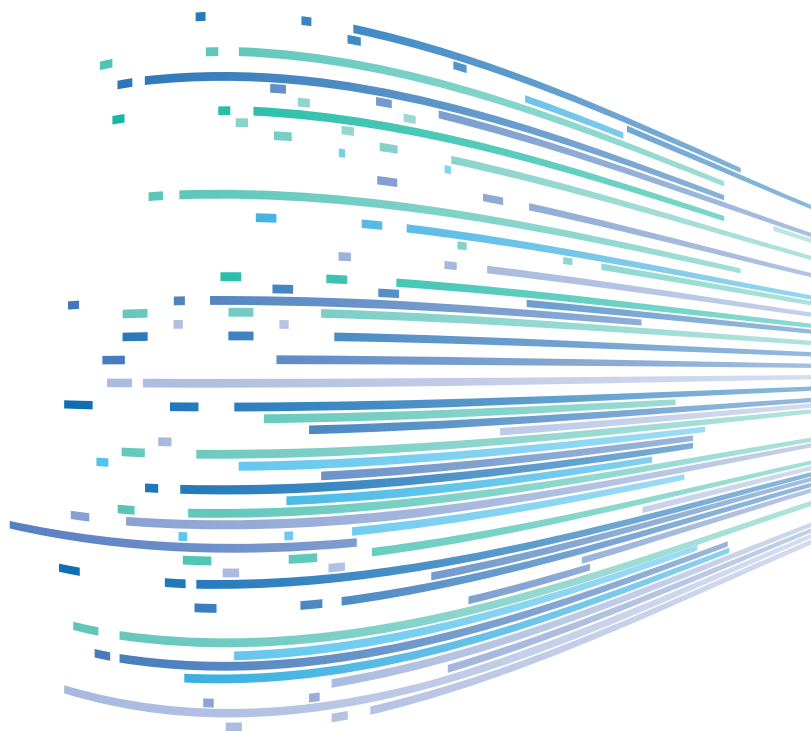
Where possible, we will either abate or offset our absolute GHG emissions through various initiatives including:

- Enforcing digital-first agenda to better curb carbon emissions from business travels and natural resource use
- Tree planting initiatives to offset our unavoidable absolute GHG emissions to leave as minimal impact on the environment as possible

Awantec will also embark on a climate change impact assessment to better understand our climate-related risks and opportunities over various time horizons, in an attempt to build resiliency for different possible climate-change scenarios. As we continue to strengthen our oversight of climate change risks, we are committed to aligning our disclosure to the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

We are a registered supporter of TCFD, and we are looking forward to publishing our first report by FY2024.

On top of our commitment to environmental performance, we are committed to addressing human rights and community needs as well. We will be staying our course with the strategy of empowering the community where we operate via digital adoption as a means of value delivery.



## SUSTAINABILITY

# Principle 3:

## Commitment to Corporate Responsibilities

### Environmental Performance Indicators

Description	FY2020	FY2021	FY2022
Total GHG Emissions (MtCO <sub>2</sub> e) <sup>1</sup>	259.64	254.49	405.56
Scope 1 Emissions (MtCO <sub>2</sub> e)			81.26
- Fugitive Emissions - Refridgerants			79.30
- Fugitive Emissions - Fire Suppressants			0.04
- Mobile Combustion Emissions - Company Vehicle			1.92
Scope 2 Emissions (MtCO <sub>2</sub> e) <sup>2</sup>			
- Electricity	160.22	164.38	165.22
Scope 3 Emissions (MtCO <sub>2</sub> e)	99.42	90.11	159.08
- Purchased Goods and Services <sup>3</sup>	5.58	5.48	7.19
- Employee Commute	88.91	82.47	143.02
- Business Travel: Road-Bound	1.25	1.74	8.87
- Business Travel: Air	3.68	0.42	0.00
GHG Emissions Intensity (MtCO <sub>2</sub> e/employee)	2.85	2.74	3.83
Scope 1 Emissions Intensity (MtCO <sub>2</sub> e/employee)			0.77
Scope 2 Emissions Intensity (MtCO <sub>2</sub> e/employee)	1.76	1.77	1.56
Scope 3 Emissions Intensity (MtCO <sub>2</sub> e/employee)	1.09	0.97	1.50
Total Energy Use (kWh) <sup>4</sup>	230,866	236,861	238,068
Energy Intensity (kWh/employee)	2,537	2,547	2,246
Total Water Use (m <sup>3</sup> )	436.87	478.47	680.02
Water Intensity (m <sup>3</sup> /employee)	4.80	5.14	6.42
Total Paper Use (reams)	250	245	310
Total Employee Commute (km)	532,350	471,233	776,532
Total Business Travel: Road-Bound (km)	5,906	9,974	51,400
Total Business Travel: Air (km)	34,109	3,259	0
Total Waste Recycled (kg)		1,460	584
Internal Carbon Pricing (RM)	109,208	107,042	171,538
Internal Carbon Pricing (USD) <sup>5</sup>	25,964	25,449	40,556
- Scope 1 (USD)			8,126
- Scope 2 (USD)	16,022	16,438	16,522
- Scope 3 (USD)	9,942	9,011	15,908

- GHG emissions are derived in accordance with the requirements of the GHG Protocol Corporate Accounting and Reporting Standard. Our scope 1 emissions can be traced to our air-conditioners, fridges and fire extinguishers in our buildings. Our scope 2 emissions can be traced to our purchased electricity through the national grid across the peninsular. Our scope 3 was made of purchased goods (paper), business travels and employee commutes. Reference was made to UK Government GHG Conversion Factors for Company Reporting (Version 2.0, 2022) in determining emission factors for vehicles, and the Intergovernmental Panel on Climate Change's ("IPCC") 5<sup>th</sup> Assessment Report in determining the Global Warming Potentials ("GWP") where applicable.
- Due to the unavailability of Malaysia's latest emission factors for electricity, we rely on Greentech Malaysia's Carbon Calculator ([www.greentechmalaysia.my/carboncalculator/](http://www.greentechmalaysia.my/carboncalculator/)) which provides a flat conversion of 0.694 kgCO<sub>2</sub> emissions per 1 kWh energy used.
- The carbon emissions reported in the table are based on the calculations provided by Environmental Paper Network ([c.environmentalpaper.org](http://c.environmentalpaper.org)) which provide estimates for our emissions derived from paper use.
- The reported energy use does not include consumption by our tenant, University Malaysia of Computer Science and Engineering which occupies the Ground, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> floors.
- We have restated our internal carbon pricing across FY2020 and FY2021 to peg our disclosures against the actual average ringgit to US dollar exchange rates for both periods respectively. While this method allows us to put a more accurate value on our GHG emissions, it has resulted in a higher internal carbon pricing as compared to our previous method which uses a flat assumption of US\$1 = RM4.00.

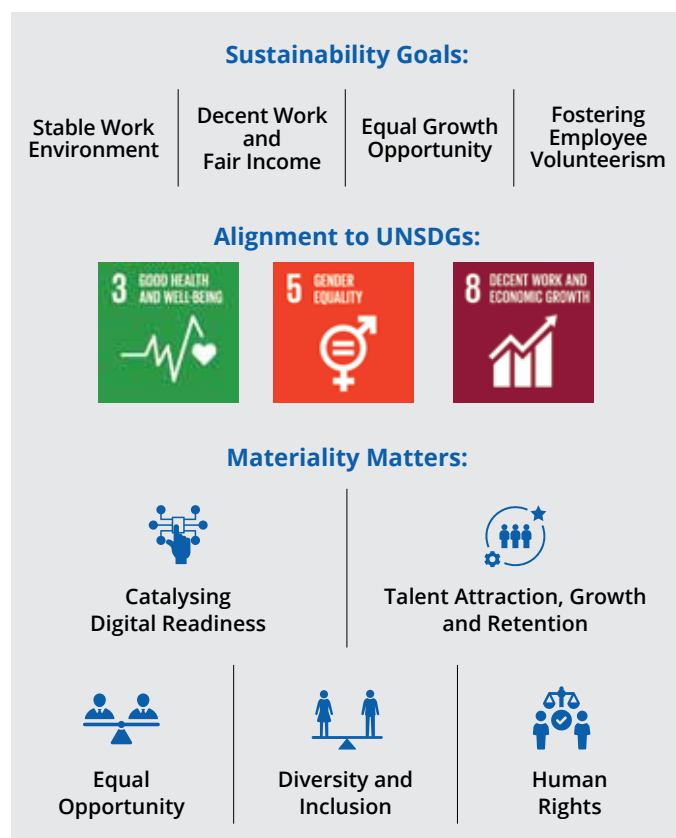


## Principle 4: Engaging Workplace

### Doing Well by Keeping Employees Well

We continue to live up to our fourth sustainability principle in making Awantec a workplace that is engaging, safe, inclusive and diversified for all our employees. As our employees are the backbone of Awantec's day-to-day operations and the prime mover in Catalysing Digital Readiness across the nation, we are committed to Keeping Employees Well - Not just physically and emotionally, but in terms of their digital developments too.

In the financial year under review, we have carried on with catalysing digital readiness from within, while keeping our employees engaged, motivated, healthy and well-remunerated towards achieving our sustainability goals, UNSDGs and addressing our material matters.



### Keeping Employees Safe

The first half of the financial year under review had most Malaysians continue to work remotely following the Movement Control Order ("MCO"). To safeguard our employees against the threat of COVID-19, we continued with our Work From Home ("WFH") arrangement until Malaysia officially transitioned from the pandemic to the endemic phase in May 2022.

Despite the physical distances, we continued to ensure that all of our employees are well-protected against COVID-19 by having them vaccinated via the Selangkah Vax programme. To date, we have recorded a 100% vaccination rate across all of our employees, with only two COVID-19 cases which required hospitalisation and zero deaths.

Even after the lift of MCO, we carried on with our COVID-19 pandemic standard operating practices to ensure that our employees, as well as the community around us, remain safe.

### Keeping Employees Well Engaged

In the financial year under review, we continue to strike the perfect balance between fostering engaging work culture and adopting digitalisation - In line with our materiality matters of Catalysing Digital Readiness. Fully aware that our employees will be the best manifestations of successful growth via cloud migration, we have shifted our IT environment to the cloud ourselves and leveraged Google Workspace as well as Chromebooks to boost productivity.

Amid future-proofing them with cloud technologies, capabilities and know-hows, we have paid a similar amount of attention to their physical, mental and emotional well-being too. Change did not come without its own set of challenges to our employees, rendering it critical for the Group to provide holistic backings to inspire a supportive work culture towards a successful transformation.

The set digitalisation agenda is indeed an ambitious one. However, Awantec is in this together with our employees, and we are committed to keeping our employees well engaged by listening to them closely as they voice their concerns, suggestions and opinions across various mediums as well as activities that we have prepared for us to progress together as a Group.

## SUSTAINABILITY

## Principle 4: Engaging Workplace

### FY2022 Employee Engagement Activities

**21 October 2021**

Virtual Talk Session - Latest Cyber Crime Trends

We prepped our employees for a safe digital adoption as our first virtual talk for the year zoomed on the latest trend of cyber crimes and cyber breaches. The talk covered on few aspects, including how to recognise cyber crimes and how to remain safe from being part of the statistics.

**15 December 2021**

Whistleblowing Bad Conducts, Bullying and Harassment Webinar

We prepped our employees for a safe digital adoption as our first virtual talk for the year zoomed on the latest trend of cyber crimes and cyber breaches. The talk covered on few aspects, including how to recognise cyber crimes and how to remain safe from being part of the statistics.


**14 March 2022**

A Date in Gather Town

Not letting the physical distance stop us from having fun, Awantec gathered all employees virtually to spill some tea on our new brand as AwanBiru Technology Berhad via Gather Town application. The employees were briefed on the new brand guidelines in an evening filled with games, quizzes and prizes.

**13 April 2022**

Awantec ESG Champions: First Meet Up!

We decentralised sustainability better with the appointment of our first batch of ESG Champions. The champions met for the first time and deliberated on possible collective efforts to drive Awantec's sustainability agendas including making our workplace a safe, inclusive and diverse one, as well as GHG reduction and waste management.


**20 April 2022**

 Awantec 1<sup>st</sup> FY2022 Town Hall

Keeping all employees up to speed with the current business climate and trajectories, Awantec called for its first town hall in the financial year under review, which shed some light on the Group's financial position, growth strategies, sustainability progress and way forward in addressing Malaysia's cloud journey. The town hall witnessed numerous questions, ideas and suggestions being bounced towards future betterment.

**27 April 2022**

Get the Most Out of Your Gmail!

As the employees warm up to their brand new Google Workspace environment and their shiny new Chromebooks, Awantec conducted a training series in empowering them to take control of their inbox and bring their productivity game to a whole new level with automation and offline working capabilities.


**3 June 2022**

Awantec Raya Hi Tea 2022

With the theme set for a glamorous raya, employees of Awantec made a real feast out of the four-course festivity menu by Cyberview Resort and Spa and strutted their best combination of baju melayu and kurung to grab the title of FY2022 raya king and queen.

SUSTAINABILITY  
Principle 4:  
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**14 June 2022**  
Awantec 1<sup>st</sup> FY2022 Futsal Session

With the provision of a FIFA-sized court, fee sponsorships and permission to go off early, our employees displayed flashy footwork and pitted their skills against each other in our first futsal session for the year. Hoping to let the employees blow off some steam and maintain their agility and well-being, Awantec established its sports club and committed to covering all fees related to sports and recreational activities.

**15 June 2022**  
Awantec 2<sup>nd</sup> FY2022 Town Hall

Awantec's success will not be possible without the support from all employees. To celebrate the healthy recovery, the Group called for the second town hall to announce the second tranche of the award and distribution of our long-term incentives to deserving employees in sharing the wealth created with all employees.

**14 July 2022**  
Change Management Training

Moderated by our own Director, Talent Development and in-house Change Management expert, Dr. Peter Lee Fuei Siong, the employees were briefed on what digital transformation is all about. In a bid towards realising the internal goalpost of successful digital adoption towards scaling successfully as a Group, this training is set to build a solid foundation for transformation across all employees.



**14 July 2022**  
Awantec 2<sup>nd</sup> FY2022 Futsal Session

The employees grabbed their kicks along with their orange tees and headed to the court once again in the second futsal session of the financial year. Only this time, the crowd got merrier with participation from our neighbouring companies, as well as friends and families of our employees.

**1 August 2022**  
Awantec 3<sup>rd</sup> FY2022 Town Hall

Awantec called for yet another Town Hall to provide some updates on the leadership structural changes. Employees were given the updates first-hand in ensuring clarity and transparency towards navigating Awantec forward with direct support from the Board of Directors via the established Board Oversight Committee.



**8 August 2022**  
Zumba Sweat Session

Freeing themselves from the office chairs, our employees hit the gym together and bust some serious moves with their instructor, Noraini from Zumba Instructor Network to regain their nimble tempos and burn their calories off.



**25 August 2022**  
Merdeka Video Session

Awantec embraced the spirit of Independence Day and organised impromptu interview sessions with pop quizzes to test our employees' knowledge of Malaysia and its history. Donned their best traditional attires, the employee put their memory of their history lesson to the test in this video session. (Visit our social media @awantecmy to watch!)

**26 August 2022**  
Birthday Bash Celebration

We celebrated the June, July and August birthdays of our employees with food, cakes and balloons while hanging out in anticipation of the winner for the best-dressed male and female employees.

## SUSTAINABILITY

## Principle 4: Engaging Workplace

### Driving Digital Adoption Among Employees

We remain committed to our efforts in upscaling our employees in this new digital landscape. In the financial year under review, we have primed them further for digitalisation through applications of new technologies, systems and hardware. The new shifts were accompanied by provisions of training sessions, workshops and learning materials to ensure a smooth transition towards the cloud in achieving our goal of future-proofing our employees with resiliency against any form of disruptions and digitalisation.

In line with our sustainability goal of equal growth opportunity and our material matters of catalysing digital readiness and talent attraction, growth and retention, the above approach enabled us to empower our employees equally with technological knowledge and capabilities - effectively giving them the same solid digital foundation for them to be the best version of themselves in leading the cloud journey of our customers and stakeholders better.

While our aspiration were set high, we have managed to remain prudent on our cost of training from RM202,058 in FY2021, to RM163,188 in FY2022 on the back of our online Awan Learning Hub Platform as well as the majority of our complimentary Google Cloud training programmes as a partner. This translates into a savings of more than 19% compared to the last financial year.

On the back of the support by Google Cloud, coupled with the provision of our digital learning platform that granted the employees with means to upskill themselves virtually everywhere, as well as other training provisions, we have recorded healthy average training man-days per employee of 5.37, which is 29.3% lower than our previous record of 7.6 in FY2021.

Financial Year	2021	2022
Total Training Investment	RM202,058	RM163,188
Average Man Days	7.6	5.4
Technical Training	5	22
Non-Technical Training	6	9

Majority of the training investment made for the financial year was allocated for technical training to support our pivot-to-cloud strategy and transition phase in rebuilding our business model. The remaining investment was allocated to develop our employees' soft skills with an emphasis on leadership development, communications, sustainability and customer service.

### Technical:

Contract & Procurement Fraud  
 Corporate Governance Audit  
 Drafting and Negotiating Commercial Contracts  
 Important Industrial and Court Decision  
 SHL Certification Course: Personality and Ability  
 PRINCE 2 Foundation and Practitioner  
 TCFD 101 and 102: Climate-Related Financial Reporting  
 Essential Secretarial Practice: Closure of Companies  
 Service Tax Coaching Workshop  
 Greenhouse Gas Accounting  
 Carbon Footprinting and Reporting for Organisations  
 Professional Cloud Architect Certification  
 Professional Data Engineer Certification  
 Google Cloud Sales Credential  
 Google Education Sales Credential  
 Google Education Deployment Credential  
 Chrome Enterprise and SMB Deployment Credential  
 Google Workspace Sales Credential  
 Google Workspace Deployment Services Credential  
 Chrome Enterprise and SMB Sales Credential  
 Maps Sales Fundamentals Credential  
 Google Cloud Certified - Cloud Digital Leader

### Non-Technical:

Direct English Online Learning  
 Managing Your People Issues the Right Way  
 Digital Marketing  
 Bahasa Melayu Writing Masterclass  
 Personality and Ability Assessment  
 Building Capability and Effectiveness of Hiring Managers  
 Sustainability and Impact on Organisation  
 Change Management  
 Diversity and Inclusion

On top of our online learning hub, workshops and courses held, we have remained consistent in contributing 1% of employees' total salary to the Human Resource Development Fund for claimable training. Each year, we allocate between RM2,000 to RM3,000 for each employee to enrol on external courses that are in line with our business objectives.



SUSTAINABILITY  
Principle 4:  
**Engaging Workplace**

### Keeping Workplace Inclusive and Diversified

Our commitment to cherish differences of age, gender, race, belief, and education level in creating a well-rounded culture within our workplace and boardroom has never changed. When it comes to inspiring inclusivity and diversity among the employees, we adopted a hiring approach that goes beyond the checklist mentality in cultivating a workplace culture that breeds inclusion and celebrates diversity in exploring various ideas, methods, values and opportunities to Catalyse Digital Readiness across the country.

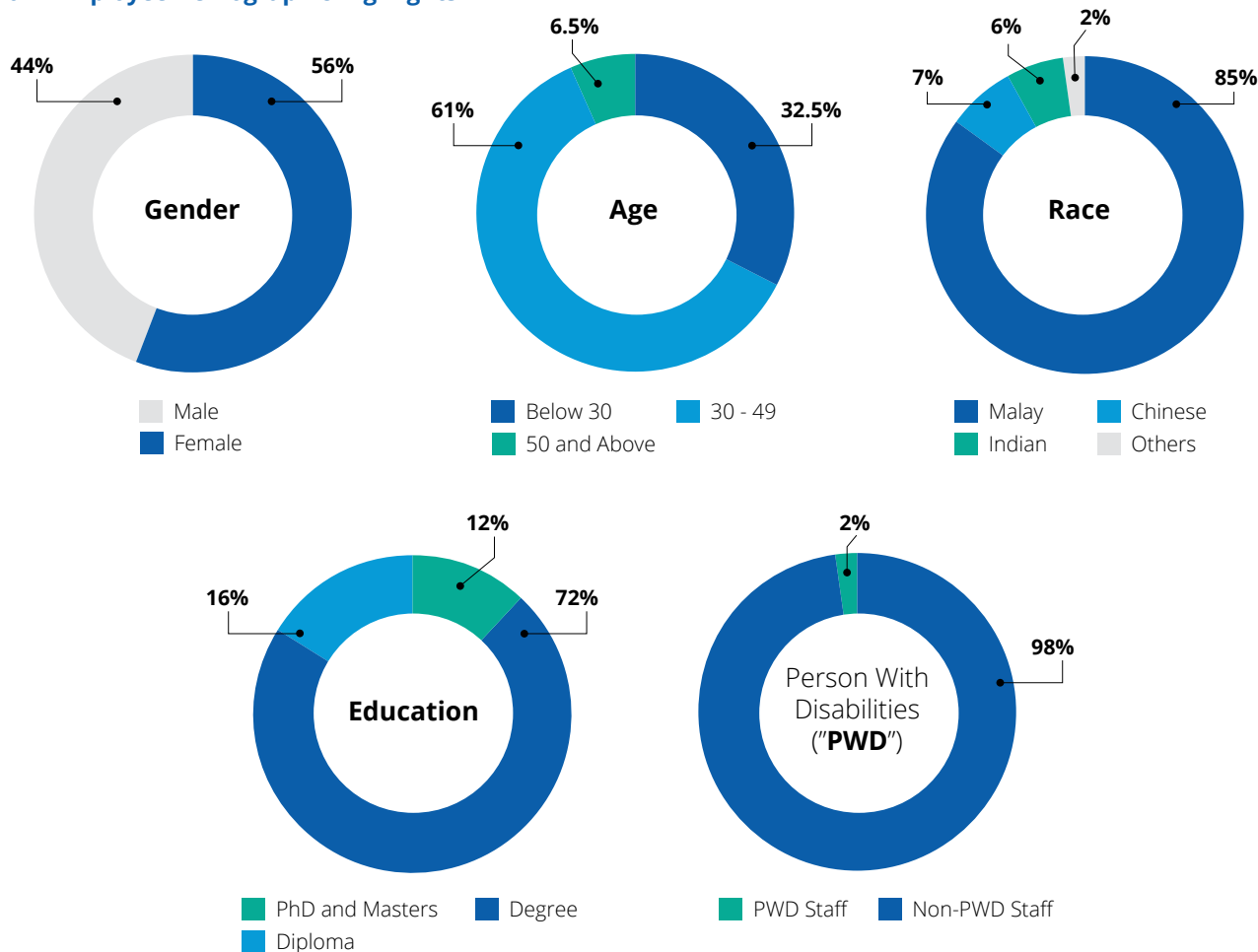
In line with our material matters of talent attraction, growth and retention, we remain committed to driving inclusivity and diversity in the workplace. This dedication of ours is translated into the following best practices and standards in building the best workplace there is for our employees:

### Discourage Excessive Working Hours

We take work-life balance very seriously. We went above and beyond the local labour laws in an attempt to reduce excessive working hours. In this regard, Awantec has a lower total working hours down to 37 hours and 30 minutes per week, against the national recommendation of 48 working hours per week stipulated within the Employment (Amendment) Act 1955. It is our long-standing practice to allow flexible working hours for the employees to choose from in accommodating their specific needs.

To further discourage excessive work hours, Awantec provides a half-day replacement leave for employees who put in more than four hours during the weekend, or a full-day off for those who put in more than six hours. In ensuring that they have sufficient rest, we mandated for the replacement leave to be utilised as soon as possible within a three-month period. Should the employees feel overwhelmed and in need of a quick break, time-offs can be requested.

### FY2022 Employee Demographic Highlights



## SUSTAINABILITY

## Principle 4: Engaging Workplace

### Commitment to Exceed Minimum Wage

We continue to exceed the Minimum Wage Order 2018 regulations by ensuring that both permanent and contract employees are paid a minimum of RM2,200 gross salary, versus the local minimum wage of RM1,500. This commitment is further strengthened by our ambition to be on par with the market rate via the salary benchmarking process in which we have compared our pay against information in Mercer's remuneration database. In the financial year under review, our employees are paid equal to the industry average, based on our analysis.

### Equal Opportunity Employer

We continue to be an Equal Opportunity Employer and remain committed to practising equal employment opportunity for all employees based on merit, free from discrimination and providing non-discriminatory, fair employee wages and salary. All employment decisions are based on business needs, job requirements and qualifications - entirely disregarding race, colour, religion, gender, age, sexual orientation, physical/mental/sensory disabilities, political beliefs and nationality.

### Advocate Freedom of Expression

We support the right to freedom of expression for all employees and encourage them to raise work-related feedback, concerns, inquiries and thoughts in good faith via all available communication channels that we have, including the whistleblowing channel, without having to fear any retaliation. Our employees are also free to associate themselves with any organisation as long as they are compliant with the Federal Constitution and other applicable laws in that regard. We respect those rights and are committed to treating all employees with dignity and respect as they exercise them.

### Support the Rights to Trade Union and Collective Bargaining

Awantec respect the right of our employees to come together to collectively express, promote, pursue and defend their common interests. In this regard, we comply with the local law on collective bargaining. In compliance with the Industrial Relations Act 1967, we respect and support the rights of non-executives, trade workers and/or general workers to participate or form trade unions provided for under the National Union of Commercial Workers. As of 30 June 2022, no trade unions were formed.

### Equal Standard Benefits

According to their level, we provide the same standard benefits for both our contract and permanent employees. The benefits include parental leave, medical leave, hospitalisation leave, marriage leave, compassionate leave, pilgrimage leave, annual leave, examination leave, group term life insurance, personal accident insurance as well as medical in-patient and out-patient coverage. Awantec also incentivises good performance via its Long-term Incentive Plan which remunerates eligible employees with shares, share options and cash rewards.

### Zero Tolerance Conduct

We practice the culture of zero tolerance towards bribery or corruption in our day-to-day operations. In doing so, we empower all employees to speak up and raise their concerns with regard to any bullying, harassment, or unethical or unlawful behaviours, without fear of retaliation via our Whistleblowing Policy and Grievance Mechanism. You may visit our website at <https://www.awantec.my> for more information on our Whistleblowing Policy and Grievance Mechanism.

### Compliance with Laws and Regulations

We remain committed to creating a work environment that protects the rights of our employees by complying with all applicable laws and regulations, including the Employment Act 1955, Child Act 2001, Children and Young Persons (Employment) (Amendment) Act 2019, Industrial Relations Act 1967, Trade Union Act 1959, subscription to Universal Declaration of Human Rights and more. For the full list of regulations and laws that Awantec is compliant with, you may visit our website at <https://www.awantec.my>.

In the financial year under review, we have recorded zero instances of non-compliance with labour standards. There were no grievances or incidents recorded from our employees as well.

Awantec is also a member of the Malaysian Employers Federation and the Malaysian Institute of Management to enable access to various services, education programmes and professional certifications that are provided by the two bodies, with respect to human resources, industrial relations, occupational health and safety programmes.

SUSTAINABILITY  
Principle 4:  
**Engaging Workplace**

Our policy on labour standards is communicated globally to employees via our Employee Handbook, with a detailed explanation to foster a safe, inclusive and respectful workplace. Made available in both English and Bahasa Melayu, the said handbook is given out to all new hires during their onboarding sessions. It is also downloadable via our internal employee portal as part of our effort in communicating all employment policies and guidelines to our employees.

### Employee Demographics

For the financial year under review, we have recorded an employee average of 106, an increase of 14% against our previous record of 93 employees in the last financial year. The higher employee count was driven by our success in securing new contracts, as well as our pivot-to-cloud strategy as we obtain more talents with digital capabilities to form our enterprise team in underpinning our evolving business model.

We continue to fulfil our obligations to employ local talents in driving and sustaining the local community, as local Malaysians of all races constituted 99% of our entire workforce throughout the financial year under review.

On average, we have recorded 77 contract employees (or 72.6%) from the total of 106 employees recorded in FY2022.

In terms of gender diversity across the workplace, our female to male ratio has continued to increase in the financial year under review at 55.5%, against our performance of 52.7% in the last financial year.

To maintain a stable work environment, we continue to be mindful of engaging and retaining productive employees, according to our set sustainability goal of short and long-term targets for employee turnover. For the financial year under review, we have recorded a turnover rate of 2.0% for voluntary turnover and 0.5% for involuntary turnover, amounting to a total turnover of 2.5% among our full-time employees.

### Incentivising Good Performance and Career Development

To keep track of our employees' performances and developments, we continue with our practice of regular performance and career development reviews via biannual Employee Performance Management ("EPM") sessions. For the financial year under review, 100% of our employees across all genders and employee categories were appraised as means of acknowledging their roles and contributions.

Complimented by our Competencies Assessment ("**Compass**") as well as Performance and Potential Matrix, the EPM continues to be a platform for our employees to identify their strengths and performance gaps toward successful career development for each and every single one of them.

Two years into our Long-term Incentive Plan, we have declared the second tranche of our Employee Share Option Scheme ("**ESOS**"), along with cash bonuses towards the end of the financial year under review to celebrate performance of our employees. We hope that this initiative will inspire performance by recognising contributions by employees and rewarding them where it is due, guided by the EPM as well as Performance and Potential Matrix outcomes.

At the same time, we use this avenue to share profit made by Awantec with all employees, inculcate a greater sense of belonging and possibly retain our employees better to keep our turnover rate as low as possible as every employee of ours are key in achieving our short and long term objectives.

### Looking Forward

In the upcoming financial years, we will continue to invest in our employees as part of our strategy in enhancing Awantec's capabilities. As we continue to pivot-to-cloud and evolve in addressing the new digital demands, we remain committed to supporting our employees in their journey to upscale their competencies, guided by our fourth sustainability principles.

In line with our material matters and sustainability goal of holistic succession planning, we will continue with the formation of a robust succession to manage our talent risks, on top of our approach in enhancing capabilities of our employees via digital adoption to instill a true lifelong learning culture where our employees be truly resilient against technological changes.

In tandem, we will drive retention of our employees by providing the best possible workplace where their voices are heard, their rights are respected, their contributions are properly recognised and acts of volunteerism are very much welcomed.

Aiming to encourage our employees to give back to the community, we remain committed to continue driving volunteerism initiatives and activities as one of the options for employees to fulfil their mandatory ESG-related KPI in an attempt to facilitate employee volunteerism engagement and involvement.

We will also carry on with balancing the needs of ours and the communities where we serve as we remain steadfast with our commitment to employ and develop local talents to empower the local economy.



## SUSTAINABILITY

# Principle 4: Engaging Workplace

## People Performance Indicators

Description	FY2020	FY2021	FY2022
<b>Total Employees by Gender</b>			
Female	46	49	59
Male	45	44	47
Total Employees	91	93	106
<b>Total Employees by Employment Contract and Gender</b>			
Permanent Employees Female	20	20	19
Permanent Employees Male	16	15	10
Contract Employees Female	27	27	40
Contract Employees Male	28	31	37
<b>Total Employees by Age Group</b>			
Below 30 Years Old	24.7%	29.0%	32.5%
30 - 49 Years Old	68.2%	63.0%	61.0%
50 Years Old and Above	7.1%	8.0%	6.5%
<b>Gender Mix by Employee Category (% Female)</b>			
Non-Executives	2.2%	0.0%	0.0%
Executives	28.6%	34.4%	34.4%
Management	15.4%	15.1%	18.0%
Senior Management	3.3%	3.2%	3.6%
Total Women in Workforce	49.5%	52.7%	56.0%
<b>Full Time Staff Turnover Rates</b>			
Voluntary	1.0%	1.6%	2.0%
Involuntary	1.0%	0.8%	0.3%
<b>Training</b>			
Average Training Man Days	2.9	7.6	5.4
Average Training Man Hours	N/A	N/A	43.0
Total Training Investment Made (RM'000)	201.8	202.1	163.2

1. We have restated the Gender Mix by Employee Category (% Female) for FY2020 and FY2021, due to reporting error.
2. Beginning FY2022, we will include Average Training Man Hours to complement our measurement of the same in man-days.

## Principle 5: Governance to Drive Compliance and Best Practices

### Doing Well by Operating Ethically

Operating ethically continue to be the crux in keeping our business and operations sustainable, as this is the very core that instills trust between us and our stakeholders. In keeping that confidence level high, we maintained high standards of corporate governance, sustainability governance and gave our best to abide by all applicable best practices in the business and affairs of Awantec and its Group of companies throughout the financial year under review.

Our feat was guided by our longstanding commitment to comply with all relevant legislation, regulations, codes, as well as our fifth sustainability principle, and our materiality matter of ethics and integrity, we have kept ourselves engrossed in implementing transparent, effective, ethical and sustainable processes across our business supply.



### Managing GHG Emissions Better

In understanding the true impact that we have on the environment and climate change, we have expanded our disclosures to cover for more emissions that we produces. In the financial year under review, we have accounted for our Scope 1 emissions that can be traced back to the office buildings and vehicles that we own.

To prepare Awantec towards the establishment of our net zero emissions plan, we engaged with SIRIM QAS International Sdn. Bhd. to assure our disclosures in ensuring that the processes and procedures that we have in place are indeed on par with applicable standards.

We have recently declared our support to the TCFD and committed to aligning our disclosures with its recommendations by FY2024 or earlier. This is another feat of ours to better manage our environmental impacts as well as to manage our climate change related risks that may impact our business and operations.

### Managing Bribery and Corruption Risks

Here in Awantec, we are committed to conducting business with integrity, accountability, fairness and promotes a zero tolerance policy against all forms of bribery and corruption. We defined bribery and corruption as any action which would be considered as an offence of giving or receiving gratification under Malaysian Anti-Corruption Commission Act ("**MACCA**") 2018.

We do not condone any form of bribery including but not limited to, offering, giving, receiving or soliciting something of value such as money, donation, gift, loan, fee, or reward in an attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, regardless of the bribery being active bribery, passive bribery or facilitation of payment.

We also stand against any form of corruption, including but not limited to, acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

Our Board of Directors takes ultimate responsibility for risk management of all forms of bribery and corruption which falls under unacceptable risk of non-compliance with MACCA, and has delegated oversight responsibility to the Risk Management Committee ("**RMC**") in ensuring that our Anti-Bribery and Corruption Manual ("**ABC Manual**") is in place to address the risk, and being adhered to. The Chairman of the RMC, who is an Independent Non-Executive Director, reports to the Board of Directors on quarterly basis.

In line with our zero tolerance policy towards bribery and corruption, we empower all employees to speak up and report any form of bribery, corruption or any other unlawful behaviours in good faith via our Whistleblowing channels.

Our whistleblowing mechanism allows the report to be done by our employees anonymously without having to fear any retaliations of backlashes. Our stand against all forms of bribery and corruption are further detailed within our ABC Manual, which is communicated to all employees of Awantec, and can be downloaded from our corporate website <https://www.awantec.my>.

Violations of the ABC Manual are grounds for disciplinary action, up to and including termination of employment.

## SUSTAINABILITY

## Principle 5:

**Governance to Drive Compliance and Best Practices**

Committed to placing adequate controls towards adoption of the newly amended MACCA, we continue to give emphasis on our zero-tolerance policy towards all forms of bribery, corruption via our Ethical Awareness Week.

With all 106 employees involved, the week that took place in January 2022 instilled better understanding of what the Section 17A provision is all about, as well as on how to place adequate safeguards against its infringement. This was done via email campaigns, webinars, social media pledges as well as competitions to ensure holistic understanding and awareness.

Concurrently, the Ethical Awareness Week also addressed on other bad conducts including bullying and harassment, including on what the instances are as well as what to do should such event occurs - which cut across making confidential report via our whistleblowing channels, as well as the best way for head of departments and managers to manage bullying and harassment instances.

We aspire for a holistic applications of our ABC Manual, beyond our own employees and subsidiaries. In the financial year under review, we have updated our Vendor's Code of Conduct to include ethical business practices that we subscribe to for them to be adopted by our vendors.

The inclusions cover among others, compliance with laws and regulations pertaining to anti-money laundering and terrorist financing, corruption, as well as our no gift policy.

**We encourage all parties to report any improper conducts by any of our members. We are committed to investigating all reports promptly and with strict confidentiality.**



Scan the QR code or visit our [whistleblowing page](#) for more information.

In the financial year under review, we have not made any political contributions. There were no disciplinary actions taken against employees, nor were any employees dismissed due to non-compliance with our ABC Manual, and Awantec had not been imposed any fines or penalties nor have we entered into any settlement in relation to bribery and corruption. Should the position change in the future, disclosure will be made to that effect.

**We share our aspiration of a better world with fair business practices that are free from bribery and corruptions. We expect our business partners and vendors to share our view and conduct accordingly.**



Scan the QR code or click [here](#) to watch a short video on our Vendor's Code of Conduct.

**Maintaining High Corporate Governance Standards**

We remain committed to maintaining a high standard of corporate governance. For the year under review, we continue to meet and exceed applicable statutory requirements, best practices, guidelines and standards such as Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Code of Corporate Governance 2021 and the 3<sup>rd</sup> Edition Corporate Governance Guide.

For the financial year under review, we continue to be a constituent of FTSE4Good Bursa Malaysia Index, since 2014. This achievement reflects our commitment to and dedication towards addressing the ESG risks within the sphere of businesses, operations and community where we serve.

We have maintained a healthy FTSE4Good ESG rating of 4.1 under the Industry Classification Benchmark: Technology for the financial year under review. This has placed us within the Top 25% Public Listed Companies in FTSE Bursa Malaysia EMAS by ESG Ratings amongst other listed issuers that have been assessed by FTSE Russel.

**Ensuring Data Security**

Data privacy remains our top priority. In compliance with the Personal Data Protection Act 2010, we have in place a strict data protection policy to protect all personal information and data gathered, or to be gathered throughout any dealings with us.

This ensures that our collection, use, disclosure and care of personal data relating to individual end-customers, business-to-business customers, employees, directors as well the third parties with whom we work with are consistent with local applicable laws, as well as our internal policies and procedures to avoid any loss, misuse and unauthorised alteration.

Our approach to privacy and personal data protection is outlined in the Personal Data Protection ("PDP") Notice, which is available on our website <https://www.awantec.my> and featured on notice of agreements for subscribers of our services.

## Governance to Drive Compliance and Best Practices

In the financial year under review, we have recorded zero cyberattack incidents and zero breach of data privacy incidents. However, we remain cognisant of the criticality to protect our data as we continue to put in place mitigation measures including continuous assessment of our security postures, heightened endpoint security measures and offsite backups to ensure minimal disruption to our operations.

### Maintaining Sustainable Supply Chain

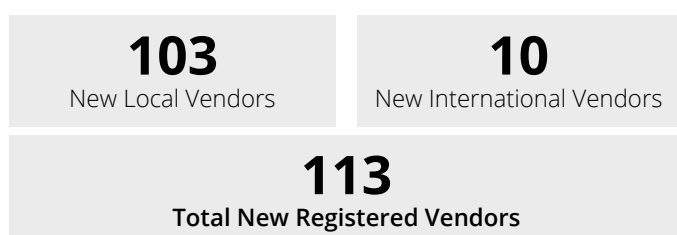
Awantec has a sizeable supply chain from which we source for products and services for both our operations and capital expenditure, ranging from cloud computing services, software, network equipment, infrastructure, all the way to consultations and building management services to drive our daily operations.

During the year under review, we have recorded with a total of 472 vendors to procure products and services across our business and operations. Operating in Cyberjaya - the heart of Malaysia's digital economy, we take cognisance of our responsibilities towards driving the local economy.

In this respect, we have maintained local vendors as the majority of our suppliers throughout the financial year under review. They account for 92.6% of our total active vendors.



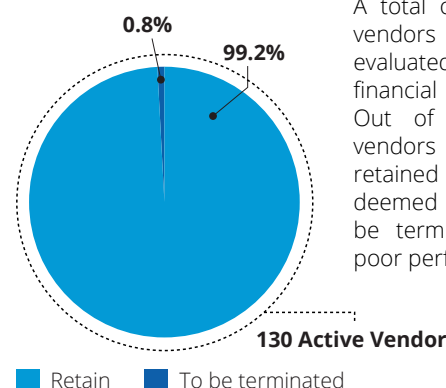
Driven by the same commitment to empower local economy, Awantec continue to prioritise local vendors and suppliers in our sourcing processes. In the financial year under review, we have registered 103 new local vendors which amounted to 91.2% of our new registered vendors for FY2022.



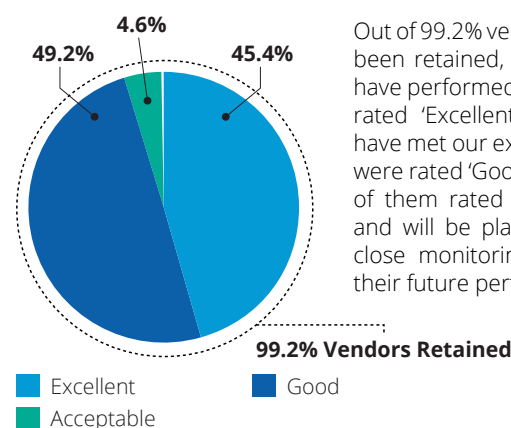
Guided by our Vendor's Code of Conduct as well as our Procurement Policy, we continue to practice good procurement practices by assessing vendors and suppliers through a holistic evaluation process of quality, integrity, service delivery and product value, with considerations on ESG concerns taken into account as well.

The assessment which is called Vendor Performance Review ("VPR"), puts precedent on active vendors with purchase value over RM2,000 to be rated and evaluated against set criteria below:

- 1 Quality Meets Specification
- 2 Quantity Meets Specification
- 3 Delivery Timelines
- 4 Adequate Equipment and Stock
- 5 Technical Competency
- 6 Responsiveness
- 7 Vendor Accessibility
- 8 Working Relationship
- 9 Accuracy and Completeness of Documentation
- 10 Compliance with Contract/LOA/Terms



A total of 130 of our active vendors were rated and evaluated via the VPR for the financial year under review. Out of the 100% of the vendors assessed, we have retained 99.2% of them, and deemed the other 0.8% as to be terminated due to their poor performance.



Out of 99.2% vendors that have been retained, 45.4% of them have performed well, and were rated 'Excellent', while 49.2% have met our expectations and were rated 'Good', leaving 4.6% of them rated as 'Acceptable' and will be placed under our close monitoring in terms of their future performances.

## SUSTAINABILITY

# Independent Assurance Statement



**SIRIM QAS INTERNATIONAL SDN. BHD.** 199601037981 (410334-X)  
 1, Persiaran Dato' Menteri, Section 2, P.O Box 7035  
 40700 Shah Alam, Selangor Darul Ehsan, MALAYSIA  
 Tel : 603-5544 6400 Fax : 603-5544 6810  
[www.sirim-qas.com.my](http://www.sirim-qas.com.my)

## INDEPENDENT ASSURANCE STATEMENT

### Scope and Objective

SIRIM QAS International Sdn. Bhd., a Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by AwanBiru Technology Berhad (hereafter referred to as Awantec) to perform an independent verification and provide assurance of selected sustainability-related topics for Awantec Sustainability Statement 2022. The main objective of the verification process is to provide assurance to Awantec, and its stakeholders of the accuracy and reliability of the information presented in the report. This was established through checking and verifying claims made in the selected sustainability-related topics. Further details provided in Appendix 1 of this statement.

The management of Awantec was responsible for the preparation of the Sustainability Statement. The objectivity and impartiality of this assurance statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Awantec Sustainability Statement and Annual Report 2022.

### Verification team

The verification team from SIRIM QAS International consists of:

- |                             |   |             |
|-----------------------------|---|-------------|
| 1) Ms. Aernida Abdul Kadir  | : | Team Leader |
| 2) Mr. Ghazali Talib        | : | Team Member |
| 3) Ms. Kamini Sooriamoorthy | : | Team Member |

### Methodology

The verification process was carried out by SIRIM QAS International in September 2022. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the selected sustainability-related topics;
- Reviewing relevant internal and external documentation;
- Interviewing of key personnel responsible for collating information and writing various parts of the content in order to substantiate the veracity of the claims.



A wholly-owned subsidiary of SIRIM Berhad



## SUSTAINABILITY

# Independent Assurance Statement

During the verification process, issues were raised, and clarifications were sought from Awantec's working team relating to the accuracy of some of the data and contents contained in the statement. The content was subsequently reviewed and revised by Awantec in response to the findings of the verification team. It can be confirmed that changes that have been incorporated into the final version of the selected sustainability-related topics and, satisfactorily addressed the issues that had been raised.

### Limitation

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in Awantec's Sustainability Statement and Annual Report 2021;
- The verification was designed to provide limited assurance in reference to International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, irrespective of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- The corporate office of Awantec in Cyberjaya was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Awantec operating assets; and
- The verification team did not verify any contractor or third-party data.

### Conclusion

Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in Awantec "Notes to the Sustainability Statement" and the selected sustainability-related topics is fairly stated;
- The content was prepared in accordance with reference and claim as specified by Awantec in their "Notes to the Sustainability Statement";
- The level of sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

Statement Prepared by:



**AERNIDA ABDUL KADIR**

Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date : 3 October 2022

Statement Approved by:




**MOHD HAMIM BIN IMAM MUSTAIN**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.  
Date : 5 October 2022

Appendix 1 The topics and information covered in this assessment is tabulated below: Assessment review has been referred to the disclosures as specified in "Notes to the Sustainability Statement", for period between July 2021 to June 2022, unless stated otherwise.	CLASSIFICATION OF DATA		
	HIGH	MEDIUM	LOW
Scope 1: Mobile combustion emissions – company vehicle			
Scope 1: Fugitive emissions – refrigerants			
Scope 1: Fugitive emissions – fire suppressants			
Scope 2: Electricity consumption			
Scope 3: Purchased goods and services			
Scope 3: Employee commute			
Scope 3: Business travel: Road-bound			
Water consumption			
Paper consumption			
Paper recycled			

Note 2:

- LOW** - Data and information has been based on information endorsed by the data owners. Verifiers did not have the access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.
- MEDIUM** - Data and information has been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifiers during the assessment.
- HIGH** - Data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

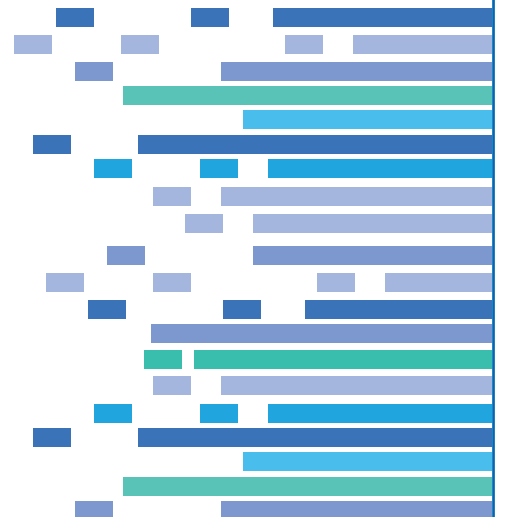


***Awantec is led by  
a line-up of strong  
Board of Directors  
and Management  
Committees with proven  
business acumen  
and leadership skills,  
capable of weathering  
various challenges.***



# LEADERSHIP


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## LEADERSHIP

# Board of Directors' Profile


**SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR** Independent Non-Executive Chairman

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	50	Male	20 January 2021	1 year	8/8

**Membership in Board Committees**

None

**Qualifications**

- Graduate Diploma in Legal Practice, Australian National University, Canberra, Australia
- Literally Legum Baccalaureus, Australian National University, Canberra, Australia
- Advocate and Solicitor, High Court of Malaya
- Solicitor, High Court of Australia
- Barrister and Solicitor, Supreme Court of the Australian Capital Territory

**Presents Appointments**

- Senior Partner, Naqiz & Partners
- Member of the Bar Council Malaysia


**Past Experiences**

- Senior Associate, Wong & Partners
- Senior Associate, Skrine

**Directorship in Other Public Companies and Listed Issuers**

MMC Corporation Berhad, UOB Asset Management (M) Berhad and Yayasan DRB-HICOM


**DR. ABU HASAN BIN ISMAIL** Non-Independent Non-Executive Director - Founder Mentor

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	61	Male	18 November 2010	12 years	8/8

**Membership in Board Committees**

Member of the Risk Management Committee, Long-term Incentive Plan Committee and Board Oversight Committee.

**Qualifications**

- Doctor of Philosophy, University of Sheffield, England
- Masters of Philosophy, University of Sheffield, England
- Bachelor of Architecture, University of Strathclyde, Scotland
- Bachelor of Science, University of Strathclyde, Scotland
- Diploma in Architecture, Universiti Teknologi Malaysia

**Present Appointments**

- Senior Research Fellow, La Trobe Business School of La Trobe University, Melbourne, Australia
- CEO Faculty, Ministry of Higher Education, Malaysia
- Council Member, Taylors University, Malaysia
- Advisory Panel, International Business School, Universiti Teknologi Malaysia
- Adjunct Professor, Universiti Teknologi Malaysia and Universiti Sultan Zainal Abidin


**Past Experiences**

- Executive Director, FSBM Holdings Berhad
- Professor and Dean, Faculty of Creative Multimedia, Cyberjaya, Malaysia
- Associate Professor, School of Architecture, Universiti Teknologi Malaysia
- Assistant Lecturer A, School of Architecture, Universiti Teknologi Malaysia
- Assistant Lecturer B, School of Architecture, Universiti Teknologi Malaysia

**Directorship in Other Public Companies and Listed Issuers**

Institute Sultan Iskandar of Urban Habitat and High Rise

LEADERSHIP  
**Board of Directors'**  
Profile**PAUL CHAN WAN SIEW** Senior Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	71	Male	18 November 2010	12 years	8/8

**Membership in Board Committees**

- Chairman of the Audit Committee.
- Member of the Risk Management Committee and Long-term Incentive Plan Committee.

**Qualifications**

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Chartered Certified Accountant, Association of Chartered Certified Accountants (UK)
- Chartered Secretary, Institute of Chartered Secretaries and Administrators (UK)
- Certified Practising Accountant, CPA Australia
- Certified Financial Planner, USA
- Chartered Financial Consultant, USA
- Governance Fellow, National Association of Corporate Directors, USA
- Board Leadership Fellow, National Association of Corporate Directors, USA

**Present Appointments**

- President, Business Transitions Asia Sdn. Bhd.
- Director, Corston-Smith Asset Management Sdn. Bhd.
- President, Malaysian Alliance of Corporate Directors
- Vice President I, Federation of Public Listed Companies Berhad
- Founding & Strategic Member, Global Network of Director Institutes
- Global IIRC Ambassador, International Integrated Reporting Council, UK
- Adjunct Practice Professor, Sunway University Business School
- DBA Assessor, International University of Malaya-Wales
- Advisory Board Member, FutureBoards SA, Norway


**Past Experiences**

- Director, Luxchem Corporation Berhad
- Director, Prudential Assurance Malaysia Berhad
- Director, Melewar Industrial Group Berhad
- Director, Integrax Berhad
- Director, Mycron Steel Berhad

**Directorship in Other Public Companies and Listed Issuers**

- Federation of Public Listed Companies Berhad and Malaysian Alliance of Corporate Directors

**RAMANATHAN A/L SATHIAMUTTY** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	58	Male	16 April 2014	8 years	7/8

**Membership in Board Committees**

- Chairman of the Risk Management Committee and Board Oversight Committee.
- Member of the Nomination Committee, Remuneration Committee, Audit Committee and Long-term Incentive Plan Committee.

**Qualifications**

- Executive Management Programme, INSEAD
- Executive Management Programme, Harvard Business School
- Master of Business Administration, Universiti Putra Malaysia
- Bachelor of Engineering (Honours), Electrical & Electronic Engineering, Universiti Kebangsaan Malaysia

**Present Appointments**

- Member of the Advisory Boards, INTI College, Universiti Putra Malaysia's Computer Science and Information Technology Faculty and Universiti Tenaga Nasional's International Advisory Council
- Adjunct professor, Taylor's University
- Non-Executive Director, Universiti Kebangsaan Malaysia

**Past Experiences**

- Advisor to Chief Executive Officer, Celcom Axiata
- Chief Transformation Officer, Celcom
- Chief Technology, Operation and Digitalisation Officer, Celcom
- Managing Director, IBM Malaysia Sdn. Bhd.
- General Manager, Communication Sector, ASEAN
- Managing Partner, IBM India (Bharti Airtel)
- Director, Global Strategic Acquisition, IBM (US)
- Managing Partner, Global Business Consulting, IBM (KR)
- Director, Strategic Investment, Internet Generation Companies (APAC)
- Country Manager, Telecommunication, Media and Utility, IBM (MY)

**Directorship in Other Public Companies and Listed Issuers**


- Malaysia Airports Holdings Berhad



## LEADERSHIP

## Board of Directors' Profile

**GINNY YEOW MEI YING** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	40	Female	28 February 2019	3 years	8/8

**Membership in Board Committees**

- Member of the Nomination Committee, Remuneration Committee and Risk Management Committee.

**Qualifications**

- Bachelor of Art, English Literature (American and Spanish literature), University of Warwick, Coventry, England
- Graduate Diploma in Marketing, Marketing Institute of Singapore

**Present Appointments**

- Director, Kaginic Corporation Sdn. Bhd.

**Past Experiences**

- Investment Manager, Kencana Capital Sdn. Bhd.
- Senior Marketing Executive, Kuala Lumpur Regional Centre for Arbitration
- Corporate Communications Executive, F3 Strategies (Foundation for the Future)
- Media Planner, Zenith Media Malaysia

**Directorship in Other Public Companies and Listed Issuers**

- None.

**BALDESH SINGH A/L MANMOHAN SINGH** Non-Independent Executive Director - Chief Operating Officer

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	53	Male	28 February 2019	3 years	8/8

**Membership in Board Committees**

- Member of the Risk Management Committee and Long-term Incentive Plan Committee.

**Qualifications**

- Chartered Certified Accountant, Chartered Institute of Management Accountants

**Present Appointments**

- None

**Past Experiences**

- Chief Financial Officer and Head of Strategy, Liannex Corporation Pte. Ltd.
- Executive Director and Chief Operating Officer, Eduspec Holdings Berhad
- Head of Strategy, Kencana Capital Sdn. Bhd.
- Vice President, Office of the Executive Vice Chairman, Sapura Energy Berhad


- Executive Director of Finance, Richfield Brands & Services Pte. Ltd. (SG)
- Chief Financial Officer, The Works Partnership Pte. Ltd. (HK)
- Group Financial Controller, Turnaround Management Team, Tajo Berhad
- Vice President Small & Medium Industries, Melewar Equities
- Accountant, Rofia Group
- Corporate Banking Officer, Bumiputra Merchant Bankers Berhad
- Management Trainee, Sunrise Berhad

**Directorship in Other Public Companies and Listed Issuers**

- None.

## Board of Directors' Profile

**PROFESSOR EMERITUS DATO' DR. HASSAN BIN SAID** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	67	Male	25 February 2020	2 years	8/8

**Membership in Board Committees**

- Chairman of the Nomination Committee, Remuneration Committee and Long-term Incentive Plan Committee.
- Member of the Audit Committee.

**Qualifications**

- Doctor of Engineering (Honorary), Brunel University, UK
- Doctor in Law (Honorary), University of Nottingham, UK
- Doctor Honoris Causa, University of Toulouse Jean Jaurès, France
- Doctor of Human Resource Management (Honorary) Universiti Sains Islam Malaysia
- Doctor of Educational Leadership (Honorary) Asia e-University, Malaysia
- Doctor of Business Administration (Honorary), University of West England, England
- Doctor of Engineering (Honorary), Birmingham University, England
- Doctor of Science (Honorary), Multimedia University Malaysia
- Doctor of Science (Honorary), Universiti Malaysia Perlis
- PhD (Computer Aided Geographic Design) Brunel University, England
- Master of Science (Numerical Analysis) Brunel University, England

- Bachelor of Science (Maths) Manchester University, England

**Present Appointments**

- Chairman, Board of Governors, Universiti Tenaga Nasional (UNITEN)
- Member, Board of Directors, Securities Industry Development Corporation (SIDC)
- Member, Board of Governors, Universiti Sains Malaysia
- Vice-Chancellor, Universiti Teknologi MARA
- Fellow, Institute of Mathematics and Application, UK
- Emeritus Professor, Universiti Sains Malaysia
- Fellow, Malaysian Mathematical Society
- Fellow, Academy Science of Malaysia


**Past Experiences**

- Vice Chancellor and President, Taylor's University
- Director General, Department of Higher Education, Ministry of Higher Education Malaysia.
- Director, Department of Higher Education, Ministry of Education Malaysia.
- Deputy Vice Chancellor, Universiti Sains Malaysia.
- Dean, Universiti Sains Malaysia.
- Professor, Universiti Sains Malaysia.
- Associate Professor, Universiti Sains Malaysia.
- Lecturer, Universiti Sains Malaysia.

**Directorship in Other Public Companies and Listed Issuers**

- Securities Industry Development Corporation

**HAFIDAH AMAN BINTI HASHIM** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	53	Female	25 February 2020	2 years	8/8

**Membership in Board Committees**

- Member of the Nomination Committee, Remuneration Committee and Audit Committee.

**Qualifications**

- Literally Legum Baccalaureus (Honours), University of Hull, United Kingdom

**Present Appointments**

- Member of the Board of Trustees, Islamic Relief Malaysia
- Partner, Messrs Mohamed Ridza and Co.

**Past Experiences**

- Senior Associate, Messrs Zaid Ibrahim and Co.
- Senior Associate, Messrs Rashid and Lee
- Head of Banking and Conveyancing Department, Messrs Riza Leong and Partners

**Directorship in Other Public Companies and Listed Issuers**


- Islamic Relief Malaysia



## LEADERSHIP

## Board of Directors' Profile

**DATO' THARUMA RAJAH @ K.T. RAJAN A/L R. KRISHNAN** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	69	Male	20 January 2021	1 year	8/8

**Membership in Board Committees**

- None

**Qualification**

- Malaysia Certification of Education, Grade 1, Malaysia

**Present Appointments**

- Special Attache, Royal Family


**Past Experiences**

- Aide de Camp, Chief Police of Selangor, Royal Malaysia Police
- Intelligence Unit, Royal Malaysia Police
- Serious/Heavy Crime and Commercial Crime Investigations, Royal Malaysia Police
- Clerical Officer, Lembaga Letrik Negara

**Directorship in Other Public Companies and Listed Issuers**

- None

**YM TUNKU ABANG FAISAL AMIR BIN ABANG ABU BAKAR** Independent Non-Executive Director

Nationality	Age	Gender	Date of Appointment	Length of Tenure	No. of Board Meetings Attended in FY2022
	45	Male	20 January 2021	1 year	8/8

**Membership in Board Committees**

- None

**Qualification**

- Bachelor of Science, Business Management, King's College, London, UK

**Present Appointments**

- Chairman, Howden Insurance Brokers Sdn. Bhd.
- Director, Malene Insurance Brokers Sdn. Bhd.

**Past Experiences**

- Chief Executive Officer, Malene Insurance Brokers Sdn. Bhd.
- Executive Director, Malene Insurance Brokers Sdn. Bhd.

**Directorship in Other Public Companies and Listed Issuers**

- None

**Notes:**

- None of the Directors have any family relationship with each other and/or major shareholder of the Company or have any conflict of interest with the Company.
- None of the Directors have been convicted of any offence within the last five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by the regulatory bodies during the financial year.
- Except as disclosed above, none of the Directors hold any directorship in other public companies and listed issuer.
- The Directors' share and warrant holdings of the Company are disclosed in the Analysis of Shareholdings section of this Annual Report.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



## Management Committee Profiles



**Baldesh Singh A/L Manmohan Singh**

Non-Independent Executive Director  
Chief Operating Officer



**Chok Joon Heng**

Director, Finance and Corporate Services



**Yasmin binti Abdullah**

Director, Human Resource and Administration



**Siti Raha binti Mohammad Ishtiaq**

Chief Business Officer



**Dr. Peter Lee Fuei Siong**

Director, Talent and Development



**Ainun Mardziah Binti Hashim**

Group Financial Controller



**Farul Azim bin Mohd Ghazali**

Director, Technology Solutioning

## LEADERSHIP

# Management Committee Profiles


## Baldesh Singh A/L Manmohan Singh

Non-Independent Executive Director  
Chief Operating Officer

Note: Please refer to page 96 for Baldesh Singh A/L Manmohan Singh's complete profile.

## Siti Raha binti Mohammad Ishtiaq

Chief Business Officer

Nationality	Age	Gender	Date of Appointment
	47	Female	August 2022

### Qualifications

- Malaysian Higher School Certificate
- Malaysian Certificate of Education

### Past Experiences


- Sales Manager/Sales Director/Key Account Director, Software One Experts Sdn. Bhd.
- Client Rep., IBM Malaysia Sdn. Bhd.
- Sales Specialist for Storage, Public Sector, IBM Malaysia Sdn. Bhd.
- Sales Specialist for Cross Brand, Public Sector Cross Brand Competitive Accounts, IBM Malaysia Sdn. Bhd.
- Sales Specialist for System x, IBM Malaysia Sdn. Bhd.
- Business Development Manager, Technology One Corporation Sdn. Bhd.
- Sales Manager, Legate System Solutions Sdn. Bhd.
- Channel Account Manager, IBM VAD Business, Digiland Distribution (M) Sdn. Bhd.
- Corporate Account Manager, Corporate Business Unit, JOS Systems Sdn. Bhd.
- Customer Service Executive Sales, Exemplar Marketing Sdn. Bhd.

### Directorship in Other Public Companies and Listed Issuers

- None

## Chok Joon Heng

Director, Finance and Corporate Services

Nationality	Age	Gender	Date of Appointment
	48	Male	March 2017

### Qualifications

- Association of Chartered Certified Accountants
- Chartered Accountant, Malaysian Institute of Accountants

### Past Experiences


- Lead Consultant, SKIN, Prestariang Technology Sdn. Bhd.
- Director, Crave Capital Sdn. Bhd.
- Financial Consultant, Innovation Associates Outsource Sdn. Bhd.
- Group Accountant, DPS Resources Berhad
- Head of Internal Audit, TA Enterprise Berhad
- Senior Auditor, TH Law and Co.

### Directorship in Other Public Companies and Listed Issuers

- None

## Yasmin binti Abdullah

Director, Human Resource and Administration

Nationality	Age	Gender	Date of Appointment
	54	Female	January 2018

### Qualifications

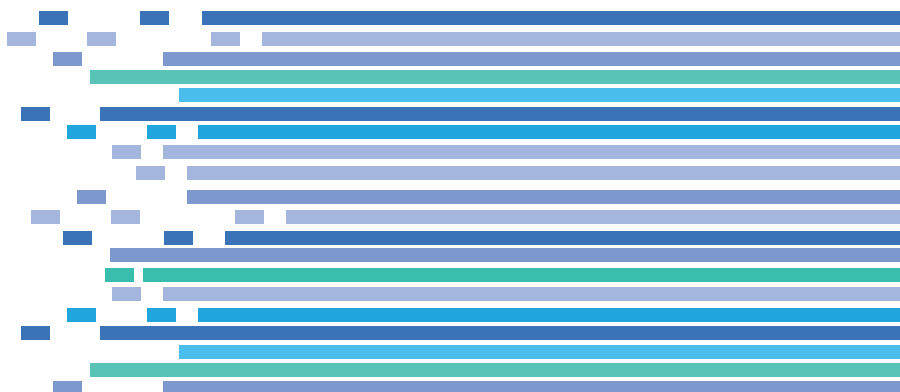
- Bachelor of Economics, Universiti Malaya
- Certified Facilitator (HRDF), DISC Profiling, Forte Profiling, Career Transition and SHL Practitioner

### Past Experiences

- Senior Vice President, Human Resource & Learning and Development, AwanBiru Technology Berhad
- Consulting Director, Talent Management and Leadership Development, Integrated Hospitality Consulting Sdn. Bhd.
- Consulting Director, Talent Management and Leadership Development, BTI Consultants Sdn. Bhd.
- Director of Human Resource, Pelangi Beach Resort and Burau Bay Resort
- Human Resource and Training Manager, Sheraton Imperial Kuala Lumpur


### Directorship in Other Public Companies and Listed Issuers

- None



LEADERSHIP  
**Management Committee**  
Profiles**Dr. Peter Lee Fuei Siong**

Director, Talent and Development

Nationality	Age	Gender	Date of Appointment
	53	Male	March 2019

**Qualifications**

- Bachelor of Medicine, Manipal Higher Education Academy, India
- Bachelor of Surgery, Manipal Higher Education Academy, India
- Certified SHL Practitioner

**Past Experiences**


- Change Management Director, Prestariang Tech Services Sdn. Bhd.
- Project Consultant and Advisor, Brilliance Information Sdn. Bhd.
- Senior Consultant, Bloomberg School of Public Health, John Hopkins University
- Chief Marketing Officer, Brilliance Information Sdn. Bhd.
- Head of Department, Health Office (Kapit Division), Ministry of Health, Malaysia
- Medical Officer, Ministry of Health, Malaysia
- House Officer, Ministry of Health, Malaysia

**Directorship in Other Public Companies and Listed Issuers**

- None

**Ainun Mardziah Binti Hashim**

Group Financial Controller

Nationality	Age	Gender	Date of Appointment
	45	Female	May 2021

**Qualifications**

- Chartered Global Management Accountant, Chartered Institute of Management Accountants, UK
- Bachelor's Degree, Accounting, Universiti Utara Malaysia
- Chartered Accountant, Malaysian Institute of Accountants

**Past Experiences**


- Head of Accounting, Sapura Resources Berhad
- Acting Chief Financial Officer, Sapura Resources Berhad
- Head of Accounting, Sapura Resources Berhad
- Accounts Executive, Sapura Resources Berhad
- Head of Credit Control, Koperasi Kakitangan Petronas Berhad
- Accounts Executive, Kopetro Travel & Tours Sdn. Bhd.
- Audit Officer, Anuarul, Azizan, Chew & Co.

**Directorship in Other Public Companies and Listed Issuers**

- None

**Farul Azim bin Mohd Ghazali**

Director, Technology Solutioning

Nationality	Age	Gender	Date of Appointment
	50	Male	August 2021

**Qualifications**

- Master of Business Administration (Executive), INSEAD, France
- Master of Science, Operations Research, Columbia University, New York, USA
- Bachelor of Science, Computer Engineering, Columbia University, New York, USA

**Past Experiences**

- Partner, Nutentech LLC
- Regional Lead, IT Service Delivery, Hess Exploration & Production Malaysia B.V.
- Senior Global Component Delivery Manager, T-Systems Malaysia Sdn. Bhd.
- Service Engineering Lead, Shell Information Technology International Sdn. Bhd.
- Vice President of Technology, Open Source Systems Sdn. Bhd.
- Senior System Analyst, Columbia University Medical Centre

**Directorship in Other Public Companies and Listed Issuers**

- None

**Notes:**

- None of the Senior Management has any family relationship with any director and/or major shareholder of the Company.
- None of the Senior Management have any conflict of interests with the listed issuer.
- Other than traffic offences, none of the Senior Management have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



***In maintaining a high standard of corporate governance, we subscribe to various applicable best practices in the business and affairs of Awantec and its Group of companies throughout the financial year under review.***

# GOVERNANCE

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## Governance

# Corporate Governance Overview Statement

This Corporate Governance Overview Statement ("**Statement**") summarizes the Board's responsibilities and activities in ensuring that the Group is at the forefront of good governance for the financial year under review.

The Group adheres and reports based on the following statutory requirements, best practices, and guidelines:-

- i. Companies Act 2016 ("**CA 2016**")
- ii. Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**")
- iii. Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**")
- iv. Corporate Governance Guide 4<sup>th</sup> Edition by Bursa Malaysia Berhad ("**CG Guide**")

This Statement should be read together with the Company's Corporate Governance Report ("**CG Report**") which describes how the Company applies and departs from the CG practices for the financial year ended 30 June 2022 ("**FY2022**"). The CG Report is available on the Company's website: <https://www.awantec.my/governance/> or through the announcement published on the website of Bursa Securities.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with the practices set out in MCCG 2021, save for the practices below. The explanation for the departure of practice can be read in the CG Report.

<p>Practice 5.4 Step Up</p> <p>The Board has a policy which limits the tenure of its independent directors to nine years without further extension</p>	<p>Practice 5.9</p> <p>The Board comprises at least 30% women directors</p>
<p>Practice 8.3 Step Up</p> <p>Companies are encouraged to fully disclose the detailed remuneration of Senior Management on a named basis</p>	<p>Practice 12.2</p> <p>Large companies are encouraged to adopt intergrated reporting based on a globally recognised framework</p>

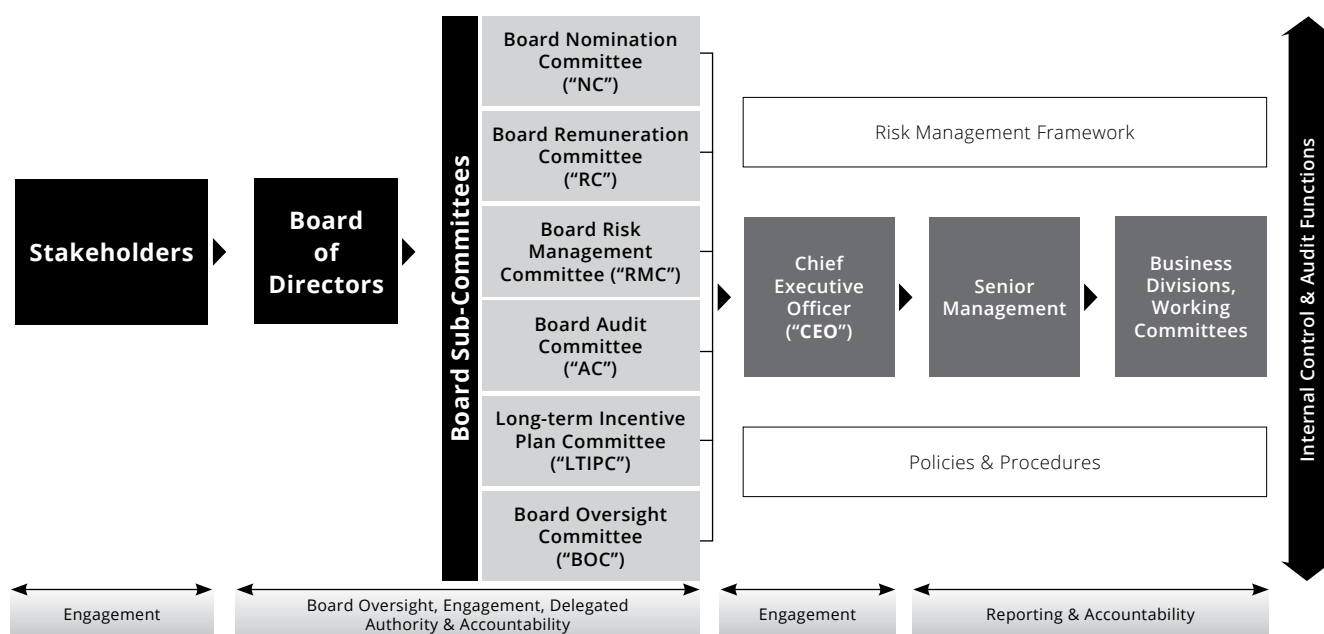
The Board has yet to adopt Practice 5.4 Step Up and targets to revise existing policy within three (3) years as recommended by MCCG 2021. Currently, the Board consists of two (2) female directors which does not fulfil the recommendation of at least 30% women. The Board targets to improve further on gender diversity ratio in the next one (1) year.

Awantec is not classified as "Large Company". However, Awantec would consider adopting the integrated reporting based on a globally recognised framework in the near future.



**GOVERNANCE FRAMEWORK**

The diagram below describes the governance framework of the Group to demonstrate the interaction between the Board and its stakeholders. The Group also has in place processes to ensure delegation flows through the Board and its committees and into the organisation. The Board has established Board Oversight Committee (“**BOC**”) to act as a supervisory committee between the Board and the Management to ensure business strategies, management and operational functions of the Group are carried out efficiently and effectively.

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS****THE ROLE OF THE BOARD**

The Board's primary commitment is to oversee the business of the Company and to ensure that the conduct of the Group's operations promotes business sustainability, integrity and complies with the relevant law, rules, and regulations. The Board is led by the Chairman, who is independent and is free from any executive roles in the Company.

The roles of the Chairman and the CEO are separated and held by different individuals. The CEO acts in accordance with the authorities delegated to him by the Board whilst the Chairman provided leadership and manage the interface between the Board and the Senior Management.

Further, the Board members have full access to the two (2) Company Secretaries who are qualified company secretaries to advise the Board on governance matters as well as to ensure full compliance with the laws and regulations.

## Governance

# Corporate Governance Overview Statement

## OVERVIEW OF THE BOARD COMMITTEES

The Board is assisted by the following Board Committees:-

Audit Committee ("AC")	Nomination Committee ("NC")	Remuneration Committee ("RC")	Risk Management Committee ("RMC")	Long-term Incentive Plan Committee ("LTIPC")	Board Oversight Committee ("BOC")
AC	NC	RC	RMC	LTIP	BOC
1) Paul Chan Wan Siew 2) Ramanathan A/L Sathiamutty 3) Professor Emeritus Dato' Dr. Hassan bin Said 4) Hafidah Aman binti Hashim	1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan A/L Sathiamutty 3) Ginny Yeow Mei Ying 4) Hafidah Aman binti Hashim	1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan A/L Sathiamutty 3) Ginny Yeow Mei Ying 4) Hafidah Aman binti Hashim	1) Ramanathan A/L Sathiamutty 2) Ginny Yeow Mei Ying 3) Paul Chan Wan Siew 4) Dr. Abu Hasan bin Ismail 5) Baldesh Singh A/L Manmohan Singh	1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan A/L Sathiamutty 3) Paul Chan Wan Siew 4) Dr. Abu Hasan bin Ismail 5) Baldesh Singh A/L Manmohan Singh	1) Ramanathan A/L Sathiamutty 2) Dr. Abu Hasan bin Ismail
Details of the role and activities of AC are found on page 126 of this Annual Report.	Details of the role and activities of NC are found on page 132 of this Annual Report.	Details of the role and activities of RC are found on page 130 of this Annual Report.	Details of the role and activities of RMC are found on page 136 of this Annual Report.	Details of the role and activities of LTIPC are found on page 134 of this Annual Report.	This committee was formed on 1 August 2022 pending the appointment of a new CEO.

Each committee have its own role and responsibilities as constituted in its Terms of Reference ("TOR"). To ensure independence of the committees in performing their duties, the Chairman of the committees are not held by the Chairman of the Board. The TOR of each committee can be downloaded from <https://www.awantec.my/governance/>.

## OVERVIEW OF THE BOARD RESPONSIBILITIES

<b>Chairman</b>	<ul style="list-style-type: none"> <li>• Provide leadership to the Board so the Board performs its responsibilities effectively and lead the Board in adopting and implementing good corporate governance practices</li> <li>• Ensure the Board receive complete and accurate information in timely manner and lead the meetings and discussions</li> <li>• Encourage active participation, allow dissenting views to be freely expressed and manage the interface between the Board and Management</li> </ul>
<b>Individual Directors</b>	<ul style="list-style-type: none"> <li>• Act in good faith and best interest of the Group</li> <li>• Demonstrate good stewardship and act with reasonable care, skill in a professional manner with sound mind</li> <li>• Avoid conflict of interest with the Group in a personal or professional capacity and ensure Board's confidential information are not used for personal interest</li> </ul>
<b>Senior Director</b>	<ul style="list-style-type: none"> <li>• Act as a sounding board for the Chairman, intermediary for other Directors when necessary and the point of contact for stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through normal channels</li> </ul>
<b>Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"> <li>• To lead and execute the strategies of the Group and manage the business and operations of the Group</li> </ul>
<b>Company Secretary</b>	<ul style="list-style-type: none"> <li>• Play the advisory role to advice the Board and its Committees on issues relating to sound governance and compliance with laws, rules, procedures and regulations</li> <li>• Act as a central source of information and advocates the adoption of best practices of corporate governance affecting the Group</li> <li>• Monitor the corporate governance development and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations</li> </ul>

Full descriptions of the roles and responsibilities of the Board, Board Committees, Individual Directors, and Management are available in the Board Charter, which is available on the Company's website at <https://www.awantec.my/governance/>.

## BOARD RESERVED MATTERS

Matters that are reserved for the Board are also stated in the Board Charter which is subject to review from time to time. They are summarised as follow:

Appointment and removal of Board members, Senior Management, and Auditors	Approval of major expenditure, the Company's annual business plan and scorecard
Calling of shareholders meeting	Terms of Reference of Board Committees
Matters relating to corporate governance and whistle	Dividends

## Governance

# Corporate Governance Overview Statement

## SUPPLY OF INFORMATION

Board papers are circulated within five (5) working days prior to the Board meetings. Minutes of meetings, which accurately reflect the deliberation and decisions of the Board were also circulated within a reasonable period of time upon conclusion of each meeting.

## BOARD DELIBERATIONS

The Board met on a quarterly basis and meetings were scheduled prior to the commencement of each financial year. Board meetings are held separately from Board committee meetings to allow adequate time for discussion. Special Board Meetings will be held to discuss urgent matters if required. During FY2022, the Board met eight (8) times to deliberate and consider any significant issues that requires a thorough discussion and approval. All Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the Bursa Malaysia MMLR.

Non-Independent Non-Executive Director						
	BOD	AC	NC	RC	RMC	LTIP
<b>Dr. Abu Hasan bin Ismail</b>	8/8	–	–	–	2/3	1/1
Non-Independent Executive Director						
<b>Rezal Adzly bin Abdul Rahman</b> (Appointed as Chief Executive Officer cum Non-Independent Executive Director on 1 February 2022 and resigned on 29 July 2022)	4/4	–	–	–	–	–
<b>Baldesh Singh A/L Manmohan Singh</b> (Resigned from Chief Operating Officer cum Non-Independent Executive Director on 3 October 2022)	8/8	–	–	–	3/3	1/1
Independent Non-Executive Director						
(Chairman) <b>Syed Naqiz Shahabuddin bin Syed Abdul Jabbar</b>	8/8	–	–	–	–	–
(Senior) <b>Paul Chan Wan Siew</b>	8/8	6/6	–	–	3/3	1/1
<b>Ramanathan A/L Sathiamutty</b>	7/8	6/6	2/2	2/2	3/3	1/1
<b>Ginny Yeow Mei Ying</b>	8/8	–	2/2	2/2	2/3	–
<b>Professor Emeritus Dato' Dr. Hassan bin Said</b>	8/8	6/6	2/2	2/2	–	1/1
<b>Hafidah Aman binti Hashim</b>	8/8	6/6	2/2	2/2	–	–
<b>Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan</b>	8/8	–	–	–	–	–
<b>YM Tunku Abang Faisal Amir bin Abang Abu Bakar</b>	8/8	–	–	–	–	–
<b>23.9 Hours</b> Total Hours of the Board meetings	<b>87.5%</b> Overall percentage of the Board Meetings attended by the Directors			<b>47.6 Hours</b> Total Hours of the Board and Committees meetings		

**BOARD ACTIVITIES**

The discussed topics and agendas for the meetings held during financial year under review are summarised as follows:

<b>Strategy &amp; Finance</b>	<ul style="list-style-type: none"> <li>• Approved the proposed budget for FYE 30 June 2022</li> <li>• Approved Messrs. Crowe Malaysia PLT's Audit Review Memorandum for FYE 30 June 2021</li> <li>• Approved the Audit Planning Memorandum for FYE 30 June 2022</li> <li>• Discussed on the Group's business &amp; legal updates</li> <li>• Approved the unaudited quarterly report on consolidated results</li> <li>• Reviewed the related party transactions</li> <li>• Deliberated and discussed on the business segments in financial reporting</li> <li>• Discussed on the business segments in financial reporting and revenue recognition</li> </ul>
<b>Risk &amp; Internal Control</b>	<ul style="list-style-type: none"> <li>• Approved the Risk Management Committee Report for FY2021</li> <li>• Approved the establishment of Group Risk Management Working Committee ("<b>GRMC</b>") and its Terms of Reference</li> <li>• Reviewed the internal audit report on cycle 1 for FYE 30 June 2021</li> <li>• Discussed on the risk management status of the business units</li> <li>• Approved the revised limits of authority</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Approved the abolishment of the Board Tender Committee and Finance &amp; Investment Committee</li> <li>• Approved the Annual Report 2021</li> <li>• Approved the Related Party Transaction Policy</li> <li>• Approved the Fit and Proper Policy</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Approved the adoption of updated Sustainability Policy</li> <li>• Noted on the revision made to the Procurement Policy which aligned the policy to the Sustainability Policy</li> <li>• Noted on the regularisation of ESG scorecards, re-designation of economic, environmental, social, and governance ("<b>EESG</b>") functions under Chief Operating Officer</li> </ul>

**CORPORATE INTEGRITY****Code of Conduct and Whistleblowing Policy**

The Company has adopted the Code of Conduct and the Whistleblowing Policy to uphold integrity and cultivate ethical business conduct by the employees.

The Code of Conduct contains policies and guidelines relating to the standards and ethics that all employees are expected to observe and obey during the course of their employment in the Company whereas the Whistleblowing Policy is designed to enable employees of the Company to raise concern and disclose information which the individual believes show malpractice or impropriety.

As at the date of this Statement, the Company has received one (1) anonymous whistleblowing email. The Audit Committee, along with the Management have attended to the matter.

A copy of the Code of Conduct along with the Whistleblowing Policy are available on the Company's website at <https://www.awantec.my/governance/>.

## Governance

# Corporate Governance Overview Statement

## Anti-Bribery and Corruption Manual

To ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Company had adopted the Company's Anti-Bribery and Corruption Manual to regulate how the Company, its subsidiaries, directors, employees, contractors, subcontractors, consultants, agents and representatives conduct themselves in their dealings with the Company, at work and with the Company's stakeholders. The Company is committed in ensuring that its subsidiaries and employees conduct themselves in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations. The Company is also committed to a zero-tolerance policy against all forms of bribery and corruption. A copy of the Anti-Bribery and Corruption Manual (which should be read in conjunction with the Code of Conduct and Whistleblowing Policy) is available on the Company's website at <https://www.awantec.my/governance/>.

## FINANCIAL REPORTING

The Board aims to provide a balance and meaningful assessment of the Group's and the Company's financial performance and prospects through the annual financial statements, quarterly announcements of results to shareholders and the Management Discussion and Analysis in the Annual Report. This is led by the Audit Committee. Details of the Audit Committee efforts are as stated in the Audit Committee Report on pages 126 to 129 of this Annual Report. The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group and the Company is set out on page 145 of this Annual Report.

## SUSTAINABILITY AND THE BOARD

The Board acknowledges the importance of integrating sustainability practices in the strategy and operations of the Group to ensure the long-term sustainability of its business. The Board has established a Sustainability Framework and the management of the sustainability measures of the Group are led by the Sustainability Committee. The Sustainability Committee is chaired by the Group CEO and the Group COO.

The Board kept abreast of the Group's sustainability efforts at Board meetings by the Group CEO. Details of the Company's sustainability practices are as set out in pages 60 to 91 of this 2022 Annual Report.

## BOARD INDEPENDENCE

The Board, with the advice from the NC, assesses the independence of directors annually via annual declarations prior to their re-election. With the recommendation by the NC, the Board is satisfied with the level of independence demonstrated by all the Independent Directors ("ID") and their ability to act in the best interests of the Company. The independence criteria as stipulated in Paragraph 1.01 of the Bursa Securities MMLR is also met.

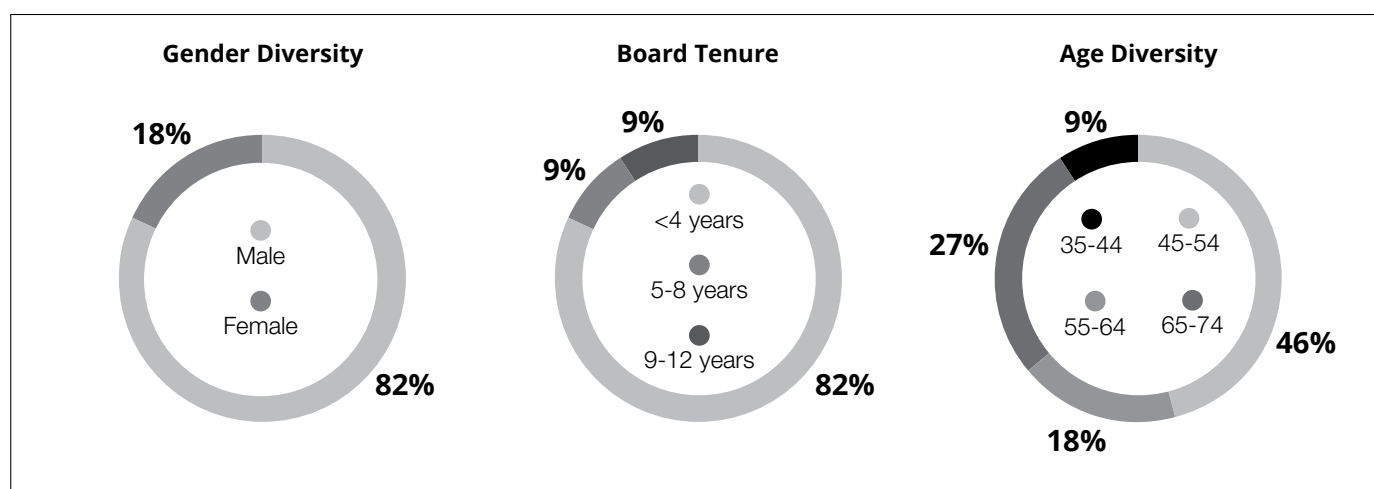
The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of a nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must provide justification and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it intends to retain the Director as an Independent Director.



**BOARD DIVERSITY**

The Board recognises the importance of diversity and inclusivity in a board as these values bring about multiple views and challenges common thinking patterns to arrive at good decisions. The Board is guided by its Diversity Policy, and it can be accessed via Awantec's website at <https://www.awantec.my/governance/>.

The current Board embodies diversity and below is an overview of the Board's diversity in terms of skills, experience, age, tenure, and gender comparison.

**BOARD COMPOSITION**

<b>Board Skills and Expertise</b>	Taxation and Finance Accounting, Auditing and Investment Legal and Economics International Business and Business Operations Information Technology Strategic Management
-----------------------------------	--

The Board is supportive of boardroom gender diversity as recommended by the MCCG. However, the Board currently only consists of two (2) female directors and has not met the 30% target recommended by the MCCG 2021. Nevertheless, 55.66% of the Group's employees are female. As the date of this report, there were three (3) women Senior Management of the Company, namely Chief Business Officer ("**CBO**"), Director of Human Resource and Administration and the Group Financial Controller ("**GFC**"). The Company targets to comply with the 30% representation within one (1) year.

## Governance

# Corporate Governance Overview Statement

## BOARD APPOINTMENT

The recruitment and appointment of new director are among the key roles of the NC. The NC will ensure that the selection, nomination, and appointment of suitable candidates to the Board follow the processes set out in the Nomination Policy and its Terms of Reference.

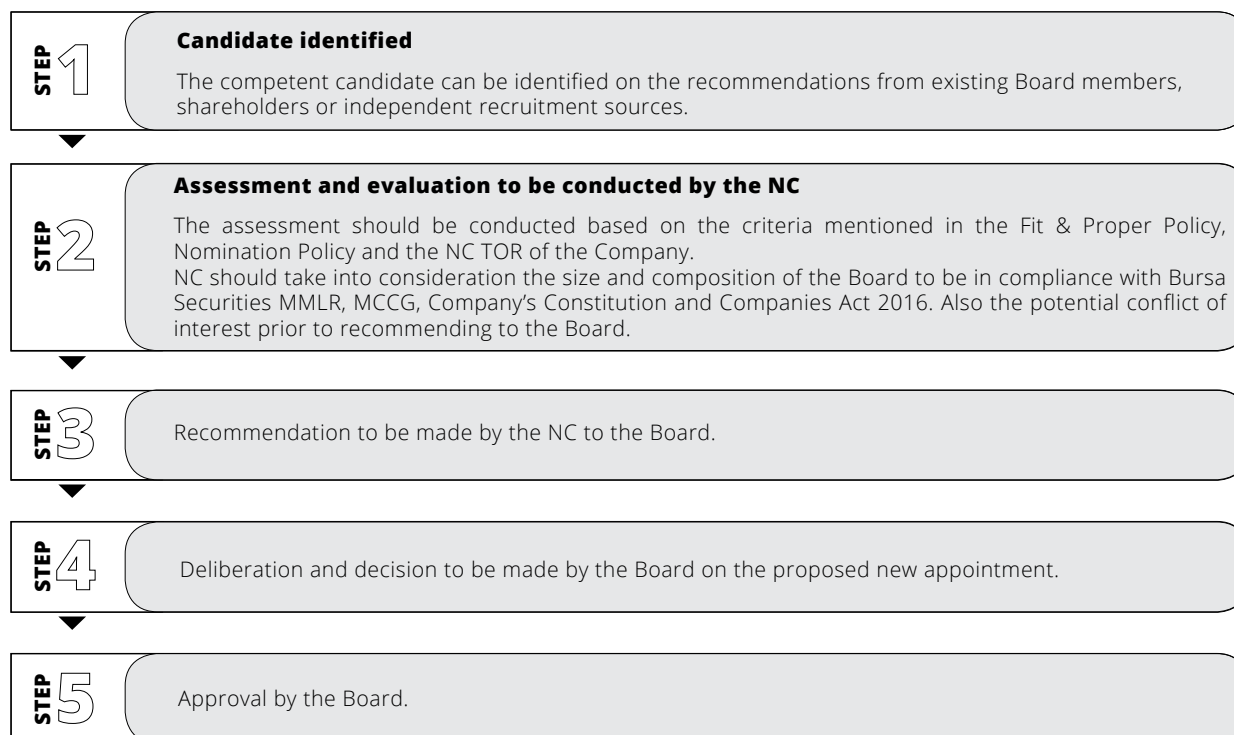
In May 2022, the Company has adopted a Fit and Proper Policy to assess the fitness and propriety of a candidate before being appointed and seeking for re-election as a director of the Company and its subsidiaries. The candidate shall possess the following criteria:-

- a) Character and integrity – probity, personal integrity, financial integrity, reputation.
- b) Experience and competence – qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- c) Time and commitment – ability to discharge role having regard to other commitments, participation and contribution in the Board or track record.

Fit and Proper Policy is accessible on Awantec's website at: <https://www.awantec.my/governance/>.

The Company Secretaries shall ensure that all appointments are properly made as prescribed by the Bursa Securities MMLR and necessary information is obtained from the newly appointed Director, both for the Company's records and for meeting statutory obligations as well as other regulatory requirements.

The table below demonstrates the process on appointing new director of the Company:-



Each newly appointed director shall be briefed on the terms of their appointment, their duties, and obligations and on the operations of the Group.

**PROTOCOL FOR ACCEPTING NEW DIRECTORSHIPS AND TIME COMMITMENT**

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman and indicate the amount of time that will be spent on the new appointment. The directors are expected to devote sufficient time to discharge their duties as directors of the Company.

**SUCCESSION PLANNING**

The NC is also responsible to review Board's succession planning to ensure there is an appropriate dynamic of skills, knowledge, experience, professional background, accomplishment, expertise, and diversity on the Board to support the growth and strategies of the Company.

One (1) new board member was duly appointed by the NC during the financial year under review. The Company has appointed a new CEO namely Rezal Adzly bin Abdul Rahman ("**En. Rezal**") with effect from 1 February 2022 to take over the CEO role from the founder, Dr. Abu Hasan bin Ismail ("**Dr. Abu**") whilst Dr. Abu went on sabbatical leave for twenty-four (24) months.

However, on 29 July 2022, En. Rezal had resigned after serving his six (6) months tenure as CEO to pursue entrepreneurial opportunities. The Company has established a Board Oversight Committee effective from 1 August 2022, to oversee and provide guidance to the Senior Management team of Awantec pending the appointment of a new CEO.

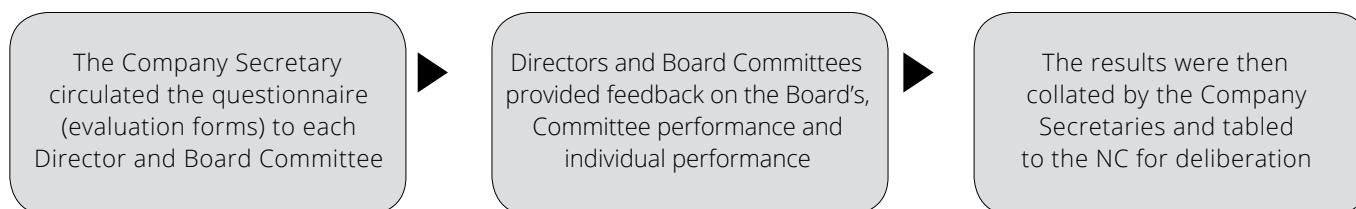
The Company also has appointed Puan Siti Raha binti Mohd Ishtiaq as a new CBO, with effect from August 2022 in replacement of Puan Hafiza Anom binti Abdul Hamid who vacated the position in June 2022.

These appointments were made through intensive deliberations by the NC and taking into account their mix of skills, experience, qualifications, expertise as well as education background prior to recommending their appointments as Director and CBO to the Board for approval.

**BOARD EFFECTIVENESS EVALUATION ("BEE")**

The NC is responsible in conducting an annual assessment of individual performance of directors and collective performance of the Board and its Committees. The Board is cognisant of the importance of the annual assessment to produce significant improvements in Board effectiveness as well as useful tool to recognise the Board's strengths and to identify gaps or areas of improvement for the Board and its Committees.

Typical process of BEE of the Company depicted as follows:-



## Governance

# Corporate Governance Overview Statement

During financial year in review, the Company had appointed in March 2022 an external independent consultant, CG Board Asia Pacific Sdn. Bhd. ("**CGB**") to assist the Company to ascertain the overall level of effectiveness of the Board as well as to identify areas of improvement.

The Board Effectiveness Assessment ("**BEA**") was conducted by CGB through confidential one-on-one interview sessions with Board members. Interviews were also performed with selected individuals from the Management to obtain feedback from a management perspective. In addition, the Board members also had completed two (2) online assessments which comprised of the following surveys:-

- 1) First survey: Abridged Board Effectiveness Assessment (Board Refreshment & Succession Planning Survey)
- 2) Second survey: Self & Peer-Assessment for Skills Matrix (Board Competency & Skills Matrix Survey)

There were eight (8) key parameters covered in the BEA which can be used by the Company to have a better understanding of current Board composition and performance as well as to prioritise key strategic issues to perform actionable plans for greater board effectiveness, namely:-

- Board Leadership
- Board Processes (Board Refreshment & Succession Planning)
- Board Agendas, Minutes and Information
- Board Composition & Diversity
- Board & Management Relationship
- Board Committees
- Board & Stakeholder's Engagement
- Board Dynamics

The assessment revealed an overall Board score of 4.08 out of 5 which indicated the Board strengths in Board Leadership, Board-Management Relationship, Board Committees and also Board/Stakeholders' Communication & Engagement.

Self and Peer Evaluations were conducted to assess each Director's professional competency, skills experience as well as expertise. Directors' Peer and Self overall results was rated most experienced (is competent) and expert (specialist discipline skills), respectively.

Below is a summary of the key findings of the 2022 BEA:-

- Strengthening the Board Processes by having an effective Board Succession Planning Framework with a clear guidance on specific skills and desired competencies that the Board should have. The succession planning framework also should be developed amongst top management.
- The NC should maintain a multi-year succession plan and director candidate profiles should be regularly updated with a prioritised list of skills and attributes, and a talent pipeline is developed for future needs. Sustainability of talent pool is key to drive the long-term plan of the Company to grow the business.

- Improve the executive remuneration to attract and retain the right talents of the Company.
- Improve the process of the quality and timeliness of Board information and meetings time management.
- Strengthen the board diversity in terms of age and gender with more solid business skills or relevant corporate/industry knowledge and experience in influencing the way the company thinks and acts.

## DIRECTOR'S RETIREMENT AND RE-ELECTION

### Clause 118 of the Company's Constitution

- Any director so appointed shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.
- Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments.

### Clause 119 of the Company's Constitution

- One-third ( $\frac{1}{3}$ ) of the Directors are subject to retirement by rotation at every AGM and provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Pursuant to Clause 119 of the Company's Constitution, Dr. Abu Hasan Bin Ismail, Professor Emeritus Dato' Dr. Hassan Bin Said and Ginny Yeow Mei Ying are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Based on the BEA assessment results conducted by CGB, undertaken by all, the retiring Directors named above, have met the performance criteria required for an effective Board. In addition, the NC and the Board are satisfied with the independence declaration undertaken by retiring directors that all these Independent Directors have complied with the independence criteria as set out by Bursa Securities MMLR and continue to bring independent and objective judgement to the Board.

The results of the BEA supported the Board's decision to endorse all retiring Directors standing for election. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) were discussed and circulated to the Board. The results affirmed that the Board and each of its committees continue to operate effectively.

At the coming AGM, the tenure of the Senior Independent Non-Executive Director of the Company, namely Mr. Paul Chan Wan Siew ("**Mr. Paul**") is twelve (12) years which has exceeded the cumulative term of nine (9) years. Both the NC and the Board had been notified that Mr. Paul did not wish to seek for re-election and will retire at the conclusion of the 12<sup>th</sup> AGM on 24 November 2022.

## Governance

# Corporate Governance Overview Statement

## DIRECTORS' TRAINING

The Board recognised the need to ensure that the Directors are equipped with the necessary skills and knowledge in discharging their responsibilities in meeting goals and objectives of the Company. Despite the COVID-19 pandemic, all Directors ensured continuous participation in virtual trainings and development programmes.

A summary of training courses attended by the Directors during the financial year are listed below:-

Name of Directors	Training Programmes/Seminars/Forum Attended	Organisers
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	The Malaysian Code on Corporate Governance	Malaysian Institute of Corporate Governance
	Governance in Groups	Asia School of Business
	ICDM Leadership Essential Series	Institute of Corporate Directors Malaysia
	Materiality: determining ESG Topics That Matter	Asia School of Business
Paul Chan Wan Siew	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Governance 4.0 – Corporate Directors Summit 2021	Malaysian Alliance of Corporate Directors
	Insights: Corporate Reporting Landscape	Value Reporting Foundation, USA
	Good Governance for 21 <sup>st</sup> Century Organizations	Good Governance Academy, South Africa
	Listed Entities Directors (LED) 1 – Essentials	Singapore Institute of Directors
	LED 2 – Board Dynamics	Singapore Institute of Directors
	LED 3 – Board Performance	Singapore Institute of Directors
	LED 4 – Stakeholders Engagement	Singapore Institute of Directors
	LED 5 – Audit Committee Essentials	Singapore Institute of Directors
	LED 6 – Board Risk Committee Essentials	Singapore Institute of Directors
	LED 7 – Nominating Committee Essentials	Singapore Institute of Directors
	LED 8 – Remuneration Committee Essentials	Singapore Institute of Directors
	Insights into Integrated Reporting for Corporate Directors	Deloitte Malaysia
	TCFD 101 & 102	Singapore Stock Exchange
	5 <sup>th</sup> Asia Sustainability Reporting Summit 2021	CSR Works, Singapore
	Stewardship Asia Round Table 2022	Stewardship Asia, Singapore
	Institute of Corporate Directors (ICD) Conference 2022, Canada	ICD Canada
	Good Governance Academy 7 <sup>th</sup> Colloquium – Connectivity	Good Governance Academy, South Africa

Governance

**Corporate Governance**  
Overview Statement

Name of Directors	Training Programmes/Seminars/Forum Attended	Organisers
Ramanathan A/L Sathiamutty	Corporate Directors Summit – Governance 4.0	Malaysian Alliance of Corporate Directors
	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Persidangan Digital Sektor Awam 2021	MAMPU
	Khazanah Mega Trends Forum	KHAZANAH
	Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System	Malaysia Airports Sepang
	TCFD Climate Disclosure training	Bursa Malaysia
	Steward leadership for sustainability	Iclif Executive Education Centre
	Cyber security: what directors need to know	MSWG
Dr. Abu Hasan bin Ismail	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
Rezal Adzly bin Abdul Rahman (Appointed w.e.f. 1 February 2022 and resigned w.e.f. 29 July 2022)	Bursa Malaysia Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia
	Steward Leadership for Sustainability	Asia Business School
	Public Listed Companies Transformation Programme	Bursa Malaysia
Baldesh Singh A/L Manmohan Singh (Resigned w.e.f. 3 October 2022)	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Corporate Directors Summit - Governance 4.0	Malaysian Association of Corporate Directors
	MAMPU PDiSA Summit	MAMPU/Awantec
	Public Sector - Cyber Security Seminar	Google
	SME CEO Forum	SAMENTA
	Google Accelerate 22 Conference	Google
	Pengkomputeran Awan - Ke Arah Pendigitalan Sektor Awam	MAMPU



## Governance

# Corporate Governance

## Overview Statement

Name of Directors	Training Programmes/Seminars/Forum Attended	Organisers
Ginny Yeow Mei Ying	Managing People Issues the Right Way	Internal Training
	Steward Leadership for Sustainability	Asia Business School
	Sustainability: What directors need to know	Asia Business School
	Determining ESG Materiality	Asia Business School
	Managing Regulatory Risk	HSBC
	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Corporate Governance Summit	Malaysian Alliance of Corporate Directors
	Sustainable Finance & ESG for Value Creation	Bursa Malaysia
	ESG & Enterprise Risk	Malaysian Institute of Accountants (“MIA”)
	Intelligent Automation: Creating Workforce of the Future	Bloomberg
Professor Emeritus Dato’ Dr. Hassan bin Said	Corporate Directors Training Programme Fundamental 3.0	Suruhanjaya Syarikat Malaysia (“SSM”)
	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Business Foresight Forum 2021	Securities Industry Development Corporation (“SIDC”)
Hafidah Aman binti Hashim	Corporate Director’s Summit 2021: Governance 4.0	Malaysian Alliance of Corporate Directors
	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Getting Started with Climate Related Financial Reporting	Bursa Malaysia
	Building Experience in Climate Related Financial Reporting	Bursa Malaysia
	Steward Leadership for Sustainability	Asia School of Business
Dato’ Tharuma Rajah @ K.T. Rajan A/L R. Krishnan	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	Howden Asia Virtual Regional Conference	Howden Broking
	Global Super Trends Conference 2021	Credit Suisse
	MCCG 2021 – Key Updates & Risk Awareness	AwanBiru Technology Berhad
	Wealth Management APAC 2H Market Outlook Seminar 2022	Credit Suisse

Apart from attending various conferences, seminars and training programmes organised by external/internal organisers during the financial year, the Directors also continuously received briefings and updates on regulatory from the Company Secretaries and industry including information on the Group's businesses and operations, risk management activities and other initiatives undertaken from Management.

## DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

The objective of the RC is to assist the Board and its subsidiaries in ensuring that it has a competitive remuneration package to attract, reward, retain and motivate the Directors and Senior Management needed to run the Company successfully and to achieve Company's long-term business objective.

In formulating the recommended remuneration packages, the RC has taken into consideration the information prepared by Management and/or independent consultants based on data of comparable companies.

On 25 January 2021, the Company announced the establishment of a Long-term Incentive Plan ("LTIP") as part of its talent retention strategy and to reward employees and directors for their contribution.

Pursuant to the LTIP, the Company had announced on 20 June 2022, first award of shares to the eligible director and employees of the Company in accordance with the By-Laws of the LTIP. The LTIP Shares will be vested in three (3) tranches, i.e. on 30 June 2022, 30 June 2023 and 30 June 2024.

A copy of the Remuneration Policy is available on the Company's website at <https://www.awantec.my/governance/>.

### Remuneration of Independent Non-Executive Director

All Independent Non-Executive Directors are paid an annual fee.

The level of remuneration reflects the experiences, skills, knowledge and level of responsibilities undertaken by the Independent Non-Executive Directors concerned. Amongst other factors to consider is performance of the Company and the Group in operating its business.

Remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole and will require shareholders' approval at the AGM.

The Independent Non-Executive Directors receive remuneration package consisting of the following components:-

Fixed	Variable
<ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits               <ul style="list-style-type: none"> <li>- Directors and Officers Liability Insurance</li> <li>- Benefits-in-kind</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul>

Dr. Abu Hasan bin Ismail was re-designated as a Non-Independent Non-Executive Director on 1 February 2022. His remuneration is in the form of a monthly salary for his role as Founder Mentor. He is also entitled to certain benefits such as travel allowance, utilities, EPF/SOCSSO, medical benefit and life insurance.

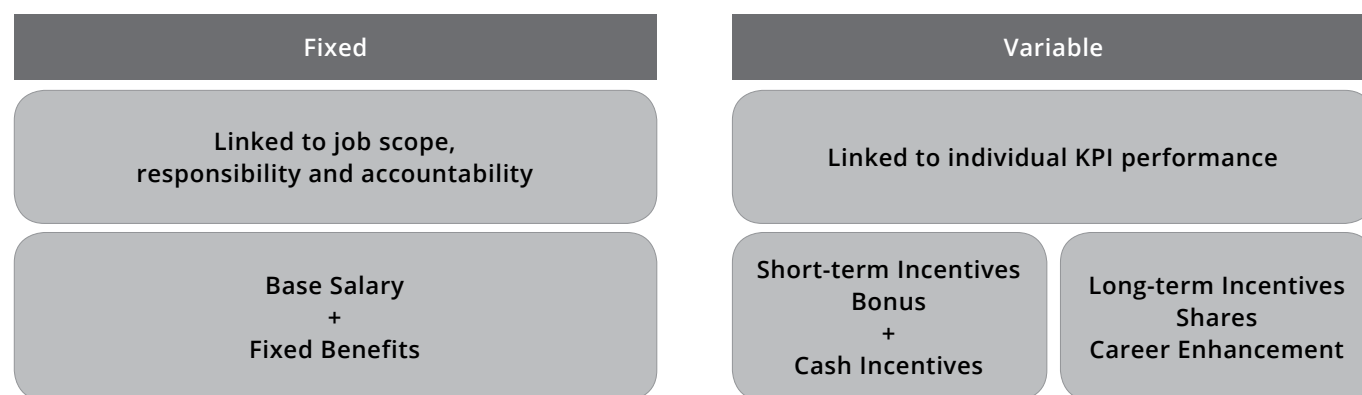
## Governance

# Corporate Governance Overview Statement

## Remuneration of Executive Directors and Senior Management

The remunerations of Executive Directors and Senior Management are governed by the principles and practices as applicable to salaried employees of the Group. Components of the remuneration are structured to link rewards to corporate and individual performance.

The Executive Director and Senior Management receive a competitive remuneration package consisting of the following components:-



The performance of the Executive Directors and Senior Management is measured based on the achievements of his or her annual KPI as well as the performance of the Group towards the year.

Below is the summary of the procedures on the remuneration of Executive Directors and Senior Management:



The procedures relating to the remuneration of Executive Directors and Senior Management are also contained in the Remuneration Policy which includes “malus and clawback” provisions for bonus and/or cash incentives paid erroneously.

In addition, the Company has approved and adopted the Subsidiary Companies Board of Directors Remuneration Policy on 27 June 2022. The detail of this remuneration is disclosed in table B below.

Awantec has adopted Practice 8.2 of MCCG regarding the disclosure of Senior Management’s remuneration and the details are further disclosed in the CG Report which is available on the Company’s website at <https://awantec.listedcompany.com/ar.html>.

**Disclosure on Directors' Remuneration**

Details of the remuneration received by the Directors for the FYE 30 June 2022 were as follows:-

**A. Received from Awantec**

	Directors' Fee (RM)	Salary (RM)	Bonus (RM)	Statutory Contribution (RM)	Benefit-In-Kind (RM)	Other Emoluments (RM)	LTIP Expenses (RM)	Total (RM)
<b>Non-Executive Directors</b>								
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	117,000	-	-	-	-	9,600	-	<b>126,600</b>
Paul Chan Wan Siew	78,000	-	-	-	-	38,400	12,425	<b>128,825</b>
Ramanathan A/L Sathiamutty	78,000	-	-	-	-	36,000	-	<b>114,000</b>
Ginny Yeow Mei Ying	78,000	-	-	-	-	16,800	-	<b>94,800</b>
Professor Emeritus Dato' Dr. Hassan bin Said	78,000	-	-	-	-	34,800	-	<b>112,800</b>
Hafidah Aman binti Hashim	78,000	-	-	-	-	34,800	-	<b>112,800</b>
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	78,000	-	-	-	-	9,600	-	<b>87,600</b>
Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan	78,000	-	-	-	-	9,600	-	<b>87,600</b>
<b>Subtotal</b>	<b>663,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,600</b>	<b>12,425</b>	<b>865,025</b>
<b>Non-Independent Non-Executive Director</b>								
Dr. Abu Hasan bin Ismail <sup>1</sup>	-	480,000	-	66,593	50,000	70,000	-	<b>666,593</b>
<b>Subtotal</b>	<b>-</b>	<b>480,000</b>	<b>-</b>	<b>66,593</b>	<b>50,000</b>	<b>70,000</b>	<b>-</b>	<b>666,593</b>
<b>Executive Directors</b>								
Rezal Adzly bin Abdul Rahman <sup>2</sup>	-	340,000	-	46,530	-	43,871	-	<b>430,401</b>
Baldesh Singh A/L Manmohan Singh <sup>3</sup>	-	456,000	-	72,563	-	140,400	56,662	<b>725,625</b>
<b>Subtotal</b>	<b>-</b>	<b>796,000</b>	<b>-</b>	<b>119,093</b>	<b>-</b>	<b>184,271</b>	<b>56,662</b>	<b>1,156,026</b>
<b>Grand Total</b>	<b>663,000</b>	<b>1,276,000</b>	<b>-</b>	<b>185,686</b>	<b>50,000</b>	<b>443,871</b>	<b>69,087</b>	<b>2,687,644</b>

<sup>1</sup> Re-designation to Founder Mentor cum Non-Independent Non-Executive Director of Awantec w.e.f. 1 February 2022

<sup>2</sup> Appointed w.e.f. 1 February 2022 & resigned w.e.f. 29 July 2022 as CEO cum Non-Independent Executive Director of Awantec

<sup>3</sup> Resigned w.e.f. 3 October 2022 as COO cum Non-Independent Executive Director of Awantec

\* The value of shares is based on valuation used for MFRS 2 Accounting. No actual payment(s) is incurred.

## Governance

# Corporate Governance Overview Statement

## B. Received from the Group

Subsidiary Companies	From March 2020 to June 2022		
	Directors' fee (RM)	Number of Months	Fee to be paid (RM)
Abdul Razak bin Bakrun <sup>1</sup>			
1) Awantec Systems Sdn Bhd (formerly known as Prestariang Systems Sdn Bhd)	2,000	28	56,000
2) Agensi Pekerjaan Prestariang Talentxchange Sdn Bhd	500	28	14,000
3) Prestariang Technology Sdn Bhd	300	28	8,400
4) Prestariang Digital Sdn Bhd	300	28	8,400
5) Prestariang Capital Sdn Bhd	300	28	8,400
6) Awantec Services Sdn Bhd	300	28	8,400
7) Prestariang O&G Sdn Bhd (Resigned as a director w.e.f. 23.08.2021)	500	18	9,000
8) Total Leap Sdn Bhd	300	28	8,400
<b>Subtotal</b>			<b>**121,000</b>
Siti Afiza binti Ahmad <sup>2</sup>			
1) Prestariang R&D Sdn Bhd (Resigned as a director w.e.f. 02.12.2020)	300	13	3,900
<b>Subtotal</b>			<b>**3,900</b>
	From March 2021 to June 2022		
Chok Joon Heng <sup>3</sup>			
1) Prestariang SKIN Sdn Bhd	500	16	8,000
2) Awantec Services Sdn Bhd			
3) Logisys Sdn Bhd			
<b>Subtotal</b>			<b>**8,000</b>
<b>Grand Total</b>			<b>**132,900</b>

<sup>1</sup> Resigned as a staff of the Company w.e.f. 28 February 2020, but still act as a director on the selected subsidiary companies

<sup>2</sup> Resigned as a staff of the Company w.e.f. 12 February 2019

<sup>3</sup> Current staff of the Company and appointed as a director of the selected subsidiary companies w.e.f. 09 March 2021

**\*\*Note:** These are amounts of backdated payments from FY2020 to FY2022.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT COMMITTEE

The composition and details of activities carried out by the Audit Committee during the financial year under review are set out in the Audit Committee Report of this Annual Report.

## **RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**

### **Internal Control**

The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Board is of the view that the system of internal control and risk management in place during the year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. The Statement on Risk Management and Internal Control furnished on pages 138 to 142 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.

### **Internal Audit**

During the financial year under review, the internal audit activity continued to be outsourced to KPMG Management and Risk Consulting Sdn. Bhd. to provide internal audit services for greater independence in internal audit function.

A summary of the activities of the Audit Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 127 to 129 of this Annual Report.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **COMMUNICATION WITH STAKEHOLDERS**

The Board has developed and adopted a Corporate Disclosure Policy ("**CDP**") which outlines the Company's approach towards providing accurate, clear, timely and complete disclosure of material information pertaining to the Company's performance and operations to shareholders, investors and the public general compliance with applicable legal and regulatory requirements.

The CDP applies to the conduct of all directors, officers and employees of the Group and those authorised to speak on behalf. The approved CDP is published in the Company's website at <https://www.awantec.my/governance/>.

In maintaining the commitment to effective communication with shareholders and stakeholders, the Company adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders and stakeholders. This practice of disclosure of information is not just established to comply with Bursa Malaysia MMLR pertaining to continuing disclosure, but it also adopts the best practices as recommended with regards to strengthening engagement and communication with its shareholders. Where possible and applicable, the Company also provides additional disclosure of information on a voluntary basis. The Company believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

In addition, the Company makes various announcements through Bursa Malaysia, in particular, the timely release of the quarterly results within two (2) months from the close of a particular quarter. Summaries of the quarterly and full year results together with the full announcements are available at the Company's and Bursa Malaysia's websites.

Another important medium is initiating dialogues with the shareholders and stakeholders frequently. Media coverage on the Group is initiated at regular intervals to provide wider publicity and improve the understanding of the Group's business.

The Group also reaches out to its shareholders via social media platforms such as Twitter, Facebook, Instagram and LinkedIn. Notable events or news of the Group are posted on these sites.

## Governance

# Corporate Governance Overview Statement

## INVESTOR RELATIONS

The annual report is a main channel of communication between the Company and its shareholders and stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Group and the Company during the year under review. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Malaysia MMLR.

The Company disseminates its annual report, together with an executive summary, to its shareholders in hard copy or digital pdf copy. The executive summary provides highlights of the Group's and the Company's key financial and corporate information.

Along with good corporate governance practices, the Company adheres to corporate disclosure policies in providing greater disclosure and transparency through all its communications with its shareholders, investors, and the general public. The Company has a dedicated section on its website focusing on Corporate Disclosure matters. This section sets out the information such as the Company's announcements to the regulators, financial results, press releases, presentations slide for analysts briefing and the Company's Annual Reports.

The Group and the Company maintain the following website that allows all shareholders and investors access to information about the Group and the Company: <https://awantec.listedcompany.com/home.html>.

Any further information regarding the Group and the Company may also be obtained from the following communication channels:

### Corporate Governance

Telephone : 03-8689 7000

Facsimile : 03-8689 7009

Email : [inquiry@awantec.my](mailto:inquiry@awantec.my)

A summary of the corporate activities is set out on pages 16 to 17 of this Annual Report.

## CONDUCT OF GENERAL MEETINGS

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Directors and Senior Management. The shareholders are given at least twenty-eight (28) days from the date of notice of AGM. The notice was given on 21 October 2021 whilst the AGM was held on 24 November 2021. Sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM.

In view of the COVID-19 pandemic, the Company held its virtual 11<sup>th</sup> AGM, via broadcasting from Menara Symphony, Petaling Jaya. The Company sought services from the share registrar to provide remote participation and voting facilities to conduct the meeting. Participants and proxies registered were able to attend the AGM virtually and participate in a safe manner. All issues raised by the Minority Shareholders Watch Group as well as the shareholders were answered during the meeting and any unanswered questions were attended to via email.

At the Company's AGM, the former President/GCEO of the Company, Dr. Abu Hasan bin Ismail presented a comprehensive and concise review of the Group's financial performance and value created for shareholders. This review is supported by visual and graphical presentation of the Group's performance. The Board and the Senior Management were present during the AGM to answer any enquiries from the shareholders.



The holding of a virtual general meeting has enabled remote participation by shareholders and complies with social distancing rules.

The Company's AGM was attended by all its Board members and relevant Senior Management.

#### **POLL VOTING**

During the 11<sup>th</sup> AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. This is in line with Paragraph 8.29A of the Bursa Malaysia MMLR on the requirement for poll voting by which one (1) share one (1) vote principle applies for resolutions set out in the notice of general meetings which applies for general meetings held on or after 1 July 2016. The results of the polls were also verified by an independent scrutineer. The adoption of electronic poll voting at these meetings ensure accurate and more transparent voting results and is a more efficient process.

This CG Overview Statement was approved by the Board of Directors on 29 September 2022.

## Governance

# Audit Committee Report



## Chairman

**Paul Chan Wan Siew**

(Senior Independent Non-Executive Director)

Attendance Rate: 6/6

## Members

**Ramanathan A/L Sathiamutty**

(Independent Non-Executive Director)

Attendance Rate: 6/6

**Professor Emeritus Dato'**

**Dr. Hassan bin Said**

(Independent Non-Executive Director)

Attendance Rate: 6/6

**Hafidah Aman binti Hashim**

(Independent Non-Executive Director)

Attendance Rate: 6/6

## Number of Meetings

6



## Attendance

100%



## Meetings held on

23 August 2021  
27 September 2021  
22 November 2021  
27 January 2022  
21 February 2022  
24 May 2022



## 1. ROLE

The Audit Committee was established on 30 November 2010 by the Company's Board of Directors to assist our Board in fulfilling its oversight responsibilities through a review of the financial reporting process, overseeing the role of the external and internal auditors, the internal control systems and overall compliance with relevant applicable legal and regulatory requirements.

The Audit Committee is formally constituted within the Audit Committee Terms of Reference, which is available on the Company's website at <https://www.awantec.my/governance>.

## 2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee, outlining the Audit Committee's composition, retirement and resignation, proceeding of meeting, authority, duties and responsibilities, is available on the Company's website at [www.awantec.my](https://www.awantec.my).

## 3. MEMBERSHIP

As of 30 June 2022, the Audit Committee comprises four (4) Independent Non-Executive Directors, with all members having a working familiarity with basic finance and accounting practices, to enable the proper discharge of responsibilities by the Audit Committee.

No former partner of the external audit firm of the Company shall be appointed as a member of the Audit Committee unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

The Chairman, Mr. Paul Chan Wan Siew, is a member of the Malaysian Institute of Accountants.

**4. MEETINGS**

The Chief Executive Officer, Chief Operating Officer and the Group Financial Controller are invited to all Audit Committee meetings to facilitate direct communication and to deliberate the financial results of the Group. This provides a platform for direct interaction between members of the Audit Committee and the Senior Management. Discussions at the Audit Committee have generally been robust and detailed, with the members of the Audit Committee focused on improving controls, risk management and governance.

Audit Committee meeting notices, reports and papers are disseminated to Audit Committee members at least five (5) working days before meetings, providing the Audit Committee with relevant facts and analyses to facilitate effective discussion and decision-making processes. At the meetings, the Audit Committee reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group.

**SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW**

Over the course of FY2022, the Audit Committee undertook the following activities:-

**Financial Reporting**

- Reviewed and discussed the unaudited quarterly consolidated financial results and the annual audited consolidated financial statements, as well as the performance of the Group before recommending the same for approval by the Board.

In reviewing the financial reporting of the Group, the Audit Committee discussed and made enquiries on, amongst others:-

- Changes in or implementation of significant accounting policies;
- Significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions, and how these matters be addressed; and
- Compliance with accounting standards and other regulatory and legal requirements.

- Deliberated on significant matters raised by the External Auditors and received progress updates from Management on actions taken for improvements.

**External Auditor**

- Had Messrs. Crowe Malaysia PLT declared their independence and confirmed that they were not aware of any relationship between Messrs. Crowe Malaysia PLT and the Group that, in their professional judgement, might reasonably be thought to impair their independence.
- In consultation with the Management, reviewed and analysed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and its unlisted subsidiaries for recommendation to the Board for approval.
- Reviewed and analysed the non-audit fees and non-audit related costs payable to the External Auditors in respect of non-audit services rendered by the External Auditors during the FY2022 to ascertain the suitability and independence of the External Auditors. The non-audit fees for FY2022 was in the sum of RM16,000.

## Governance

**Audit**  
Committee Report

- Reviewed the overall performance of the External Auditor for the period from 1 July 2021 to 30 June 2022 and recommended their re-appointment and remuneration to the Board for their submission to the shareholders for approval at the Company's 12<sup>th</sup> Annual General Meeting. For this purpose, a survey was coordinated by the Company Secretary and assessments on the effectiveness of the External Auditor were performed by Members of the Audit Committee and Management, where the External Auditor's (i) quality of service; (ii) sufficiency of resources; (iii) communication and interaction; and (iv) independence, objectivity and professional scepticism were assessed.
- Deliberated and recommended for the Board's approval, the External Auditor's Audit Review Memorandum and Audit Planning Memorandum encompassing the proposed audit approach, areas of audit emphasis, nature and scope for the year's audit.
- Conducted two (2) private discussion with the External Auditors on 24 May 2022 and 26 August 2022, without the presence of Executive Directors and/or Management to discuss any areas of concern to ensure that the External Auditors can freely discuss and express their opinions on any matter to the Audit Committee, and the Audit Committee can be sufficiently assured that Management has fully provided all relevant information and responded to all queries from the External Auditors.

**Internal Audit**

- Reviewed the 2021 Audit Plan to ensure adequacy of the scope and coverage of major risk areas of the Group.
- Deliberated on the internal audit reports for the Company and its subsidiaries issued by the Internal Auditors, which, among others, focused on strategic management, in particular, the establishment of strategic plan and Key Performance Indicators identified to measure performance including monitoring thereof, risk management, operations of the Technology and Talent Pillar.
- Where appropriate, the Audit Committee directed the Management to rectify and improve internal controls and Standard Operating Procedures based on the Internal Auditor's recommendations and suggestions for improvement.
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all action plans were adequately implemented to address the key risks.

**Related Party Transactions ("RPT")**

- Reviewed the RPTs of the Group to ensure compliance with Listing Requirements of Bursa Securities and that they were undertaken on an arm's length basis, fair, reasonable and on normal commercial terms, not more favourable to the related party than those generally available to the public, not detrimental to the minority shareholders, and carried out in the best interest of the Group.
- The RPTs of the Group were reviewed on a quarterly basis at its meetings held on 23 August 2021, 22 November 2021, 21 February 2022 and 24 May 2022.

**Annual Report**

- Reviewed and endorsed the Audit Committee Report and Statement on Risk and Internal Control of the Group prior to recommending the same for consideration and approval of the Board for inclusion in the Annual Report for the FY2022.

**Other matters**

- Reviewed and deliberated the proposed revision to the Limits of Authority.

## INTERNAL AUDIT FUNCTION

Internal audit is an independent and objective assurance activity designed to add value and improve the Group's operations. It actively facilitates the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes within the Group.

The Group's Internal Audit function is carried out by KPMG Management and Risk Consulting Sdn. Bhd. ("**KPMG**") to assist the Board in maintaining a sound system of internal control. The Audit Committee is aware that an independent and adequately resourced Internal Audit function is essential to obtaining assurance on the effectiveness of the system of internal control.

The Internal Audit function assists the Audit Committee in its duties and responsibilities and is free from any relationships or conflicts of interest, thus retaining its objectivity and independence. To this end, the functions of the internal auditors are to:-

- (i) perform audit work in accordance with the pre-approved internal audit plan;
- (ii) carry out reviews on the internal control systems of the Group and the Company;
- (iii) review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (iv) provide recommendations, if any, for the improvement of the control policies and procedures.

The following internal audit activities were carried out in accordance with the approved internal audit plan for FY2022:-

- (i) compliance review on policies and procedures, limits of authority and other statutory and regulatory requirements within the Group;
- (ii) reviewed the adequacy and effectiveness of policies and procedures, internal controls, risk management and governance activities and provide suitable recommendations to Senior Management for implementation within the Group;
- (iii) prepared audit report and sought Senior Management's responses, including action plan(s) with specific timelines in regard to rectification of deficiencies identified in the existing internal control systems and thereafter, incorporated the pertinent information into the final report, which were then circulated to the Audit Committee; and
- (iv) a follow-up on the status of Senior Management action plans to address the outstanding internal audit observations raised in the last cycle of internal audit carried out by KPMG.

The Management ensures that corrective actions are taken within the required timeframe and all findings identified by the Internal Audit function were tracked and followed up on a quarterly basis with the status of the implementation reported to the Audit Committee accordingly.

The total cost incurred for maintaining the Internal Audit function for the year under review was approximately RM84,000.

This Report on Audit Committee was made in accordance with the approval of the Board on 29 September 2022.

## Governance

# Remuneration Committee Report



## Chairman

**Professor Emeritus Dato'**

**Dr. Hassan bin Said**

(Independent Non-Executive Director)

Attendance Rate: 2/2

## Members

**Ramanathan A/L Sathiamutty**

(Independent Non-Executive Director)

Attendance Rate: 2/2

**Ginny Yeow Mei Ying**

(Independent Non-Executive Director)

Attendance Rate: 2/2

**Hafidah Aman binti Hashim**

(Independent Non-Executive Director)

Attendance Rate: 2/2

## Number of Meetings

2



## Attendance

100%



## Meetings held on

9 July 2021

20 September 2021



### 1. ROLE

The Remuneration Committee ("RC") was established on 17 April 2012 by the Company's Board of Directors (the "Board") to ensure that the Company has a competitive remuneration package to attract, reward, retain and motivate the Directors and Senior Management needed to run the Company successfully and to achieve Company's long-term business objective.

### 2. TERMS OF REFERENCE

RC Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. The RC not only sets the remuneration package but also reviews the key performance indicators for measuring the performance of the Executive Directors and Senior Management of the Company. The RC Terms of Reference is available on the Company's website at <https://www.awantec.my/governance>.

In formulating the recommended remuneration packages, the RC is guided by the Company's Remuneration Policy and the information prepared by Management and independent consultants based on data of comparable companies.

A copy of the Remuneration Policy is available on the Company's website at <https://www.awantec.my/governance>.

### 3. MEMBERSHIP

As of 30 June 2022, the RC comprises wholly of independent directors. It is chaired by Professor Emeritus Dato' Dr. Hassan bin Said and supported by three (3) members.

#### 4. MEETINGS

By invitation of the RC, the Company Secretaries or other appropriate senior official shall act as Secretary of the RC, other directors and management can attend the meeting where their attendance is required in relation to a specific meeting.

Meeting notices, reports and papers are disseminated to the Remuneration Committee members at least five (5) working days before meetings.

The RC's main activities in 2022 are summarised as follows:-

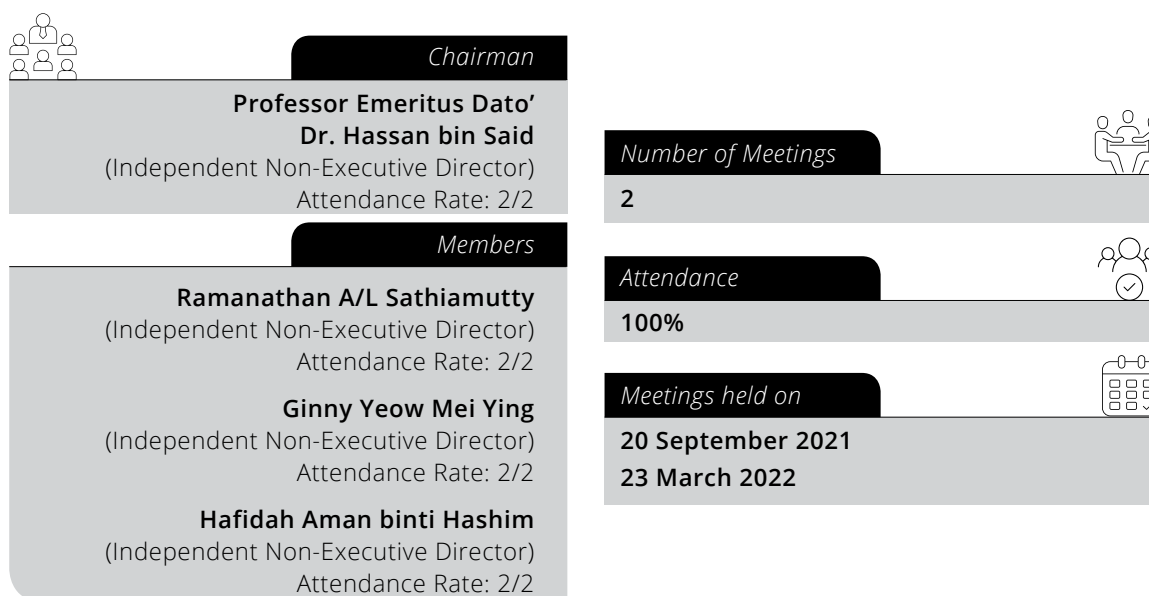
- Reviewed and recommended to the Board on the revised Remuneration Policy and Terms of Reference of the RC;
- Reviewed and recommended to the Board on the proposed payment of Directors' fees for the financial year ended 30 June 2021 for the month of June 2021;
- Reviewed and recommended to the Board on the proposed payment of Directors' fees for the financial year ending 30 June 2022 for the months of July until November 2021;
- Reviewed and recommended to the Board on the remuneration package of Encik Farul Azim Bin Mohd Ghazali as Chief Technology Officer of the Company;
- Reviewed and recommended to the Board on the remuneration package of Puan Siti Raha binti Mohd Ishtiaq as the Chief Business Officer of the Company;
- Reviewed and recommended to the Board on the key performance indicators ("**KPI**") for FY2021 and planned KPI for FY2022 of the President/Group Chief Executive Officer and Chief Operating Officer ("**COO**");
- Reviewed and recommended to the Board on the additional payment of Directors' fees amounting to RM44,129.00 which was in excess of the earlier approved amount of RM450,000.00 for the financial year ended 30 June 2021;
- Reviewed and recommended to the Board on the payment of Directors' fees of up to an amount of RM996,000.00 for the period from 1 July 2021 until the next Annual General Meeting ("**AGM**") of the Company to be held in year 2022;
- Reviewed and recommended to the Board on the payment of Directors' benefits of up to an amount of RM242,200 from 25 November 2021 until the next AGM of the Company to be held in year 2022;
- Reviewed and recommended to the Board on the remuneration package of Encik Rezal Adzly bin Abdul Rahman as the Chief Executive Officer ("**CEO**") cum Non-Independent Executive Director of the Company;
- Reviewed and recommended to the Board on the remuneration package for Dr. Abu Hasan bin Ismail's re-designation from President/Group Chief Executive Officer to Founder Mentor cum Non-Independent Non-Executive Director of the Company;
- Reviewed and recommended to the Board on the Subsidiary Companies Board of Directors Remuneration Policy;
- Reviewed and recommended to the Board pertaining award in the form of remuneration to the Directors of the subsidiary companies of the Company backdated from the FY2020;
- Reviewed and recommended to the Board on the proposed six (6) months KPI Scorecard for the FY2022 of Encik Rezal Adzly bin Abdul Rahman as the CEO cum Non-Independent Executive Director of the Company; and
- Reviewed and recommended to the Board on the proposed fees for members of the Board Oversight Committee ("**BOC**").

This Report on Remuneration Committee was made in accordance with the approval of the Board on 29 September 2022.



## Governance

# Nomination Committee Report



## 1. ROLE

The Nomination Committee (“NC”) was established on 17 April 2012 by the Company’s Board of Directors (the “Board”) to assist the Board in ensuring that it has an effective composition of Board members to discharge its stewardship responsibilities in undertaking the principal responsibilities of the Board explicitly described in the Malaysian Code on Corporate Governance (“MCCG”).

## 2. TERMS OF REFERENCE

NC Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. Amongst others, it leads the annual evaluation of the Board, reviews the independence of the members of the Board and diversity of the Board.

The NC Terms of Reference is available on the Company’s website at <https://www.awantec.my/governance>.

## 3. MEMBERSHIP

As of 30 June 2022, the NC comprises wholly of Independent Directors. It is chaired by Professor Emeritus Dato’ Dr. Hassan bin Said and supported by three (3) members.

## 4. MEETINGS

By invitation of the NC, the Company Secretaries or other appropriate senior official shall act as Secretary of the NC, and other directors and management can attend the meetings where their attendance is required in relation to a specific meeting.

Nomination Committee meeting notices, reports and papers are disseminated to its members at least five (5) working days before meetings.

The NC's main activities in 2022 are summarised as follows:-

- Reviewed the Directors who are subject to retirement by rotation pursuant to the Company's Constitution;
- Assessed the performance of the Board and Board Committees;
- Assessed the performance of each individual director;
- Assessed the performance of Audit Committee ("**AC**") and each individual AC member;
- Assessed the independence of the Independent Directors of the Company;
- Reviewed and recommended to the Board on the appointment of Encik Rezal Adzly bin Abdul Rahman as the Chief Executive Officer cum Independent Non-Executive Director of the Company;
- Reviewed and recommended to the Board on the re-designation of Dr. Abu Hasan bin Ismail from President/ Group Chief Executive Officer to Founder Mentor cum Non-Independent Non-Executive Director of the Company;
- Reviewed and recommended to the Board on the appointment of Puan Siti Raha binti Mohd Ishtiaq as the Chief Business Officer of the Company;
- Reviewed and assessed the tenure of Mr. Paul Chan Wan Siew, the Independent Director of the Company who has reached and exceeded a cumulative term of nine (9) years and to recommend his retention as Independent Director of the Company at the Company's AGM in accordance with the MCGG;
- Reviewed the composition of the Company's Board;
- Reviewed and recommended to the Board on the formation of a Board Oversight Committee ("**BOC**") to provide oversight to the Executive Office and Senior Management, on the strategic management of the Company;
- Reviewed and recommended to the Board on the approval of the Terms of Reference for the BOC;
- Reviewed and recommended to the Board the adoption of the Fit and Proper Policy; and
- Board Effectiveness Assessment of the Board of Directors and each Individual Director.

This Report on Nomination Committee was made in accordance with the approval of the Board on 29 September 2022.

## Governance

# Long-term Incentive Plan Committee Report



## Chairman

**Professor Emeritus Dato' Dr. Hassan bin Said**  
(Independent Non-Executive Director)  
Attendance Rate: 1/1

## Members

**Paul Chan Wan Siew**  
(Senior Independent Non-Executive Director)  
Attendance Rate: 1/1

**Dr. Abu Hasan bin Ismail**  
(Non-Independent Non-Executive Director)  
Attendance Rate: 1/1

**Ramanathan A/L Sathiamutty**  
(Independent Non-Executive Director)  
Attendance Rate: 1/1

**Baldesh Singh A/L Manmohan Singh**  
(Non-Independent Executive Director)  
Attendance Rate: 1/1

## Number of Meetings

1



## Attendance

100%



## Meetings held on

1 June 2022



## 1. ROLE

The LTIP Committee was established on 25 November 2020 by the Company's Board of Directors to implement and administer the Employees' Share Option Scheme ("**ESOS**") and Employee Share Grant Plan ("**SGP**") for eligible Directors and employees of the Group (excluding subsidiaries which are dormant) under the Long-term Incentive Plan ("**LTIP**") of the Company in accordance with the LTIP By-Laws as approved by the shareholders.

The LTIP Committee is formally constituted within the LTIP Committee Terms of Reference, which is available on the Company's website at <https://www.awantec.my/>.

## 2. MEMBERSHIP

The LTIP Committee comprises of five (5) members; appointed by the Group's Board of Directors (the "**Board**") from amongst the Directors and/or Senior Management personnel [defined as President/Group Chief Executive Officer ("**CEO**" or "**CEOs**"), Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**") and Chief Business Officer ("**CBO**") of the Group.

## 3. RESPONSIBILITIES

The powers, duties and responsibilities of the LTIP Committee is governed by its own Terms of Reference. The LTIP Committee was set up to ensure that the implementation of the LTIP is administered fairly and in accordance with the Company's By-Laws of LTIP.

Governance  
**Long-term Incentive Plan**  
Committee Report

**4. SUMMARY OF ACTIVITIES OF THE LTIP COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW**

During the year in review, the LTIP Committee reviewed and deliberated on the allocation and the implementation of the Group's LTIP and reviewed and recommended to the Board on the review of revised Terms of Reference of the LTIP Committee.

**5. LTIP COMMITTEE EFFECTIVENESS REVIEW AND PERFORMANCE**

The LTIP Committee has been effective and continue to provide strong and relevant support to the Board on every aspect of the LTIP's implementation.

## Governance

# Risk Management Committee Report



## Chairman

**Ramanathan A/L Sathiamutty**  
(Independent Non-Executive Director)  
Attendance Rate: 3/3

## Members

**Paul Chan Wan Siew**  
(Senior Independent Non-Executive Director)  
Attendance Rate: 3/3

**Dr. Abu Hasan bin Ismail**  
(Non-Independent Non-Executive Director)  
Attendance Rate: 2/3

**Baldesh Singh A/L Manmohan Singh**  
(Non-Independent Executive Director)  
Attendance Rate: 3/3

**Ginny Yeow Mei Ying**  
(Independent Non-Executive Director)  
Attendance Rate: 2/3

## Number of Meetings

3



## Attendance

100%



## Meetings held on

22 September 2021  
16 February 2022  
22 June 2022



## 1. ROLE

The Risk Management Committee was established on 30 November 2010 by the Company's Board of Directors (the "**Board**") to assist our Board to fulfil its corporate governance, risk management, and statutory responsibilities through a review of the Group's risk management strategies, policies, framework and the internal control systems in order to manage the overall risk exposure.

## 2. TERMS OF REFERENCE

The Risk Management Committee is formally constituted within the Risk Management Committee Terms of Reference, which is available on the Company's website at <https://www.awantec.my/>.

The Risk Management Committee Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements.

## 3. MEMBERSHIP

The Risk Management Committee, which is led by Ramanathan A/L Sathiamutty, consists of three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors.

The members of the Risk Management Committee bring with them a diverse set of expertise and experience and have a solid understanding of the sectors in which the Group operates. This enables them to carry out their role in identifying and monitoring new corporate and strategic and other emerging risks as well as closely engaging Management on managing, mitigating and eliminating the inherent risk issues that may have impact on the Group.

## 4. MEETINGS

The Chief Executive Officer, Chief Operating Officer and the Group Financial Controller were invited to Risk Management Committee meetings to provide input and clarity on the actions taken by the Group in respect of strategic and business risks affecting the Group. Other attendees, internal or external, were invited to deliberate on matters within their purview.

**5. OVERVIEW**

As part of its functions, the Risk Management Committee oversees the following:-

- a. Acting as Primary Champion of risk management at strategic and operational levels.
- b. Reviewing the on-going adequacy and effectiveness of the risk management process.
- c. Undertaking reviews of the consolidated risk register of major subsidiaries within the Group to identify significant risks and whether these are adequately managed.
- d. Ensuring that the Board and Audit Committee receive adequate and appropriate information (including the annual Risk Report) for decision-making and review respectively.
- e. Commissioning, where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company.

In discharging its responsibilities, the Risk Management Committee is assisted by the Chief Operating Officer and Group Financial Controller and cross refer information and issues to ensure better monitoring of risks within the Group.

The Risk Management Committee has assisted the Board to continuously review and improve the monitoring systems and processes. It continues to be proactive in highlighting corporate and strategic risk issues, and was open in discussing its views, concerns and/or reservations and provided guidance to Management on the risk controls to mitigate and/or pre-empt the risks.

**SUMMARY OF ACTIVITIES OF THE RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW**

Main activities of the Risk Management Committee during the financial year under review are as summarised below:-

- Formalised and adopted the Risk Management Framework to monitor the risk exposure across the Group to ensure that the risks are monitored and mitigated to improve the risk movements.
- Reviewed and recommend to the Board the revised Terms of Reference of the Risk Management Committee.
- Establishment of the Group Risk Management Working Committee, which objectives include amongst others, to assist the RMC to identify, evaluate and implement controls to manage risks face by the Group and the Company and implement policies adopted by the Board through a risk management framework.
- Reviewed and assessed the Group's and Divisional risk profiles and managed the significant financial and non-financial risks identified.
- Deliberated the Group's key operational risks and key controls taken to manage the risks. Additional mitigations to strengthen the management of existing and emerging risks were recommended for further action.
- Reviewed the Risk Management Committee Report for inclusion in the Annual Report for the FY2022.

**RISK MANAGEMENT COMMITTEE EFFECTIVENESS REVIEW AND PERFORMANCE**

The Risk Management Committee continues to diligently exercise its risk oversight responsibilities by ensuring that risk management is an integral part of strategic planning and decision making for the achievement of the Group's strategic outcomes and long-term objectives.

This Report on Risk Management Committee was made in accordance with the approval of the Board on 29 September 2022.

## Governance

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance (“**MCCG**”) recommends that the Board of Directors (“**Board**”) of the listed companies should maintain a sound risk management and internal control framework in order to safeguard shareholders’ investments and the Group’s and the Company’s assets. Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements as well as Practices 10.1 and 10.2 of the MCCG also require the Board of the listed companies to include a statement on the state of their internal controls in their annual reports.

In view of the above, the Board of Awantec is pleased to present the following statement that has been prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“**SORMIC**”) issued by Bursa Securities.

## RESPONSIBILITY

The Board recognizes its responsibility in upholding an effective and adequate risk management and internal control system, which is a material part of good corporate governance. In line with that, the Board acknowledges its main responsibility in ensuring the principal and significant risks of the Group and the Company are identified and properly managed by the risk management and internal control system of the Group and the Company.

The Board has also established an on-going process for identifying, evaluating, and managing significant risks faced by the Group and the Company and to regularly review this process.

Management is assigned with the role of assisting the Board on the implementation of the Group’s policies and procedures on risk management and control by identifying and assessing the various risks that could affect the operation of the Group and the Company, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

From time to time, the Board received assurance from the Founder Mentor, Chief Executive Officer (“**CEO**”), Chief Operating Officer (“**COO**”) and Group Financial Controller (“**GFC**”) that the risk management and internal control system in place are operating in an adequate and effective manner, and that it is sufficient to safeguard the interest of the Group and the Company.

The Board acknowledges that a sound risk management and internal control system provides reasonable but not absolute assurance, that the Group and the Company will not be hindered in achieving its business objectives and sustainable operations.

## CONTROL STRUCTURE AND RISK MANAGEMENT

The day to day operations of the Group and the Company was overseen by the CEO and COO with the assistance of the business division Heads and GFC. This control is exercised through Senior Management in respect of commercial, financial, and operational aspects of the Group and the Company. The CEO, COO, business division Heads, GFC and Senior Management meet regularly to deliberate on such matters.

Internal control is a process, enforced by the Board of Directors and the Management of the Group and the Company. It is designed to provide reasonable assurance regarding the achievement of the Group’s objectives and to safeguard shareholders’ investment and assets. Although it is impossible to provide complete assurance through any control system, the control systems must be designed and applied to manage the likelihood and impact of risk to acceptable levels.

The Board has oversight over this critical area through the Risk Committee. The Board established a Risk Management Committee (“**RMC**”) who continually reviews the adequacy and effectiveness of the risk management activities for the Board who delegated the role of overseeing the Group’s risk management to the RMC. The RMC is assisted and supported by the Group Risk Management Working Committee (“**GRMC**”) which is made up of the CEO, COO, GFC and other members of the Senior Management team. The Board retains overall accountability of the Group’s risk profiles within the various operating units with the aim of strengthening the risk management functions across the Group and the Company.



Governance

## Statement on Risk Management and Internal Control

The following are six (6) steps adopted in the Group's risk management workflow :



Figure 1 : Risk Management Framework Diagram

The Group's risk management workflow starts with identifying the strategic objectives that will support the achievement of the Group's vision, mission and objective.

The risks profiles of the Group are identified, assessed and evaluated during GRMC meeting with Senior Management's input. Risks identified are evaluated by examining the potential impact on the Group if a risk crystallized as well as the likelihood of occurrence. The risk level is rated as low, medium or high accordingly. The GRMC continuously monitors and reviews the adequacy and effectiveness of the Group's risk management, internal control and governance processes on a quarterly basis and report to the RMC twice yearly.

Management also acknowledges its responsibility for the management of risks, for developing, operating and monitoring the system of internal controls and for providing assurance to the Board that it has done so in accordance with the policies adopted by the Board. Further assurance is provided by the Internal Audit function which operates across the Group with emphasis on key operating units within the Group.

### INTERNAL AUDIT FUNCTION

The Board regularly reviews the internal audit functions evaluation on the adequacy and operating effectiveness of the Group's internal control framework. In desiring to maintain total independence in the management of the risk and internal control environment, the Company outsourced its internal audit function to KPMG to assess the adequacy and integrity of the Group's internal control systems. The fees incurred for the outsourced internal audit function for the financial year ended 30 June 2022 were RM84,000 excluding Sales and Service Tax and out-of-pocket expenses.

The internal audit engagement by KPMG is headed En. Mohd Khaidzir Shahari, an Executive Director with the Internal Audit, Risk and Compliance Services ("IARCS") practice of KPMG.

The internal audit function serves to assist the Audit Committee ("AC") and Board of Directors of the Group by independently assessing the system of internal controls as established by Management of the Company and the Group, the adequacy and integrity of such internal control system vis-à-vis the objectives served, and to make appropriate recommendation thereof.

KPMG reports independently and directly to the AC in respect of the internal audit function. The AC together with KPMG agree on the scope and planned internal audit activities annually and all audit findings arising therefrom are reported to the AC.

KPMG is allowed for an unrestricted access to all the documents and records of the Group and the Company which are deemed necessary for the performance of its function and independently reviews the control processes implemented by Management. It also reviews the internal controls in the key activities of the Group's and the Company's business based on the discussion with Management as well as with the AC. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the AC.

## Governance

# Statement on Risk Management and Internal Control

As an additional function to the Group and part of the internal audit engagement, KPMG also provides business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient.

Summary of the activities of the internal audit function can be found in the Audit Committee Report at page 129 of this Annual Report.

## ASSESSMENT ON THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROLS

The AC and RMC reviews the effectiveness of the system of risk management and internal controls of the Group and the Company on behalf of the Board.

The assessment of the adequacy and effectiveness of the internal control system is on periodic basis. From time to time the following are taken into considerations and changes are made to improve the internal control system:

- Ensuring an appropriate organizational structure for planning, executing, controlling and monitoring business operations with appropriate authorization limits.
- Reviewing the consolidated risk register of the Awantec Group and receiving regular reports on any significant problems that have occurred during the year and changes to the risks over the period under review.
- Reviewing external and internal audit work plans and their results.
- Effectively applying policies, processes and activities relating to internal control and risk management through control self-assessments and internal audit reviews.

## OTHER KEY ELEMENTS RELEVANT TO RISK MANAGEMENT AND INTERNAL CONTROL

The key elements of the framework of the internal control system of the Group are as follows:

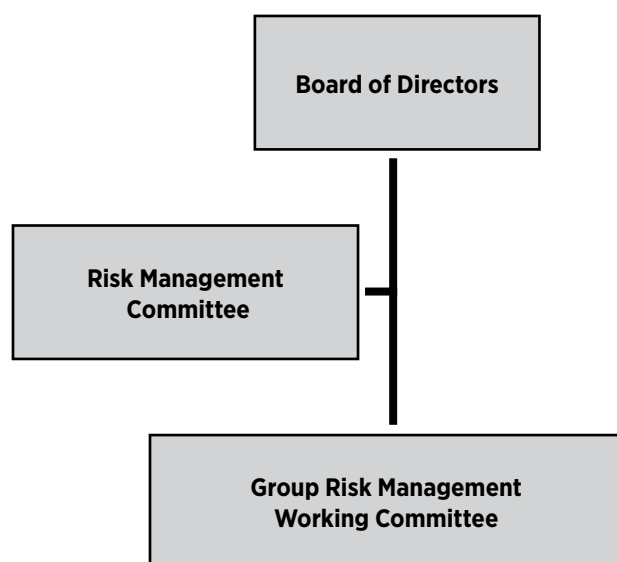
- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the AC, RMC, Nomination Committee, Remuneration Committee and LTIP Committee.
- Well-defined organizational structure with clear lines for the segregation of duties, accountability, and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Annual Budget and Business Plan are prepared and approved by the Board to facilitate the Group in its business and financial performance. The Board reviews and monitors the achievements of the Group's performance on a quarterly basis.
- The Board meets regularly on a quarterly basis as a base line and reviews the financial and operational performance of the Group. All major decisions require that approval of the Board and are only made after appropriate in-depth analysis. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group and the Company.
- The AC, on behalf of the Board, regularly reviews and holds discussion with management on the action taken on internal control issues in various reports prepared by the internal auditors and external auditors.

Governance

## Statement on Risk Management and Internal Control

- The RMC was established by the Board to assist the Board to review and recommend the risk management policies and strategies for the Company and the Group in overseeing the overall management of the principal areas of risk of the Company and the Group including capital management and operational process. The GRMC is to assist the RMC to identify, evaluate and implement controls to manage risks face by the Group and the Company and implement policies adopted by the Board through a risk management framework. The following are the structure that adopted by the Group:

### Risk Management Structure



- All departments and business divisions of the Group have clearly documented policies and procedures incorporating control and scope of responsibilities. Periodic review is done to ensure their relevance and effectiveness. The policies and terms of reference (TOR) reviewed during the year are:
  - Procurement Policy
  - Group Disclosure Policy and Procedures
  - Diversity Policy
  - Sustainability Policy
  - Code of Conduct and Ethics for Director
  - Remuneration Policy
  - Whistleblowing Policy
  - Employee Code of Conduct
  - Vendor's Code of Conduct
  - Fit and Proper Policy and Procedures
  - Terms of Reference ("TOR") for:-
    - Nomination
    - Remuneration
    - LTIP
    - Audit
    - Risk Management Committee
    - Group Risk Management Working Committee ("GRMC")
- The Internal Auditors monitor compliance with the Group's policies and procedures and applicable laws, regulations and standards, and provide independence assurance on adequacy and effectiveness of the risk management and internal control system by conducting regular audit and continuous assessment. Major audit findings and recommendations for corrective actions and improvement are highlighted to the AC and Senior Management. Audit follow-up is carried out to ensure the implementation of corrective action plans in a timely manner.
- Risk register of the individual business units and departments together with the consolidated risk register of the Group and any report received on any significant problem that has occurred during the year will be reviewed. Any potential impact to the existing risk profile and risk appetite will be assessed.
- The Group's Limit of Authority ("LoA") sets out the authority limits in the areas corporate, operations, financial, human resource and legal. The LoA determines the approving authorities and authority limits for various transactions. The LoA may be reviewed by the Board upon recommendation by management, to ensure its provisions are effective in managing risk and practical for implementation.

## Governance

## Statement on Risk Management and Internal Control

- The Code of Conduct and Ethics for Director has been updated to record the ethical and professional standards of corporate and individual behaviour expected of the Board. Similarly, the employee Code of Conduct records the acceptable general practices and ethics that guide the employees of the Group.
- The Whistleblowing Policy was established to facilitate the disclosure of any improper conduct within the Group. The Whistleblowing Policy provides clarity on the oversight and responsibilities of the whistleblowing process, the reporting process, protection of whistleblowers and the confidentiality afforded to whistleblowers.
- Monthly Group Management Meeting, attended by all Senior Management and chaired by Chief Executive Officer, are held to update and deliberate on business, financial and operational issues.

### **NO SIGNIFICANT WEAKNESS IN RISK MANAGEMENT AND INTERNAL CONTROL RESULTING IN MATERIAL LOSS**

The Board is of the opinion that there is no significant weakness in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group and the Company. The Board is also of the opinion that the Company's risk management system and internal control is in place for the financial year under review and is up to date as at the date of this statement.

The Board has received assurances from the Founder Mentor, CEO, COO and the GFC that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. Taking into consideration on its review and the assurance from the Management Team, the Board is of the view that the system of risk management and internal control is satisfactory and adequate to safeguard shareholder's investment and the Group's assets.

The Group will continue to identify, evaluate and monitor all major risks and take measures to strengthen the internal control and risk management environment.

### **REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS**

In accordance to paragraph 15.23 of Bursa Securities MMLR, the external auditors, Messrs Crowe Malaysia PLT, have reviewed this Statement on Risk Management and Internal Control in accordance with the Guidance for Auditors on Engagements to Report on the Statement on Risk and Management and Internal Control (AAPG 3) issued by Malaysian Institute of Accountants for inclusion in this Annual Report.

Based on the limited assurance procedures and review, the external auditors have informed the Board that nothing has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

This statement is made in accordance with the resolution of the Board of Directors dated 29 September 2022.

# Additional Compliance Information

(In accordance with Appendix 9C of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

## 1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

### Private Placement and Rights Issue

The Company had on 30 November 2020, announced that it had completed its corporate exercises on the Private Placement and Rights Issue.

The status of utilisation of the proceeds from the Private Placement and Rights Issue as at 30 June 2022 is as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance (RM'000)	%
Working capital for expansion of existing business	Within 12 months	28,308	28,308	-	0
Business expansion for new product offering and services	Within 24 months	17,513	17,513	-	0
Repayment for advance from Directors and RSLs	Within 3 months	16,500	16,500	-	0
Expenses in relation to the Corporate Exercise	Upon completion	900	900	-	0
<b>Total Gross Proceed</b>		<b>63,221</b>	<b>63,221</b>	<b>-</b>	<b>0</b>

## 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit (inclusive of assurance related services) fees paid or payable to Crowe Malaysia PLT, the auditors of the Company and Group, for work performed during the financial year are as follows:

	Group (RM)	Company (RM)
Audit Fees	168,000	70,000
Non-Audit Fees	16,000	6,000

Note:

The Group engaged the external auditors, and its local affiliated companies for the non-audit works for the preparation, review and submission of tax returns and tax advisory services on businesses.

## 3. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving interests of Directors and major shareholders during the financial year.

## 4. MATERIAL LITIGATION

Prestariang SKIN Sdn Bhd ("**PSKIN**"), a wholly owned subsidiary of Awantec Services Sdn Bhd which is a subsidiary of the Group has filed and served its Originating Summons ("**OS**") dated 15 April 2019 against the Government of Malaysia ("**GOM**") as Defendant claiming the amount of RM733 million in relation to the termination of the Sistem Kawalan Imigresen Nasional by expropriation.

On 30 October 2019, the High Court Judge dismissed GOM's application to convert PSKIN's OS to a Writ action and awarded costs to PSKIN. In dismissing GOM's application, the Judge held, among others, that the termination of the Concession Agreement by expropriation is not in dispute. The only point for the determination of the Court is the amount to be paid by GOM as a consequence of the expropriation. The Concession Agreement provides for a contractual formula to determine the amount to be paid. As such, there are no disputes of fact to warrant a trial.

## Governance

## Additional Compliance Information

(In accordance with Appendix 9C of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)

GOM appealed against the High Court Judge's decision dismissing its application. On 10 June 2020, the Court of Appeal found that there was no merit to GOM's appeal and awarded costs to PSKIN. In dismissing GOM's appeal, the Court of Appeal held that GOM would not suffer any prejudice with PSKIN's action continuing by way of OS 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.

On 23 July 2020, the OS was transferred to a new High Court Judge.

The OS was heard before the Court on 22 January 2021, 29 January 2021, 26 February 2021, 9 April 2021, 20 May 2021, 2 November 2021 and 30 November 2021. In the year 2022, further hearings took place on 11, 14 and 28 March 2022 and 11 April 2022. The matter is fixed for further case management on 18 August 2022 in respect of PSKIN's application to hold a discussion with costs experts.

The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement. Based on the above, the management is confident that there is no impairment necessary for the period under review.

Separately, PSKIN and GOM have also agreed to refer the dispute in respect of PSKIN's OS to court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre. On 30 October 2019, representatives from PSKIN and GOM (with Parties' respective Counsel) attended the first mediation session. A further mediation session between the Parties has yet to be fixed.

### 5. SHARE BUY-BACK

The Company did not buy back any of its issued shares from the open market during the financial year.

### 6. LONG-TERM INCENTIVE PLAN ("LTIP")

In the year under review, the shareholders of Awantec approved the LTIP on 15 September 2020 and implemented the same on 25 January 2021.

The LTIP is in force for a maximum period of ten (10) years from the effective date and is under the administration of LTIP Committee of the Board.

The LTIP comprises the establishment of an Employees' Share Option Scheme ("**ESOS**") and Share Grant Plan ("**SGP**") of up to 15% of the issued share capital of the Company at any point in time during the duration of the LTIP for eligible directors and employees of the Company and its subsidiaries.

During the financial year, the Company has granted 130,000 (2021 - 3,570,100) share options under ESOS to eligible directors and employees of the Awantec Group in accordance with the By-Laws of the LTIP at the exercise price of RM0.393 (2021 - RM1.02). The exercise period of this share options offered is from 30 June 2022 to 29 June 2023 (FY2021 - 16 May 2021 to 15 May 2022).

The Company further made the first award of shares to the director and employees of Awantec in accordance with the By-Laws of the LTIP on 20 June 2022. 922,500 LTIP Shares under the SGP will be vested in three (3) tranches, i.e. on 30 June 2022, 30 June 2023 and 30 June 2024. The fair value of LTIP Shares under the SGP is based on observable market price of RM0.41.

# Statement of Responsibility by Directors

The Board of Directors (“**the Board**”) is fully accountable for the preparation, integrity and fair presentation of the annual financial statements of the Group.

As required by the Companies Act 2016 (“**CA 2016**”) and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the financial statements for the financial year ended 30 June 2022, as presented on pages 161 to 251, have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In preparing the audited financial statements, the Board is satisfied that the applicable approved accounting standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made. The audited financial statements are also prepared on a going concern basis as the Board has a reasonable expectation, after having made enquiries, that the Group has adequate resources to continue its operational existence for the foreseeable future.

## Board Approval of Financial Statements

The annual financial statements for the financial year ended 30 June 2022 are set out on pages 161 to 251. The preparation thereof was supervised by the Group Financial Controller and approved by the Board of Directors on 29 September 2022.





***Awantec has managed to register an increased gross profit on the back of the improved margins in our software and services segment as well as from our talent segment.***

# FINANCIAL STATEMENTS

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## Financial Statements

# Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	4,171	(3,554)
Attributable to:-		
Owners of the Company	4,415	(3,554)
Non-controlling interests	(244)	-
	4,171	(3,554)

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM176,672,151 to RM176,861,202 by way of issuance of 461,100 new ordinary shares under the Share Grant Plan pursuant to the Company's Long-term Incentive Plan for total fair value of RM189,051.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company; and

- (b) there were no issues of debentures by the Company.

**TREASURY SHARES**

As at 30 June 2022, the Company held as treasury shares a total of 1,698,500 of its 789,584,700 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,366,346. The details on the treasury shares are disclosed in Note 18 to the financial statements.

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Long-term Incentive Plan below.

**LONG-TERM INCENTIVE PLAN**

The Long-term Incentive Plan ("LTIP") of the Company is governed by the LTIP By-Laws which were approved by the shareholders on 15 September 2020 and is administered by the LTIP Committee of the Board of Directors. The LTIP comprises the establishment of an Employees' Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") of up to 15% of issued share capital of the Company at any point in time during the duration of the LTIP for eligible directors and employees of the Company and its subsidiaries.

The LTIP is implemented on 25 January 2021 ("the effective date") and will be in force for a period of five (5) years from the effective date and extendable for a period of up to another five (5) years immediately from the expiry of the five (5) years upon the recommendation of the LTIP Committee and shall not in aggregate exceed ten (10) years from the effective date or such longer period as may be permitted by the relevant authorities.

The salient features and other terms of the LTIP are disclosed in Note 20 to the financial statements.

**(i) ESOS**

During the financial year, the outstanding of 384,700 options have been lapsed due to expiry at the end of the contractual life of the options. A total of 130,000 new options were granted during the year to a Non-executive Director of the Group on 21 June 2022.

The movement of the ESOS during the financial year is as follows:-

	<b>Number of Options</b>
As at 1 July 2021	384,700
Granted during the financial year	130,000
Lapsed during the financial year	(384,700)
As at 30 June 2022	130,000

The details of the ESOS are disclosed in the Note 20 to the financial statements.

## Financial Statements

# Directors' Report

## LONG-TERM INCENTIVE PLAN (CONT'D)

### (ii) SGP

During the financial year, 922,500 ordinary shares under the SGP ("LTIP Shares") were granted to eligible employees and the executive directors of the Group. Subject to the terms and conditions of the By-Laws governing the LTIP, the employees shall be entitled to receive new ordinary shares in the Company, to be allotted and issued pursuant to the LTIP ("new shares"), upon meeting the vesting conditions as set out in the letter of offer for the new shares.

The movement of the LTIP Shares granted under SGP is as follows:-

	<b>Number of LTIP Shares</b>
As at 1 July 2021	–
Granted during the financial year	922,500
Vested during the financial year	(461,100)
As at 30 June 2022	461,400

The details of the SGP are disclosed in the Note 20 to the financial statements.

## WARRANTS

There was no movement of Warrants during the financial year. The number of outstanding Warrants as at 30 June 2022 was 255,950,234 with the exercise price of RM0.385 which will be expiring on 24 November 2025.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

The contingent liabilities are disclosed in Note 41 to the financial statements. As at the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which the report is made.

**DIRECTORS**

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dr. Abu Hasan Bin Ismail  
Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar  
Chan Wan Siew  
Ramanathan A/L Sathiamutty  
Baldesh Singh A/L Manmohan Singh  
Ginny Yeow Mei Ying  
Professor Emeritus Dato' Dr. Hassan Bin Said  
Hafidah Aman Binti Hashim  
Tunku Abang Faisal Amir Bin Abang Abu Bakar  
Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan  
Rezal Adzly Bin Abdul Rahman (Appointed on 1.2.2022 and resigned on 29.7.2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chok Joon Heng  
Abdul Razak Bin Bakrun

## Financial Statements

# **Directors'** **Report**

## **DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of the directors holding office at the end of the financial year in shares or options over unissued shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.7.2021	Bought/ Vested	Sold	At 30.6.2022
<b>The Company</b>				
<i>Direct Interests</i>				
Chan Wan Siew	1,862,400	–	–	1,862,400
Baldesh Singh A/L Manmohan Singh	–	138,200	–	138,200
<i>Indirect Interests</i>				
Dr. Abu Hasan Bin Ismail #	79,579,740	–	–	79,579,740
Chan Wan Siew ^	270,200	–	(170,200)	100,000

		<div>← Number of Options under ESOS →</div>			
	Exercise Price	At 1.7.2021	Granted	Lapsed	At 30.6.2022
The Company					
Direct Interest					
Chan Wan Siew	RM1.02	96,500	–	(96,500)	–
	RM0.393	–	130,000	–	130,000
Baldesh Singh A/L Manmohan Singh	RM1.02	250,300	–	(250,300)	–
Ginny Yeow Mei Ying	RM1.02	17,900	–	(17,900)	–
Professor Emeritus Dato’ Dr. Hassan Bin Said	RM1.02	10,000	–	(10,000)	–
Hafidah Aman Binti Hashim	RM1.02	10,000	–	(10,000)	–

	Number of LTIP Shares under SGP		
	At 1.7.2021	Granted	At 30.6.2022
<b>The Company</b>			
<i>Direct Interest</i>			
Baldesh Singh A/L Manmohan Singh	–	276,400	(138,200)

	Number of Ordinary Shares		
	At 1.7.2021	Bought	At 30.6.2022

### **Awantec Services Sdn. Bhd., a 70% owned subsidiary of the Company**

<i>Direct Interest</i>			
Dr. Abu Hasan Bin Ismail	76,356	–	76,356
<i>Indirect Interest</i>			
Dr. Abu Hasan Bin Ismail *	122,170	–	122,170



**DIRECTORS' INTERESTS (CONT'D)**

← Number of Redeemable Preference Shares "A" →				
	At 1.7.2021	Bought	Sold	At 30.6.2022
<b>Awantec Services Sdn. Bhd., a 70% owned subsidiary of the Company</b>				
<i>Indirect Interest</i>				
Dr. Abu Hasan Bin Ismail *	151,601	–	–	151,601

## Notes:-

- # - Deemed interested by virtue of director's interest in Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- ^ - Deemed interested by virtue of his spouse, Ms. Lee Oi Lin's shareholdings in the Company pursuant to Section 59(1)(c) of the Companies Act 2016.
- \* - Deemed interested by virtue of director's interest in Halaman Kapital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares or options over unissued shares of the Company or its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32(a) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options granted to certain directors pursuant to the LTIP of the Company.

**DIRECTORS' REMUNERATION**

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fees	680	612
Salaries, bonuses and other benefits	1,722	1,722
Defined contribution benefits	234	234
LTIP expenses	69	69
	2,705	2,637

## Financial Statements

**Directors'**  
**Report****INDEMNITY AND INSURANCE COST**

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors of the Company and of the Group were RM10,000,000 and RM17,760 respectively. No indemnity was given to or insurance effected for auditors of the Company.

**SUBSIDIARIES**

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 43 to the financial statements.

**AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Audit fees	168	64
Non-audit fees	16	6
	184	70

Signed in accordance with a resolution of the directors dated 29 September 2022.



**Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar**



**Chan Wan Siew**

## Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar and Chan Wan Siew, being two of the directors of AwanBiru Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 161 to 251 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 29 September 2022.



**Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar**



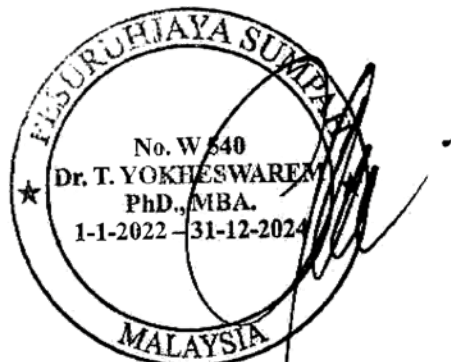
**Chan Wan Siew**

## Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ainun Mardziah Binti Hashim (MIA Membership Number: 24445), being the officer primarily responsible for the financial management of AwanBiru Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 161 to 251 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Ainun Mardziah Binti Hashim,  
at Kuala Lumpur  
in the Federal Territory  
on this 29 September 2022



Before me

Unit A11-1 & 2, Megan Avenue 1.  
No. 189, Jalan Tun  
50400 Kuala Lumpur



**Ainun Mardziah Binti Hashim**

## Financial Statements

# Independent Auditors' Report

To the Members of AwanBiru Technology Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of AwanBiru Technology Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 161 to 251.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Financial Statements  
**Independent Auditors'**  
Report

To the Members of AwanBiru Technology Berhad (Cont'd)  
(Incorporated in Malaysia)

### Key Audit Matters (Cont'd)

<b>Impairment assessment of trade receivables</b> Refer to Notes 10 and 42.1(b)(iii) to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As at 30 June 2022, trade receivables amounted to approximately RM190.56 million (included an amount of RM182.79 million owing by the Government of Malaysia ("GOM") in relation to the development of SKIN Solution). The details of trade receivables and its credit risks are disclosed in Note 42.1(b)(iii) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> <li>• updates from the material litigation with GOM;</li> <li>• customers' payment profiles of past sales and corresponding historical credit losses;</li> <li>• specific known facts or circumstances on customers' ability to pay; or</li> <li>• by reference to past default experience.</li> </ul> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance.</p> <p>This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained the confirmation from legal advisors for the updates of the material litigation with GOM;</li> <li>• Obtained an understanding of:- <ul style="list-style-type: none"> <li>• the Group's control over the receivables collection process;</li> <li>• how the Group identifies and assesses the impairment of receivables; and</li> <li>• how the Group makes the accounting estimates for impairment;</li> </ul> </li> <li>• Reviewed the ageing analysis of receivables and testing the reliability thereof;</li> <li>• Reviewed subsequent cash collections for major receivables and overdue amounts;</li> <li>• Made inquiries of management regarding the action plans to recover overdue amounts;</li> <li>• Examined other evidence including customers' correspondences, proposed or existing settlement plans, repayment schedules, etc; and</li> <li>• Evaluating the reasonableness and adequacy of the allowance for impairment loss recognised.</li> </ul>

## Financial Statements

# Independent Auditors' Report

To the Members of AwanBiru Technology Berhad (Cont'd)  
(Incorporated in Malaysia)

## Key Audit Matters (Cont'd)

<b>Revenue recognition from contracts with customers</b> Refer to Notes 4.1(e), 4.22, 11 and 26 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>During the financial year ended 30 June 2022, the Group recognised revenue amounting to RM90.26 million.</p> <p>We focused on this area as there are judgements involved in arriving at the quantum and timing of revenue recognised. Certain contracts with customers with multi element arrangements may include sales of hardware, software, maintenance and support services. Judgement is exercised in determining the number of distinct performance obligations included within these contracts with customers. The allocation of transaction price to the identified performance obligations is estimated based on the standalone selling prices. Judgement is exercised in determining the appropriate estimation of fair values of the identified performance obligations.</p> <p>The timing of revenue recognition may differ from the timing of billing to customers. When the services rendered by the Group exceed the payment, a contract asset is recognised; or when the considerations received from customers exceed the services rendered by the Group, a contract liability is recognised. Judgement is exercised in anticipating the timing between recognition of revenue and billings to the customers which may subsequently change due to specific risks and performance of the actual contract terms. As at 30 June 2022, the Group had recognised contract assets amounting to RM59.36 million and contract liabilities amounting to RM3.96 million respectively.</p> <p>As a result of the above conditions, we regard revenue recognition from contracts with customers as a key audit matter for the Group.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Reviewed contracts with customers containing multiple performance obligations and assessed the appropriateness of revenue recognition under MFRS 15;</li> <li>• Reviewed management's assessment on the identification of separate performance obligations over material customer contracts with bundling arrangements and sighted to the customer contracts on a sampling basis;</li> <li>• Reviewed management's assessment of the allocation of transaction price between various performance obligations;</li> <li>• Evaluated the effectiveness of the Group's internal controls over revenue recognition for sales of goods and services on a sampling basis;</li> <li>• Inspected evidence for delivery of goods and services and sales invoices in respect of samples selected from sales of goods and services transacted immediately before and after the end of the reporting period to assess whether the revenue were recorded in the correct financial year; and</li> <li>• Inspected samples of credit notes issued by the Group subsequent to year end to ascertain whether they relate to return of goods or sales cancellation in respect of revenue recognised before the year end.</li> </ul>

## Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Financial Statements  
**Independent Auditors'**  
Report

To the Members of AwanBiru Technology Berhad (Cont'd)  
(Incorporated in Malaysia)

### **Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)**

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



## Financial Statements

# Independent Auditors' Report

To the Members of AwanBiru Technology Berhad (Cont'd)  
(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

29 September 2022

**Onn Kien Hoe**

01772/11/2022 J  
Chartered Accountant

# Statements of Financial Position

At 30 June 2022

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	20,404	20,516
Property and equipment	6	22,433	10,684	526	-
Investment properties	7	24,180	11,430	-	-
Development costs	8	-	32	-	-
		46,613	22,146	20,930	20,516
<b>CURRENT ASSETS</b>					
Contract costs	9	382	356	-	-
Trade receivables	10	190,558	187,622	-	-
Contract assets	11	59,362	-	-	-
Other receivables, deposits and prepayments	12	126,681	126,738	107	95
Amount owing by subsidiaries	13	-	-	80,924	67,788
Short-term investments	14	15,313	10,041	15,313	10,041
Current tax assets		46	91	12	12
Cash and bank balances	15	4,034	30,552	248	21,425
		396,376	355,400	96,604	99,361
Assets of disposal group classified as held for sale	16	-	25,000	-	-
		396,376	380,400	96,604	99,361
<b>TOTAL ASSETS</b>		<b>442,989</b>	<b>402,546</b>	<b>117,534</b>	<b>119,877</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	176,861	176,672	176,861	176,672
Treasury shares	18	(3,366)	(3,366)	(3,366)	(3,366)
Warrant reserve	19	19,812	19,812	19,812	19,812
LTIP reserve	20	94	919	94	919
Accumulated losses		(9,671)	(15,005)	(77,472)	(74,837)
		183,730	179,032	115,929	119,200
Equity attributable to owners of the Company		183,730	179,032	115,929	119,200
Non-controlling interests	5	11,470	11,867	-	-
<b>TOTAL EQUITY</b>		<b>195,200</b>	<b>190,899</b>	<b>115,929</b>	<b>119,200</b>

The annexed notes form an integral part of these financial statements.

## Financial Statements

# Statements of Financial Position

At 30 June 2022 (Cont'd)

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>NON-CURRENT LIABILITIES</b>					
Term loans	21	14,061	20,275	-	-
Redeemable preference shares "A"	22	152	152	-	-
Deferred tax liabilities	23	16,869	16,869	-	-
		31,082	37,296	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	24	199,943	154,057	-	-
Contract liabilities	11	3,960	9,646	-	-
Other payables and accruals	25	8,611	6,468	1,605	677
Term loans	21	3,768	3,874	-	-
Current tax liabilities		425	306	-	-
		216,707	174,351	1,605	677
<b>TOTAL LIABILITIES</b>		<b>247,789</b>	<b>211,647</b>	<b>1,605</b>	<b>677</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>442,989</b>	<b>402,546</b>	<b>117,534</b>	<b>119,877</b>

The annexed notes form an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 30 June 2022

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
REVENUE	26	90,259	104,909	5,110	1,000
COST OF SALES		(62,536)	(85,123)	-	-
GROSS PROFIT		27,723	19,786	5,110	1,000
OTHER INCOME	27	5,330	7,731	467	2,828
		33,053	27,517	5,577	3,828
ADMINISTRATIVE EXPENSES		(21,537)	(21,646)	(9,065)	(8,276)
OTHER EXPENSES		(3,524)	(8,895)	(66)	(242)
FINANCE COSTS	28	(696)	(2,995)	-	(1)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	29	(1,970)	(464)	-	-
PROFIT/(LOSS) BEFORE TAXATION	30	5,326	(6,483)	(3,554)	(4,691)
INCOME TAX EXPENSE	33	(1,155)	(500)	-	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		4,171	(6,983)	(3,554)	(4,691)
PROFIT FROM DISCONTINUED OPERATIONS	34	-	16,332	-	-
PROFIT/(LOSS) AFTER TAXATION		4,171	9,349	(3,554)	(4,691)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		4,171	9,349	(3,554)	(4,691)

The annexed notes form an integral part of these financial statements.

## Financial Statements

# Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 30 June 2022 (Cont'd)

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>PROFIT/(LOSS) AFTER TAXATION</b>					
<b>ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		4,415	(6,347)	(3,554)	(4,691)
- discontinued operations		-	16,332	-	-
		4,415	9,985	(3,554)	(4,691)
Non-controlling interests		(244)	(636)	-	-
		4,171	9,349	(3,554)	(4,691)
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		4,415	(6,347)	(3,554)	(4,691)
- discontinued operations		-	16,332	-	-
		4,415	9,985	(3,554)	(4,691)
Non-controlling interests		(244)	(636)	-	-
		4,171	9,349	(3,554)	(4,691)
<b>EARNINGS/(LOSS) PER SHARE (SEN)</b>					
	35				
Basic:					
- continuing operations		0.53	(0.93)		
- discontinued operations		-	2.39		
Diluted:					
- continuing operations		0.47	(0.90)		
- discontinued operations		-	2.30		

The annexed notes form an integral part of these financial statements.

# Statements of Changes in Equity

For The Financial Year Ended 30 June 2022

	Note	◀ Non-Distributable ▶					Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Accumulated Losses RM'000			
The Group									
Balance at 1.7.2020		133,803	(3,366)	-	-	(24,990)	105,447	12,822	118,269
Profit after taxation/Total comprehensive income for the financial year		-	-	-	-	9,985	9,985	(636)	9,349
Issuance of ordinary shares		42,869	-	19,812	-	-	62,681	-	62,681
Share options granted		-	-	-	919	-	919	-	919
Total contributions by and distributions to owners		42,869	-	19,812	919	-	63,600	-	63,600
Capital retention in a subsidiary		-	-	-	-	-	-	(319)	(319)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	(319)	(319)
Balance at 30.6.2021		176,672	(3,366)	19,812	919	(15,005)	179,032	11,867	190,899

The annexed notes form an integral part of these financial statements.

## Financial Statements

# Statements of Changes in Equity

For The Financial Year Ended 30 June 2022 (Cont'd)

Note	◀ Non-Distributable ▶					Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Accumulated Losses RM'000			
The Group								
Balance at 1.7.2021	176,672	(3,366)	19,812	919	(15,005)	179,032	11,867	190,899
Profit after taxation/Total comprehensive income for the financial year	-	-	-	-	4,415	4,415	(244)	4,171
LTIP:								
- ESOS lapsed	-	-	-	(919)	919	-	-	-
- Share options and LTIP shares granted	-	-	-	283	-	283	-	283
- Shares issued	189	-	-	(189)	-	-	-	-
Total contributions by and distributions to owners	189	-	-	(825)	919	283	-	283
Disposal of a subsidiary	-	-	-	-	-	-	(153)	(153)
Total changes in ownership interest in subsidiaries	-	-	-	-	-	-	(153)	(153)
Balance at 30.6.2022	176,861	(3,366)	19,812	94	(9,671)	183,730	11,470	195,200

The annexed notes form an integral part of these financial statements.



Financial Statements  
**Statements of**  
**Changes in Equity**  
 For The Financial Year Ended 30 June 2022 (Cont'd)

	Note	Share Capital RM'000	Treasury Shares RM'000	◀ Non-Distributable ▶ Warrant Reserve RM'000	LTIP Reserve RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
<b>The Company</b>							
Balance at 1.7.2020		133,803	(3,366)	-	-	(70,146)	60,291
Issuance of ordinary shares		42,869	-	19,812	-	-	62,681
Share options to employees		-	-	-	919	-	919
Total contributions by and contributions to owners		42,869	-	19,812	919	-	63,600
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(4,691)	(4,691)
Balance at 30.6.2021/1.7.2021		176,672	(3,366)	19,812	919	(74,837)	119,200
LTIP:							
- ESOS lapsed		-	-	-	(919)	919	-
- Share options and LTIP shares granted		-	-	-	283	-	283
- Shares issued		189	-	-	(189)	-	-
		189	-	-	(825)	919	283
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	-	(3,554)	(3,554)
Balance at 30.6.2022		<b>176,861</b>	<b>(3,366)</b>	<b>19,812</b>	<b>94</b>	<b>(77,472)</b>	<b>115,929</b>

The annexed notes form an integral part of these financial statements.

## Financial Statements

# Statements of Cash Flows

For The Financial Year Ended 30 June 2022

	Note	The Group		The Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation:					
- continuing operations		<b>5,326</b>	(6,483)	<b>(3,554)</b>	(4,691)
- discontinued operations	34	-	16,332	-	-
		<b>5,326</b>	9,849	<b>(3,554)</b>	(4,691)
Adjustments for:-					
Amortisation of development costs		<b>1</b>	11	-	-
Bad debts written off		-	981	-	110
Depreciation of property and equipment		<b>1,656</b>	2,367	-	-
Impairment losses on:					
- non-current asset held for sale		-	3,041	-	-
- contract costs		<b>71</b>	1,628	-	-
- trade receivables		<b>222</b>	464	-	-
- other receivables		<b>2,349</b>	-	-	-
Interest expense		<b>669</b>	2,908	-	-
LTIP expenses		<b>283</b>	919	<b>216</b>	919
Fair value loss/(gain) on investment properties		<b>820</b>	(981)	-	-
Loss/(Gain) on disposal of subsidiaries	36	<b>36</b>	(22,031)	<b>66</b>	(2,500)
Loss on disposal of property and equipment		-	180	-	-
Property and equipment written off		<b>810</b>	-	-	-
Dividend income		<b>(43)</b>	-	-	-
Interest income		<b>(508)</b>	(546)	<b>(467)</b>	(328)
Reversal of impairment losses on trade receivables		<b>(601)</b>	-	-	-
Operating profit/(loss) before working capital changes		<b>11,091</b>	(1,210)	<b>(3,739)</b>	(6,490)
(Increase)/Decrease in contract costs		<b>(97)</b>	2,331	-	-
(Increase)/Decrease in trade and other receivables		<b>(4,930)</b>	40,227	<b>(12)</b>	(177)
Increase in contract assets		<b>(59,362)</b>	-	-	-
Increase/(Decrease) in trade and other payables		<b>48,029</b>	(25,264)	<b>928</b>	(1,090)
Decrease in contract liabilities		<b>(5,686)</b>	(5,715)	-	-
CASH FLOW (FOR)/FROM OPERATIONS		<b>(10,955)</b>	10,369	<b>(2,823)</b>	(7,757)
Interest paid		<b>(669)</b>	(2,908)	-	-
Income tax paid		<b>(1,002)</b>	(1,143)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		<b>(12,626)</b>	6,318	<b>(2,823)</b>	(7,757)

The annexed notes form an integral part of these financial statements.

Financial Statements  
**Statements of**  
Cash Flows

For The Financial Year Ended 30 June 2022 (Cont'd)

		The Group		The Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Net cash inflow from the disposal of subsidiaries	36	83	2,134	113	2,500
Dividend income received		43	-	-	-
Interest income received		508	546	467	328
Proceeds from disposal of property and equipment		-	337	-	-
Purchase of property and equipment		(2,934)	(1,793)	(526)	-
Advances to subsidiaries		-	-	(13,136)	(5,370)
NET CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		(2,300)	1,224	(13,082)	(2,542)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Repayment to directors	37(a)	-	(2,477)	-	(595)
Repayment of revolving credits	37(a)	-	(19,161)	-	-
Proceeds from issuance of ordinary shares		-	62,681	-	62,681
Repayment of term loans	37(a)	(6,320)	(2,787)	-	-
Repayment of redeemable secure loan stock	37(a)	-	(10,000)	-	-
Repayment to subsidiaries	37(a)	-	-	-	(20,435)
Withdrawal of deposit pledged with a licensed bank		2,033	1,820	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(4,287)	30,076	-	41,651
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(19,213)	37,618	(15,905)	31,352
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		36,469	(1,149)	31,466	114
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	37(b)	17,256	36,469	15,561	31,466

The annexed notes form an integral part of these financial statements.

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur.

Principal place of business : Block 11B, Star Central  
Lingkar Cyber Point Timur,  
Cyber 12,  
63000 Cyberjaya,  
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 September 2022.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

Financial Statements  
**Notes to the**  
Financial Statements  
For The Financial Year Ended 30 June 2022

### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Group and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than as disclosed below:-

#### **(a) Valuation of Investment Properties**

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size, existing condition and usage and surrounding developments used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(b) Impairment of Property and Equipment**

The Group determines whether an item of its property and equipment are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

#### **(c) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 10 and 11 to the financial statements respectively.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(d) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 12 and 13 to the financial statements respectively.

**(e) Revenue recognition**

Certain contracts with customers are bundled packages that may include sales of solution services, hardware, software and maintenance and support services. The Group accounts for products and services as separate performance obligations if they are distinct promises of goods and services, i.e. if a product or service is separately identifiable from other item in the bundled package and if a customer can benefit from it separately. The Group exercises judgement to identify if products and services within the bundled package are distinct performance obligations.

The Group uses estimates and judgements in determining the amount and timing of revenue recognised, particularly for the allocation of transaction price to the performance obligations identified under the contract by referring to their stand-alone selling prices. Revenue for solutions services are recognised over time based on cost plus expected margin under the input method. This method is dependent on the estimated cost of each performance obligation in the contract. The Group exercises judgement when determining the appropriate estimation of costs that best reflects the progress of completion and are aligned with key acceptance stages identified within the contracts.

The timing of revenue recognition may differ from the timing of billing to customers. When the services rendered by the Group exceed the payment, a contract asset is recognised. In determining the impact of significant financing component for the contract balances, the Group had used judgement to anticipate the expected timing between revenue recognition and billing. The billings milestones vary between customers based on the contract terms. The actual timing for the billing may differ due to subsequent changes in specific risk and performance of the actual contract terms. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 11 to the financial statements.

**(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.



## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

#### **(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

#### **(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

#### **(c) Share-based Payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.2 BASIS OF CONSOLIDATION (CONT'D)**

The acquisitions resulted in a business combination involving common control entities are outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

###### **(a) Business Combinations**

###### **(i) Merger Accounting for Common Control Business Combinations**

The acquisitions resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been affected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

###### **(ii) Acquisition Method of Accounting for Non-common Control Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

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# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

#### (b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES

#### (a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

#### (b) Foreign Currency Transactions and Balances

Transactions in foreign currency are converted into the respective functional currency on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of the financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

##### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

##### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

##### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

#### (b) Financial Liabilities

##### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability is recognised directly in other comprehensive income and is not subsequently reclassified to profit or loss upon the derecognition of the financial liability.

##### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.4 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial Liabilities (Cont'd)****(iii) Redeemable Preference Shares**

Preference shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the preference shareholders, or if dividend payments are not discretionary.

Redeemable preference shares ("RPS") are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instruments. The RPS are measured at amortised cost using the effective interest method.

Dividends to holders of the RPS are recognised as finance costs, on an accrual basis.

**(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

**(i) Ordinary Shares**

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(ii) Treasury Shares**

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.6 PROPERTY AND EQUIPMENT**

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold buildings	50 years
Computer systems and equipment	5 years
Furniture and fittings	10 years
Office equipment	5 - 10 years
Office renovation	5 - 10 years
Motor vehicles	5 years

Capital work-in-progress included in property and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.



## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.7 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for property and equipment up to date of change in use.

### 4.8 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.9 CONTRACT COSTS**

###### **(a) Incremental Costs of Obtaining Contracts**

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

###### **(b) Costs to Fulfil A Contract**

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

##### **4.10 CONTRACT ASSETS AND CONTRACT LIABILITIES**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

##### **4.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

##### **4.12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

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For The Financial Year Ended 30 June 2022

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

### 4.13 IMPAIRMENT

#### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

#### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.13 IMPAIRMENT (CONT'D)****(b) Impairment of Non-financial Assets (Cont'd)**

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**4.14 PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

**4.15 EMPLOYEE BENEFITS****(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

**(b) Defined Contribution Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.15 EMPLOYEE BENEFITS (CONT'D)****(c) Share-based Payment Transactions**

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (known as “share options”).

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued.

Any recharge for the share options granted to a subsidiary's employees is to be offset against the investments in subsidiaries in the Company's separate financial statements with any excess goes to profit or loss as a distribution from the subsidiary.

**4.16 INCOME TAXES****(a) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

**(b) Deferred Tax**

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

#### **4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **4.16 INCOME TAXES (CONT'D)**

###### **(b) Deferred Tax (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

##### **4.17 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

##### **4.18 OPERATING SEGMENTS**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

##### **4.19 EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.20 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### 4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the events or change in circumstances that caused the transfer.

### 4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Transaction price is allocated to each performance obligation on the basis of the estimated stand-alone selling prices of each distinct goods or services promised in the contract. The stand-alone selling prices are determined based on the observable price. For goods and services with no observable price available, the Group estimates stand-alone selling prices using cost plus expected margin approach.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)**

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing component if the Group expects that the period between the transfer of the promised goods or services to the customer and payment will be one year or less.

**(a) Sale of Hardware and Software Licenses**

Revenue from the sale of hardware for a fixed fee shall be recognised when control over the hardware is transferred to customer at a point in time. For hardware sales, transfer of control is usually deemed to occur upon delivery of products and customer acceptances. Software licences and Software as-a-Service ("SaaS") are provided to the customer at a point in time, therefore revenue is recognised when customer obtains control of the software.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional. Only the passage of time is required before the payment is due.

Some contracts for delivery of hardware and/or software licenses include multiple deliverables, such as deployment and implementation services, support and maintenance services, managed services and other services. These multiple deliverables are accounted for as a separate performance obligation and the transaction price will be allocated to each performance obligation based on stand-alone selling prices. Where these are not directly observable, they are estimated based on cost plus expected margin.

Revenue for deployment and implementation services are recognised over time as and when the services are performed.

Revenue for support and maintenance services are recognised on a straight-line basis over the term of the contract. This method best depicts the transfer of services to the customer as there is no reliable prediction that can be made as to if and when any individual customer will require the service.

Revenue for other services such as consultation services is recognised as the services are delivered. The costs incurred in delivering recurring services are recognised as cost of sales as and when they are incurred.



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**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)****(b) Cloud Platform Services**

The Group enter into Cloud Platform Services with its customers for different terms. Cloud Platform Services constitute a platform as-a-service ("PaaS") or infrastructure-as-a-service ("IaaS") arrangement and do not include the right for the customer to take possession of the software during the term. Therefore, it is accounted for as a distinct performance obligation to be satisfied over time. Revenue is recognised on a straight-line basis over the term of the contract as this method best depicts the transfer of services to the customer.

**(c) Training fees**

Revenue for training and certification is recognised as the services are rendered.

**(d) Rendering of Job Placement Services**

Revenue is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

**(e) Employment Services**

Revenue from providing employment services is recognised over time in the period in which the services are rendered. This is determined based on the actual labour hours spent.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

**(f) Management Fee**

Management fee is recognised based on services rendered.

**4.23 REVENUE FROM OTHER SOURCES AND OTHER INCOME****(a) Dividend Income**

Dividend income from investment is recognised when the right to receive dividend payment is established.

**(b) Interest Income**

Interest income is recognised on an accrual basis using the effective interest method.

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**5. INVESTMENTS IN SUBSIDIARIES**

	<b>The Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost:-		
At 1 July 2021/2020	<b>21,016</b>	21,347
Capital reduction in a subsidiary	<b>-</b>	(331)
Disposal of a subsidiary	<b>(179)</b>	-
At 30 June	<b>20,837</b>	21,016
LTIP granted to the employees of subsidiaries:-		
At 1 July 2021/2020	<b>-</b>	-
Addition during the financial year	<b>67</b>	-
At 30 June	<b>67</b>	-
Less: Accumulated impairment losses	<b>(500)</b>	(500)
	<b>20,404</b>	20,516

The details of the subsidiaries, which are all incorporated and having principal place of business in Malaysia, are as follows:-

<b>Name of Subsidiary</b>	<b>Percentage of Issued Share Capital Held by Parent</b>		<b>Principal Activities</b>
	<b>2022</b>	<b>2021</b>	
	<b>%</b>	<b>%</b>	
<i>Subsidiaries of the Company</i>			
Awantec Systems Sdn. Bhd. (formerly known as Prestariang Systems Sdn. Bhd.) ("ASSB")	<b>100</b>	100	Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management.
Agensi Pekerjaan Prestariang Talentxchange Sdn. Bhd. ("PTXSB")	<b>100</b>	100	To carry on the business as private employment agency, to recruit and place a worker to another employer.
Prestariang O&G Sdn. Bhd. ("POGSB")	<b>-</b>	51	Providing training and placement services as well as employment and documentation services for foreign workers.
Prestariang Technology Sdn. Bhd. ("PTSB")	<b>100</b>	100	ICT consultancy activities as training provider and consultants, to produce the advice and assistance of engineers and experts in any field with any project the company engaged in. The company has not commenced its business operations during the financial year.

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## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2022 %	2021 %	
Prestariang Digital Sdn. Bhd. ("PDSB")	100	100	Other information technology service activities (N.E.C).
Prestariang Capital Sdn. Bhd. ("PCSB")	100	100	Investment holding.
Awantec Services Sdn. Bhd. ("ASV")	70	70	Investment holding.
<i>Subsidiary of PTSSB</i>			
Total Leap Sdn. Bhd. ("TLSB")	100	100	Other services activities as general traders and provide advisory, consultancy and management services for relevant industries. The company has not commenced its business operations during the financial year.
<i>Subsidiaries of ASSB</i>			
Logisys Sdn. Bhd. ("LSB")	100	100	Other information technology service activities. The company has not commenced its business operations during the financial year.
Prestariang R&D Sdn. Bhd. ("PR&D")	100	100	Other services activities n.e.c. The company has not commenced its business operations during the financial year.
<i>Subsidiary of ASV</i>			
Prestariang Skin Sdn. Bhd. ("PSKIN")	100	100	Providing a special purpose vehicle solely for the purpose to study, design, develop, customise, supply, deliver, install, configure, integrate, interface, test, commission, support and maintain the immigration system known as Sistem Kawalan Imigresen Nasional ("SKIN").
Prestariang Tech Services Sdn. Bhd. ("PTSSB")	*	*	Commenced Creditors' Voluntary Winding Up proceedings on 1 April 2021.

\* The Group held 70% indirect equity interests in PTSSB. PTSSB has been deconsolidated from the Group in the previous financial year as the Group is deemed to have lost control over the subsidiary as a result of the liquidation of PTSSB.

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## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) During the current financial year, the Company has disposed of its 51% equity interest held in POGSB. The details of the disposal are disclosed in Note 36(a) to the financial statements.
- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM'000	2021 RM'000
ASV	30	30	11,470	11,689
Other individually immaterial subsidiary	-	49	-	178
			11,470	11,867

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	ASV and its subsidiaries	
	2022 RM'000	2021 RM'000
<u>At 30 June</u>		
Non-current assets	-	-
Current assets	304,346	303,752
Non-current liabilities	(17,020)	(17,020)
Current liabilities	(249,174)	(247,767)
Net assets	38,152	38,965
<u>Financial Year Ended 30 June</u>		
Revenue	-	-
(Loss)/Profit for the financial year	(813)	1,404
Total comprehensive (expenses)/income	(813)	1,404
Net cash flows (for)/from operating activities	(1,204)	1,289
Net cash flows for investing activities	-	183
Net cash flows from/(for) financing activities	1,200	(1,487)

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## 6. PROPERTY AND EQUIPMENT

	Freehold buildings 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
<b>The Group</b>								
<b>2022</b>								
<b>Cost</b>								
At 1 July 2021	5,254	6,435	3,001	4,012	3,427	330	673	23,132
Additions	-	1,107	-	11	40	-	1,776	2,934
Write-off	-	(2,136)	-	(16)	(46)	-	-	(2,198)
Transfer from investment properties (Note 7)	11,430	-	-	-	-	-	-	11,430
Reclassification	-	-	-	144	2,205	-	(2,349)	-
Disposal of a subsidiary	-	-	(21)	(155)	(166)	(154)	-	(496)
At 30 June	16,684	5,406	2,980	3,996	5,460	176	100	34,802
<b>Accumulated Depreciation</b>								
At 1 July 2021	1,163	4,583	1,526	1,940	2,912	324	-	12,448
Charge for the financial year (Note 30)	238	620	240	278	280	-	-	1,656
Write-off	-	(1,388)	-	-	-	-	-	(1,388)
Disposal of a subsidiary	-	-	(8)	(120)	(71)	(148)	-	(347)
At 30 June	1,401	3,815	1,758	2,098	3,121	176	-	12,369
<b>Net Carrying Amount</b>								
At 30 June	15,283	1,591	1,222	1,898	2,339	-	100	22,433

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## 6. PROPERTY AND EQUIPMENT (CONT'D)

	Freehold buildings 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
<b>The Group</b>								
<b>2021</b>								
<b>Cost</b>								
At 1 July 2020	13,024	7,224	4,114	4,159	5,885	330	77	34,813
Additions	-	111	-	290	80	-	1,056	1,537
Disposal	-	(348)	-	(215)	-	-	-	(563)
Reclassified to assets of disposal group classified as held for sales (Note 16)	(7,770)	(165)	(1,113)	(222)	(2,538)	-	(460)	(12,268)
Disposal of a subsidiary	-	(387)	-	-	-	-	-	(387)
At 30 June	5,254	6,435	3,001	4,012	3,427	330	673	23,132
<b>Accumulated Depreciation</b>								
At 1 July 2020	1,127	3,957	1,472	1,624	3,142	297	-	11,619
Charge for the financial year (Note 30)	242	959	360	368	409	27	-	2,365
Disposal during the financial year	-	(46)	-	-	-	-	-	(46)
Reclassified to assets of disposal group classified as held for sales (Note 16)	(206)	(85)	(306)	(52)	(639)	-	-	(1,288)
Disposal of a subsidiary	-	(202)	-	-	-	-	-	(202)
At 30 June	1,163	4,583	1,526	1,940	2,912	324	-	12,448
<b>Net Carrying Amount</b>								
At 30 June	4,091	1,852	1,475	2,072	515	6	673	10,684

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## 6. PROPERTY AND EQUIPMENT (CONT'D)

	2022 RM'000	2021 RM'000
<b>The Company</b>		
Computer systems and equipment		
<b>Cost</b>		
At 1 July 2021	-	-
Additions	526	-
At 30 June	526	-
<b>Accumulated Depreciation</b>		
At 1 July 2021	-	-
Charge for the year (Note 30)	-	-
At 30 June	-	-
<b>Net Carrying Amount</b>		
At 30 June	526	-

- (a) The freehold buildings of the Group amounted to RM11,297,000 have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(c) to the financial statements.
- (b) The titles of the freehold buildings are in the process of being issued to the Group by the relevant authority.

## 7. INVESTMENT PROPERTIES

	The Group 2022 RM'000	2021 RM'000
<i>Carrying Amount</i>		
Freehold commercial buildings, at fair value		
At 1 July 2021/2020	11,430	27,510
Transfer to property and equipment (Note 6)	(11,430)	-
Reclassified from assets previously classified as held for sales (Note 43(c))	25,000	-
(Loss)/Gain on changes in fair value (Note 30)	(820)	981
Reclassified to assets of disposal group classified as held for sales (Note 16)	-	(17,061)
At 30 June	24,180	11,430

- (a) In the previous financial year, the freehold buildings amounting to RM11,430,000 have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(c) to the financial statements.
- (b) The freehold buildings amounted to RM24,180,000 have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21(b) to the financial statements.

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## 7. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

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

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

- (d) The title of the freehold buildings are in the process of being issued to the Group by the relevant authority.

## 8. DEVELOPMENT COSTS

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 July 2021/2020	<b>14,091</b>	14,591
Write-off during the financial year	<b>-</b>	(500)
Disposal of a subsidiary	<b>(54)</b>	-
At 30 June	<b>14,037</b>	14,091
<b>Accumulated Amortisation</b>		
At 1 July 2021/2020	<b>(1,412)</b>	(1,401)
Addition during the financial year (Note 30)	<b>(1)</b>	(11)
Disposal of a subsidiary	<b>23</b>	-
At 30 June	<b>(1,390)</b>	(1,412)
<b>Accumulated Impairment Losses</b>		
At 1 July 2021/2020	<b>(12,647)</b>	(13,147)
Write-off during the financial year	<b>-</b>	500
At 30 June	<b>(12,647)</b>	(12,647)
<b>Net Carrying Amount</b>	<b>-</b>	32



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## 8. DEVELOPMENT COSTS (CONT'D)

(a) Development costs at the end of the reporting period comprised:-

	The Group	
	2022	2021
	RM'000	RM'000
Development of Accredited Prestariang Skill Training Institute, a development in accredited training centre at Pengerang Johor for Technical and Vocational Education and Training (TVET) program	-	32

(b) In the previous financial year, the Group has assessed the recoverable amounts of development costs and determined that no impairment losses is required. The recoverable amounts of the development costs are determined using the value in use approach, and this has derived from the present value of the future cash flows from each development costs unit computed based on the projections of financial budgets approved by management covering a period of 3 years.

## 9. CONTRACT COSTS

	The Group	
	2022	2021
	RM'000	RM'000
Costs to fulfil a contract:		
- customer's order in future	1,160	1,984
Allowance for impairment losses	(778)	(1,628)
	382	356
Allowance for impairment losses:-		
At 1 July	(1,628)	-
Addition during the financial year (Note 30)	(71)	(1,628)
Written off during the financial year	921	-
At 30 June	(778)	(1,628)

(a) The costs to fulfill a contract represent cost incurred for software and services that is used to fulfill the contract in future. The costs are to be amortised over the period when the related revenue is recognised.

(b) During the financial year, an impairment loss of RM71,000 (2021 - RM1,628,000) has been recognised as the management does not expect contract costs to be fully recovered due to the termination of certain contracts during the current financial year.

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**10. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	<b>200,363</b>	197,908
Allowance for impairment losses	<b>(9,805)</b>	(10,286)
	<b>190,558</b>	187,622
Allowance for impairment losses:-		
At 1 July	<b>(10,286)</b>	(9,822)
Addition during the financial year (Note 29)	<b>(222)</b>	(464)
Disposal of a subsidiary	<b>102</b>	-
Reversal of impairment losses during the financial year (Note 29)	<b>601</b>	-
At 30 June	<b>(9,805)</b>	(10,286)

- (a) Trade receivables are non-interest bearing and are generally on 30 (2021 - 30 to 60) days credit terms.
- (b) Included in the trade receivables of the Group is an amount of RM182,798,000 (2021 - RM182,798,000) owing by the Government of Malaysia ("GOM") in relation to the development of SKIN Solution.

As disclosed in Note 44 to the financial statements, the termination of the SKIN Project took effect on 22 January 2019. The amount owing is expected to be recovered through legal claims from the GOM.

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## 11. CONTRACT ASSETS/(LIABILITIES)

### Contract Assets

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	-	-
Performance obligations performed	68,056	-
Transfer to trade receivables	(8,694)	-
At 30 June	59,362	-
Represented by:-		
Software and services	58,267	-
Job placement services	1,095	-
	59,362	-

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

### Contract Liabilities

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	(9,646)	(16,161)
Billings where performance obligations are pending	(2,616)	(6,895)
Advances (received from)/refunded to customers	(6,202)	1,367
Performance obligations performed	14,504	12,043
At 30 June	(3,960)	(9,646)

- (a) The contract liabilities primarily relate to advance considerations received from a few customers for software and services of which the revenue will be recognised upon delivery of goods or services to the customers.
- (b) Revenue expected to be recognised in the future relating to performance obligations that are partially or unsatisfied as at the reporting date is summarised below:-

	The Group	
	2022 RM'000	2021 RM'000
<u>Software and services</u>		
Within 1 year	3,960	9,646

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**12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables	<b>130,582</b>	128,483	<b>2,674</b>	2,671
Allowance for impairment losses	<b>(4,956)</b>	(2,607)	<b>(2,599)</b>	(2,599)
Other deposits	<b>125,626</b>	125,876	<b>75</b>	72
Prepayments	<b>886</b>	666	<b>-</b>	-
	<b>169</b>	196	<b>32</b>	23
	<b>126,681</b>	126,738	<b>107</b>	95
Allowance for impairment losses:-				
At 1 July 2021/2020	<b>(2,607)</b>	(2,607)	<b>(2,599)</b>	(2,599)
Addition during the financial year (Note 29)	<b>(2,349)</b>	-	<b>-</b>	-
At 30 June	<b>(4,956)</b>	(2,607)	<b>(2,599)</b>	(2,599)

Included in other receivables of the Group is an amount of RM123,376,000 (2021 - RM123,376,000) owing by PTSSB, a subsidiary which has been deconsolidated as explained in Note 5 to the financial statement. The Group, via PSKIN, in turn owes PTSSB a total of RM149,416,000 (2021 - RM149,416,000). The debt owed by PSKIN to PTSSB shall be settled in accordance with the scheme of arrangement with the creditors i.e. upon receipt of the claim against the GOM pursuant to the PSKIN Project which is under litigation. The amount owing by PTSSB to the Group will be settled thereafter.

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## 13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2022	2021
	RM'000	RM'000
Non-trade balances	89,354	76,218
Allowance for impairment losses	(8,430)	(8,430)
	80,924	67,788

(a) The following table provides information on the amounts owing by subsidiaries prior to their offsetting:-

	Gross Amount RM'000	Amount Offset RM'000	Net Carrying Amount RM'000
<b>The Company</b>			
<b>2022</b>			
Amounts owing by	161,708	(72,354)	89,354
Amounts owing to	(72,354)	72,354	-
<b>2021</b>			
Amounts owing by	127,013	(50,795)	76,218
Amounts owing to	(50,795)	50,795	-

(b) The amounts owing represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

## 14. SHORT-TERM INVESTMENTS

	The Group/The Company	
	2022	2021
	RM'000	RM'000
Money market funds, at fair value	15,313	10,041

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**15. CASH AND BANK BALANCES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits with licensed banks	<b>2,091</b>	25,251	-	21,127
Cash and bank balances	<b>1,943</b>	5,301	<b>248</b>	298
	<b>4,034</b>	30,552	<b>248</b>	21,425

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.75% to 2.30% (2021 - 1.50% to 1.80%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2021 - 2 to 365) days.
- (b) Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,091,177 (2021 - RM4,124,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 41 to the financial statements.

**16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

On 8 February 2021, Awantec Systems Sdn. Bhd. (formerly known as Prestariang Systems Sdn. Bhd.) ("ASSB") has entered into Sale and Purchase Agreements ("SPA") with Serba Dinamik Group Berhad ("SDGB") for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central at Cyberjaya (the "Property") for a total cash consideration of RM24.2 million. SDGB had on 11 January 2021 issued a separate purchase order for the purchase of facilities and fixture at the Property for a total cash consideration of RM0.8 million. As such, total purchase consideration for the Property is valued at RM25 million in the previous financial year.

In the previous financial year, the carrying amount of the non-current asset (excluding the investment property accounted for in accordance with the fair value model) is measured at the lower of its carrying amount and fair value less costs to sell. A total impairment loss upon the remeasurement to fair value less costs to sell of RM3.04 million was recognised in profit or loss as disclosed in Note 30 to the financial statements.

On 10 November 2021, ASSB has entered into a Mutual Termination Agreement ("MTA") with SDGB to terminate the SPAs accordingly as disclosed in Note 43(c) to the financial statements. Following the termination of SPA, the assets (as disclosed below) associated to the Property has ceased to be presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" or "Non-Current Assets Held For Sales":-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
- Cost RM12,268,000, accumulated depreciation RM1,288,000 (Note 6)	-	10,980
- Accumulated impairment loss	-	(3,041)
Net carrying amount	-	7,939
Investment properties, at fair value (Note 7)	-	17,061
Assets of disposal group classified as held for sale	-	25,000

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## 17. SHARE CAPITAL

	The Group/The Company			
	2022 '000 Number Of Shares	2021 '000 Number Of Shares	2022 RM'000 Amount	2021 RM'000 Amount
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 July 2021/2020	<b>789,124</b>	532,230	<b>176,672</b>	133,803
Issuance of shares through:				
- Private placement with free warrants	-	79,580	-	18,874
- Right issue with free warrants	-	176,842	-	23,784
- Conversion of warrants	-	472	-	211
- Share grant to employees	<b>461</b>	-	<b>189</b>	-
At 30 June	<b>789,585</b>	789,124	<b>176,861</b>	176,672

- (a) The holders of 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. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM176,672,151 to RM176,861,202 by way of an issuance of 461,100 new ordinary shares under the SGP pursuant to the Company's LTIP at total fair value of RM189,051.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

## 18. TREASURY SHARES

During the financial year, the Company has not purchased any ordinary shares from the open market. At the end of the reporting period, 1,698,500 (2021 - 1,698,500) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

## 19. WARRANT RESERVE

The warrant reserve relates to the portion of proceeds from the private placement and rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of RM0.385. The warrants will expire on 24 November 2025. At the expiry of the warrants, the balance in the warrant reserve will be transferred to accumulated losses.

**20. LTIP RESERVE**

The LTIP reserve represents the equity-settled share options and ordinary shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and share grant, and is reduced by the expiry or exercise of the share options or vest of share grant.

The LTIP of the Company is governed by the LTIP By-Laws which were approved by the shareholders on 15 September 2020 and is administered by the LTIP Committee of the Board of Directors. The LTIP comprises the establishment of an ESOS and SGP of up to 15% of issued share capital of the Company at any point in time during the duration of the LTIP for eligible directors and employees of the Company and its subsidiaries.

The LTIP is implemented on 25 January 2021 ("the effective date") and will be in force for a period of five (5) years from the effective date and extendable for a period of up to another five (5) years immediately from the expiry of the five (5) years upon the recommendation of the LTIP Committee and shall not in aggregate exceed ten (10) years from the effective date or such longer period as may be permitted by the relevant authorities.

The salient features of the LTIP are as follows:-

- (i) The maximum number of new ordinary shares of the Company, which may be made available under LTIP, shall not exceed in aggregate 15% of the total number of issued Shares of the Company (excluding treasury shares) at any point of time during the tenure of the LTIP.
- (ii) The maximum number of new ordinary shares awarded to any one Eligible Person under LTIP at any point of time in ESOS Awards and/or ESOS Awards (collectively, "LTIP Award(s)") shall be at the sole and absolute discretion of the LTIP Committee (subject to by-laws and any applicable law).
- (iii) Only Eligible Person (including the Executive Director and Non-executive Director) of the Group who fulfil the following conditions as at the date of the LTIP Awards shall be eligible to participate in the LTIP:
  - is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings
  - is confirmed in writing as a full time employee or has been appointed as a Director of the Company or any company in the Group for such period as may be determined by the LTIP Committee prior to and up to the LTIP Award Date
  - fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee from time to time.
- (iv) For the ESOS, the option price shall be determined by the Board upon the recommendation by the LTIP Committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.
- (v) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.
- (vi) All new ordinary shares issued upon exercise of the ESOS Options or SGP Grant will rank equally in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.



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## 20. LTIP RESERVE (CONT'D)

### (a) ESOS

The option price and the details in the movement of the options granted are as follows:-

Date of Offer	Exercise Price	Remaining Contractual Life of Options	Number of Options over Ordinary Shares ('000)			
			At 1 July 2021	Granted	Lapsed	At 30 June 2022
16 April 2021	RM1.02	1 year	3,570	–	(3,570)	–
20 June 2022	RM0.393	1 year	–	130	–	130

Date of Offer	Exercise Price	Remaining Contractual Life of Options	At 1 July 2020	Granted	Lapsed	At 30 June 2021
16 April 2021	RM1.02	1 year	–	3,570	–	3,570

The options which lapsed during the financial year were due to no options granted were exercised within the contractual life of options by the eligible directors and employees of the Group.

During the financial year, the Company has granted 130,000 (2021 - 3,570,100) share options under the ESOS to eligible directors and employees of the Group. The exercise period of this share options offered is from 30 June 2022 to 29 June 2023 (2021 - 16 May 2021 to 15 May 2022).

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	The Group/ The Company 2022	2021
Fair value of share options at the grant date (RM)	0.0971	0.2575
Weighted average ordinary share price (RM)	0.41	1.10
Exercise price of share option (RM)	0.393	1.02
Expected volatility (%)	54.11	49.41
Expected life (years)	1	1
Risk free rate (%)	2.97	1.82
Expected dividend yield	Nil	Nil

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**20. LTIP RESERVE (CONT'D)**

## (b) SGP

The LTIP shares will be awarded to the selected employees to be vested over a period of 3 years on a pro-rata basis and after fulfilment of individual performance targets based on the Group's performance management system (such as individual performance rating) as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the LTIP.

During the financial year, the movement in the total number of LTIP shares is as follows:

← Number of LTIP shares ('000) →						
<b>2022</b>						
<b>Tranche</b>	<b>Grant date</b>	<b>Vesting date</b>	<b>At 1 July 2021</b>	<b>Granted</b>	<b>Vested</b>	<b>At 30 June 2022</b>
Tranche 1	20 June 2022	30 June 2022	–	461	(461)	–
Tranche 2	20 June 2022	30 June 2023	–	277	–	277
Tranche 3	20 June 2022	30 June 2024	–	185	–	185
			–	923	(461)	462

The fair value of LTIP shares under the SGP is based on observable market price of RM0.41.

**21. TERM LOANS**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Current liabilities	<b>3,768</b>	3,874
Non-current liabilities	<b>14,061</b>	20,275
	<b>17,829</b>	24,149

(a) The interest rate profile of the term loans is summarised below:-

	<b>Effective Interest Rate</b>		<b>The Group</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>
Floating rate term loans				
I	<b>4.51</b>	2.98	<b>11,535</b>	16,685
II	<b>3.05</b>	3.05	<b>6,294</b>	7,464
			<b>17,829</b>	24,149

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**21. TERM LOANS (CONT'D)**

(b) Term loan I was secured by:-

- (i) a general facility agreement;
- (ii) a deed of assignment over its rights, title and intent as contained in the sale and purchase agreement in respect of the buildings as disclosed in Note 7(b) to the financial statements;
- (iii) a charge over Financing Payment Reserve Account;
- (iv) letter of support from the Company in form and substance acceptable to the bank; and
- (v) deed of assignment of takaful/insurance proceeds in relation to the buildings as disclosed in Note 7(b) to the financial statements.

(c) Term loan II was secured by:-

- (i) open all monies facility agreement;
- (ii) open all monies first party deed of assignment over the rights, benefits, titles and interests as contained in the Sale and Purchase Agreement in respect of the buildings as disclosed in Note 6(a) (2021 - Note 7(a)) to the financial statements; and
- (iii) a corporate guarantee of the Company.

(d) Term loan I was secured by negative pledge that imposed certain covenants on the subsidiary that received the loan. The significant covenants of the term loan are as follows:-

- (i) the subsidiary shall obtain the bank's prior written consent for changing its shareholding;
- (ii) the subsidiary shall not declare any dividend in the event of default; and
- (iii) the Group shall grant the bank the right to bid for any Shariah-compliant cash management, treasury products, debt capital market fund raisings and corporate exercise.

(e) The significant covenants of the term loan II are as follows:-

- (i) the Group shall maintain a consolidated Total Debt to Equity ratio of not more than 1 time throughout the tenure of the facility, failing which, the bank reserves the absolute right to withdraw, revise, restructure or cancel the facility as it deems fit;
- (ii) the subsidiary shall not declare any dividend in the event of default has occurred under the term loan or if such declaration would result in an event of default; and
- (iii) the subsidiary shall obtain the bank's prior written consent for changing its shareholding and its key management personnel.

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**22. REDEEMABLE PREFERENCE SHARES "A"**

	<b>The Group</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Of Shares</b>	<b>Amount</b>	<b>Amount</b>
	<b>'000</b>	<b>'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>RPS "A"</b>				
At 30 June	<b>152</b>	152	<b>152</b>	152

The salient features of RPS "A", which were issued by ASV, are as follows:-

<b>Terms</b>	<b>Details</b>
Dividend	<p>Each RPS "A" shall carry the right to receive fixed cumulative dividend at such rate or in such amount to be mutually agreed between ASV and the holder.</p> <p>The Board shall not declare and pay dividends to the holders of the ordinary shares without declaring and paying the cumulative dividend to the holders of RPS "A". For avoidance of doubt, the Board may declare and pay the cumulative dividend to the RPS "A" holder without declaring or paying dividends to holders of the ordinary shares.</p>
Redemption sum	The redemption sum per RPS "A" shall be equivalent to the Issue Price.
Redemption	<p>The RPS "A" shall be redeemed:-</p> <ul style="list-style-type: none"> <li>(i) on a date falling on the 13<sup>th</sup> anniversary of the effective date;</li> <li>(ii) in the event of the Proposed Listing Exercise, at such time as may be determined by the Board and notified in writing to the holder, prior to the date of Listing approved by the relevant authorities; or</li> <li>(iii) on a date as may be mutually agreed between the holder and ASV; whichever is be the earlier ("Redemption Date").</li> </ul>
Voting rights	<p>RPS "A" does not carry any right to vote at any general meeting of ASV except for the right to vote in person or by proxy at such meeting in each of the following circumstances:-</p> <ul style="list-style-type: none"> <li>(i) in respect of any resolution which varies the rights and privileges attaching to the RPS "A";</li> <li>(ii) in respect of any resolution to reduce the share capital of ASV;</li> <li>(iii) in respect of any resolution for the winding-up of ASV; and</li> <li>(iv) any other circumstances as may be provided under the law.</li> </ul>
Conversion	The RPS "A" is not convertible into ordinary shares and the RPS "A" holder shall not have any convertible rights whatsoever in respect of the RPS "A".
Ranking	The RPS "A" shall rank equally amongst themselves and shall rank in priority to RCPS "B" and any other preference shares (if any). The RPS "A" shall rank in priority to the shares, but shall rank behind all secured and unsecured obligations of ASV.

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## 22. REDEEMABLE PREFERENCE SHARES "A" (CONT'D)

The salient features of RPS "A", which were issued by ASV, are as follows:- (Cont'd)

On 23 April 2019, ASV declared the payment of a single-tier dividend amounting to RM28,804,190 (Note 41) for RPS "A" which is payable contingent upon the following events:-

- (i) PSKIN receiving the contractual payment for the legal claim amounting to RM733 million from the GOM; or
- (ii) Approval by the directors of ASV in the event the payment received by PSKIN is less than the contractual payment; or
- (iii) The reinstatement of the SKIN project by the GOM to PSKIN, with the project value and scope agreed by the parties.

## 23. DEFERRED TAX LIABILITIES

	The Group	
	2022	2021
	RM'000	RM'000
Deferred tax liabilities:-		
Temporary difference on concession	16,869	16,869

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses:				
- expires year of assessment 2031/2028	6,444	6,444	6,444	6,444
- expires year of assessment 2032/2029	4,957	4,957	4,957	4,957
- expires year of assessment 2033	1,857	-	1,857	-
Unabsorbed capital allowances	-	1,007	-	-
Advances from customers	3,960	9,646	-	-
Provisions	22,257	22,635	-	-
Excess of capital allowance over property and equipment	(5,753)	(5,060)	-	-
Temporary difference on development costs	(10,983)	(10,983)	-	-
Temporary difference on rental income	(2,015)	-	-	-
	20,724	28,646	13,258	11,401

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the Company and subsidiaries will be available against which the deductible temporary differences can be utilised.

The unutilised tax losses are allowed to be utilised for 10 (2021 - 7) consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

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**24. TRADE PAYABLES**

The normal trade credit term granted to the Group is 60 (2021 - 60) days.

Included in trade payables is an amount of RM149,416,000 (2021 - RM149,416,000) owing by PSKIN to PTSSB, the repayment of which is subject to the proposed scheme of arrangement with the creditors.

**25. OTHER PAYABLES AND ACCRUALS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables:-				
Third parties	<b>3,315</b>	5,231	<b>480</b>	348
Sales and services tax payable	<b>410</b>	-	-	-
	<b>3,725</b>	5,231	<b>480</b>	348
Accruals	<b>4,886</b>	1,237	<b>1,125</b>	329
	<b>8,611</b>	6,468	<b>1,605</b>	677

**26. REVENUE**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue from Contracts with Customers</b>				
<u>Continuing Operations</u>				
<u>Recognised at a point in time</u>				
Software and services:-				
Sales of hardware and software licences	<b>70,434</b>	99,594	-	-
Training fees	<b>8,047</b>	4,760	-	-
Job placement services	<b>5,806</b>	325	-	-
	<b>84,287</b>	104,679	-	-
<u>Recognised over time</u>				
Software and services:-				
a) Deployment and implementation services	<b>2,790</b>	-	-	-
b) Operation, management and support services	<b>1,702</b>	-	-	-
c) Cloud Platform Services	<b>430</b>	-	-	-
d) Other services	<b>1,050</b>	-	-	-
Employment services	-	230	-	-
	<b>5,972</b>	230	-	-
<u>Revenue from other sources</u>				
Management fee	-	-	<b>5,110</b>	1,000
	<b>90,259</b>	104,909	<b>5,110</b>	1,000

(a) The revenue is derived primarily from local sales.

(b) The information on the unsatisfied performance obligations is disclosed in Note 11 to the financial statements.

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## 27. OTHER INCOME

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from other sources</b>				
<u>Continuing Operations</u>				
Interest income	508	546	467	328
Dividend income	43	-	-	-
Fair value gain on investment properties (Note 7)	-	981	-	-
Rental income	2,010	861	-	-
Realised gain on foreign exchange	10	751	-	-
Gain on disposal of subsidiaries	-	4,312	-	2,500
Others	2,759	280	-	-
	<b>5,330</b>	<b>7,731</b>	<b>467</b>	<b>2,828</b>

## 28. FINANCE COSTS

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Bank charges	4	10	-	1
Commission charges	23	77	-	-
Interest expense:				
- term loans	669	788	-	-
- advances from other payables	-	349	-	-
- advances from a director	-	114	-	-
- bank overdrafts	-	323	-	-
- Redeemable Secured Loan Stocks ("RSLs")	-	653	-	-
- revolving credits	-	680	-	-
- others	-	1	-	-
	<b>669</b>	<b>2,908</b>	<b>-</b>	<b>-</b>
	<b>696</b>	<b>2,995</b>	<b>-</b>	<b>1</b>

## 29. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Impairment losses:				
- trade receivables (Note 10)	222	464	-	-
- other receivables (Note 12)	2,349	-	-	-
Reversal of impairment losses:				
- trade receivables (Note 10)	(601)	-	-	-
	<b>1,970</b>	<b>464</b>	<b>-</b>	<b>-</b>

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**30. PROFIT/(LOSS) BEFORE TAXATION**

In addition to those disclosed in Notes 27, 28 and 29 to the financial statements, profit/(loss) before taxation is arrived at after charging:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Continuing Operations</u>				
Auditors' remuneration:				
- audit fee:				
- for the financial year	<b>168</b>	174	<b>64</b>	64
- overprovision in the previous financial year	<b>(15)</b>	-	<b>(15)</b>	-
- non-audit fee:				
- for the financial year	<b>16</b>	6	<b>6</b>	6
Amortisation of development costs (Note 8)	<b>1</b>	11	-	-
Bad debts written off	-	981	-	110
Depreciation of property and equipment (Note 6)	<b>1,656</b>	2,365	-	-
Donation	-	-	-	149
Direct operating expenses on investment properties	<b>107</b>	70	-	-
Impairment losses on:				
- non-current assets held for sale (Note 16)	-	3,041	-	-
- contract costs (Note 9)	<b>71</b>	1,628	-	-
Fair value loss on investment properties (Note 7)	<b>820</b>	-	-	-
Loss on disposal of property and equipment	-	180	-	-
Loss on disposal of a subsidiary (Note 36)	<b>36</b>	-	<b>66</b>	-
Realised loss on foreign exchange	<b>74</b>	631	-	-
Penalty	<b>105</b>	124	-	-
Property and equipment written off (Note 6)	<b>810</b>	-	-	-
Rental expense on:				
- equipment	<b>276</b>	293	-	-
- office	<b>64</b>	40	-	-
Staff costs (including directors' remuneration and other key management personnel as disclosed in Note 31)	<b>15,855</b>	12,970	<b>8,008</b>	7,297

**31. STAFF COSTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Continuing Operations</u>				
Salaries, bonuses and other benefits	<b>13,455</b>	9,846	<b>6,632</b>	5,227
Defined contribution plans	<b>1,253</b>	1,055	<b>625</b>	590
Social security costs	<b>85</b>	77	<b>34</b>	33
LTIP expenses	<b>283</b>	919	<b>216</b>	919
Other staff related expenses	<b>779</b>	1,073	<b>501</b>	528
	<b>15,855</b>	12,970	<b>8,008</b>	7,297



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## 31. STAFF COSTS (CONT'D)

Included in the staff costs of the Group and of the Company are:-

- (a) directors' remuneration amounting to RM2,705,000 and RM2,637,000 (2021 - RM1,937,000 and RM1,937,000) respectively, as further disclosed in Note 32(a) to the financial statements.
- (b) termination costs incurred on the Voluntary Separation Scheme paid to staff amounting to RM84,000 (2021 - RM302,000).

## 32. 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.

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

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>(a) Directors</b>				
<b><u>Continuing Operations</u></b>				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,532	1,021	1,532	1,021
Defined contribution benefits	234	172	234	172
LTIP expenses	57	64	57	64
	1,823	1,257	1,823	1,257
<i>Non-Executive Directors</i>				
Short-term employee benefits:				
- fees	612	443	612	443
- allowances	190	202	190	202
LTIP expenses	12	35	12	35
	814	680	814	680
<u>Directors of the Subsidiaries</u>				
Short-term employee benefit:				
- fees	68	-	-	-
Total directors' remuneration for continuing operations (Note 31(a))	2,705	1,937	2,637	1,937

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**32. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(a) Directors (Cont'd)</b>				
<b><u>Discontinued Operations</u></b>				
<i>Directors of the Subsidiaries</i>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	-	13	-	-
Total directors' remuneration for discontinued operations	-	13	-	-

The estimated monetary value of benefits-in-kind provided by the Group to its executive director is RM50,000 (2021 - RM50,000).

**(b) Other Key Management Personnel**
**Continuing Operations**

Short-term employee benefits	<b>1,760</b>	1,699	<b>1,618</b>	-
Defined contribution benefits	<b>211</b>	204	<b>194</b>	-
LTIP expenses	<b>85</b>	-	<b>85</b>	-
Total compensation for other key management personnel for continuing operations	<b>2,056</b>	1,903	<b>1,897</b>	-

**Discontinued Operations**

Short-term employee benefits	-	167	-	-
Defined contribution benefits	-	11	-	-
Total compensation for other key management personnel for discontinued operations	-	178	-	-

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## 33. INCOME TAX EXPENSE

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax:-				
- for the financial year	1,152	6	-	-
- underprovision in the previous financial year	3	494	-	-
	1,155	500	-	-

A reconciliation of income tax expense applicable to the profit/(loss) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after taxation	4,171	9,349	(3,554)	(4,691)
Total income tax expense	1,155	500	-	-
Results from continuing and discontinued operations before income tax expense	5,326	9,849	(3,554)	(4,691)
Tax at the statutory rate of 24% (2021 - 24%)	1,278	2,364	(853)	(1,126)
Tax effects of:-				
Non-taxable income	(645)	(5,271)	-	(600)
Non-deductible expenses	2,421	2,259	408	202
Deferred tax assets not recognised during the financial year	444	1,606	445	1,524
Utilisation of deferred tax assets not recognised in the previous financial years	(2,346)	(952)	-	-
Underprovision of current tax in the previous financial year	3	494	-	-
Income tax expense for the financial year	1,155	500	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

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### 34. PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS

On 25 February 2020, the Company announced the disposal of one of its subsidiaries which has been underperforming for the past few years. The disposal was completed in the previous financial year as disclosed in Note 36(b) to the financial statements.

An analysis of the results of the discontinued operations was as follows:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	-	1,658
Cost of sales	-	(1,082)
Gross profit	-	576
Other income	-	17,729
Administrative expenses	-	18,305
Other expenses	-	(1,969)
Finance costs	-	(3)
	-	(1)
Profit before taxation	-	16,332
Income tax expense	-	-
Profit after taxation from discontinued operations	-	16,332

(a) Included in the profit before taxation are the following:-

Depreciation of equipment	-	2
Gain on disposal of a subsidiary (Note 36)	-	(17,719)
Rental expenses on:		
- equipment	-	72
- office	-	863
Staff costs	-	1,145

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## 35. EARNINGS/(LOSS) PER SHARE

	The Group 2022	2021
<b>Basic earnings/(loss) per share</b>		
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)		
- Continuing operations	<b>4,171</b>	(6,347)
- Discontinued operations	-	16,332
	<b>4,171</b>	9,985
Weighted average number of ordinary shares ('000):-		
Ordinary shares at 1 July 2021/2020	<b>789,124</b>	532,230
Effect of treasury shares held	<b>(1,699)</b>	(1,699)
Effect of new ordinary shares issued	<b>1</b>	153,395
Weighted average number of ordinary shares at 30 June ('000)	<b>787,426</b>	683,926
Basic earnings/(loss) per share (Sen):		
- Continuing operations	<b>0.53</b>	(0.93)
- Discontinued operations	-	2.39

The basic earnings/(loss) per share of the Group is calculated by dividing the Group's profit/(loss) after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	The Group 2022	2021
<b>Dilutive earnings/(loss) per share</b>		
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)		
- Continuing operations	<b>4,171</b>	(6,347)
- Discontinued operations	-	16,332
	<b>4,171</b>	9,985
Weighted average number of ordinary shares at 30 June ('000)	<b>787,426</b>	683,926
Weighted average number of shares under warrants and LTIP option ('000)	<b>255,968</b>	152,869*
Weighted average number of shares that would have been issued at average market price ('000)	<b>(150,175)</b>	(128,094)
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	<b>893,219</b>	708,701
Diluted earnings/(loss) per share (Sen):		
- Continuing operations	<b>0.47</b>	(0.90)
- Discontinued operations	-	2.30

\* In the previous financial year, the potential conversion of ESOS option are anti-dilutive as its exercise price is higher than the average market price of the Company's ordinary shares. Accordingly, the exercise of ESOS option has been ignored in the calculation of dilutive earnings per share.

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**36. DISPOSAL OF SUBSIDIARIES**

- (a) On 23 August 2021, the Company entered into a Sale and Purchase Agreement ("SPA") with MIE Corporate Holdings Sdn. Bhd. ("MIE") for the proposed disposal of 178,500 ordinary shares ("Sale Shares"), representing 51% of the Company's equity interest held in POGSB, for a cash consideration of RM113,213. The disposal was completed on 23 August 2021 upon the receipt of the total consideration from MIE for the Sale Shares.
- (b) On 25 February 2020, the Company announced the disposal of 100% equity interest held in Prestariang Education Sdn. Bhd. ("PESB"), one of its subsidiaries which has been underperforming for the past few financial years. The Company has entered into a conditional Share Sale Agreement ("SSA") in relation to the disposal of PESB shares for a total cash consideration of RM2.5 million.

The disposal of PESB was completed on 16 November 2020 upon the receipt of the balance purchase consideration of RM1.75 million from Serba Dinamik Group Berhad. All conditions precedent for the SSA with Serba Dinamik Group Berhad were fulfilled as of 27 October 2020.

- (c) In the previous financial year, PTSSB, an indirect subsidiary of the Company was undergoing Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016. The Company lost control of PTSSB upon the appointment of two Joint and Several Interim Liquidators on 2 April 2021.

The financial effects of the above disposal at the date of disposal are summarised below:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Investment in subsidiaries	-	-	179	-
Development costs (Note 8)	31	-	-	-
Property and equipment	149	439	-	-
Trade and other receivables	81	7,153	-	-
Amount owing by related companies	-	149,416	-	-
Trade and other payables	-	(44,050)	-	-
Cash and bank balances	30	366	-	-
Current tax assets	11	-	-	-
Amount owing to related companies	-	(54,257)	-	-
Amount owing to holding company	-	(5,066)	-	-
Contract liabilities	-	(73,038)	-	-
Current tax liabilities	-	(494)	-	-
Non-controlling interests	(153)	-	-	-
Carrying amount of net assets/(liabilities) disposed/ derecognised of	149	(19,531)	179	-
(Loss)/Gain on disposal of subsidiaries (Notes 36 and 43)	(36)	22,031	(66)	2,500
Consideration received, satisfied in cash	113	2,500	113	2,500
Less: Cash and bank balances of subsidiaries disposed of	(30)	(366)	-	-
Net cash inflow from the disposal of subsidiaries	83	2,134	113	2,500

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## 37. CASH FLOW INFORMATION

(a) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM'000	Total RM'000
<b>2022</b>		
At 1 July 2021	24,149	24,149
<u>Change in Financing Cash Flows</u>		
Repayment of principal	(6,320)	(6,320)
<u>Other Changes</u>		
Interest expense recognised in profit or loss (Note 28)	669	669
Repayment of interests (presented as operating cash flows)	(669)	(669)
	-	-
At 30 June	17,829	17,829

The Group	Term Loans RM'000	Revolving Credits RM'000	RSLs RM'000	Amount Owing To Directors RM'000	Other Payables RM'000	Total RM'000
<b>2021</b>						
At 1 July 2020	26,936	19,161	10,000	2,477	5,392	63,966
<u>Change in Financing Cash Flows</u>						
Repayment of principal	(2,787)	(19,161)	(10,000)	(2,477)	(5,392)	(39,817)
<u>Other Changes</u>						
Interest expense recognised in profit or loss (Note 28)	788	680	653	114	349	2,584
Repayment of interests (presented as operating cash flows)	(788)	(680)	(653)	(114)	(349)	(2,584)
	-	-	-	-	-	-
At 30 June	24,149	-	-	-	-	24,149

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**37. CASH FLOW INFORMATION (CONT'D)**

- (a) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	<b>Amount Owing To Subsidiaries RM'000</b>	<b>Amount Owing To Directors RM'000</b>	<b>Total RM'000</b>
<b>The Company</b>			
<b>2021</b>			
At 1 July 2020	20,435	595	21,030
<u>Change in Financing Cash Flows</u>			
Repayment to	(20,435)	(595)	(21,030)
At 30 June	-	-	-

- (b) The cash and cash equivalents comprise the following:-

	<b>The Group 2022 RM'000</b>	<b>2021 RM'000</b>	<b>The Company 2022 RM'000</b>	<b>2021 RM'000</b>
Cash and bank balances (Note 15)	<b>1,943</b>	5,301	<b>248</b>	298
Fixed deposits with licensed banks (Note 15)	<b>2,091</b>	25,251	<b>-</b>	21,127
Short-term investments (Note 14)	<b>15,313</b>	10,041	<b>15,313</b>	10,041
	<b>19,347</b>	40,593	<b>15,561</b>	31,466
Less: Fixed deposits pledged with licensed banks (Note 15)	<b>(2,091)</b>	(4,124)	<b>-</b>	-
	<b>17,256</b>	36,469	<b>15,561</b>	31,466



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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 Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Subsidiaries</b>				
Advances to	-	-	1,200	1,485
Advances from	-	-	21,047	8,254
Payment on behalf for	-	-	104	2,048
Payment on behalf from	-	-	298	137
Bad debts written off	-	-	-	110
Management fee	-	-	5,110	1,000
<b>A director</b>				
Interest expense	-	114	-	-
<b>A former director</b>				
Interest expense	-	349	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

## 39. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

**39. OPERATING SEGMENTS (CONT'D)**

The Group is organised into 5 main business segments as follows:-

- Software and services - license distribution, implementation, system integration, managed services, application development, other cloud related solutions and services (IaaS, SaaS and PaaS).
- Talent - Provision of career placement, talent upskilling, reskilling, training and certification.
- Concession - delivery of total solution for the integrated and comprehensive core immigration system includes design, customise, install, configure, test, commission and maintain throughout the concession period.
- Education (Discontinued) - 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.
- Employment Services - Human resource management services are to provide facilities for foreign workers' recruitment and document services.
- Others - Investment holding and other inactive subsidiaries.

- (a) Management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

- (b) Each reportable segment assets are measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities are measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

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## 39. OPERATING SEGMENTS (CONT'D)

### 39.1 BUSINESS SEGMENTS

	Software and Services RM'000	Talent RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2022</b>							
<b>Revenue</b>							
External revenue	76,112	14,147	-	-	-	-	90,259
Inter-segment revenue	-	-	-	-	5,581	(5,581)	-
Consolidated revenue	76,112	14,147	-	-	5,581	(5,581)	90,259
Segment profit/(loss) before interest and taxation	15,013	(921)	-	(813)	(7,257)	-	6,022
Finance costs	(153)	(265)	-	-	(278)	-	(696)
Profit/(Loss) before taxation	14,860	(1,186)	-	(813)	(7,535)	-	5,326
Segment profit/(loss) includes the followings:-							
Interest expense	153	265	-	-	251	-	669
Amortisation of development costs	1	-	-	-	-	-	1
Depreciation of property and equipment	364	452	-	-	840	-	1,656
Impairment losses on:							
- trade receivables	222	-	-	-	-	-	222
- other receivables	-	-	-	-	2,349	-	2,349
- contract costs	71	-	-	-	-	-	71
PPE written off	-	-	-	-	810	-	810
Loss on foreign exchange - realised	-	-	-	-	74	-	74
Penalty	105	-	-	-	-	-	105
Fair value loss on investment properties	-	-	-	-	820	-	820
Loss on disposal of subsidiaries	-	-	-	-	66	(30)	36
LTIP expenses	24	14	-	-	245	-	283
Gain on foreign exchange - realised	-	-	-	-	(10)	-	(10)
Dividend income	-	-	-	-	(43)	-	(43)
Interest income	-	-	-	-	(508)	-	(508)
Reversal of impairment losses on trade receivables	(601)	-	-	-	-	-	(601)

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### 39. OPERATING SEGMENTS (CONT'D)

#### 39.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>							
<b>2022</b>							
<b>Assets</b>							
Segment assets	129,163	13,729	-	304,343	117,542	(146,014)	418,763
Unallocated asset:							24,226
Consolidated total assets							442,989
Additions to non-current assets other than financial instrument are:							
- property and equipment	2,408	-	-	-	526	-	2,934
<b>Liabilities</b>							
Segment liabilities	87,770	5,294	-	249,174	12,618	(135,896)	218,960
Unallocated liabilities:							
- term loans							11,535
- deferred tax liabilities							16,869
- current tax liabilities							425
Consolidated total liabilities							247,789

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## 39. OPERATING SEGMENTS (CONT'D)

### 39.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>								
<b>2021</b>								
<b>Revenue</b>								
External revenue	99,609	5,070	1,658	230	-	-	-	106,567
Inter-segment revenue	-	-	-	-	-	1,336	(1,336)	-
Consolidated revenue	99,609	5,070	1,658	230	-	1,336	(1,336)	106,567
Segment profit/(loss)								
before interest								
and taxation	8,124	(3,363)	16,333	(372)	1,789	(8,612)	(1,054)	12,845
Finance costs	(659)	(1,138)	(1)	-	-	(1,198)	-	(2,996)
Profit/(Loss) before taxation	7,465	(4,501)	16,332	(372)	1,789	(9,810)	(1,054)	9,849
Segment profit/(loss)								
includes the followings:-								
Interest expense	659	1,138	1	-	-	1,110	-	2,908
Amortisation of development costs	-	-	-	11	-	-	-	11
Depreciation of property and equipment	487	598	2	76	75	1,129	-	2,367
Impairment losses on:								
- trade receivables	450	-	-	14	-	-	-	464
- non-current assets held for sale	669	821	-	-	-	1,551	-	3,041
- contract costs	1,628	-	-	-	-	-	-	1,628
Loss on disposal of property and equipment	78	-	-	-	102	-	-	180
Loss on foreign exchange								
- realised	631	-	-	-	-	-	-	631
Penalty	2	-	-	4	118	-	-	124
Fair value gain on investment properties	-	-	-	-	-	(981)	-	(981)
Gain on foreign exchange - realised	(751)	-	-	-	-	-	-	(751)
Gain on disposal of subsidiaries	-	-	(17,719)	-	(4,312)	-	-	(22,031)
Interest income	(215)	-	-	-	-	(331)	-	(546)

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### 39. OPERATING SEGMENTS (CONT'D)

#### 39.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Education (Discontinued) RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
<b>The Group</b>								
<b>2021</b>								
<b>Assets</b>								
Segment assets	75,998	4,728	-	371	303,752	119,938	(127,241)	377,546
Unallocated asset:								25,000
Consolidated total assets								<u>402,546</u>
Additions to non-current assets other than financial instruments are:								
- property and equipment	1,535	-	256	2	-	-	-	1,793
<b>Liabilities</b>								
Segment liabilities	32,586	629	-	8	247,919	13,574	(116,929)	177,787
Unallocated liabilities:								
- term loans								16,685
- deferred tax liabilities								16,869
- current tax liabilities								306
Consolidated total liabilities								<u>211,647</u>

#### 39.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly all business segments in Malaysia. Accordingly, the information by geographical segments is not presented.

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## 39. OPERATING SEGMENTS (CONT'D)

### 39.3 MAJOR CUSTOMERS

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

	Revenue		Business Segment
	2022 RM'000	2021 RM'000	
Customer A	61,532	13,252	Software and services

## 40. CAPITAL COMMITMENTS

	The Group	
	2022 RM'000	2021 RM'000
Work-in-progress	601	1,678
Computer systems and equipment	428	–
	1,029	1,678

## 41. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2022 RM'000	2021 RM'000
Performance guarantee extended by a subsidiary to third parties	5,350	7,417
Dividend payable on RPS "A" (Note 22)	28,804	28,804
	34,154	36,221

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## 42. 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.

### 42.1 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 currencies giving rise to the risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). 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'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:-

	← 2022 →		← 2021 →	
	United States Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Singapore Dollar RM'000
<b>The Group</b>				
<u>Financial Asset</u>				
Cash and bank balances	1	-	1	-
<u>Financial Liabilities</u>				
Trade payables	(1,163)	-	(732)	-
Other payables	(15)	(2)	(2)	-
	<b>(1,178)</b>	<b>(2)</b>	(734)	-
Currency exposure	<b>(1,177)</b>	<b>(2)</b>	(733)	-

The Company does not have any foreign currency exposure and hence, is not exposed to foreign currency risk.



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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 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:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on Profit After Taxation</b>		
USD/RM - strengthened by 5%	<b>(45)</b>	(28)
- weakened by 5%	<b>45</b>	28
SGD/RM - strengthened by 5%	<b>*</b>	-
- weakened by 5%	<b>*</b>	-

\* Negligible

There is no impact on the Group's equity.

##### (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 favorable 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 21 to the financial statements.

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 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:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on Profit After Taxation</b>		
Increase of 100 basis points	<b>(136)</b>	(184)
Decrease of 100 basis points	<b>136</b>	184

There is no impact on the Group's equity.

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

##### (iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, are not exposed to equity price risk.

##### *Equity Price Risk Sensitivity Analysis*

The Group and the Company do not have any quoted investments and hence, no sensitivity analysis is presented.

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 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 receivables 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 Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

#### (i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 1 customer which constituted approximately 96% of its total trade receivables at the end of the reporting period.

#### (ii) Maximum 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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM23,178,000 (2021 - RM30,700,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

#### (iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2021 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the treasury bills interest rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses*

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
<b>The Group</b>				
<b>2022</b>				
Current (not past due)	6,277	-	(139)	6,138
1 to 30 days past due	-	-	-	-
31 to 60 days past due	965	-	(3)	962
61 to 90 days past due	426	-	(16)	410
Past due more than 90 days	183,409	-	(361)	183,048
Credit impaired	9,286	(9,286)	-	-
Trade receivables	200,363	(9,286)	(519)	190,558
Contract assets	59,362	-	-	59,362
	259,725	(9,286)	(519)	249,920
<b>2021</b>				
Current (not past due)	194	-	(186)	8
1 to 30 days past due	68	-	(60)	8
31 to 60 days past due	319	-	(38)	281
61 to 90 days past due	68	-	(38)	30
Past due more than 90 days	187,492	-	(197)	187,295
Credit impaired	9,767	(9,767)	-	-
	197,908	(9,767)	(519)	187,622

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 10 and 11 to the financial statements.

##### Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the lending interest rate and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Other Receivables (Cont'd)

##### *Allowance for Impairment Losses*

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
<b>The Group</b>			
<b>2022</b>			
Low credit risk	125,626	–	125,626
Credit impaired	4,956	(4,956)	–
	<b>130,582</b>	<b>(4,956)</b>	<b>125,626</b>
<b>2021</b>			
Low credit risk	125,876	–	125,876
Credit impaired	2,607	(2,607)	–
	<b>128,483</b>	<b>(2,607)</b>	<b>125,876</b>

The movement in the loss allowances are disclosed in Note 12 to the financial statements.

##### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.



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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

*Allowance for Impairment Losses*

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
<b>The Company</b>			
<b>2022</b>			
Low credit risk	80,924	–	80,924
Credit impaired	8,430	(8,430)	–
	<b>89,354</b>	<b>(8,430)</b>	<b>80,924</b>
<b>2021</b>			
Low credit risk	67,788	–	67,788
Credit impaired	8,430	(8,430)	–
	<b>76,218</b>	<b>(8,430)</b>	<b>67,788</b>

#### Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

#### (c) Liquidity Risk

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

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**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.1 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):-

	<b>Contractual Coupon Interest Rate %</b>	<b>Carrying Amount RM'000</b>	<b>Contractual Undiscounted Cash Flows RM'000</b>	<b>Within 1 Year RM'000</b>	<b>1 - 5 Years RM'000</b>	<b>Over 5 Years RM'000</b>
<b>The Group</b>						
<b>2022</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
RPS "A"	<b>4.60</b>	<b>152</b>	<b>152</b>	<b>-</b>	<b>152</b>	<b>-</b>
Term loans	<b>3.05 - 4.51</b>	<b>17,829</b>	<b>19,537</b>	<b>4,407</b>	<b>7,735</b>	<b>7,395</b>
Trade payables	<b>-</b>	<b>199,943</b>	<b>199,943</b>	<b>199,943</b>	<b>-</b>	<b>-</b>
Other payables and accruals	<b>-</b>	<b>8,611</b>	<b>8,611</b>	<b>8,611</b>	<b>-</b>	<b>-</b>
		<b>226,535</b>	<b>228,243</b>	<b>212,961</b>	<b>7,887</b>	<b>7,395</b>
<b>2021</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
RPS "A"	4.60	152	152	-	152	-
Term loans	2.98 - 3.05	24,149	26,831	4,543	16,599	5,689
Trade payables	-	154,057	154,057	154,057	-	-
Other payables and accruals	-	6,468	6,468	6,468	-	-
		184,826	187,508	165,068	16,751	5,689

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.1 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 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>The Company</b>						
<b>2022</b>						
<u>Non-derivatives</u>						
<u>Financial Liabilities</u>						
Other payables and accruals	-	1,605	1,605	1,605	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries #	-	-	23,178	23,178	-	-
		1,605	24,783	24,783	-	-
<b>2021</b>						
<u>Non-derivatives</u>						
<u>Financial Liabilities</u>						
Other payables and accruals	-	677	677	677	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries #	-	-	30,700	30,700	-	-
		677	31,377	31,377	-	-

# The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
RPS "A" (Note 22)	<b>152</b>	152
Term loans (Note 21)	<b>17,829</b>	24,149
	<b>17,981</b>	24,301
Less: Cash and cash equivalents (Note 37(b))	<b>(17,256)</b>	(36,469)
Net debt	<b>725</b>	(12,168)
Total equity	<b>195,200</b>	190,899
Debt-to-equity ratio	<b>0.004</b>	N/A

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 21 to the financial statements, failing which, the bank may call an event of default. The Group has complied with this requirement.

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# Notes to the Financial Statements

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Short-term investments (Note 14)	15,313	15,313
<u>Amortised Cost</u>		
Trade receivables (Note 10)	190,558	–
Other receivables (Note 12)	125,626	75
Amount owing by subsidiaries (Note 13)	–	80,924
Cash and bank balances (Note 15)	4,034	248
	320,218	81,247
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
RPS "A" (Note 22)	152	–
Term loans (Note 21)	17,829	–
Trade payables (Note 24)	199,943	–
Other payables and accruals (Note 25)	8,611	1,605
	226,535	1,605

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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2021	
	The Group RM'000	The Company RM'000
<b>Financial Assets</b>		
<u>Fair Value Through Profit or Loss</u>		
Short-term investments (Note 14)	10,041	10,041
<u>Amortised Cost</u>		
Trade receivables (Note 10)	187,622	–
Other receivables (Note 12)	125,876	72
Amount owing by subsidiaries (Note 13)	–	67,788
Cash and bank balances (Note 15)	30,552	21,425
	344,050	89,285
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
RPS "A" (Note 22)	152	–
Term loans (Note 21)	24,149	–
Trade payables (Note 24)	154,057	–
Other payables and accruals (Note 25)	6,468	677
	184,826	677

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**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2022	
	The Group RM'000	The Company RM'000
<b>Financial Asset</b>		
<u>Amortised Cost</u>		
Net (losses)/gains recognised in profit or loss	(1,452)	467
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(743)	-
	2021	
	The Group RM'000	The Company RM'000
<b>Financial Asset</b>		
<u>Amortised Cost</u>		
Net (losses)/gains recognised in profit or loss	(148)	218
<b>Financial Liability</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(3,539)	-

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**42. FINANCIAL INSTRUMENTS (CONT'D)**

## 42.5 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 or repayable on demand terms.

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 RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>The Group</b>								
<b>2022</b>								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	15,313	-	-	-	-	15,313	15,313
<u>Financial Liabilities</u>								
RPS "A"	-	-	-	-	152	-	152	152
Term loans	-	-	-	-	17,829	-	17,829	17,829
<b>2021</b>								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	10,041	-	-	-	-	10,041	10,041
<u>Financial Liabilities</u>								
RPS "A"	-	-	-	-	152	-	152	152
Term loans	-	-	-	-	24,149	-	24,149	24,149



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## 42. FINANCIAL INSTRUMENTS (CONT'D)

### 42.5 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	RM'000	RM'000
<b>The Company</b>								
<b>2022</b>								
<u>Financial Asset</u>								
Short-term								
investments:								
- money market								
funds	-	15,313	-	-	-	-	15,313	15,313
<b>2021</b>								
<u>Financial Asset</u>								
Short-term								
investments:								
- money market								
funds	-	10,041	-	-	-	-	10,041	10,041

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

- (i) The fair value of short-term investments - money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (ii) 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 term loan 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 value of RPS "A" 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 rate used to discount the estimated cash flows are as follows:-

	The Group	
	2022 %	2021 %
RPS "A"	4.60	4.60

**43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR****(a) Surat Setuju Terima (Letter Of Acceptance) for “Perolehan Langganan Perisian G Suite Enterprise For Education Bagi Sekolah-Sekolah Di Bawah Kementerian Pendidikan Malaysia”**

On 8 July 2021, ASSB has successfully procured the contract for the supply of Perisian G Suite Enterprise For Education Bagi Sekolah-Sekolah Di Bawah Kementerian Pendidikan Malaysia (“the Contract”) with the Ministry of Education (“MOE”). The Contract is for a term of three (3) years, effective from 9 July 2021 with a value of RM22,777,509 (inclusive of 6% Sales and Service Tax).

**(b) Disposal of a subsidiary**

On 23 August 2021, the Company entered into a Sale and Purchase Agreement (“SPA”) with MIE Corporate Holdings Sdn. Bhd. (“MIE”) for the proposed disposal of 178,500 ordinary shares (“Sale Shares”), representing 51% of the Company’s equity interest held in Prestariang O&G Sdn. Bhd. (“POGSB”), for a cash consideration of RM113,213. The disposal was completed on 23 August 2021 upon the receipt of the total consideration from MIE for the Sale Shares.

**(c) Termination of proposed disposal of property**

On 8 February 2021, the Company announced that its wholly-owned subsidiary, Awantec Systems Sdn. Bhd. (formerly known as Prestariang Systems Sdn. Bhd.) (“ASSB”), has entered into conditional sale and purchase agreements (“SPAs”) with Serba Dinamik Group Berhad (“SDGB”), for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya for a total cash consideration of Ringgit Malaysia Twenty Four Million Two Hundred Thousand (RM24,200,000) only (“Proposed disposal”).

The SPA is conditional upon ASSB to obtain the written consent from the developer within 3 months from the date of SPA (“Unconditional Date”) and the balance of the purchase price is payable by SDGB within 4 months from the Unconditional Date (“Completion Period”). SDGB had on 15 July 2021 wrote to ASSB to request for extension of time to pay the balance of purchase price (the “Request”). ASSB, having considered the Request, agreed to SDGB’s request for the extension to 31 October 2021.

On 10 November 2021, ASSB has entered into a Mutual Termination Agreement (“MTA”) with SDGB to terminate the SPAs accordingly with the following principal terms:-

- a) The deposit paid by SDGB amounting to RM2,420,000 (Ringgit Malaysia Two Million Four Hundred and Twenty Thousand) (the “Deposit”) was forfeited as per clause 6 (ii)(a) of the SPAs.
- b) ASSB is at liberty to sell or otherwise deal with the Property in any manner as ASSB deems fit without reference to the SDGB.

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

**43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)****(d) Supply and service agreement with Pernec Integrated Network Systems Sdn. Bhd.**

On 1 December 2021, ASSB had entered into a Supply and Service Agreement ("Agreement") with Pernec Integrated Network Systems Sdn. Bhd. ("Pernec"). Pursuant to the Agreement, ASSB is to provide Google Workspace Solution, implementation, deployment and support services for a unified communication and collaborative service managed by Pernec.

The contract period is for a period commencing from 25 November 2021 until 13 February 2024 (the "Contract Period"). Pernec shall have the option to extend the Contract Period for a further period of two (2) years ("Extended Contract Period") by executing a separate written Agreement prior to the expiration of the Contract Period on the same terms and conditions of this Agreement save and except for the scope of the services and the license fees.

The consideration sum for the services to be paid by Pernec to ASSB is for the sum of Malaysian Ringgit Seventy-Five Million Eight Hundred and Eighty-Eight Thousand and Seven Hundred (RM75,888,700) only (excluding Sales and Services Tax).

**(e) Cloud Framework Agreement Between Government Of Malaysia With Google Cloud Malaysia Sdn. Bhd. and ASSB**

On 17 March 2022, ASSB had entered into a Cloud Framework Agreement ("Agreement") with the Government of Malaysia ("Government") as represented by MAMPU and Google Cloud Malaysia Sdn. Bhd ("Cloud Service Provider" or "CSP") to establish the scope and basic terms for the Government's purchase of CSP cloud services based on terms and conditions as stipulated in the Agreement.

The Agreement is for a period of 35 months commencing on 1 February 2022 and expiring on 31 December 2024 ("Agreement Period"), unless terminated earlier in accordance with the provisions of the Agreement. The CSP may apply to extend the Agreement Period provided it applies in writing to the Government not less than three (3) months prior to the expiration of the Agreement Period.

Under the Agreement, ASSB is appointed as the exclusive partner to Google for the provision of its services to the Government of Malaysia. There is no contract value stated in the Agreement. The subscription of CSP Cloud Services will be via future Subscription Contracts to be signed between various Government Ministries or Departments with ASSB and/or CSP within the Agreement Period.

**(f) Memorandum of Understanding Between Halal Development Corporation Berhad and ASSB**

On 2 June 2022 ("Effective Date"), ASSB had entered into a Memorandum of Understanding ("MoU") with Halal Development Corporation Berhad ("HDC").

HDC and ASSB will individually be referred to as "Party" or collectively as "Parties".

The collaboration period anticipated pursuant to this MoU is two (2) years commencing from 2 June 2022 ("Effective Date") and expiring on 1 June 2024. The Parties may, by a one (1) month written notice prior to the expiry of the MoU, apply to extend the MoU based on mutually agreed terms.

**43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)****(f) Memorandum of Understanding Between Halal Development Corporation Berhad and ASSB (Cont'd)**

The scope of the proposed collaboration, encompass the following:

- (i) Collaboration between Parties to provide Online Learning Platform that offers Halal Courses, job placement platform for Halal Talent, and Google base solution packages exclusive for Halal Integrated Platform ("HIP") members; and
- (ii) Joint marketing efforts to cross promote HIP and the Google Cloud Small Medium Enterprise solutions via all marketing channels to both local and global markets.

The MoU will automatically terminate at the earliest in the following:

- (i) Two (2) years from the Effective Date or such other date as mutually agreed between parties in writing; or
- (ii) Immediately upon the execution of a definitive agreement.

**44. MATERIAL LITIGATION**

On 15 April 2019, PSKIN, a wholly-owned subsidiary of ASV, which in turn is a subsidiary of the Company, filed an Originating Summons (No. WA-21NCvC-20-04/2020) at the Kuala Lumpur High Court ("OS") as "Plaintiff" against the GOM as "Defendant", in relation to the termination of the Concession Agreement dated 9 August 2017 ("CA") by GOM, by way of expropriation pursuant to Clause 31.1 of the CA.

**Details of Circumstances leading to the Filing of the OS against GOM**

Following the letter from GOM dated 11 December 2018, confirming the decision of the Cabinet to terminate the SKIN project, PSKIN and GOM had met several times to discuss among others, the payment obligation of GOM and the quantum to be paid by GOM, but both parties were unable to reach an agreement. Hence, PSKIN has filed the OS seeking the following orders:-

- (a) A declaration that GOM is under an obligation to pay to PSKIN a sum representing the present value of the Availability Charges for the remaining unexpired Concession Period discounted at Weighted Average Cost of Capital of PSKIN as at the effective date of termination of the CA i.e. 22 January 2019, in accordance with Clause 28.3.1(b)(iii) read together with Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement dated 11 April 2019 ("Supplemental Agreement");
- (b) A declaration that the sum payable by GOM to PSKIN pursuant to Clauses 28.3.1(b)(iii), 31 and Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement is RM732,860,194.00, or any such amount as ordered by the Court;
- (c) An order that GOM makes payment to PSKIN of the sums declared and ordered in respect of paragraph (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 CA;

## Financial Statements

# Notes to the Financial Statements

For The Financial Year Ended 30 June 2022

**44. MATERIAL LITIGATION (CONT'D)****Details of Circumstances leading to the Filing of the OS against GOM (Cont'd)**

- (d) Interest on the sum of RM732,860,194.00 or any such sum as ordered by the Court, at any such rate as the Court deems fit, calculated from 22 July 2019, or any such date as the Court deems fit, to the date of judgement;
- (e) Interest on the judgement sum in respect of paragraph (c) above at the rate of 5% per annum calculated from the date of judgement to the date of full satisfaction of the judgement sum;
- (f) Costs; and/or
- (g) Such further and/or other relief as the Court deems fit.

PSKIN filed the OS on 15 April 2019 and the sealed copy of the OS was served on GOM on 25 April 2020. Following this, PSKIN filed an application for a Protective Order, which was granted on 19 June 2019. Upon obtaining the Protective Order, PSKIN filed its Affidavit in Support in respect of the OS on 19 June 2019 and served the said Affidavit in Support on GOM on 24 June 2019. GOM was to file its Affidavit in Reply in respect of the OS by 12 July 2019.

On 23 August 2019, GOM served its Affidavit in Reply in respect of the OS on PSKIN. On 6 September 2019, PSKIN filed and served its Affidavit in Reply on GOM.

GOM has filed an application for conversion of the OS to a writ action, but the application has been dismissed by the High Court on 30 October 2019.

GOM appealed to the Court of Appeal. On 10 June 2020, the Court of Appeal found that there was no merit to GOM's appeal and dismissed the appeal with costs to PSKIN. In dismissing GOM's appeal, the Court of Appeal held that GOM would not suffer prejudice with PSKIN's action continuing by way of OS 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 OS was first heard before the High Court on 22 January 2021 and the hearing of the OS is currently still ongoing.

Separately, PSKIN and GOM have also agreed to refer the dispute in respect of PSKIN's OS to 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 PSKIN and GOM (with parties' respective Counsel) attended the first mediation session. A further mediation session between the parties has yet to be fixed.


Financial Statements  
**Notes to the**  
Financial Statements  
For The Financial Year Ended 30 June 2022

**45. COMPARATIVE FIGURES**

The following figures have been reclassified to conform with the presentation of the current financial year:-

	<b>As Previously Reported RM'000</b>	<b>As Restated RM'000</b>
<b>Consolidated Cash Flows (Extract):-</b>		
Net cash flow from investing activities	3,044	1,244
Net cash flow from financing activities	28,256	30,076





***Awantec's twelfth Annual  
General Meeting will be held  
on a virtual basis from our  
broadcast venue at  
DoubleTree by Hilton  
Putrajaya Lakeside  
on Thursday,  
24 November 2022  
at 10:00 a.m.***

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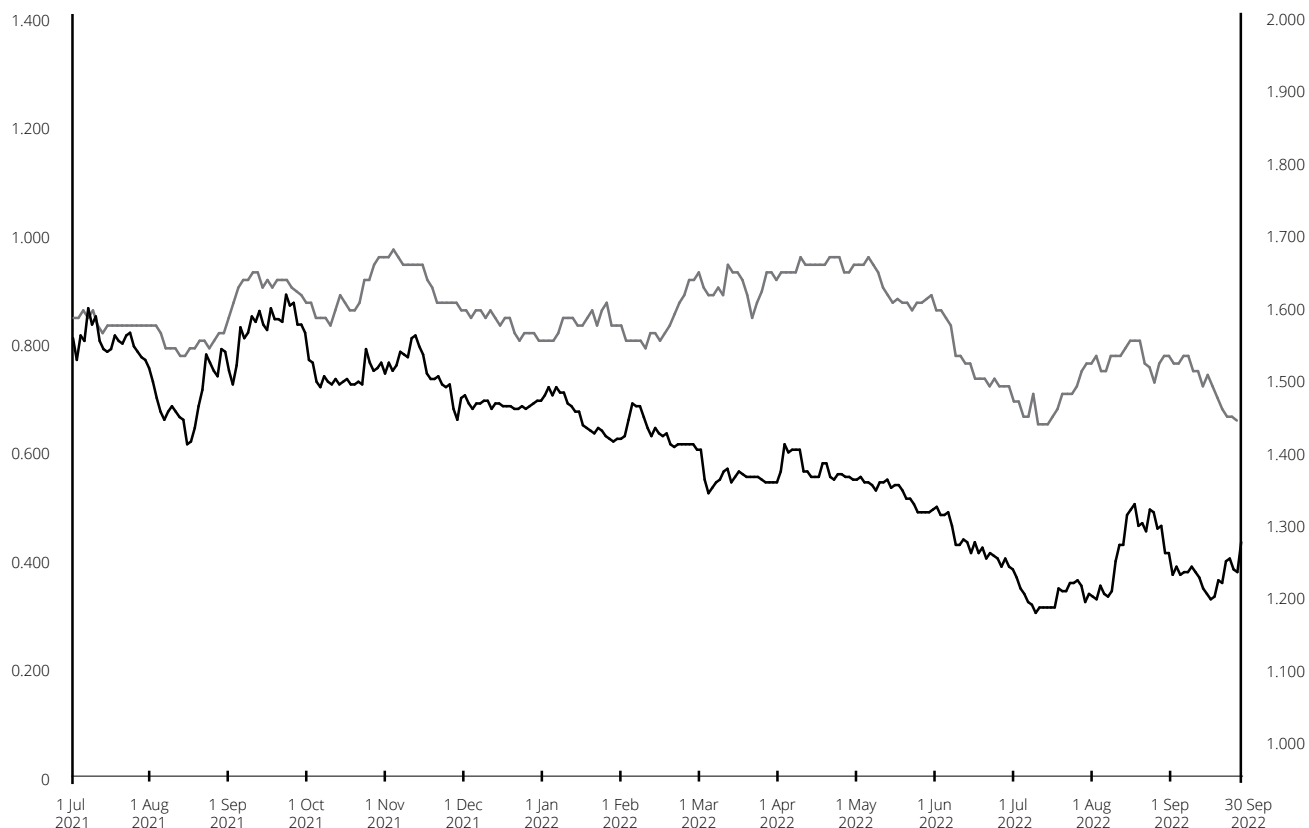
## ADDITIONAL INFORMATION

# Share Price Movement

## Share Price Movement for the Period from 1 July 2021 to 30 September 2022

Awantec Share Price

FBMKLCI Share Price



— Awantec  
— FBMKLCI

(Source: ShareInvestor)

Price	2021/22	Date
Highest	RM0.895	07 July 2021
Lowest	RM0.300	14 July 2022

Average daily volume traded within the period:  
**2.1 million** shares

# Financial Calendars

## Annual General Meeting

### Notice Date

26 October 2022

### Issuance of Annual Report 2022

26 October 2022

### 12<sup>th</sup> Annual General Meeting

24 November 2022

### Issuance of Annual Report 2021

22 October 2021

### 11<sup>th</sup> Annual General Meeting

24 November 2021

## Quarterly Results

FY2022	FY2021
<b>29 August 2022</b> Announcement of the unaudited consolidated results for the 4 <sup>th</sup> quarter ended 30 June 2022	<b>27 August 2021</b> Announcement of the unaudited consolidated results for the 4 <sup>th</sup> quarter ended 30 June 2021
<b>27 May 2022</b> Announcement of the unaudited consolidated results for the 3 <sup>rd</sup> quarter ended 31 March 2022	<b>27 May 2021</b> Announcement of the unaudited consolidated results for the 3 <sup>rd</sup> quarter ended 31 March 2021
<b>28 February 2022</b> Announcement of the unaudited consolidated results for the 2 <sup>nd</sup> quarter ended 31 December 2021	<b>24 February 2021</b> Announcement of the unaudited consolidated results for the 2 <sup>nd</sup> quarter ended 31 December 2020
<b>25 November 2021</b> Announcement of the unaudited consolidated results for the 1 <sup>st</sup> quarter ended 30 September 2021	<b>26 November 2020</b> Announcement of the unaudited consolidated results for the 1 <sup>st</sup> quarter ended 30 September 2020

## ADDITIONAL INFORMATION

# List of Properties

No.	Location	Registered Owner	Tenure	Built-up Area (sq ft)	Description/ Existing Use	Approximate Age of Building (Years)	Net Book Value as at 30/6/2022 (RM)	Date of Acquisition
1	Unit No. 70-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,710	Office Building	13.5	200,000	4 Sept 2007
2	Unit No. 71-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,710	Office Building	13.5	200,000	4 Sept 2007
3	Unit No. 72-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,710	Office Building	13.5	200,000	4 Sept 2007
4	Unit No. 73-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,847	Office Building	13.5	239,000	4 Sept 2007
5	Unit No. 72-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	13.5	379,000	4 Sept 2007
6	Unit No. 73-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	2,440	Office Building	13.5	599,000	15 Sept 2007
7	Unit No. 71-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	13.5	389,000	1 July 2009
8	Unit No. 70-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	13.5	389,000	1 July 2009
9	Unit No. 73A-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	2,440	Office Building	13.5	790,000	3 Sept 2010
10	Unit No. 73A-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,847	Office Building	13.5	599,000	3 Sept 2010
11	Block 12 Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	40,375	Office Building	4.5	24,180,000	27 Jan 2017
12	Block 11-2 (11B) Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	17,999	Office Building	4.5	11,296,000	19 Oct 2017

# Analysis of Shareholdings

As at 30 September 2022

## SHARE CAPITAL

Total number of issued shares	:	789,584,700 Ordinary Shares (Including 1,698,500 treasury shares)
Class of shares	:	Ordinary Shares
Voting rights	:	One (1) vote per Ordinary Share
Number of shareholders	:	7,397

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	116	1.57	3,777	0.00
100 - 1,000	916	12.38	584,013	0.08
1,001 - 10,000	3,575	48.33	19,536,738	2.48
10,001 - 100,000	2,295	31.03	77,052,597	9.78
100,001 - 39,394,309*	491	6.64	409,811,435	52.01
39,394,310 and above **	4	0.05	280,897,640	35.65
<b>Total</b>	<b>7,397</b>	<b>100.00</b>	<b>787,886,200</b>	<b>100.00</b>

Notes:-

(\*) Less than 5% of issued holdings

(\*\*) 5% and above of issued holdings

## SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2022

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT	%	INDIRECT	%
		NO. OF SHARES HELD		NO. OF SHARES HELD	
1.	Maybank Trustees Berhad for Areca Dynamic Growth Fund	102,929,400	13.06	–	–
2.	Eco Cloud Assets Sdn. Bhd.	79,579,740	10.10	–	–
3.	CIMB Islamic Trustee Berhad	55,301,700	7.02	–	–
4.	CIMB Commerce Trustee Berhad	43,086,800	5.47	–	–
5.	Dr. Abu Hasan bin Ismail	–	–	79,579,740 <sup>(a)</sup>	10.10
6.	Eco Cloud Ventures Sdn. Bhd.	–	–	79,579,740 <sup>(a)</sup>	10.10

Notes:-

<sup>(a)</sup> Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## ADDITIONAL INFORMATION

# Analysis of Shareholdings

As at 30 September 2022

## DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

NO.	NAME OF DIRECTORS	DIRECT		INDIRECT	
		NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	–	–	–	–
2.	Dr. Abu Hasan bin Ismail	–	–	79,579,740 <sup>(a)</sup>	10.10
3.	Chan Wan Siew	1,862,400	0.24	100,000 <sup>(b)</sup>	0.01
4.	Baldesh Singh A/L Manmohan Singh*	138,200	0.02	–	–
5.	Ramanathan A/L Sathiamutty	–	–	–	–
6.	Professor Emeritus Dato' Dr. Hassan bin Said	–	–	–	–
7.	Hafidah Aman binti Hashim	–	–	–	–
8.	Ginny Yeow Mei Ying	–	–	–	–
9.	Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan	–	–	–	–
10.	YM Tunku Abang Faisal Amir bin Abang Abu Bakar	–	–	–	–

Note:-

<sup>(a)</sup> Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.<sup>(b)</sup> Deemed interested by virtue of his spouse, Ms. Lee Oi Lin's shareholdings in the Company.

\* Resigned as Chief Operating Officer and Non-Independent Executive Director of the Company with effect from 3 October 2022.

## THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022

NO.	NAME	NO. OF SHARES	%
1.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND (411901)	102,929,400	13.06
2.	ECO CLOUD ASSETS SDN. BHD.	79,579,740	10.10
3.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	55,301,700	7.02
4.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 3	43,086,800	5.47
5.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	28,600,000	3.63
6.	CIMSEC NOMINEES (ASING) SDN. BHD. CIMB FOR YINSON CAPITAL PTE LTD (PB)	18,000,000	2.28
7.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD. (EPF)	17,901,636	2.27
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E)	16,388,000	2.08
9.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR YEOH ENG HUA (PB)	14,386,000	1.83
10.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	10,441,900	1.33

ADDITIONAL INFORMATION  
**Analysis of**  
 Shareholdings  
 As at 30 September 2022

**THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022 (CON'T)**

NO.	NAME	NO. OF SHARES	%
11.	CHIN CHIN SEONG	9,198,266	1.17
12.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	9,138,000	1.16
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	8,686,000	1.10
14.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.	8,324,841	1.06
15.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDV	8,280,833	1.05
16.	LIANNEX CORPORATION (S) PTE. LTD.	7,800,100	0.99
17.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	6,666,000	0.85
18.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	6,362,000	0.81
19.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	5,850,000	0.74
20.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 2	5,000,000	0.63
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG	5,000,000	0.63
22.	LAI HOONG WYE	4,891,900	0.62
23.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.	4,867,084	0.62
24.	CHIN CHIN SEONG	4,600,000	0.58
25.	LIM SOO KIOW	4,230,000	0.54
26.	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	4,222,600	0.54
27.	MUHAMAD ALOYSIUS HENG	4,056,500	0.51
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR ARECA CAPITAL SDN. BHD. (CLIENTS' ACCOUNT)	3,629,000	0.46
29.	DATO' MAZNAH BINTI ABDUL JALIL	3,247,000	0.41
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO (MY2095)	3,070,000	0.39
<b>TOTAL</b>		<b>503,735,300</b>	<b>63.93</b>

## ADDITIONAL INFORMATION

# Analysis of Warrant A Holdings

As at 30 September 2022

Total Number of Outstanding Warrant A Issued : 255,950,234 Warrants  
 Number of Warrant A holders : 1,782

## DISTRIBUTION OF WARRANT A HOLDINGS

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 - 99	109	6.11	4,910	0.00
100 - 1,000	166	9.32	97,423	0.04
1,001 - 10,000	726	40.74	3,992,432	1.56
10,001 - 100,000	621	34.85	21,950,939	8.58
100,001 - 12,797,510*	157	8.81	106,201,530	41.49
12,797,511 and above **	3	0.17	123,703,000	48.33
<b>Total</b>	<b>1,782</b>	<b>100.00</b>	<b>255,950,234</b>	<b>100.00</b>

Notes:-

(\*) Less than 5% of issued holdings

(\*\*) 5% and above of issued holdings

## DIRECTORS' WARRANT A HOLDINGS AS AT 30 SEPTEMBER 2022

NO.	NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
		NO. OF WARRANTS		NO. OF WARRANTS	
1.	Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	-	-	-	-
2.	Dr. Abu Hasan bin Ismail	-	-	-	-
3.	Chan Wan Siew	-	-	-	-
4.	Baldesh Singh A/L Manmohan Singh*	-	-	-	-
5.	Ramanathan A/L Sathiamutty	-	-	-	-
6.	Professor Emeritus Dato' Dr. Hassan bin Said	-	-	-	-
7.	Hafidah Aman binti Hashim	-	-	-	-
8.	Ginny Yeow Mei Ying	-	-	-	-
9.	Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan	-	-	-	-
10.	YM Tunku Abang Faisal Amir bin Abang Abu Bakar	-	-	-	-

Notes:-

\* Resigned as Chief Operating Officer and Non-Independent Executive Director of the Company with effect from 3 October 2022.

ADDITIONAL INFORMATION  
**Analysis of**  
**Warrant A Holdings**  
 As at 30 September 2022

**THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 30 SEPTEMBER 2022**

NO.	NAME	NO. OF WARRANTS	%
1.	MAYBANK NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-C)	85,000,000	33.21
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND (411901)	25,733,000	10.05
3.	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	12,970,000	5.07
4.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 3	10,771,700	4.21
5.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB ISLAMIC TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND	8,615,840	3.37
6.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	5,530,000	2.16
7.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	4,220,000	1.65
8.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E)	4,097,000	1.60
9.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR ARECA CAPITAL SDN BHD (CLIENTS' ACCOUNT)	4,031,300	1.58
10.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR YEOH ENG HUA (PB)	3,600,000	1.41
11.	CHIN CHIN SEONG	2,895,166	1.13
12.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,746,500	1.07
13.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	2,192,100	0.86
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG (M55015)	2,029,600	0.79
15.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	2,005,500	0.78



## ADDITIONAL INFORMATION

# Analysis of Warrant A Holdings

As at 30 September 2022

**THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 30 SEPTEMBER 2022 (CONT'D)**

NO.	NAME	NO. OF WARRANTS	%
16.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	1,860,000	0.73
17.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN CHIN SEONG	1,800,000	0.70
18.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDV	1,710,433	0.67
19.	LOW CHU MOOI	1,650,000	0.64
20.	TAMILSELVI A/P SUPPIAH	1,588,000	0.62
21.	KONG PAK LIM	1,522,500	0.59
22.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	1,200,000	0.47
23.	WONG KANG YEOW	1,200,000	0.47
24.	LIEW KUO AUN	1,083,500	0.42
25.	KONG PAK LIM	1,061,000	0.41
26.	YAP CHIN CHOY	860,000	0.34
27.	JUSTIN ONG SENG BENG	833,333	0.33
28.	DATO' MAZNAH BINTI ABDUL JALIL	816,000	0.32
29.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LIM CHIN YIH	812,000	0.32
30.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR NG GIAK PIN	805,900	0.31
<b>TOTAL</b>		<b>195,240,372</b>	<b>76.28</b>

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Twelfth Annual General Meeting ("**12<sup>th</sup> AGM**") of AwanBiru Technology Berhad ("**the Company**") will be held on a virtual basis from the broadcast venue at Bera 1 & 2, DoubleTree by Hilton Putrajaya Lakeside, 2, Jalan P5/5, Presint 5, 62200 Putrajaya, Wilayah Persekutuan Putrajaya on Thursday, 24 November 2022 at 10:00 a.m. for the following purposes:-

## AGENDA

- |    |   |                                     |
|----|---|-------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon.  | <b>(Please refer to Note No. 7)</b> |
| 2. | To approve the additional payment of Directors' fees amounting to RM204,000.00 which was in excess of the earlier approved amount of RM996,000.00 from 1 July 2021 until the conclusion of the next Annual General Meeting of the Company to be held in year 2022.        | <b>(Resolution 1)</b>               |
| 3. | To approve the additional payment of Directors' benefits amounting to RM4,800.00 which was in excess of the earlier approved amount of RM242,200.00 from 25 November 2021 until the conclusion of the next Annual General Meeting of the Company to be held in year 2022. | <b>(Resolution 2)</b>               |
| 4. | To approve the payment of Directors' fees up to an amount of RM1,296,000.00 for the period from 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.  | <b>(Resolution 3)</b>               |
| 5. | To approve the payment of Directors' benefits up to an amount of RM230,400.00 from 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.   | <b>(Resolution 4)</b>               |
| 6. | To re-elect the following Directors who are retiring pursuant to Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:-   |                                     |
|    | (a) Dr. Abu Hasan bin Ismail;   | <b>(Resolution 5)</b>               |
|    | (b) Professor Emeritus Dato' Dr. Hassan bin Said; and   | <b>(Resolution 6)</b>               |
|    | (c) Ginny Yeow Mei Ying.  | <b>(Resolution 7)</b>               |
| 7. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.   | <b>(Resolution 8)</b>               |

## ADDITIONAL INFORMATION

# Notice of Annual General Meeting

## As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

### 8. ORDINARY RESOLUTION NO. 1

(Resolution 9)

#### AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

**“THAT** subject always to the Companies Act 2016 (**“the Act”**), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

**THAT** pursuant to Section 85 of the Act to be read together with Clause 15 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

**AND THAT** the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

### 9. ORDINARY RESOLUTION NO. 2

(Resolution 10)

#### 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.

ADDITIONAL INFORMATION  
**Notice of**  
Annual General Meeting

**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."

10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**

**LIM LIH CHAU (SSM PC NO. 201908001454) (LS 0010105)**

Company Secretaries

Kuala Lumpur

Dated: 26 October 2022

## ADDITIONAL INFORMATION

# Notice of Annual General Meeting

**NOTES:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 November 2022 shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to the Meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, the primary mode of communication by shareholders for the Meeting is via text messaging facilities provided under the online meeting platform. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication are acceptable for the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the Form of Proxy may also be lodged electronically via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 22 November 2022 at 10:00 a.m. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the 12<sup>th</sup> AGM remotely, please register electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by registration not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 22 November 2022 at 10:00 a.m.

Please refer to the Administrative Guide for the 12<sup>th</sup> AGM of the Company, which is available for download at [https://awantec.listedcompany.com/shareholders\\_meeting.html](https://awantec.listedcompany.com/shareholders_meeting.html) for further details.

7. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

ADDITIONAL INFORMATION  
**Notice of**  
Annual General Meeting

8. Explanatory Note on Special Business:-

**(i) Additional payment of Directors' fees**

The Company had at the Eleventh Annual General Meeting ("**11<sup>th</sup> AGM**") held on 24 November 2021 sought the shareholders' approval on Directors' fees of RM996,000.00 for the period from 1 July 2021 until the next Annual General Meeting of the Company to be held in year 2022. However, the proposed amount was insufficient due to the additional payment to the members of the Board Oversight Committee ("**BOC**") which was formed on 1 August 2022, following the resignation of the former Chief Executive Officer on 29 July 2022. The BOC comprises the following two (2) Directors only:-

- Mr. Ramanathan A/L Sathiamutty (*Independent Non-Executive Director*) (*Chairman of the BOC*)
- Dr. Abu Hasan bin Ismail (*Non-Independent Non-Executive Director*) (*Member of the BOC*)

Kindly refer to the link below to the relevant announcement released on Bursa Malaysia Securities Berhad on 1 August 2022 in relation to the formation of BOC:-

[https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement/announcement\\_details?ann\\_id=3280461](https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3280461)

As such, this resolution is to facilitate the shortfall payment of the Directors' fees of RM204,000.00 for the period from 1 July 2021 until the next Annual General Meeting of the Company to be held in year 2022.

**(ii) Additional payment of Directors' benefits**

The Company had at the 11<sup>th</sup> AGM held on 24 November 2021 sought the shareholders' approval on Directors' benefits up to an amount of RM242,200.00 from 25 November 2021 until the next Annual General Meeting of the Company. However, the proposed amount was insufficient due to the additional payment to the two (2) members of the BOC which was formed on 1 August 2022 as a result of the resignation of the Chief Executive Officer on 29 July 2022.

Kindly refer to explanatory note (i) for more detailed information.

As such, this resolution is to facilitate the shortfall payment of the Directors' benefits of RM4,800.00 from 25 November 2021 until the next Annual General Meeting of the Company to be held in year 2022.

**(iii) Approval for the payment of Directors' benefits**

The proposed Directors' benefits payable comprises allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the period from 25 November 2022 until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

**(iv) Re-election of directors**

Clause 119 of the Company's Constitution expressly states that at the subsequent AGM after the first AGM held, at least one-third (1/3rd) or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd) of the Directors for the time being shall retire from office, provided always that all Directors including Managing Director shall retire from office at least once every three (3) years. A Director retiring at a meeting shall retain office until the conclusion of the meeting. A retiring Director shall be eligible for re-election.

## ADDITIONAL INFORMATION

# Notice of Annual General Meeting

Mr. Chan Wan Siew (“**Mr. Chan**”) has informed the Board in writing of his intention to retire as an Independent Director of the Company and therefore will not be seeking re-election at the AGM. Hence, he will retain office until the conclusion of the 12<sup>th</sup> AGM. With Mr. Chan not taken into account in determining the number of directors to retire, a total of three (3) out of eight (8) Directors are to retire in accordance with Clause 119 of the Company’s Constitution.

Ms. Ginny Yeow Mei Ying, Dr. Abu Hasan bin Ismail and Professor Emeritus Dato’ Dr. Hassan bin Said being eligible, have offered themselves for re-election at the 12<sup>th</sup> AGM pursuant to Clause 119 of the Company’s Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 12<sup>th</sup> AGM of the Company, the Board had through an independent consultant, CG Board Asia Pacific Sdn. Bhd., undertaken formal evaluations to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:

- (i) Performance and effectiveness of the Board as a whole, Board Committees and individual Directors; and
- (ii) Fit and proper assessment.

Based on the results of the abovementioned evaluations, the Board considered the performance of Ms. Ginny Yeow Mei Ying, Dr. Abu Hasan bin Ismail and Professor Emeritus Dato’ Dr. Hassan bin Said (each referred to as “**retiring Director**”) to be effective. The retiring Directors were able to meet the Board’s expectations in terms of experience, expertise, integrity, competency, participation and contribution. Each retiring Director demonstrates a commitment to the role and has sufficient time to meet his/her commitments to the Company. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board.

The details of the retiring Directors are available in the Directors’ Profile of the Annual Report 2022.

## (v) Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 12<sup>th</sup> AGM of the Company (hereinafter referred to as the “**General Mandate**”).

The Company had been granted a general mandate by its shareholders at the Eleventh Annual General Meeting (“**11<sup>th</sup> AGM**”) of the Company held on 24 November 2021 (hereinafter referred to as the “**Previous Mandate**”).

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will enable the Directors to take swift action for allotment of shares for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

## (vi) Proposed Renewal of Share Buy-Back Authority

The Proposed Renewal of Share Buy-back Authority is to renew the authority granted by the shareholders of the Company at the 11<sup>th</sup> AGM of the Company held on 24 November 2021. The proposed renewal will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Statement to Shareholders dated 20 October 2022 for further information.

## FORM OF PROXY

CDS Account No.	
Number of ordinary shares	

\*I/We (full name), \_\_\_\_\_

E-mail: \_\_\_\_\_ Telephone no.: \_\_\_\_\_

bearing \*NRIC No./Passport No./Company No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being \*member/members of Awanbiru Technology Berhad ("**the Company**") hereby appoint:-

First Proxy "A"

Full Name:	NRIC/Passport No.:	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:			
Telephone No.:			
Email Address:			

and/or failing \*him/her,

Second Proxy "B"

Full Name:	NRIC/Passport No.:	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:			
Telephone No.:			
Email Address:			

100%

or failing \*him/her, the \*Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Twelfth Annual General Meeting of the Company to be held on a virtual basis from the broadcast venue at Bera 1 & 2, DoubleTree by Hilton Putrajaya Lakeside, 2, Jalan P5/5, Presint 5, 62200 Putrajaya, Wilayah Persekutuan Putrajaya on Thursday, 24 November 2022 at 10:00 a.m. and at any adjournment thereof.

\* to put on a separate sheet where there are more than two (2) proxies.

(Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.)

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the additional payment of Directors' fees amounting to RM204,000.00 which was in excess of the earlier approved amount of RM996,000.00 from 1 July 2021 until the conclusion of the next Annual General Meeting of the Company to be held in year 2022.	1		
3.	To approve the additional payment of Directors' benefits amounting to RM4,800.00 which was in excess of the earlier approved amount of RM242,200.00 from 25 November 2021 until the conclusion of the next Annual General Meeting of the Company to be held in year 2022.	2		
4.	To approve the payment of Directors' fees up to an amount of RM1,296,000.00 for the period from 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.	3		
5.	To approve the payment of Directors' benefits up to an amount of RM230,400.00 from 25 November 2022 until the next Annual General Meeting of the Company to be held in year 2023.	4		
6(a).	To re-elect Dr. Abu Hasan bin Ismail as Director.	5		
6(b).	To re-elect Professor Emeritus Dato' Dr. Hassan bin Said as Director.	6		
6(c).	To re-elect Ginny Yeow Mei Ying as Director.	7		
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	8		
<b>Special Business</b>				
8.	Authority to issue shares pursuant to the Companies Act 2016.	9		
9.	Proposed Renewal of Share buy-back authority.	10		

As witness \*my/our hand(s) this day \_\_\_\_\_ of \_\_\_\_\_, 2022.

\* Strike out whichever not applicable

\_\_\_\_\_  
\*Signature of Member/Common Seal



**Notes:-**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 November 2022 shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to the Meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, the primary mode of communication by shareholders for the Meeting is via text messaging facilities provided under the online meeting platform. In the event of any technical glitch in the primary mode of communication, all other reasonable modes of communication are acceptable for the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

*Fold here*

Stamp

To:

**Boardroom Share Registrars Sdn. Bhd.**

Level 11, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13

46200 Petaling Jaya, Selangor Darul Ehsan

*Fold here*

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the Form of Proxy may also be lodged electronically via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 22 November 2022 at 10:00 a.m. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the 12<sup>th</sup> AGM remotely, please register electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by registration not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 22 November 2022 at 10:00 a.m.

Please refer to the Administrative Guide for the 12<sup>th</sup> AGM of the Company, which is available for download at [https://awantec.listedcompany.com/shareholders\\_meeting.html](https://awantec.listedcompany.com/shareholders_meeting.html) for further details.

# FTSE4Good

## Disclosure Index

### CLIMATE CHANGE

Reference Indicator	Indicator Description	Reference Section	Page(s)
ECC01	Climate change impact including CO2/GHG emissions - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency	Principle 3: Commitment to Corporate Responsibilities <i>Doing Well by Operating Responsibly</i>	74
ECC05	Initiatives in place include measures to address climate change through adaptation: a) Company mentions addressing adaptation b) Company explains specific actions taken	Principle 3: Commitment to Corporate Responsibilities <i>Adapting to Digitalisation to Reduce GHG Emissions</i>	74
ECC08	Board oversight of climate change: a) Evidence of board or board committee oversight of the management of climate change risks b) Named position responsible at Board level	Sustainability at Awantec <i>Governance Structure</i>	63
ECC14	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed	Principle 3: Commitment to Corporate Responsibilities <i>Environmental Performance Indicators</i>	78
ECC15	Three years of total energy consumption data is disclosed	Principle 3: Commitment to Corporate Responsibilities <i>Environmental Performance Indicators</i>	78
ECC23	GHG emissions per megawatt-hr	Principle 3: Commitment to Corporate Responsibilities <i>Environmental Performance Indicators</i>	78
ECC31	Energy use - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency	Principle 3: Commitment to Corporate Responsibilities <i>Doing Well by Operating Responsibly</i>	74
ECC38	Short term (up to 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets	Sustainability at Awantec <i>Sustainability Goals</i>	64
ECC39	Long term (more than 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets	Sustainability at Awantec <i>Sustainability Goals</i>	64
ECC41	Independent verification of operational GHG emissions data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared	Independent Assurance Statement	90
ECC42	Independent verification of operational energy consumption data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared	Independent Assurance Statement	90
ECC43	Recognition of climate change: a) As a relevant risk and/or opportunity to the business b) Discloses time horizon (short/medium/long term) of risk and/or opportunity	Value Creation: Our Risks Considerations <i>Strategic Risk #3 Climate Change Risk</i>	31
ECC44	Impact of climate-related risks and opportunities. The company: a) Details how they incorporate climate change risks and opportunities in their strategy (mitigation, new products, R&D, etc.) b) Discloses the impact of climate change risks and opportunities on financial planning (OPEX, CAPEX, M&A, debt)	Value Creation: Our Risks Considerations <i>Strategic Risk #3 Climate Change Risk</i>	31
ECC49	Scope 3 emissions Principle 3: Commitment to Corporate Responsibilities	Principle 3: Commitment to Corporate Responsibilities <i>Environmental Performance Indicators</i>	78
ECC50	Climate-related risk management procedures: a) Integrated into multi-disciplinary company-wide risk management b) Specific climate-related risk management process	Value Creation: Our Risks Considerations	29
ECC51	Internal carbon price: a) Company has an internal price of carbon b) Company discloses the price of carbon	Principle 3: Commitment to Corporate Responsibilities <i>Environmental Performance Indicators</i>	78

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## CLIMATE CHANGE (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Page(s)
ECC75	Does the company's remuneration for senior executives incorporate climate change performance? a) the CEO's remuneration incorporates climate change performance b) At least one other senior executive's remuneration incorporates climate change performance c) the company's CEO and/or at least one other senior executive's remuneration arrangements incorporate progress towards achieving the company's GHG reduction targets as a KPI determining performance-linked compensation	Sustainability at Awantec <i>Governance Structure</i>	63
ECC76	Does the company have a commitment to align disclosures to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)? a) The company commits to or currently aligns its disclosures to the TCFD recommendations b) The company is a listed TCFD Supporter c) The company explicitly sign-posts TCFD-aligned disclosures in its annual reporting OR publishes them in a TCFD report	Principle 3: Commitment to Corporate Responsibilities <i>Looking Forward</i>  TCFD 2022 - Weblink ( <a href="https://www.fsb-tcf.org/supporters/">https://www.fsb-tcf.org/supporters/</a> )	77

## CORPORATE GOVERNANCE

Reference Indicator	Indicator Description	Reference Section	Page(s)
GCG01	Separate Non-Executive Chair and CEO: a) Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared b) Separate Non-Executive Chair and CEO, where Chair is independent	Board of Directors' Profile	94 - 98
GCG02	Disclosure of details about Directors: a) Expertise b) Other Directorships	Board of Directors' Profile	94 - 98
GCG03	Number of Board Directors	Board of Directors' Profile	94 - 98
GCG04	Number of independent Directors on the board	Board of Directors' Profile	94 - 98
GCG05	Number of women on the board	Board of Directors' Profile	94 - 98
GCG06	Commitment to gender diversity on the board: a) Statement of support b) Targets in place to improve gender ratio	Corporate Governance Overview Statements <i>Board Composition</i>	111
GCG07	Board addresses: a) Conflicts of interest b) Related party transactions	Board Charter ( <a href="http://www.awantec.my">www.awantec.my</a> )  Related Party Transaction Policies & Procedures ( <a href="http://www.awantec.my">www.awantec.my</a> )	
GCG08	Periodic evaluation of board effectiveness: a) Review (can have no clear timeframe) b) Evaluation with a clear timeframe (e.g. annually or other set period)	Corporate Governance Overview Statements Board Effectiveness Evaluation ("BEE")	113 - 115
GCG09	Disclosure of: a) Board Committee(s) b) Their Charters, terms of reference or equivalent	Corporate Governance Overview Statements <i>Governance Framework</i>  Governance ( <a href="http://www.awantec.my">www.awantec.my</a> )	105 - 106
GCG10	Disclosure of number of times the board/each committee have/has met per annum	Corporate Governance Overview Statements <i>Board Deliberations</i>	108

**CORPORATE GOVERNANCE (CONT'D)**

Reference Indicator	Indicator Description	Reference Section	Page(s)
GCG11	Disclosure of the attendance rate: a) For some individual board/committee members, or average attendance rates b) Of all individual directors at both board and committee level	Corporate Governance Overview Statements <i>Board Deliberations</i>	108
GCG14	Disclosure of fixed and variable remuneration for: a) Senior executives included in the company's remuneration disclosures b) Non-executive board members	Corporate Governance Overview Statements <i>Disclosure on Directors' Remuneration</i>	121 - 122
GCG19	Annual General Meeting: Number of days between the date of notice and date of meeting	Notice of Annual General Meeting	263 - 265
GCG22	Shareholders have the right to vote on Director appointments and dismissals: a) Evidence of shareholders voting in the AGM b) The right to vote annually for election/re-election of all directors is explicitly covered in a company policy	Notice of Annual General Meeting	263 - 265
GCG26	Disclosure of voting results: a) In at least a limited manner b) In a detailed manner	Minutes of 12 <sup>th</sup> Annual General Meeting ( <a href="http://www.awantec.my">www.awantec.my</a> - will be available within 30 days from the conclusion of said meeting)	
GCG27	Remuneration for senior executives included in the company's remuneration disclosures: a) Includes long-term incentives or mechanisms b) Incorporates ESG performance	Additional Compliance Information <i>6. Long-term Incentive Plan ("LTIP")</i>	144
GCG40	Claw-back or malus provision exists for remuneration: a) Applies to CEO b) Applies to CEO and to one or more senior executives included in the company's remuneration disclosures	Remuneration Policy ( <a href="http://www.awantec.my">www.awantec.my</a> )	
GCG42	Does the company provide for one share one vote for all company meeting resolutions?	Corporate Governance Overview Statements <i>Poll Voting</i>  Notes to the Financial Statements <i>Share Capital</i>	125  204
GCG44	Financial expertise on the audit committee: a) At least one independent financial expert on the audit committee b) A majority of independent financial experts on the audit committee	Board of Directors' Profile	94 - 98
GCG46	There is a fully non-executive Audit Committee or Audit Board with: a) At least half independent members b) All independent members	Board of Directors' Profile	94 - 98
GCG47	There is a fully non-executive Remuneration Committee with: a) At least half independent members b) All independent members	Board of Directors' Profile	94 - 98
GCG48	In relation to executive remuneration, the company discloses: a) High-level principles b) A detailed process for setting remuneration	Remuneration Policy ( <a href="http://www.awantec.my">www.awantec.my</a> )	
GCG49	Disclosure and Nature of fees paid to the auditor: a) Audit and non-audit fees are separately disclosed b) Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year	Additional Compliance Information <i>Audit and Non-Audit Fees</i>	143
GCG50	Percentage of women on the Executive committee or equivalent: a) Year b) Percentage of women on the Executive committee or equivalent	Management Committees' Profile	99 - 101

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## HUMAN RIGHTS AND COMMUNITY

Reference Indicator	Indicator Description	Reference Section	Page(s)
SHR03	Statement of principles or process by which community investments are made: a) Covering defined focus areas b) Community investment focus area(s) linked to the company's business strategy	Principle 3: Commitment to Corporate Responsibilities <i>Empowering Communities Through Digitalisation</i>	76
SHR04	Policy addresses children's rights, other than child labour through: a) Evidence of support for children's rights in company operations or through programmes b) Policy or commitment statement on children's rights, such as commitment to the Children's Rights and Business Principles	Principle 2: Stakeholders Engagement and Disclosure <i>Empowering Digital Classroom</i>  Human Rights Statement ( <a href="http://www.awantec.my">www.awantec.my</a> )	72
SHR05	Commitment to local employment and/or sourcing: a) Comment on local employment/sourcing b) Clear commitment	Principle 4: Engaging Workplace <i>Employee Demographics</i>  Principle 5: Governance to Drive Compliance and Best Practices <i>Maintaining Sustainable Supply Chain</i>	85  89
SHR06	Addresses freedom of expression through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative	Principle 4: Engaging Workplace <i>Advocate Freedom of Expression</i>	84
SHR07	Addresses data privacy through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative	Principle 5: Governance to Drive Compliance and Best Practices <i>Ensuring Data Security</i>	88
SHR15	Output/outcome of specific results, achievements or benefits of community investments: a) Details of output/outcome including non-quantified b) Quantification of output/outcome	Principle 3: Commitment to Corporate Responsibilities <i>Upskilling the Disadvantaged: No One Left Behind</i>  Principle 3: Commitment to Corporate Responsibilities <i>Helping Local Flood Victims</i>	76  77
SHR16	Mechanisms to facilitate employee engagement and involvement with charitable partners: a) Evidence of recognising volunteering b) Specific targets or structures set up to facilitate employee engagement	Sustainability at Awantec <i>Sustainability Goals</i>  Principle 4: Engaging Workplace <i>Looking Forward</i>	65  85
SHR17	Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations	Our Value Creation Model <i>Social and Relationship Capital</i>	42 - 43
SHR21	Public commitment to respect and support the protection of internationally proclaimed human rights: a) The company's commitment includes reference to international human rights instruments, including those contained within the International Bill of Human Rights b) The company has made a specific commitment to apply either the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises	Human Rights Statement ( <a href="http://www.awantec.my">www.awantec.my</a> )  Equality, Diversity and Inclusion Policy ( <a href="http://www.awantec.my">www.awantec.my</a> )	

**LABOUR STANDARDS**

Reference Indicator	Indicator Description	Reference Section	Page(s)
SLS03	In relation to non-discrimination, company: a) Addresses non-discrimination/equal opportunity in general disclosures b) Has a separate policy, covering race, religion, gender, age, sexual orientation, disabilities, and nationality	Principle 4: Engaging Workplace <i>Equal Opportunity Employer</i>	84
SLS05	Policy or statement supporting the right to freedom of association that: a) Refers only to compliance with local law on freedom of association b) Covers the respect for or support of the right to freedom of association	Principle 4: Engaging Workplace <i>Support the Rights to Trade Union and Collective Bargaining</i>	84
SLS06	Policy or statement supporting the right to collective bargaining that: a) Refers only to compliance with local law on collective bargaining a) Covers the respect for or support of the right to collective bargaining	Principle 4: Engaging Workplace <i>Support the Rights to Trade Union and Collective Bargaining</i>	84
SLS07	Policy/Principles/Code addressing the elimination of excessive working hours, which: a) Focuses on compliance with local law on working hours/overtime b) Focuses on specifically reducing excessive working hours	Principle 4: Engaging Workplace <i>Discourage Excessive Working Hours</i>	83
SLS08	Policy or statement supporting the right to a minimum or living wage, which: a) Focuses on compliance with minimum wage b) Commits to exceed minimum wage/meet living wage	Principle 4: Engaging Workplace <i>Commitment to Exceed Minimum Wage</i>	84
SLS12	Company policy on labour standards is: a) Communicated globally to employees b) Translated into relevant languages	Principle 4: Engaging Workplace <i>Compliance with Laws and Regulations</i>	84 - 85
SLS21	In relation to instances of labour standards non-compliance, the company: a) Discloses the number of incidents but not how they dealt with them, or states there were no incidents b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents, or states there were no incidents	Principle 4: Engaging Workplace <i>Compliance with Laws and Regulations</i>	84 - 85
SLS24	Full time staff voluntary turnover rates: a) Current Year b) Turnover Rate	Principle 4: Engaging Workplace <i>People Performance Indicators</i>	86
SLS25	Percentage of employees that are contractors or temporary staff	Principle 4: Engaging Workplace <i>Employee Demographics</i>  Principle 4: Engaging Workplace <i>People Performance Indicators</i>	85  86
SLS26	Amount of time spent on employee development training to enhance knowledge or individual skills	Principle 4: Engaging Workplace <i>Driving Digital Adoption Among Employees</i>  Principle 4: Engaging Workplace <i>People Performance Indicators</i>	82  86
SLS29	Employee personal development training to enhance abilities or individual skills, including: a) Policy or commitment statement to provide employee personal development training b) Detailed description of the personal development training that is provided	Principle 4: Engaging Workplace <i>Driving Digital Adoption Among Employees</i>	82

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## LABOUR STANDARDS (CONT'D)

Reference Indicator	Indicator Description	Reference Section	Page(s)
SLS30	The company addresses bullying and/or harassment: a) Providing a confidential reporting channel or whistle blowing system b) Manager training on handling of reports or instances of bullying or harassment	Principle 4: Engaging Workplace <i>Zero Tolerance Conduct</i>  Awantec Whistleblowing Page ( <a href="https://www.awantec.my/whistleblowing">https://www.awantec.my/whistleblowing</a> )  Principle 5: Governance to Drive Compliance and Best Practices <i>Managing Bribery and Corruption Risks</i>	84   87 - 88
SLS32	Percentage of global staff with a disability: a) Year b) Percentage of global staff with disability	Principle 4: Engaging Workplace <i>FY2022 Employee Demographic Highlights</i>	83
SLS33	Percentage of women in the global workforce: a) Year b) Percentage of women in the global workforce	Principle 4: Engaging Workplace <i>FY2022 Employee Demographic Highlights</i>  Principle 4: Engaging Workplace <i>People Performance Indicators</i>	83  86

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