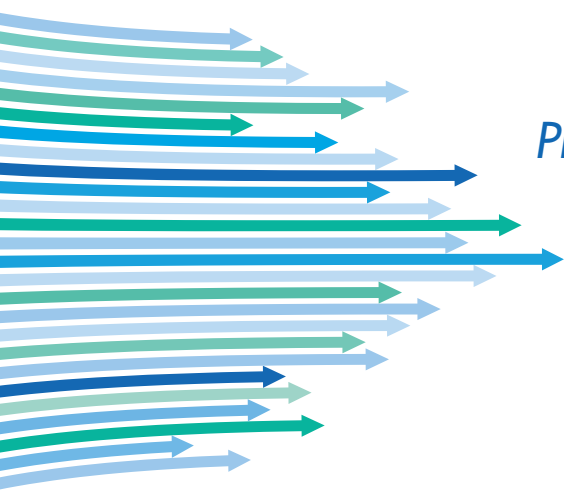




Annual Report 2023

Forging Digitalisation
Progressing with Purpose



Forging Digitalisation

Progressing With Purpose



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Our Annual Report this year, which carries the tagline, “Forging Digitalisation - Progressing With Purpose,” aptly sums up how the team at AwanBiru Technology Berhad (“Awantec”) continues to focus on being the trusted technology and talent solutions partner while demonstrating a spirit of excellence, to deliver what matters to our stakeholders.

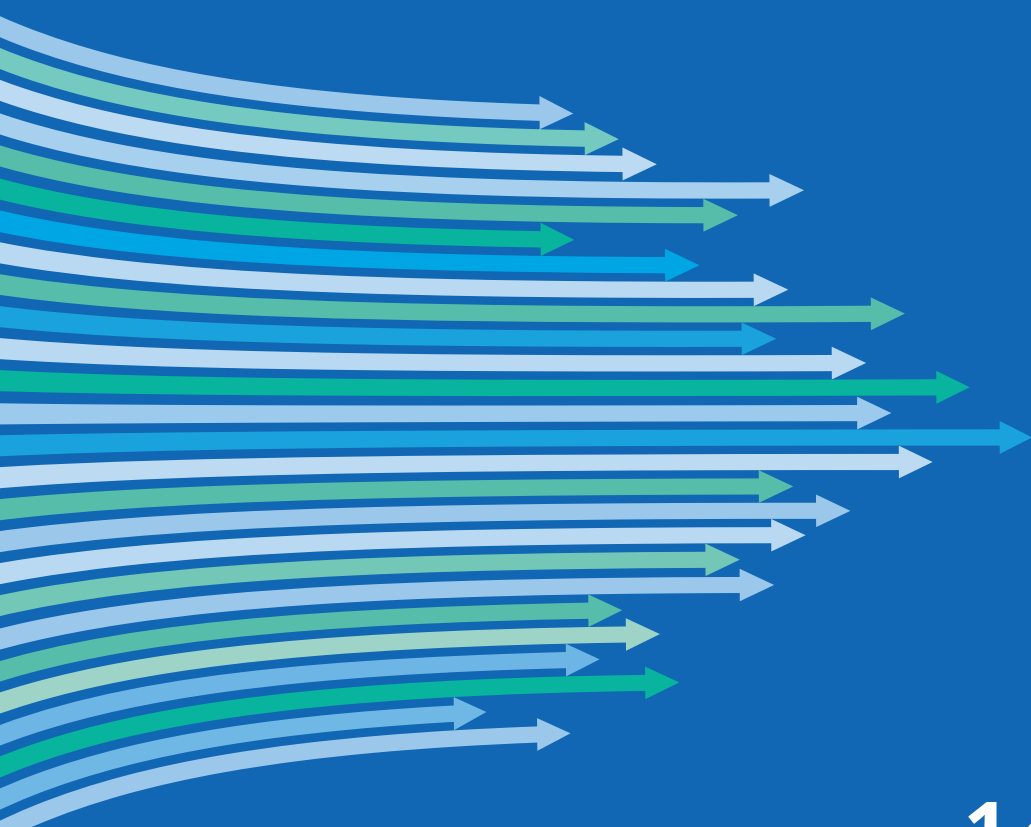
Despite the challenges presented by the new business landscape, Awantec has remained strong and robust since its inception in 2003 as the nation’s Leading Technology and Talent Digitalisation Enabler.

Our steadfastness and resilience are driven by our ongoing strategy to create long-term value into our services for our customers. We are now well-prepared and laser-focused on doing what we do best, befitting our role as the country’s Catalyst for Digital Transformation as we continue to support the nation’s digital economy agenda.

What’s inside

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About This Report

AwanBiru Technology Berhad (Awantec) is honoured to present this Annual Report as a comprehensive and balanced account of the Group's business strategies and performance for the Financial Year ended 30 June 2023. This report summarises the business outlook and plans for the financial year 2023, which aims to give our stakeholders, including our shareholders, investors and customers, detailed insight into our value creation activities, our past and future operating context, and our plans and prospects going forward.

OUR REPORTING SUITE

Awantec's 2023 Annual Report has been produced with the aim to present to our stakeholders, our progress in implementing our strategies as well as the challenges, risks and opportunities that had a significant influence on our ability to create value.

Reading the report, our stakeholders are informed of our strategy, businesses and performance, our approach to governance and risks as well as our business outlook. The report demonstrates our accountability and strengthens the trust of our stakeholders.

SCOPE AND BOUNDARY OF REPORTING

This report covers the primary activities of the Group, our business segments and our subsidiaries, with the aim to address the information requirement of long-term investors as well as providing insights on how we create value through our business model for other key stakeholders, including our employees, customers, suppliers and communities.

The Financial Year ended 30 June 2023 will be referred to as "FY2023" throughout this report.

MAJOR REGULATIONS COMPLIED



Main Market Listing
Requirements of
Bursa Malaysia
Securities Berhad



Companies Act 2016



Malaysian Financial
Reporting Standards



International Financial
Reporting Standards



Further information can also
be found on our website:
<https://www.awantec.my/>

About This Report

ASSURANCE STATEMENT

The credibility of this report is supported by strong governance practices. Assurance for this report is provided by our Board of Directors (Board), supported by external verification from Crowe PLT, our auditors for financial information and providers of limited assurance on selected non-financial information.

MATERIALITY AND MATERIAL MATTERS

We apply the principle of materiality in assessing which information is to be included in our Annual Report. For a balanced and coherent report, we focus particularly on issues, opportunities and challenges that materially impact Awantec and its ability to be a sustainable business that consistently delivers value to our key stakeholders.

FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. These statements and forecasts are based on current assumptions and circumstances, which could change. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

REPORT NAVIGATION

OUR CAPITALS



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital

MATERIAL MATTERS



Stakeholders



Employees



Customers



Shareholders & Investors



Suppliers,
Business Partners &
Industry Groups

STRATEGY



Who We Are

Boasting an impressive 19-year track record, AwanBiru Technology Berhad (Awantec) has evolved into a formidable force in the digital sphere. Today, Awantec takes the lead in propelling the nation's digital transformation agenda with unwavering expertise and corporate sophistication.

OUR VISION

The Trusted Partner in Technology and Talent solutions

OUR MISSION

To drive sustainable value by digitally transforming businesses and community

OUR CORE VALUES



RESPECT

We value workplace professionalism driven by positive communication, diversity and inclusivity.



INTEGRITY

We are accountable for our actions and practice trustworthiness in dealing with our stakeholders.



CUSTOMER FOCUS

We are dedicated to enhancing customers' satisfaction and building trusted customer relationships.



PASSIONATE

We commit to delivering high quality work driven by proficiency and productivity.



LIFELONG LEARNING

We learn from every interaction and transaction to promote the growth mindset.



MARKET CAPITALISATION

RM319.9 mil



REVENUE

RM40.0 mil

Awantec is the nation's leading Technology and Talent Digitalisation Enabler providing cloud management services and lifelong learning talent lifecycle services to achieve the digitalisation of Malaysia.

From its humble beginnings 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.

Through its Technology business, Awantec offers a full- suite of Cloud-based products including Software as a Service (SaaS), Infrastructure as a Service (IaaS), and System Integration. While under its Talent business, Awantec provides holistic talent management services with lifelong learning opportunities to reskill and upskill job seekers and employers that include Platform as a Service (PaaS), and Talent as a Service (TaaS).

The Company's core business revolves around the convergence of technology and human talent leveraging the latest technology in collaboration with its global partners including Google, Zoom, Skillsoft, Adobe, and more.

Awantec was listed on Bursa Malaysia in July 2011, under the technology sector and a constituent of the Bursa Malaysia FTSE4GOOD Index since 2014, and has a Market Capitalisation of RM319.9 mil as at 30 June 2023.

OUR BUSINESS

TECHNOLOGY



RM23.9 mil
59.8%
Revenue

encompasses an array of System Integration service, which encapsulates Infrastructure as a Service ("IaaS"), Platform as a Service ("PaaS"), Software as a Service ("SaaS") and Anything as a Service ("XaaS")

TALENT



RM16.1 mil
40.2%
Revenue

provides synergistic end-to-end offerings of talent management services, which cut across profiling, training, certification and placement

Key Highlights

FINANCIAL HIGHLIGHTS



REVENUE

RM40.0 mil

Increased average margin due to more revenue generated from services



RM0.3 mil

Revenue Per Employee



RM0.22 Per Share

Net Tangible Asset



RM188.7

Total Shareholders Equity

REVENUE BY SEGMENT

TECHNOLOGY

RM23.9 mil



915,855

Total Software Seats Distributed

Users across federal, state, commercial and other government agencies

Drive wins through services, and secured our first **Google Cloud Platform** contracts.

TALENT

RM16.1 mil



>21,000

Total Individual Trained & Certified



>16,000 licences

distributed across various organisations



3,063







Total job placements (Jul 2022 - June 2023)



189

registered employers (Jul 2022 - June 2023)

SUSTAINABILITY HIGHLIGHTS

		FY2022	FY2023	
	Investment in Training and Development	RM163,188	RM244,103	↑
	Average Training Hours Per Employee for Group	42.97 hours (Data based on FY22 AR)	67.2 hours	↑
	FTSE4Good Constituent	ESG Ratings - 4.1	ESG Ratings - 4.2	↑
	ESG Grading Band	4 out of 4 star	4 out of 4 star Top 25% rating amongst PLC	
	Full Integration of Task Force on Climate-related Financial Disclosure	Only commitment & support by FY2022	Full Integration	
	Employees	106 44% Males 56% Female	131 46% Males 54% Female	↑

AWARDS & ACHIEVEMENTS

	Maintain Google Premier Status for Google Workspace
 	Skillsoft APAC Partner of the Year
	RANKED 38th OUT OF 864 FOR CG DISCLOSURE 2021
 	The Edge ESG Award 2022 Silver Award- Technology Sector (Equity Category)

Key Milestone

1st Aug 2022

Board oversight committee formed to guide management, pending CEO appointment. Led by Ramanathan a/l Sathiamuthy and supported by Dr Abu Hasan Ismail.



22nd Aug 2022

Awantec-Global Knowledge Skillsoft inked APAC Regional partnerships.



19th July- 12th Sept 2022

Cloud Framework Agreement (CFA) Roadshow
9 roadshows (6 federal, 3 outstation)
> 300 participants from 100 organisations attended

Nov 2022

Updated Vision, Mission, and Core Values to align with evolving goals.

2nd Dec 2022

Awantec won Silver (Technology Sector) under the Equities Category.



24th Nov 2022

The Annual General Meeting was conducted virtually and streamed live from the Doubletree by Hilton, Putrajaya.



5th Nov 2022

Excellence Award for CG Disclosure

Malaysia-ASEAN Corporate Governance Top 100 Company with Good Disclosure.



Dec 2022

Global Skillsoft Badges Collection

Bahagian Pengurusan Teknologi Maklumat,
Kementerian Pendidikan Malaysia



Pn Syilda TSUB BPM with Tim Walker, VP Global Channel Skillsoft

Debuted our Executive Briefing Center, a dedicated space to showcase our products and services in a captivating way.

14th Dec 2022



Awantec, was awarded the prestigious Skillsoft APAC Partner of the Year award for 2022.

15th Dec 2022



APAC Skillsoft Learners 2021-2022

Pn Josie Lai, Deputy Director-General of Sabah Public Service Department with Tim Walker, VP Global Channel Skillsoft





1st June 2023

Appointment of Encik Azlan bin Zainal Abidin as the Chief Executive Officer of the Company.

Completion of Group **Business Continuity Plan (BCP) framework.**



29th June 2023

CEP MLA 2.0 & MLA 3.0 redemptions have been successfully completed.



30th June 2023

Up to 3,063 job placements with 189 employers were onboarded under Selangor Kerjaya project, from July- June 2023.



5th May 2023

HRD Corp e-LATiH - Awantec Collaboration

Venturing beyond the public sector by leveraging private sector companies' levy to redeem Skillssoft and Training resources.



7th April 2023

Awantec partners with Keduca via MOC to equip talents and organisations for digital industrialisation.



3rd March 2023

Integrity pledge day

Encouraging stakeholders to prevent corruption and raise awareness.

Google Appsheet Hackathon (APU)

180+ students from APU, developed a no-code Hackathon in 30 hours in a joint event with Google Workspace.

11th - 12th Feb 2023



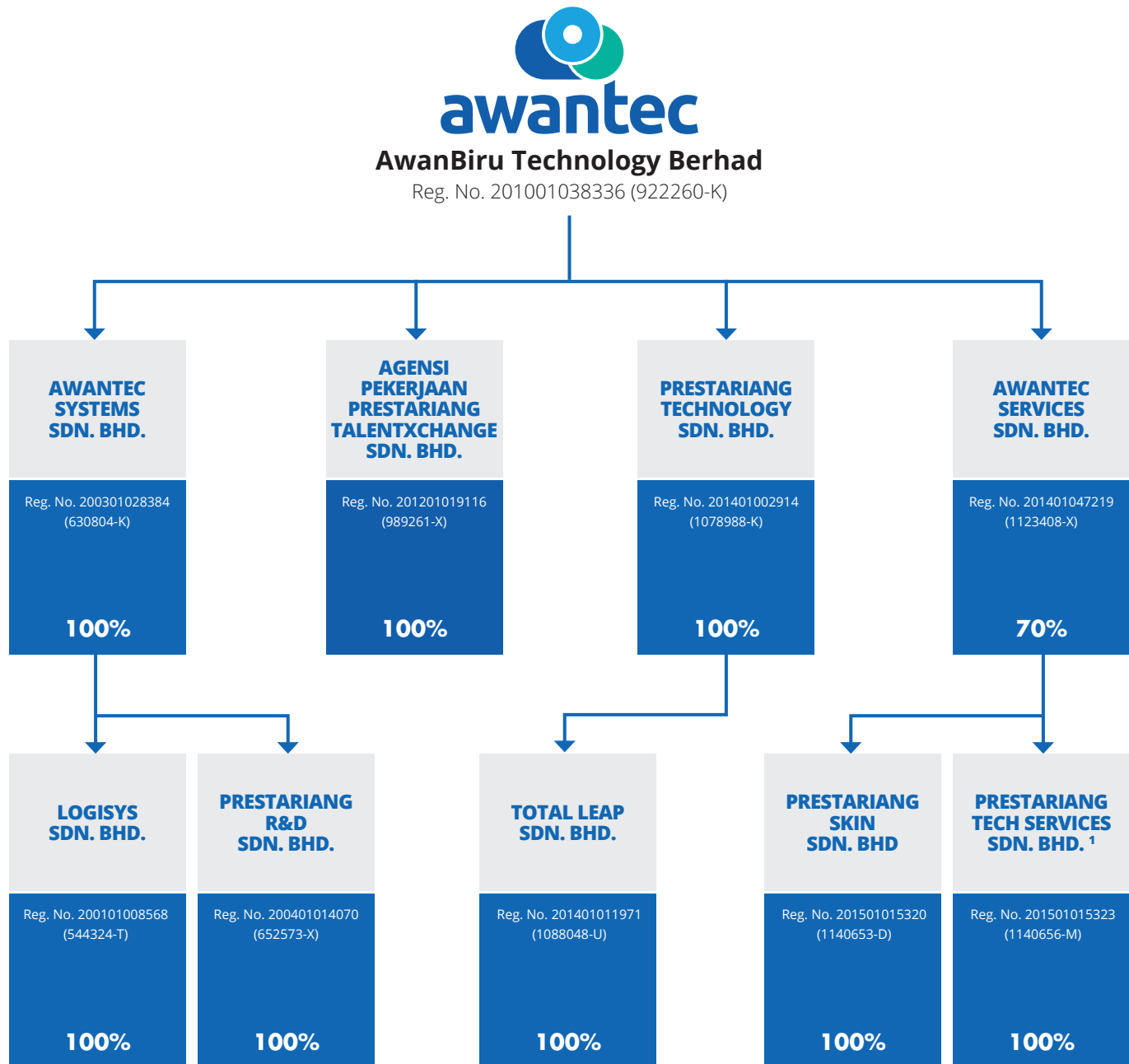
Rocheston Cybersecurity: Cyber Range Intelligence Centre

Awantec and Rocheston are on a mission to make cybersecurity training accessible and affordable for all professionals.

21st Feb 2023



How We Are Structured



¹ 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.

What We Do: Our Core Business & Highlights

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 Cloud-based Software Solutions, which encapsulates Software as a Service, Infrastructure as a Service and System Integration.

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

With a track record of more than 19 years, Awantec as the nation's leading digital transformer, is expanding its services, adapting to the changing needs of talent and technology in an increasingly thriving talent development landscape.

TECHNOLOGY SEGMENT



SEGMENTAL REVENUE

RM23.9 mil

59.8%

Contribution to Group Revenue

TALENT SEGMENT



SEGMENTAL REVENUE

RM16.1 mil

40.2%

Contribution to Group Revenue



What We Do: Our Core Business & Highlights

PRODUCTS/SERVICES

1

Cloud Software Solutions

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



>8,077,855
cumulative software
seats distributed



>915,855
software seats
distributed in FY2023

2

Platform as a Service

We stand by your side as the trusted enabler of your digital journey. Offering essential tools to ensure you can navigate the ever-changing tech landscape with confidence.



>16,000

Skillsoft licences
distributed across
various organisations

3

Infrastructure as a Service

We provide cloud computing services that offer essential compute, storage, and networking resources on demand.



Hardware and
servers



Cloud Hosting



Unified
communications

4

Talent as a Service

We cultivate digital expertise and capabilities to ensure true digital readiness, providing our clients with the right talents to take full advantage of the new IT evolution.


22,755

individuals trained and certified

>43,644

cumulative Job Seekers

189

registered employers in FY2023
(537 cumulative registered employers)

3,063

job placements in FY2023
(4,946 cumulative job placements)

5

System Integration

We are more than just a technology provider; we are a trusted partner that helps our clients navigate the ever-changing world of technology.



Dev Ops



Cloud Application Development



Cloud Migration Strategy and Services



Analytics / Big Data



Application Development



Application Managed Services



Artificial Intelligence

What We Need To Do

OUR GROWTH STRATEGIES

SUMMARY OF OUR STRATEGY

Awantec is directing its efforts towards becoming The Trusted Partner in Technology and Talent solutions that provides a positive customer experience through the offering of excellent products and services.

Key Growth Strategies

Build portfolio of cloud-based solutions and services driving growth & stabilisation:

- Cloud-based Software solutions, Talent as a Service, Platform as a Service, infrastructure as a Service, and System Integration services

Optimisation of capabilities in areas that contribute revenue:

- Leverage on existing resources with focus on deepening expertise in core offerings
- Critical hiring for deep expertise
- Talent Management, capability building trainings and certifications
- Implementation of timesheet model to ensure optimal utilisation
- Focus culture building on customer service and account management

Prioritise key sectors and accounts with horizontal expertise:

- Offer industry focused products, catalogue finalisation and marketing Go To Market (GTM)
- Collaborating with local, regional and global technology partners/ alliances in co-creating products and services

Strategic account planning focus, manage relationships and having a clearer view of customer needs to push conversion rates

- Aims for large deals in premier accounts for long term revenue accumulation

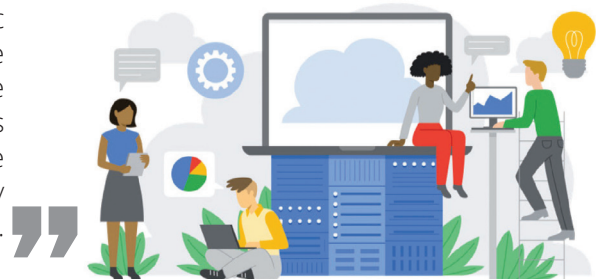
Testimonial

Google Cloud

“We partnered with Awantec in 2021 because we are confident that the team has the experience and expertise as well as the commitment to focus on Google Cloud since they've had the experience with Microsoft and Azure previously. Their commitment to learn on the latest technology, made them the best partner, as we are looking to modernise our infrastructure and applications.

With Malaysia's digital economy landscape is rapidly changing and businesses as well as organisations are moving towards digitalisation, our partnership with Awantec is timely as they can play a significant role in helping the country to shape its digital landscape. Awantec's experience with the public sector would be a great advantage as they could ensure that the digital transformation in the government sector is carried out efficiently and effectively through our modern infrastructure and sustainable tools.

Google Malaysia



THE TRUSTED PARTNER IN TECHNOLOGY AND TALENT SOLUTIONS

Customer experience excellence as top priority and main objective in our business operations

2021-2023 Strategic Goals & Objectives

2021 Modernisation and Transformation	2022-2023 Margin Improvement	2024 ONWARDS
Restructure entire business model (pivot to the cloud) focusing on 2 core businesses - Technology and Talent.	Develop our services business to a full-fledged digital solution to complement our offerings focused on capabilities in cloud migration and data analytics.	Enhance product offerings through five strategic pillars: <ul style="list-style-type: none"> • Cloud-based Software Solutions • Talent as a Service • Infrastructure as a Service • Platform as a Service • System Integration

Our Competitive Strengths

Extensive knowledge in Public sector market and Local Market Knowledge:

Awantec has deep roots in Malaysia having served and helped more than 1,000 businesses and organisations since 2003 including its experience in successfully delivering large-scale technology projects, a dedicated and highly skilled workforce of 131 professionals, and strong partnerships with industry leaders.

Comprehensive and customised solutions for clients in both Technology and Talent:

Awantec's commitment to developing customised solutions tailored to the specific needs of its clients is a significant competitive advantage.

Commitment to Corporate Governance and Sustainability:

MSWG Malaysia-ASEAN Corporate Governance Top 100 Companies

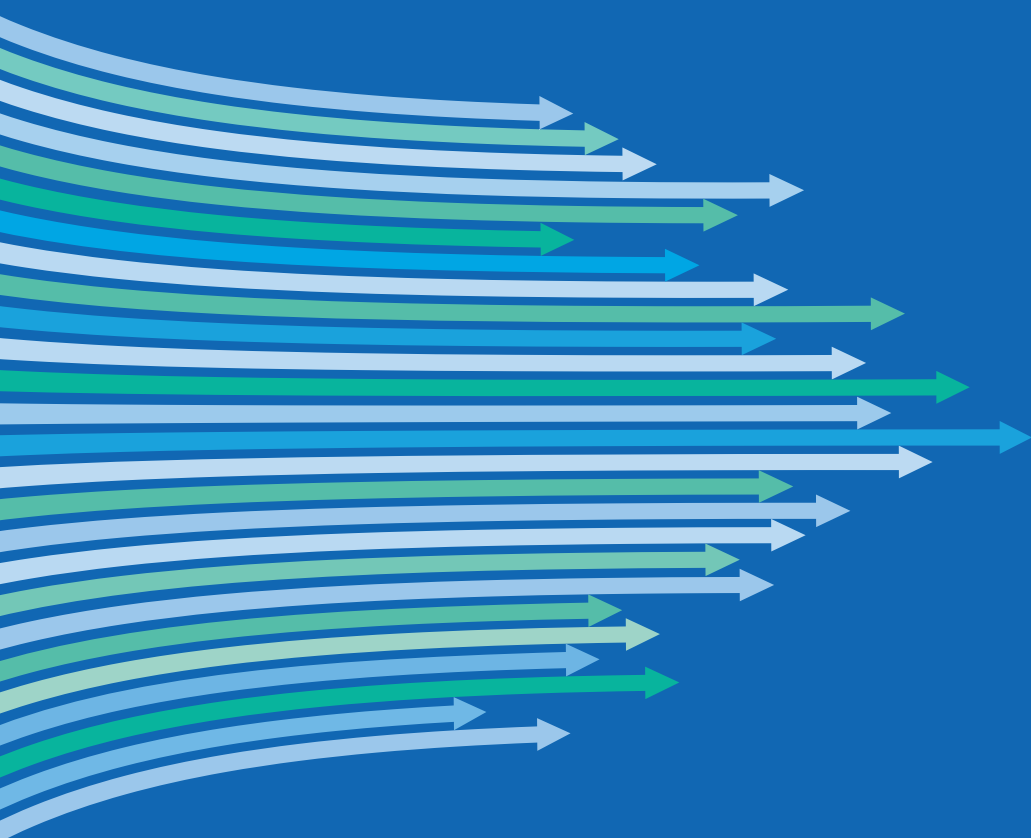
Our 2023 Digital Accomplishments

Technology segment secured Google Workspace contracts for Public Institutions for Higher Learning (IPTA) and our first Google Cloud Platform (GCP) contract for the public sector.

Talent segment signed a collaboration with the Human Resource Development Corporation (HRD) for companies to use their HRD funds for Skillsoft Percipio redemption.

WHAT WE HOPE TO ACHIEVE

1. Expand our products and service offerings to clients
2. Enhance internal capabilities in delivering solutions
3. Collaborate with local and global technology partners to complement our capabilities and ensure innovative solutions
4. Diversify our client base to reduce over reliance on a single sector



2 KEY MESSAGES

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Chairman Statement

As the catalyst for digital transformation in the country, Awantec has served and helped more than 1,000 businesses and organisations since 2003. We play a vital role in delivering digital solutions while assisting these businesses and organisations to achieve their digital transformation goals

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



Dear Shareholders,

As I write this message, I am glad that the world has returned to some semblance of normalcy, although it will certainly take some time to fully reverse the impact of the pandemic. Nevertheless, digitalisation has always been a topic of discussion within organisations especially with the advances of modern technologies. Consequently, we have undergone a rapid transformation from being a training-focused to a solution-based business, placing priority on synergistic technology offerings and driving innovation in order to offer wider choices to our customers.

As the catalyst for digital transformation in the country, Awantec has served and helped more than 1,000 businesses and organisations since 2003. We play a vital role in delivering digital solutions while assisting these businesses and organisations to achieve their digital transformation goals, a role that has never been more important than during the pandemic which we experienced over the preceding two years.

The last two years have also seen the acceleration of key digital initiatives caused by the pandemic. These trends are reshaping the way in which our businesses operate, and in order for us to continue delivering value to our customers, our people, and our shareholders, we would need to ensure that we are ahead of the curve.

Chairman Statement

DELIVERING SHAREHOLDER VALUE

Awantec is committed to building value for shareholders as well as our customers. Since 2021, we have undergone a transformation programme to restructure our business and diversify our business activities to ensure sustainable future revenue and profit growth. We have revisited our business strategy and formulated a transformation plan that enables us to expand our product and service offerings to clients, enhance internal capabilities in delivering solutions, collaborate with local and global technology partners to complement its capabilities and ensure innovative solutions, as well as diversify our client base to avoid over-reliance on a single sector.

Awantec has been true to the values and principles it has held dear from the start. We have helped businesses and organisations become digitally ready, creating value for them. Our talent segment continues to show strong performance for FY2023, mirroring a global trend of a digital talent landscape that began as employers actively sought digitally equipped candidates and upskilled their existing employees with digital knowledge. Our software and services segment gained traction as we build a portfolio of innovative products and services and enhanced our internal capabilities in delivering solutions to our customers.

We will continue to carry out measures towards effective and efficient capital management, more engagement with our partners and customers, and executing our transformation plan to better serve our customers and help us turn around our financial loss in FY2023. As an established digital solutions provider, with a strong track record, we will continuously enhance our digital offerings to ensure business sustainability.

Our employees are our key priority, and as such, we have successfully implemented a company-wide culture transformation to align with our purpose, customer promise, and values. We have taken conscious measures to ensure that our people are highly motivated and engaged by encouraging them to pursue in certifications and trainings that will equip and prepare them for the ever-evolving landscape.

We understand the concerns that have arisen due to a recent setback, and we want to assure all stakeholders that our leadership team is taking proactive measures to address this issue. Rest assured that we are fully committed to safeguarding the best interests of our shareholders and core investors by working towards obtaining approval for an extension to submit our regularisation plan to relevant authorities in order to remain listed. Since formulating our transformation plan in 2021, which saw the company redefine its business model into a cloud-

based solutions and services provider while implementing rigorous cost management strategies, we have been witnessing positive outcomes. This strategic shift is already proving to be a catalyst for growth, while ensuring the long-term stability and success of Awantec. Your trust and support are invaluable to us, and we are unwavering in our commitment to delivering value to our shareholders and core investors.

Moving forward, we will continue to accelerate growth and deliver shareholder value by maintaining a focus on customer-centricity, operational excellence, and sustainable practices to drive our core businesses.

FORTIFYING LEADERSHIP

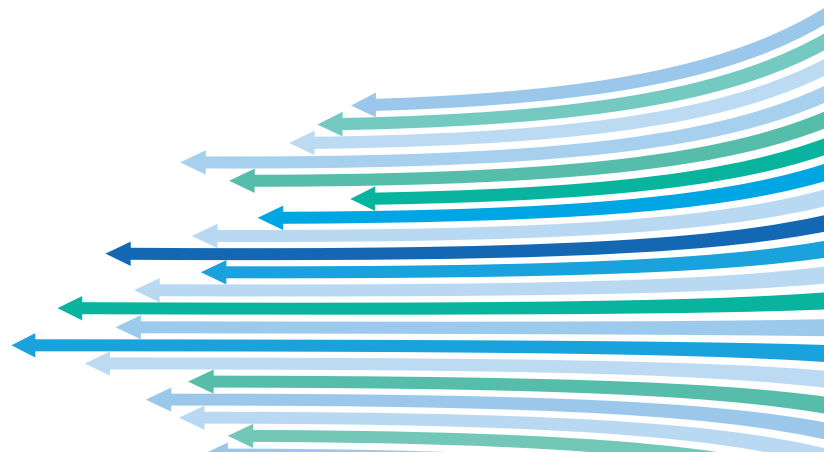
The Board has taken measures to effectively deliver our strategic objectives. In June 2023, we appointed Azlan Zainal Abidin as the new Chief Executive Officer and realigned the Company's organisational structure to reflect our priorities. Azlan joins us from DNEx, bringing with him more than 26 years of experience in technology consulting and telecommunications, in leading business transformation programmes, technology operations, and expanding the digital and solutions business. Azlan is supported by the current leadership bench, which includes industry experts, to turn our aspiration into fruition.

INTEGRATING SUSTAINABILITY

In the vital area of sustainability, we recognise that we can and must do more. While overseeing the Group's financial performance, the Board has continued to ensure the continuous strengthening of our ESG platform, firm in the belief that this is critical to Awantec's long-term sustainability.

As part of our roadmap, we focus on building a sustainability framework that is based on sound Environment, Social and Governance ("ESG") strategies and approaches in order to effect profound and lasting changes.

A full discussion of our approach to Sustainability can be found on pages 55 to 95 of this Report.



STRENGTHENING CORPORATE GOVERNANCE

As a public-listed company, Awantec upholds the highest standards of governance. We continue to strengthen our governance framework in line with regulatory requirements to ensure transparency, accountability, and ethical behaviour in all aspects of our operations. Gaps were identified and mitigation plans put in place, specifically, the Anti-Bribery and Anti-Corruption Policy was formulated to augment the existing Whistleblowing Policy. The Board has zero tolerance for any form of bribery and corruption, and it ensures that this message permeates throughout the company via continuous communications on different platforms.

Additionally, as part of our fundamental attributes, the Company is taking strides to bolster the values and beliefs to form the right culture environment with integrity as the foremost virtue.



Awantec staff attended a refresher talk on Anti-Bribery, strengthening our resolve against corrupt practices.

We continue to strengthen our governance framework in line with regulatory requirements to ensure transparency, accountability, and ethical behaviour in all aspects of our operations. Gaps were identified and mitigation plans put in place, specifically, the Anti-Bribery and Anti-Corruption Policy was formulated to augment the existing Whistleblowing Policy.

ACKNOWLEDGEMENT

At this point, I would like to acknowledge all the stakeholders who have collectively shaped what Awantec is today.

First and foremost, a special thank you to Mr. Paul Chan Wan Siew, who has since left the Board. His invaluable contribution and guidance with the Group has unlocked value, and we are grateful. Additionally, my warmest welcome to Mdm. Lim Saw Imm, our new Board member, to the Awantec family.

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 until the appointment of our new Chief Executive Officer on 1 June 2023.

On behalf of the Board of Directors, I would also like to take this opportunity to acknowledge the steady and invaluable support of our shareholders, partners, suppliers, and customers who have been with us over the years for their trust in our ability to ride out challenging times to emerge stronger.

Most of all, I would like to express my gratitude to the entire workforce at Awantec for their passion and loyalty to the organisation. To my colleagues on the Board, thank you for your time and wise counsel. To our management, and especially to our Chief Executive Officer, Azlan Zainal Abidin, thank you for your inspiring leadership. And, as we celebrate our 20th anniversary this year, I want to express my heartfelt appreciation to all our employees, for all their hard work, not just in 2023 but since you joined the Awantec family. With the continued collaboration and support of everyone, we can achieve greater things.

Thank you.

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

Chief Executive Officer Statement



Awantec is striving to solidify its leadership position in the information and communication technology industry. The company boasts significant advantages, including over two decades of experience successfully delivering large-scale technology projects

AZLAN BIN ZAINAL ABIDIN
Chief Executive Officer (CEO)

Dear Shareholders,

It is an honour for me to have taken up the position of Chief Executive Officer (CEO) of Awantec in June 2023. I assumed this role at a time when digitalisation worldwide is going through a rapid change, following the effects of the pandemic that hit everyone globally and the rise of digital technology. Organisations and businesses globally have had to adapt and evolve to remain relevant.

Awantec, a pioneer in driving digital transformation in the country with two decades of experience, has evolved from its original focus on training and certification to offering comprehensive digital solutions.

Following a significant setback, the company devised a turnaround and transformation plan and has made substantial progress in implementing it. The year 2021 was marked by a primary focus on transitioning, while 2022 centered on core transformation.

In 2023, our commitment remains unwavering as we continue to build upon this solid foundation. We expedited our transformation efforts, enhancing support for our employees and customers, refining our product portfolio, elevating

service quality, and positioning Awantec to seize opportunities in an increasingly technology-driven landscape, both in the present and for years to come.

OUR OPERATING ENVIRONMENT

The digital economy contributes over 22.6% to Malaysia's GDP and is expected to grow at a compound annual growth rate (CAGR) of 7.59% per year for the next three years¹. Awantec has pivoted from being an information communication technology training and certification service provider to a catalyst for digital transformation that offers extensive digital solutions to businesses and organisations.

The heavy reliance on and change in the processes imposed by the public sector has been challenging as it has impacted our overall operations, which has resulted in some critical deals being delayed or lost.

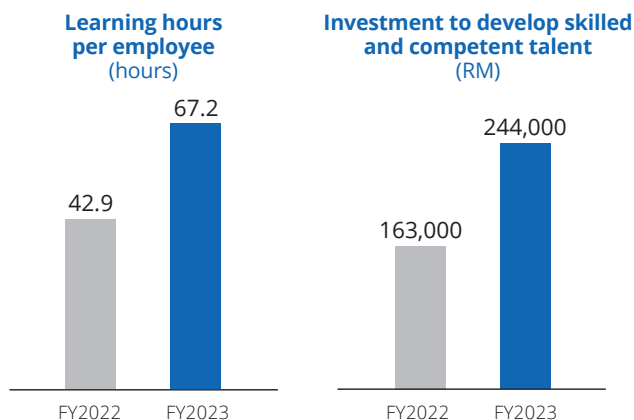
DELIVERING GROWTH

Awantec is striving to solidify its leadership position in the information and communication technology industry. The company boasts significant advantages, including over two

¹ Ministry of Investment, Trade and Industry (MITI): Digital Economy - <https://www.miti.gov.my/NIA/digital-economy.html>

decades of experience successfully delivering large-scale technology projects, a dedicated and highly skilled workforce of 131 professionals, and strong partnerships with industry leaders, making it a trusted technology and talent solutions provider.

At the core of Awantec's success are its employees. The company has invested in a 3P approach, focusing on People, Products and Services, and Partners, to cultivate a skilled and dynamic workforce that is highly engaged and performance-oriented. Lifelong learning is a shared value at Awantec, with a transformation plan launched in 2021 already yielding positive results. Learning hours per employee have increased from 42.9 hours in FY2022 to 67.2 hours in FY2023, with a corresponding rise in training investment from RM163K to RM244K.



As part of its transformation strategy, Awantec is committed to delivering customer-centric solutions. The company has introduced comprehensive business professional services, such as cloud migration, implementation, and dashboard solutions. As Google's premier partner in Malaysia, Awantec is now able to provide end to end cloud based offerings and services covering productivity, collaboration, analytics, artificial intelligence as well as cloud hosting services.

In response to the rapidly changing digital talent landscape in the country, Awantec has bolstered its Talent segment to focus on upskilling and reskilling employees. Collaborating with industry leaders like Skillsoft, Awantec provides online learning platform for upskilling and reskilling talents. This commitment earned Awantec the Skillsoft Partner of the Year - APAC Award in November 2022, showcasing its dedication to advancing Malaysia's digital talent pool.

Awantec also collaborates closely with recruitment partners and the Menteri Besar Incorporated (MBI) through Selangor Kerjaya, contributing significantly to job placements for employees, further demonstrating its dedication to supporting talent development.



OUR PERFORMANCE

In a year characterised by formidable operational hurdles and a complex macroeconomic landscape, Awantec demonstrated remarkable resilience by attaining a revenue of RM40.0 million for the fiscal year ending on June 30, 2023. This achievement is emblematic of the substantial strides made within our dual core business segments. First, our Technology division surged forward with the ascendancy of our cloud-based services, while our Talent division thrived through the proliferation of our online learning platform and the fruitful outcomes of our job placement endeavors.

This remarkable feat has been further fortified by our enduring and fruitful partnerships, most notably with industry giants such as Google and Skillsoft. These strategic alliances have not only enhanced our market positioning but have also enabled us to be in perfect alignment with the burgeoning digital economy agenda. Moreover, Awantec's collaborative efforts with preeminent job recruiters and MBI have underscored the company's unwavering commitment to nurturing and fortifying the nation's digital talent pool.

Nonetheless, it is noteworthy that our financial trajectory has seen a significant shift compared to the prior fiscal year. In particular, the strategic initiatives implemented during FY2022 have yielded mixed results, as Awantec reported a net loss of RM6.6 million, a stark contrast to the net profit of RM4.2 million recorded in the preceding fiscal year. Despite a net loss in FY2023, we ended the financial year with a profit of RM0.1 million in Q4 FY2023. This dynamic landscape underscores our commitment to continuous improvement and adaptability as we navigate the intricate terrain of the digital ecosystem.

Chief Executive Officer Statement

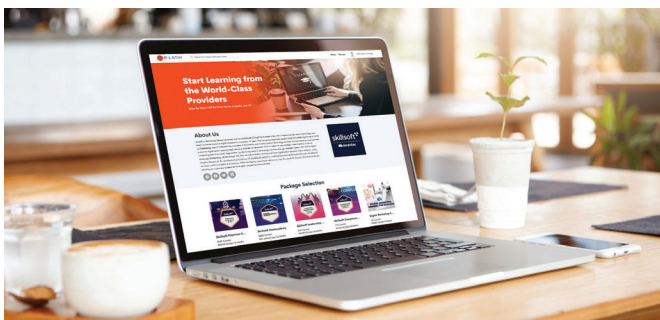
Segmental Performance Review

While acknowledging that the Malaysian digital industry is still in its infancy with regard to adoption, it's heartening to observe an increasing level of interest within the public sector in embracing cloud-based technology. The introduction of the Cloud Framework Agreement ("CFA") as part of the MyDigital Blueprint is a clear demonstration of the government's commitment to digitalization. Under the CFA program, we conducted a nationwide roadshow across four regions (Central, East Coast, Southern, and Northern Region) aimed at engaging the public sector in discussions about the significance of digitalization. These events saw the participation of 451 individuals from various public sector ministries and agencies.

Some noteworthy insights gleaned from the roadshow underscore the prevailing sentiments among participants. An impressive 53% of attendees expressed a pronounced interest in harnessing Big Data Analytics to augment their service delivery and operational efficiency. Concurrently, 21% of participants displayed a keen eagerness to explore the potential of Google's Artificial Intelligence (AI) and Machine Learning (ML) platforms.

Awantec has notched several remarkable achievements in the Technology segment, prominently featuring the successful implementation of the Google Cloud Platform and Managed Services across the public sector landscape. The major projects executed under the purview of the CFA have empowered these ministries to gain enhanced visibility into their operations, facilitating more informed decision-making processes. This, in turn, has enabled them to maximize operational efficiency, bolster productivity, and simultaneously realize cost savings.

Within the talent segment, several significant milestones have been reached. A notable partnership with HRDF has granted us the capacity to offer e-learning and E-LATiH platform services to employers spanning both the public and private sectors throughout Malaysia. Additionally, through our collaboration with the Selangor Kerjaya program, we have effectively partnered with MBI to secure 4,946 job placements over the past two years, exclusively dedicated to the state of Selangor.



OUR PEOPLE

Over the past two years, our workforce has consistently demonstrated its quality, with numerous employees achieving Google and HRDF trainer certifications. This has instilled confidence in our customers regarding the products and services we offer.

Looking ahead, our objective is to assemble a team capable of driving change, bridging the gap between ideas and actions, and embracing new digital technologies to propel our business forward. To ensure our employees can continue delivering excellent service and creating value for stakeholders, we remain committed to investing in their digital upskilling and other essential training areas, aligning with our shared values. Currently, we are proud to have 22 Google Professionals Certified employees, 6 cybersecurity-certified employees, and 10 employees trained as HRDF trainers.

Furthermore, we've intensified our hiring process, particularly for the Enterprise (Pre-Sales and Support) and Talent (Sales Cluster) sectors. We've also engaged extensively with our existing employees to ensure they grasp Awantec's direction and the necessity for change. Fortunately, our entire workforce has been highly supportive of our plans.

To adapt to our evolving operational approach, we've made it mandatory for our Sales and Technical teams to obtain Sales Credential, Cloud Digital Leader (CDL) certification, and Technical Credential. I'm pleased to report that for FY2023, 25 of our employees have achieved Sales Credential, 5 are certified Cloud Digital Leaders, and 9 have attained Technical Credential.

OUTLOOK

In the upcoming year, our business anticipates positive developments, largely driven by shifts in the digital landscape. Despite persistent challenges, we will maintain our commitment to strategic adjustments. Our primary goal remains our ongoing transformation, refining our business strategy, optimizing capacity, and addressing unprofitable segments.

As we chart our course ahead, our paramount objective is to significantly fortify our portfolio of products and services, with a keen emphasis on five pivotal strategic pillars: Cloud-Based Software Solutions, Platform as a Service (PaaS), Infrastructure as a Service (IaaS), Talent as a Service (TaaS), and System Integration. In tandem with this pursuit, we are proactively engaged in the quest for strategic partnerships with distinguished industry leaders. These partnerships hold the



promise of harnessing their vast reservoirs of knowledge and resources, thereby enriching our offerings and augmenting our core competencies.

Awantec's overarching vision is to harness the tremendous potential of the burgeoning digital economy. We are poised to expand our footprint into select industries, strategically capitalizing on cross-selling and upselling opportunities. This multifaceted approach is underpinned by our determination to forge a formidable competitive edge in niche markets while also catering to the needs of underserved agencies. Our unwavering commitment to innovation, collaboration, and agile adaptability drives us as we navigate the dynamic landscape of the modern business world.

The persistent challenges necessitate further structural adjustments, including refining our transformation efforts, business strategy, and addressing unprofitable segments. In 2024, Awantec plans to broaden its account management strategy by exploring new market opportunities while deepening and enhancing existing relationships existing client relationships.

While 2021 marked the initial steps in setting a strong foundation, Awantec's focus in 2024 will revolve around straightening and executing our core offerings. The company remains steadfast in its mission to become the Trusted Partner in Technology and Talent solutions.

ACKNOWLEDGEMENTS

On behalf of the management, I would like to convey my sincerest appreciation to our Board of Directors, who have been a source of great strength and wisdom, especially in guiding us through our transformation journey.

A special thank you to Mr. Paul Chan Wan Siew, who has since left the Board. His invaluable contribution and guidance have been immense to the Company. I would also like to take this opportunity to thank Mr. Ramanathan a/l Sathiamutty and Dr. Abu Hasan bin Ismail, as members of the Board Oversight Committee, who provided invaluable guidance to the management team of Awantec.

Additionally, my warmest welcome to Mdm. Lim Saw Imm, our new member of the Board. With her wealth of experience, we look forward to exchanging insights during our tenure together.

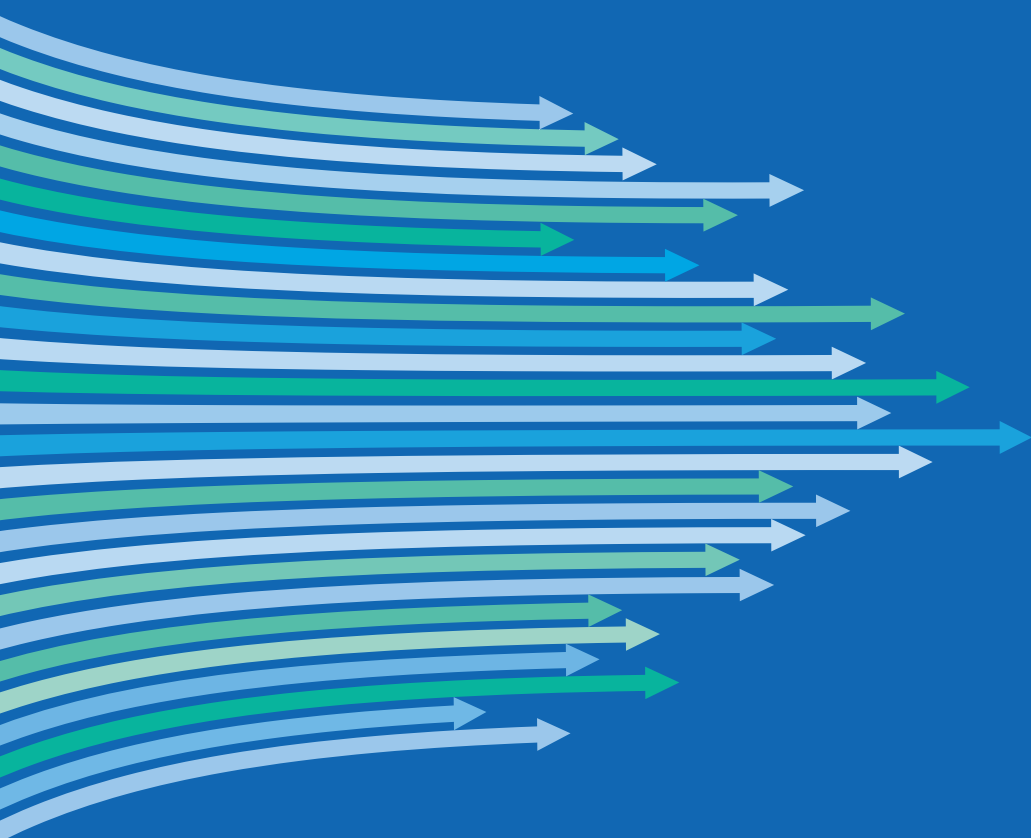
To our shareholders and customers, I would like to thank you for your continued support. To all our strategic partners, thank you for maintaining close and collaborative engagements with us.

I would also like to acknowledge my colleagues on the management team for their invaluable perspectives and able leadership. As we celebrate Awantec's 20th anniversary, let us reaffirm our commitment to becoming the trusted partner in technology and talent solutions. Our success is a testament of the incredible team we have, and I am immensely proud of what we have achieved together. Your contributions do not go unnoticed and let us embrace the future with confidence and enthusiasm.

Thank you once again for your excellent contributions to Awantec, and here's to the next 20 years of success and growth!

AZLAN ZAINAL ABIDIN

Chief Executive Officer



3 VALUE CREATION

- 25** Our Business Model
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Our Business Model

Our Vision

The Trusted Partner in Technology and Talent solutions

Our Mission

To drive sustainable value by digitally transforming businesses and community

OUR CAPITALS



FINANCIAL CAPITAL

- Market Capitalisation of **RM319.9 mil** as of 30 June 2023
- **RM1.1 mil** CAPEX



MANUFACTURED CAPITAL

- **RM21.2 mil** worth of properties and equipment
- **RM24.2 mil** worth of investment properties



INTELLECTUAL CAPITAL

- **20 years** of industry experience
- Exclusive partnerships with leading industry players
- Managed Service Provider ("MSP") status
- **22** Google Professionals-certified employees, **6** cybersecurity-certified employees, and **10** employees trained as HRDF trainers



HUMAN CAPITAL

- **131** employees
- **RM244,103** invested in training and development



SOCIAL AND RELATIONSHIP CAPITAL

- Commitment towards UNSDGs and ESG initiatives
- **RM174,522** invested into customer relationship management system



NATURAL CAPITAL

- **240,079 kWh** electricity consumption
- **1,080 m³** water consumption

OUR BUSINESS SEGMENTS



Technology

- Cloud Based Software Solutions
- Infrastructure As A Service
- System Integration



Talent

- Platform As A Service
- Talent As A Service

Our Business Model

Our Values

Respect . Integrity . Customer Focus . Passionate . Lifelong Learning

VALUE FOR OUR STAKEHOLDERS

Outputs	Outcomes	Trade-Offs
Customers We always strive to deliver reliable and high quality customer experience for all our services.	FINANCIAL CAPITAL <ul style="list-style-type: none"> Revenue of RM40.0 mil. 	Majority of our financial capital is invested into long-term growth strategies which affect the interest of short-term investors.
Training Facilities World-class training facilities.	MANUFACTURED CAPITAL Accredited training centre with state of the art equipments.	While vital to our business growth, our training facilities and rented office spaces may generate higher carbon emissions as well as waste.
People Highly dedicated and dynamic workforce which thrives under a healthy working environment.	INTELLECTUAL CAPITAL <ul style="list-style-type: none"> Diversified offerings to include cloud as well as online training solutions and services. Secured various new contracts worth RM8.9 mil. Managed to distribute more than 16,000 seats/licences across various solutions. Trained and certified 22,755 individuals for both public and private organisations. 	Continued investments in 3Ps approach, focusing on People, Products and Services, and Partners are earmarked for long-term growth, despite the sustainability and lower short-term rewards.
Partnerships Collaborative and mutually valuable partnerships that contributes to the company's growth.	HUMAN CAPITAL <ul style="list-style-type: none"> 67.2 hours of training per employee. 51 training programmes conducted/attended. 	Investment into training and development of our human capital enabled greater productivity, in exchange for expected short-term capital stress.
Environment Strive to lower carbon emissions and waste in our operations and services in line with staying sustainable.	SOCIAL AND RELATIONSHIP CAPITAL <ul style="list-style-type: none"> RM7,410 community investments Healthy net promoter score of 56/100 with zero complaints. Remained a constituent of FTSE4GOOD Index. Ranked 38th on MSWG's Top 100 Company List. 	As Awantec continues 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.
	NATURAL CAPITAL <ul style="list-style-type: none"> Zero fines and penalties for environmental non-compliance. "Energy Intensity Reduction" 18% reduction per employee from 2,246 kWh/employee to 1,833 kWh/employee. 	Awantec's recent expansion and projects secured have increased our carbon emissions as well as consumptions of natural resources.

SUSTAINABILITY UPDATES

1 Total Employees

 **23.58%**
Increase on number of total employee

FY2022
106 pax

FY2023
131 pax



2 Electrical Consumption

 **18%**
Reduction on kWh/employee


 **0.84%**
Increase on total kWh


FY2022
238,068 kWh

FY2023
240,079 kWh



3 Water Consumption

 **28%**
Increase on m³/employee


 **59%**
Increase on total m³


FY2022
680 m³

FY2023
1080 m³



4 Paper Consumption













 **65%**
Reduction on ream/employee

 **56%**
Reduction on total ream

FY2022
310 ream

FY2023
136 ream



	FY2022 (tCO ₂ e)	FY2023 (tCO ₂ e)		Percentage	
TOTAL GHG Emission	405.86	465.84		15%	
Per Employee	3.83	3.56		7%	
SCOPE 1 GHG Emission	81.26	82.25		1%	
Per Employee	0.77	0.63		18%	
SCOPE 2 GHG Emission	165.52	132.52		20%	
Per Employee	1.56	1.01		35%	
SCOPE 3 GHG Emission	159.08	251.07		58%	
Per Employee	1.50	1.92		28%	

Our Key Capitals

FINANCIAL CAPITAL

A fair amount of the Group's funds are leveraged for growth, development and innovation as well as to deliver values to its stakeholders. These funds are obtained through debt and equity, or generated through operations or investments.

RM319.9 mil
Market Capitalisation
(as of 30 June 2023)

RM1.1 mil
CAPEX

RM188.7 mil
Shareholders Equity



MANUFACTURED CAPITAL

Manufactured physical objects (as distinct from natural physical objects) that are available to an organisation for use in the production of goods or the provision of services, including buildings, equipment and infrastructure. Manufactured capital is often created by other organisations, but includes assets manufactured by the reporting organisation for sale or when they are retained for its own use.

RM21.2 mil
worth of properties and equipment



RM24.2 mil
worth of investment properties

INTELLECTUAL CAPITAL

Organisational, knowledge-based intangibles, including intellectual property, such as patents, copyrights, software, rights and licences as well as "Organisational capital" such as tacit knowledge, systems, procedures and protocols.

22 Google Professionals-certified employees,
6 cybersecurity-certified employees, and
10 employees trained as HRDF trainers



HUMAN CAPITAL

People's competencies, capabilities and experience, and their motivations to innovate, including their alignment with and support for our organisation's governance framework, risk management approach, and ethical values. Their ability to understand, develop and implement our organisation's strategy. Also including loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate.

131
employees



RM244,103
invested in training and development

SOCIAL AND RELATIONSHIP CAPITAL

The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. Social and relationship capital includes shared norms, common values and behaviours. Key stakeholder relationships, and the trust and willingness to engage that our organisation has developed and strives to build and protect with external stakeholders.

RM174,522

invested into customer relationship management system



NATURAL CAPITAL

All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of our organisation. It includes air, water, land, minerals, forests biodiversity and ecosystem health.

Zero fines and penalties for environmental non-compliance









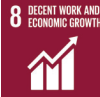



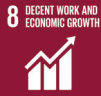



"Energy Intensity Reduction"

18%

reduction per employee from 2,246 kWh/employee to 1,833 kWh/employee



Stakeholders Engagement

 Stakeholders Group	 SHAREHOLDERS AND INVESTORS	 EMPLOYEES	 CUSTOMERS
 Engaging with Our Stakeholders	<p>At Awantec, clear and transparent communication is key. The company ensures that its stakeholders are well-informed about its development, strategies, and business outlook. We maintain a two way communication from shareholders via general meeting, emails or letter of response. We are committed to maintaining this practice to build trust and ensure long-term success.</p>	<p>Awantec values employee well-being and development. Regular town halls, upskilling through Awan Learning Hub, and performance reviews are offered to keep employees informed and motivated. Exceptional performance is recognized through cash incentives, share options, grants, and bonuses under the Long-term Incentive Plan.</p>	<p>Awantec prioritises customers by actively engaging with them through various platforms and collaborations, aiming to become their trusted partner in the digitalisation journey. Regular discussions align project timelines and technical or commercial aspects, ensuring successful partnerships. AwanBiru Technology values long-term relationships and is dedicated to delivering exceptional service and support.</p>
 Area of Interest	<ul style="list-style-type: none"> • Understanding of Awantec Technology's strategies, outlook and potentials • Aim to achieve a healthy return of capital and growth of investments for shareholders and investors • Commitment to providing transparent and fair disclosures for analysts 	<ul style="list-style-type: none"> • Keeping pace with evolving digital skill requirements through technological advancements • Foster inclusivity, diversity and good work culture towards being the preferred employer • Offering career opportunities with competitive compensation and benefits • Facilitating and supporting career progression, learning and development for employees 	<ul style="list-style-type: none"> • Aligning with customer demands and behaviours • Retain and attract customer • Diversification to align with market demand • Expansion into new customer base • Best-fit solutions and services to meet every possible digitalisation needs within talent and technology segment
 Method of Engagement & Frequency	<ul style="list-style-type: none"> ■ General meeting ■ MWSG letter ■ Financial reports ■ Analyst briefing ■ Corporate website 	<ul style="list-style-type: none"> ■ Corporate Town Halls ■ Employee appraisals ■ Events and Programme ■ Email blasts 	<ul style="list-style-type: none"> ■ Satisfaction Survey ■ Events and programmes ■ Social Media ■ Corporate Website ■ Meetings & Teleconference
 UN-SDGs	 	   	 
■ Annual	■ Biannual	■ Quarterly	■ As required



SUPPLY CHAIN

Awantec implements green supply chain vetting processes to promote sustainability within its supply chain.

The company maintains fair business relationships and contracts, and offers digitalised procurement processes. Awantec collaborates with others to achieve shared strategic business and sustainability goals while integrating sustainability into its policies and processes to drive compliance.

- Integration of sustainability via policies and processes to drive compliance
- Collaborations towards shared strategic business and sustainability goals
- Fair business relationships and contracts, underpinned by good corporate governance, green supply chain vetting process and convenience of digitalised procurement processes

- Vendor Performance Review
- Sustainability supply chain review
- Meetings and teleconferences




GOVERNING AGENCIES

Awantec aligns its business model with national digitalisation and talent development needs, in support of government and regulator initiatives. The company gains access to incentives and resources that underpin these agendas. Additionally, Awantec maintains fair and transparent business practices in all its operations.

- Capitalise on opportunities arising from key national agendas
- A business model that is well aligned with national digitalisation and talent development needs
- Compliance to regulations
- Fair and Transparent business practices

- Audits
- Meeting & Conferences
- Corporate Website



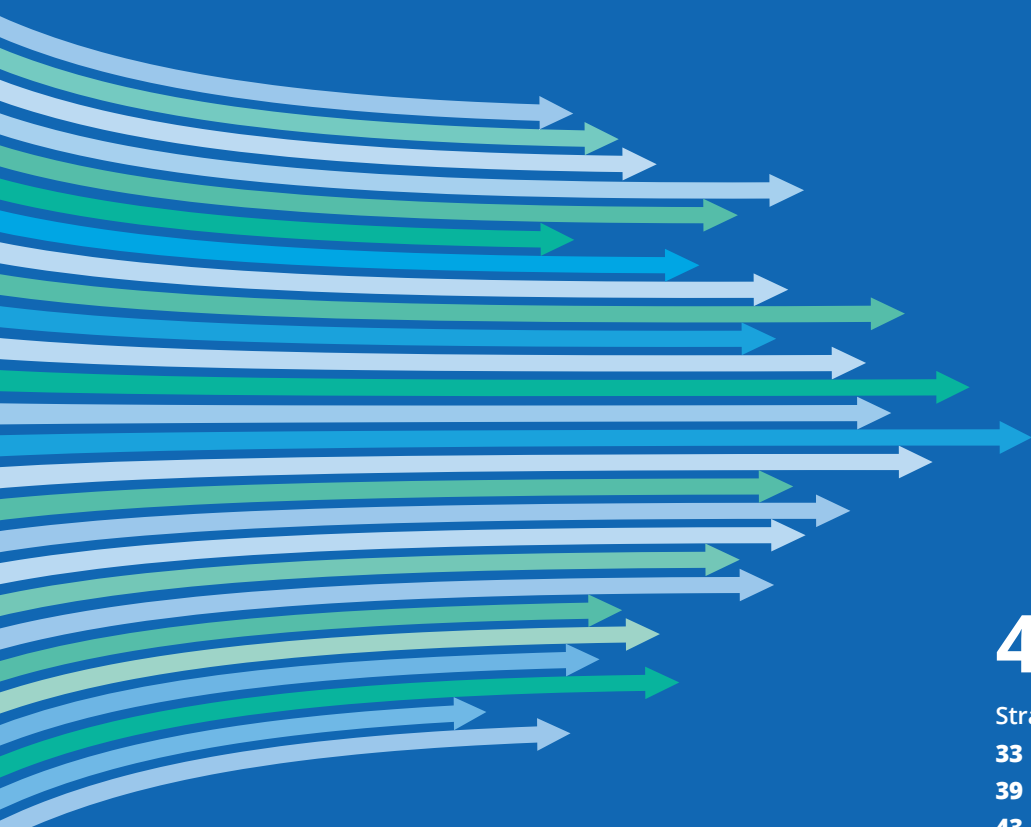

COMMUNITIES

We share the space where we operate with the local communities. Our operations impact on them and we strive for positive effect and obtain a social licence to operate.

- Contributions towards the development of the local community
- Business and employment opportunities that prioritise the local communities
- Positive impact through our corporate social responsibilities to local communities.

- CSR Programmes
- Social Media
- Corporate Website





4 MANAGEMENT DISCUSSION & ANALYSIS

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Strategic Review: Operating Environment: Key Market Trends

Awantec's ability to keep creating value for our stakeholders is dependent on our ability to adapt in the fast-evolving operating environment. The external operating context has a direct impact on our profitability, the risks that we face and our strategic decision-making.

Most organisations are employing different strategies to enhance cost-efficiency in their operations which includes leveraging on digital tools for work optimisation, revisiting procurement decisions to identify areas for possible potential savings. The growing trend in adoption of intelligent automation technologies such as Robotic Process Automation (RPA), optical character recognition, Artificial Intelligence (AI), low-code tools, and process mining are yielding significant benefits, such as increased productivity, enhanced accuracy, improved customer experience and substantial cost reductions. Organisations who have adopted and implemented intelligent automation have reported to reduce their cost by 32%.¹

Amidst economic uncertainty, the dominance of cloud computing and Everything as a Service (XaaS) solutions is poised to persist. In response to the ever-shifting landscape of IT demands and workforce dynamics, business leaders have expedited the transition to service-based IT during the pandemic. As of 2022, research indicates that cloud computing constitutes a substantial 40% of global enterprise IT expenditures, with as-a-service offerings representing a majority of software spending. These platforms offer compelling advantages, including the ability to flexibly scale IT resources and expenses, heightened organisational agility, reduced risk exposure, and access to innovative capabilities—making them particularly attractive in times of uncertainty. Shifting operations to the cloud also facilitates a transition from capital-intensive investments to

a consumption-based financial model, freeing up valuable capital for ongoing operations. Additionally, industry leaders view cloud computing and XaaS as pivotal components of their digital transformation journeys, serving as linchpins for the development of innovative solutions and business models that could unlock new revenue streams. Many technology companies, in their capacity as product providers, are embracing subscription-based XaaS models, reaping the benefits of predictable, recurring revenue streams, potential accelerated revenue growth, and enhanced client retention.

A common initiative within the digital transformation endeavors of numerous companies involves the modernisation of legacy systems. These systems, while often critical to their business operations, pose challenges such as high maintenance costs, vulnerability to cyber threats, and integration difficulties with cloud, analytics, and mobility solutions. Modernisation efforts typically encompass re-architecting legacy systems to leverage cloud-native services, breaking down monolithic code into microservices, and integrating modern user interfaces and robust cybersecurity solutions. The potential benefits are manifold, encompassing enhanced operational efficiency, increased agility, and an elevated customer experience. Moreover, modernisation empowers companies to embrace contemporary software engineering practices like agile methodologies, DevOps, and DevSecOps, ensuring they stay ahead in the ever-evolving digital landscape.



1 Analysis: Deloitte Technology Industry Outlook Report - <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/technology-industry-outlook.html>

Strategic Review: Operating Environment: Key Market Trends

Cloud services in Malaysia are on the rise, driven by local enterprises seeking to embrace digitalisation and gain a competitive advantage. This growth gained momentum during the pandemic as businesses prioritised business continuity and relevance in their industries. Despite this, Malaysia's cloud infrastructure spending remains a small portion of the global market, standing at a fraction of the USD\$2.4 trillion enterprise IT services market.

To support this growth, the Malaysian government has approved the establishment of new data centers by major players such as Amazon Web Services (AWS), Google Cloud, Microsoft Azure, and Telekom Malaysia, aligning with their cloud-first strategy and the Malaysian Digital Economy Blueprint.

In Malaysia, businesses are adopting multiple cloud deployment models, including hybrid and public clouds, with 84% of public cloud users leveraging two or more vendors to address diverse needs and use cases. The cloud computing industry in Malaysia is forecasted to grow to \$3.7 billion with a 13% annual growth rate by 2024.²

Despite the shift to the cloud, on-premise equipment remains critical as it serves as a connection lifeline to the cloud. Malaysian companies aim to provide cost-effective solutions compared to traditional on-premise approaches, which is a primary driver for adopting cloud computing in the country. Moreover, businesses who opted to shift their data and services to the cloud tend to favor the public cloud due to its scalability, which leads to reduced overall ownership costs. On average, Malaysian enterprises have migrated 48% of their total application portfolio to the public cloud and plan to migrate 64% within the next two years.



2 Increasing adoption of cloud services in Malaysia by Aaron Raj - <https://techwireasia.com/2023/07/increasing-adoption-of-cloud-services-in-malaysia/>



Key Market Trends

Digitalisation

The pace of digital take-up and transformation globally has been greatly accelerated by the COVID-19 pandemic as businesses sought to reduce human contact by opting for remote transactions. Reflecting this trend, the Malaysian government projects that the country's digital economy will grow from 22.6% of GDP at the end of 2021 to 25.5% of GDP by 2025.

ACTUAL/POTENTIAL IMPACT

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

HOW WE RESPONDED

Backed by our wide range of solutions and service offerings, Awantec will continue to actively capitalise on the growing demand for digitalisation. Within our 2 cores businesses covering technology and talent, we are in the best position to assist clients embrace digitalisation. From a technology perspective, as a premier partner to Google, we provide public cloud hosting, high performance computing, productivity/collaboration, analytics and artificial intelligence solutions. These solutions can be implemented by our team of capable individuals.

Awantec swiftly adapts to the dynamic digital learning landscape, ensuring that knowledge sharing becomes more accessible and cost-effective. We achieve this by consistently delivering AI-driven training modules and staying ahead of the curve, notably in the dynamic field of cybersecurity certification. In addition to our comprehensive cloud solutions, Awantec is committed to enhancing our customers' digital transformation journey. We offer a diverse range of digital training and certification options, all of which are HRD Levy Claimable. This holistic approach covers both cutting-edge technological solutions and the vital development of our customers' workforce and processes, ensuring they are well-prepared to thrive in the digital era.

Our status as a Google Cloud Authorised Training Provider, in addition to our global partnerships and exclusive distribution rights for the Skillssoft digital learning platform, is poised to significantly expand our presence in the talent development market.

Apart from our upskilling and reskilling initiatives, we anticipate that our talent placement services will serve as a lasting source of revenue, contributing to the fulfillment of the nationwide demand for digitally adept professionals.



OUTLOOK

The shift by businesses towards digital solutions is structural, and working to capitalise on the resulting rapid growth of digital technology and digital learning is at the heart of our growth strategy.

Strategic Review: Operating Environment: Key Market Trends



Key Market Trends **Competitive Market**

The demand for cloud services in Malaysia continues to experience growth especially when the government has been granting approvals for more data centers to support the infrastructure. The government is also encouraging a cloud-powered future and addressing the lack of locally hosted cloud options; each of the major hyperscalers is making significant financial commitments in the country.¹ Globally, with the rapid growth of cloud infrastructure spending in Malaysia still represents a small fraction of the global USD\$2.4 trillion market for enterprise IT services.²

ACTUAL/POTENTIAL IMPACT

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

HOW WE RESPONDED

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 allows 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.



OUTLOOK

Awantec's outlook appears positive, given its strategic partnerships, adaptability to market trends, and commitment to expanding its capabilities. By focusing on specialized services and continuing to invest in its workforce and partnerships, Awantec is well-positioned to capitalize on the growth opportunities presented by the expanding Technology cloud and Talent services market in Malaysia.

¹ Forrester's The State of Cloud in Malaysia in 2023 report

² TechWire Asia: Increasing adoption of cloud services in Malaysia - <https://techwireasia.com/2023/07/increasing-adoption-of-cloud-services-in-malaysia/>



Key Market Trends **Leveraging the Digital Economy**

Industry 4.0 is revolutionising the way most companies work. With the rapid growth of Malaysia's digital economy over the recent years, most businesses have shifted their operation into digital mode. Discussion on ICT infrastructure on which the digital economy is built, continues to be a major discussion topic in the boardroom. Awantec has responded to these changes by redefining our pivot to cloud business model. Efforts to refresh our products and services have led to better synergistic offerings.

ACTUAL/POTENTIAL IMPACT

- The most significant impact of digitalisation for our business is the rise of demand for digital infrastructure.
- There is also the expectation to provide certifications for digital learning such as Cybersecurity, AI and Analytics and etc.

HOW WE RESPONDED

In response to the rise of digitalisation and to strengthen our commitment towards digitalisation and ensure our products and services are aligned with our purpose, values and strategic pillars, Awantec's strong alliance with our various key industry players such as our Premier Partner Level with Google Cloud, will continue to put in place various mechanisms to expand and refine our synergistic product offerings across a wide array of solutions and services.



OUTLOOK

The shift by businesses towards digitalisation creates opportunities. Awantec can work to capitalise on the situation by continuing to partner with industry leaders to strengthen our product offerings.

Testimonial

Learning & Training

“The online learning platform and resources recommended by Awantec were excellent and gave my organisation the flexibility that we all needed. The certifications are very much needed, especially to upskill and reskill our existing employees.

Thank you for the excellent service provided by your team to assist us in providing continuous learning to Sarawak Civil Service (SCS) officers for the year 2022. We are optimistic that the SCS officers will continue using the platform, as it is beneficial to their self-development.”

Leadership Institute of Sarawak Civil Service Sdn. Bhd.



Strategic Review: Operating Environment: Key Market Trends



Key Market Trends **Developing People**

To progress and grow, Awantec must be equipped with the right people to execute our growth strategy and to deliver on our corporate transformation plans. Employee engagement is also crucial for two-way communication and increased job satisfaction.

ACTUAL/POTENTIAL IMPACT

Our rapidly-evolving business environment and the implementation of our turnaround plan have revealed existing gaps in our human resource base and employee performance. It has also shown the need for us to adopt a more agile workforce structure and a more customer-centric HR policy that is aligned with our strategic goals.

HOW WE RESPONDED

We include learning and development into all our employees' KPI. Alongside that, we have continued to invest in upskilling our employees, providing training in digital and other essential skills. In FY2023, we have 22 employees who are cloud-certified professionals, 10 employees who are trained to be HRDF trainers and 6 employees with cybersecurity certifications.

We will continue to recruit new talent that is necessary for us to deliver on our transformation plans while working to better align our human resources policies with the evolving needs of our company.

To engage our employees, we established communication channels that active and effective two-way communication, which included fireside chats, etc.

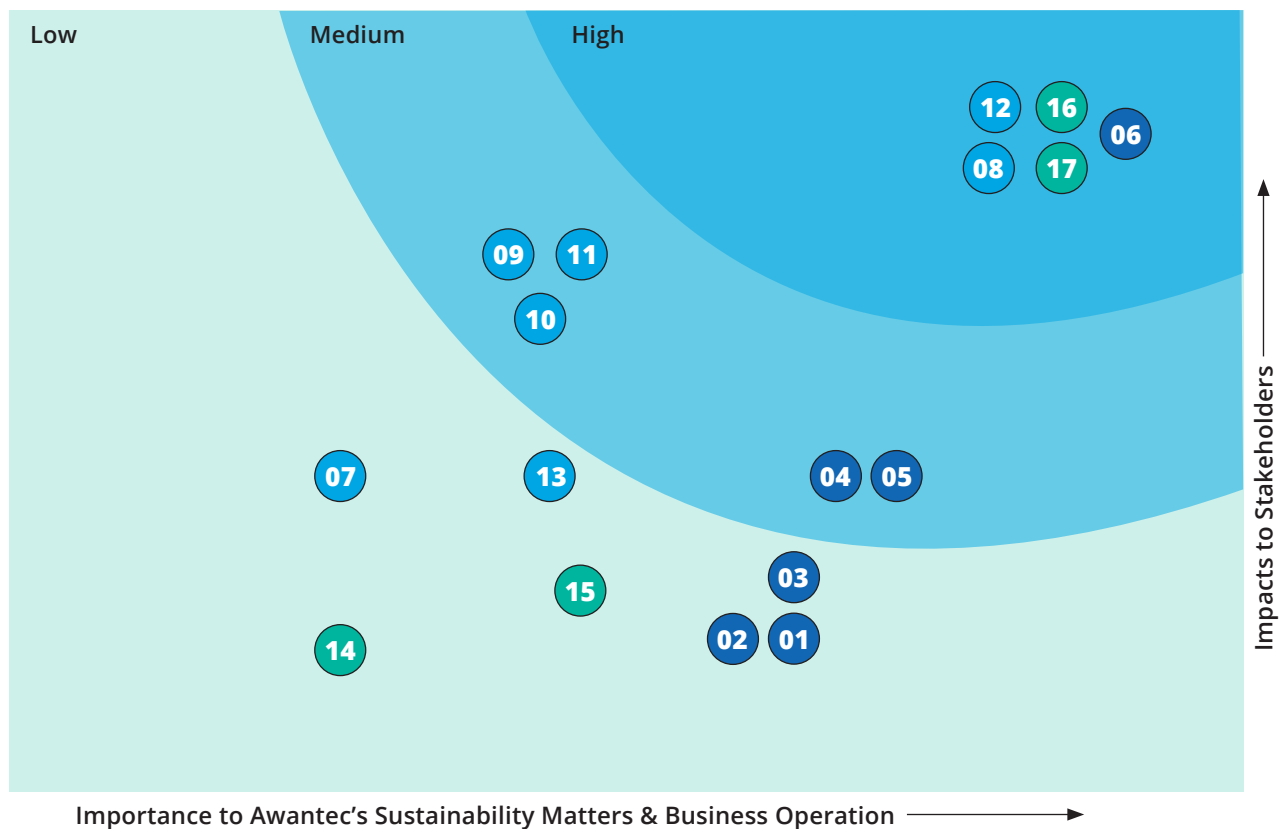


OUTLOOK

Attracting and retaining the right people will remain a constant challenge as the type of skills needed by Awantec will continue to evolve as we seek to stay ahead of the rapid changes that are reshaping our business landscape. We will maintain our focus on recruiting people with the right skills and experience, and on constantly investing in our people to equip them with the necessary skills that our evolving business needs.

Strategic Review: Our Material Matters

In Awantec, our approach to materiality matters revolves around our value creation, enabling us to address the relevant risks and opportunities in Awantec's operations and cater to the needs and interests of our stakeholders. We conduct an annual review of our materiality matters, stemming from the material assessment carried out in FY2019, guided by Bursa Malaysia's Sustainability Reporting Guideline, Bursa Malaysia's Materiality Toolkit, United Nations Sustainable Development Goals ("UNSDGs"), Global Reporting Initiative ("GRI") and Task Force on Climate-related Financial Disclosures ("TCFD"). Through a prioritisation exercise, we have refined our focus to encompass a total of 17 materiality matters, aligning them more closely with the priorities of both our stakeholders and Awantec's business operations.



ENVIRONMENTAL

- 01 Water Management
- 02 Waste Management
- 03 Energy Management
- 04 GHG Emissions
- 05 Climate Change
- 06 Digital Transformation

SOCIAL

- 07 Occupational Health & safety
- 08 Talent Attraction, Growth and Retention
- 09 Equal Opportunity
- 10 Diversity and Inclusion
- 11 Human Rights & Labor Standard
- 12 Customer satisfaction
- 13 Community & Society Investment
























GOVERNANCE & ECONOMIC
























- 14 Local Sourcing
- 15 Supply Chain Management
- 16 Data Privacy & Security
- 17 Anti-Corruption

Strategic Review: Our Material Matters












Linking Material Matters to GRI and UNSDGs

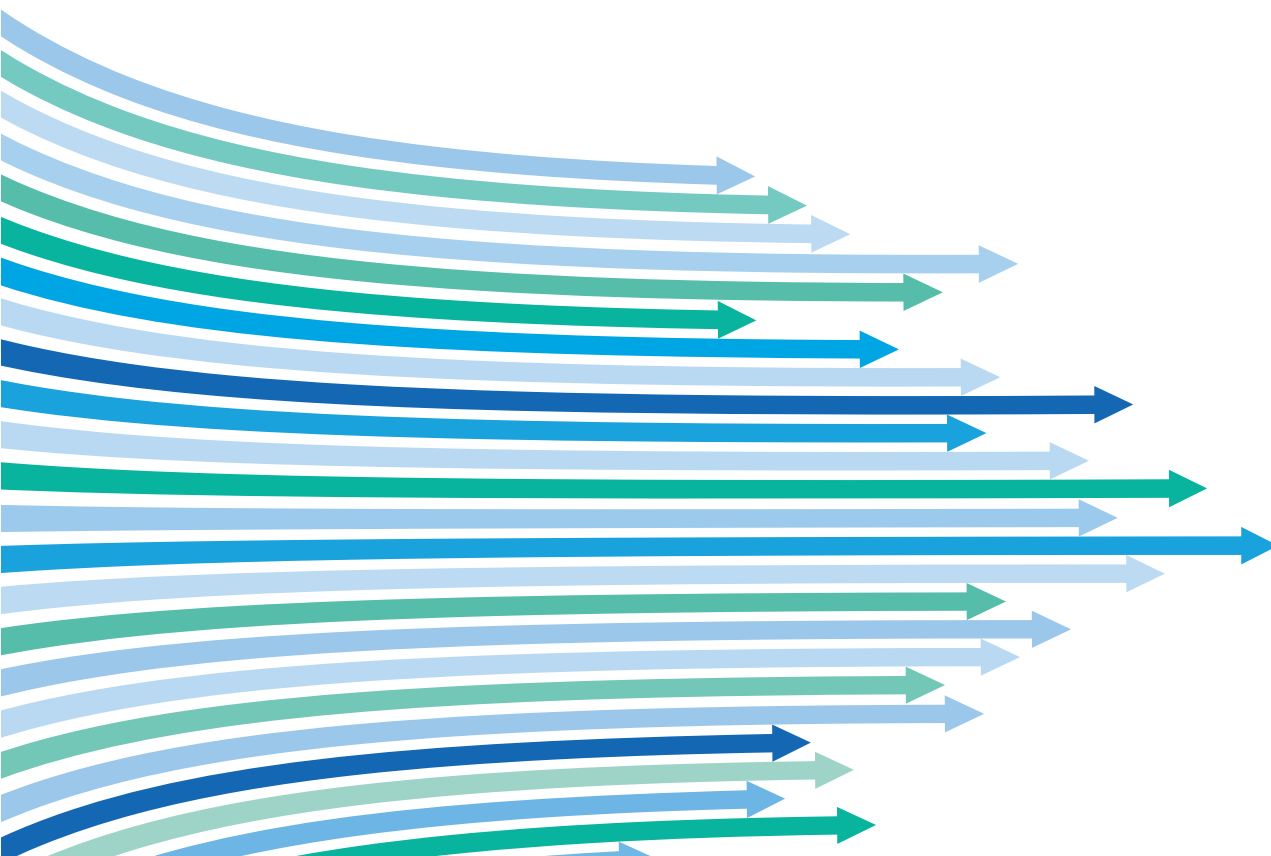
Awantec ensures our material matters align with GRI indicators and UNSDGs, helping us to track our progress toward sustainability goals and communicate transparently with stakeholders.

MATERIALITY MATTERS		GRI	UNSDGs
ENVIRONMENTAL			
Digital Transformation 	Our goal is to empower businesses by equipping them with cloud capabilities, enabling them to operate more efficiently and effectively while contributing to the national digitalisation agenda.	302 : Energy	 
Water Management 	Awantec propagates water usage optimisation by establishing climate related key performance indicators, providing training, and conducting awareness programs to ensure optimal water usage.	303 : Water and Effluents	  
Waste Management 	In our commitment to sustainable waste management, we provide recycle bin sets on every floor, as well as training and awareness programs for all staff.	301 : Materials 306 : Waste	 
Energy Management 	Awantec commits to efficient energy consumption by procuring only energy-efficient fixtures or fitting with Energy Star ratings. In addition, our ongoing digital transformation at Awantec is further reducing our energy impact on the environment.	302 : Energy	  
GHG Emissions 	Tackling climate change through sustainable practices and initiatives aimed at reducing greenhouse gas emissions and minimising our environmental impact.	305 : Emissions	  
Climate Change 	We have integrated TCFD's framework, climate KPIs, and targets to reduce GHG emissions. Our commitment to sustainability remains strong.	305 : Emissions 302 : Energy 306 : Waste 303 : Water and Effluents	   

MATERIALITY MATTERS	GRI	UNSDGs
SOCIAL		
Occupational Health & Safety 	<p>Awantec prioritises employee health and safety by assigning Emergency Response Team members for each department trained in first aid and fire fighting, as well as conducting regular hazard assessments and safety protocol trainings.</p>	<p>403 : Occupational Health and Safety</p> 
Talent Attraction, Growth and Retention 	<p>Awantec aims to maintain a robust talent pipeline by providing attractive compensation packages, fostering career advancement opportunities, and offering incentives that are designed to attract, develop, and retain highly skilled employees.</p>	<p>401 : Employment 404 : Training and Education</p>  
Equal Opportunity 	<p>Hiring, promotion or incentive decisions are based on business requirements and individual qualifications, skills and achievements.</p>	<p>406 : Non Discrimination</p>  
Diversity and Inclusion 	<p>To promote diversity, we strive for equal pay between genders for our employees and maintain a diverse board as required.</p>	<p>405 : Diversity and Equal Opportunity</p>   
Customer Satisfaction 	<p>Awantec aims to guarantee the provision of high-quality products and services with a view to achieving exceptional customer satisfaction.</p>	<p>8 : Decent Work and Economic Growth</p> 
Community & Society Investment 	<p>Awantec commits to positive community impact through CSR. We support local orphanages and organisations to improve well-being, creating a sustainable and equitable future.</p>	<p>203 : Indirect Economic Impacts</p>    
Human Rights & Labor Standard 	<p>We uphold human rights and labour standards as required by local regulations, providing a safe and inclusive workplace free from exploitation as well as regularly review policies to ensure compliance and continuous improvement.</p>	<p>408 : Child Labour 409 : Forced or Compulsory Labor 407 : Freedom of Association & Collective Bargaining</p>   

Strategic Review: Our Material Matters

MATERIALITY MATTERS	GRI	UNSDGs
GOVERNANCE & ECONOMIC		
Local Sourcing 	We prioritise local suppliers to support sustainable relationships and economic development of our communities.	204 : Procurement Practices 
Supply Chain Management 	We started our green screening process to encourage sustainable practices among our vendors & suppliers with the objective of reducing environmental impact and promoting sustainability in our supply chain.	308 : Supplier Environmental Assessment   
Data Privacy & Security 	Awantec prioritises customer data protection by conducting Vulnerability Assessment and Penetration Test to further strengthen our cybersecurity capabilities, mitigate risks and prevent breaches.	418 : Customer Privacy  
Anti Corruption 	Awantec conducts training, events, and manuals to promote ethical business practices among employees. We also have a whistleblowing program in place to report any violations of our anti-corruption policies.	205 : Anti Corruption 



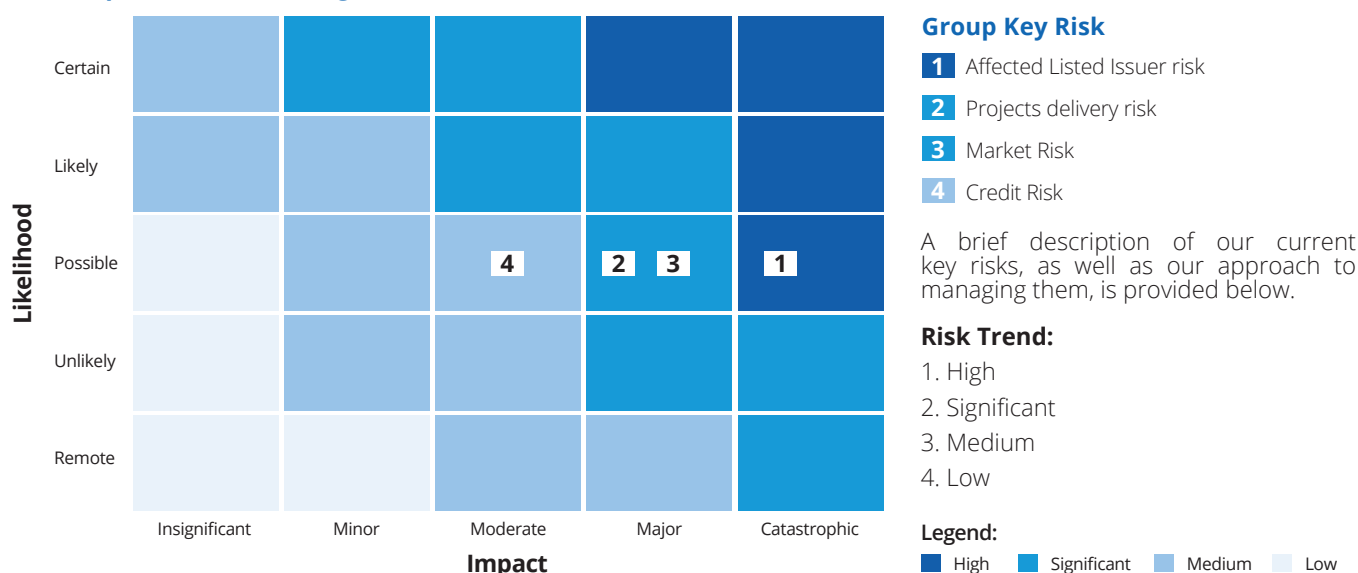
Strategic Review: Risk Overview

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 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 key four 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.

Heatmap of Awantec Strategic Risks



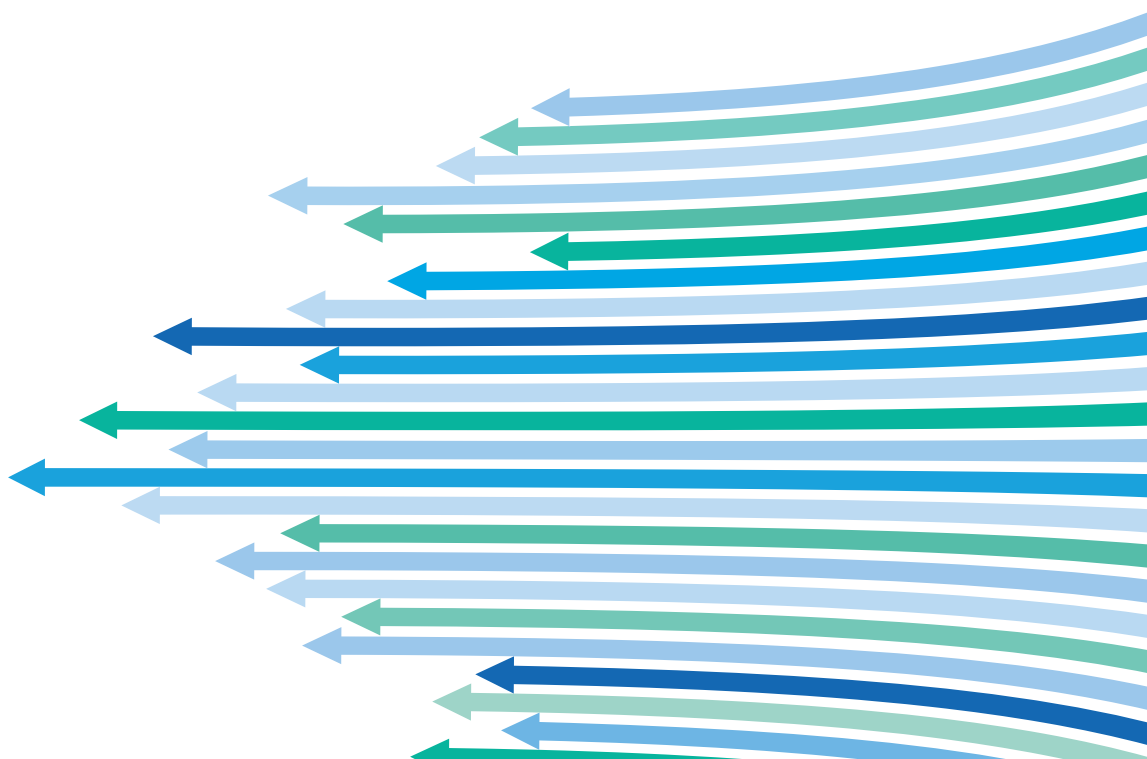
Key Risk	Description	Mitigation	Risks Trend	Stakeholder Affected
Affected Listed Issuer risk	In August 2023, Bursa Malaysia rejected the company's application for an extension of time to submit a regularisation plan. The company was issued a show cause notice to provide written representations back to Bursa Malaysia.	1. The company has submitted a written representation to Bursa Malaysia. 2. Awantec has taken proactive steps by diversifying its business activities and to ensure sustainable future revenue and profit growth. The Company is confident that our transformation journey into the Cloud business, guided by the two pillars, i.e. the Technology and Talent segments, continues to drive business growth. We remain committed of our investment into the 3Ps - People, Partners, and Products & Services throughout our journey. These principles underpin our growth strategy and future success.	High	Shareholders

Strategic Review: Risk Overview

Key Risk	Description	Mitigation	Risks Trend	Stakeholder Affected
Projects delivery risk	<ul style="list-style-type: none"> Inability or delay in executing and delivering projects undertaken. Failure to meet targets and service level agreements. 	<ol style="list-style-type: none"> Hire sufficient skills with appropriate skill sets to relieve the load on existing manpower in order to improve productivity and complete projects. Increase engagement and regular check points with partners and customers for project updates and resolution. 	Significant	Strategic Partners (SP), customers
Market and Business Risk	Awantec navigates in a technology industry that evolves rapidly according to the digital landscape and is impacted by regulatory frameworks, guidelines and new technology trends. These elements introduce a range of potential risks and uncertainties that can affect market dynamics, product and services demand, and collaboration with partners.	<ol style="list-style-type: none"> Keep a watchful eye on industry trends and potential shifts in government strategies, regulations, and key initiatives. Stay flexible in addressing potential shifts in market demand by expanding into new technology and talent solutions. This approach reduces reliance on existing products and services. Foster partnerships with technology leaders at local, regional, and global levels. These collaborations are instrumental in co-creating innovative products and services. Continuously update and refine our go-to-market strategies. Additionally, explore fresh opportunities in emerging markets, such as the commercial sector. 	Significant	Strategic Partners (SP), customers
Credit Risk	As the company expands into GLCs and the commercial sector, we would need a robust credit assessment and monitoring process to ensure prompt collection of payments and minimise delays.	<ol style="list-style-type: none"> Implement a thorough credit assessment process to evaluate the creditworthiness of customers before extending credit terms. Continuously monitor receivables and follow up on overdue payments promptly. Implement aging analysis to identify potential issues early. Set aside provisions for doubtful debts to account for potential non-payment. These reserves act as a financial cushion. 	Medium	customers

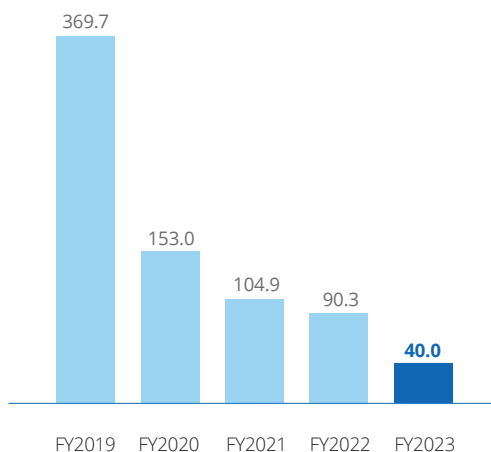
Performance Review: 5 Year Group Financial Summary

RM million	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	369.7	153.0	104.9	90.3	40.0
Profit/(Loss) before tax	42.1	- 16.8	9.8	5.3	- 6.3
Profit/(Loss) after tax	- 6.2	- 18.0	9.3	4.2	- 6.6
Total assets	305.7	302.5	402.5	443.0	420.7
Total equity	122.9	118.3	190.9	195.2	188.7
Equity attributable to Owners of the Company	110.3	105.4	179.0	183.7	177.3
No of employee	104	91	93	106	131
Revenue per employee	3.6	1.7	1.1	0.9	0.3

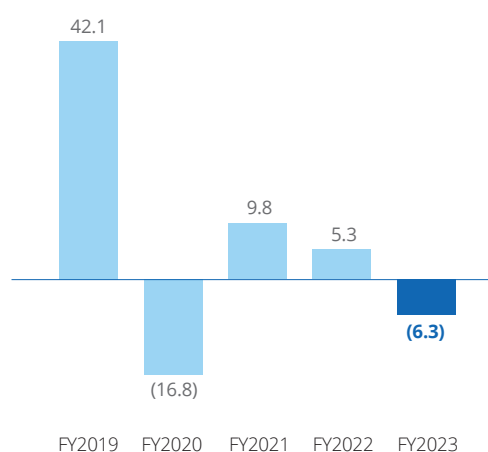


Performance Review: 5 Year Group Financial Highlights

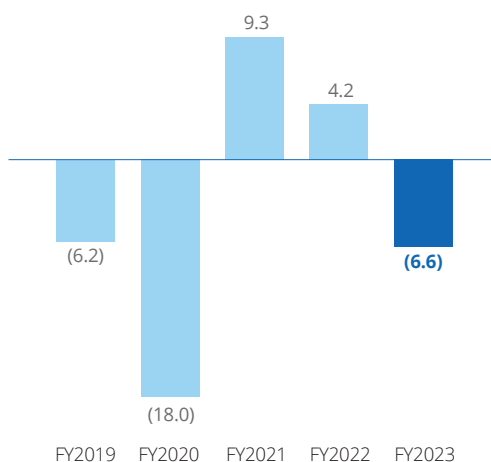
REVENUE (RM Million)



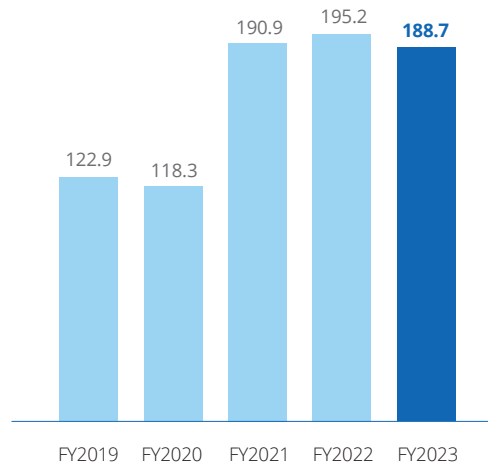
PROFIT/(LOSS) BEFORE TAX (RM Million)



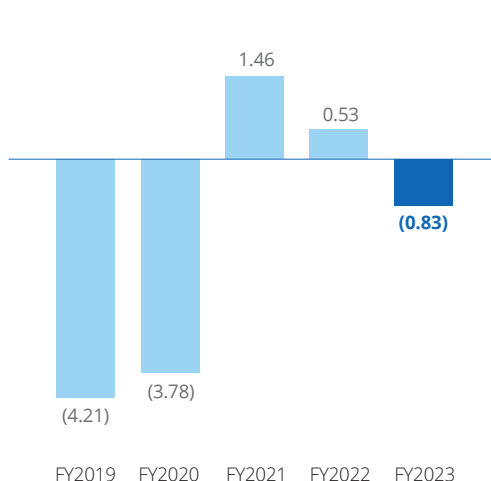
PROFIT/(LOSS) AFTER TAX (RM Million)



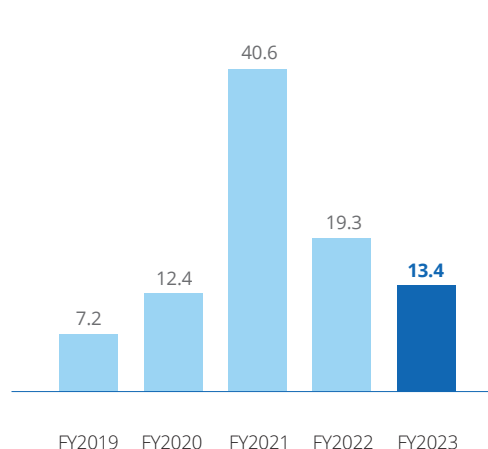
TOTAL EQUITY (RM Million)



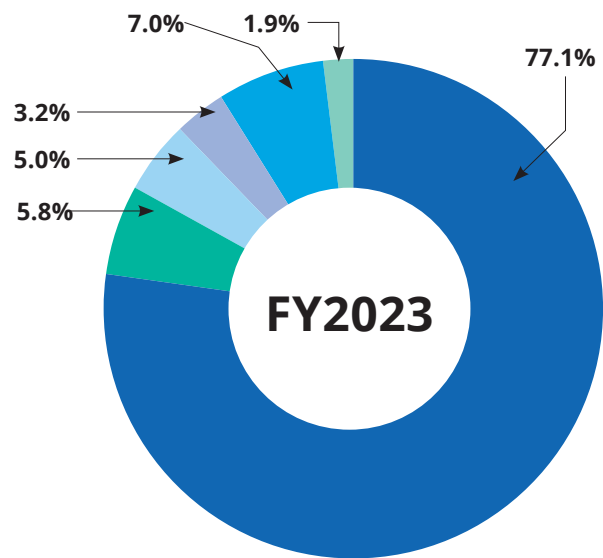
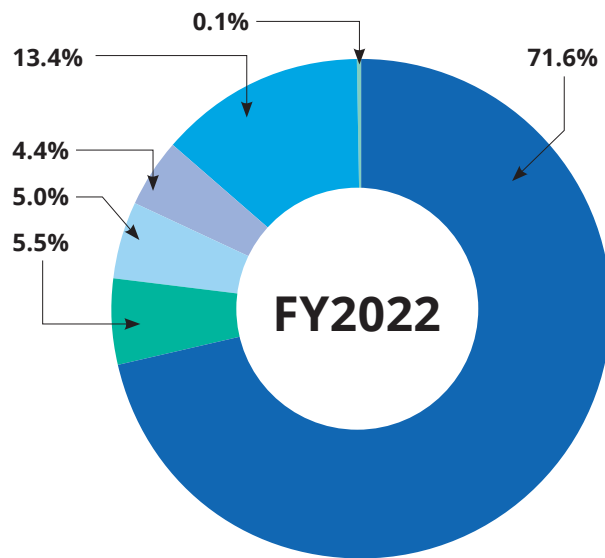
EARNINGS/(LOSS) PER SHARE (Sen)



**CASH AND BANK BALANCES AND
SHORT TERM INVESTMENTS (RM Million)**



Performance Review: Simplified Statement of Financial Position



TOTAL ASSETS (RM MILLION)

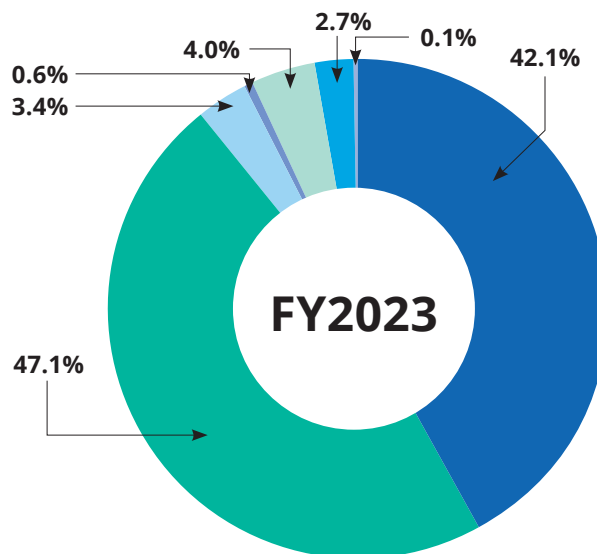
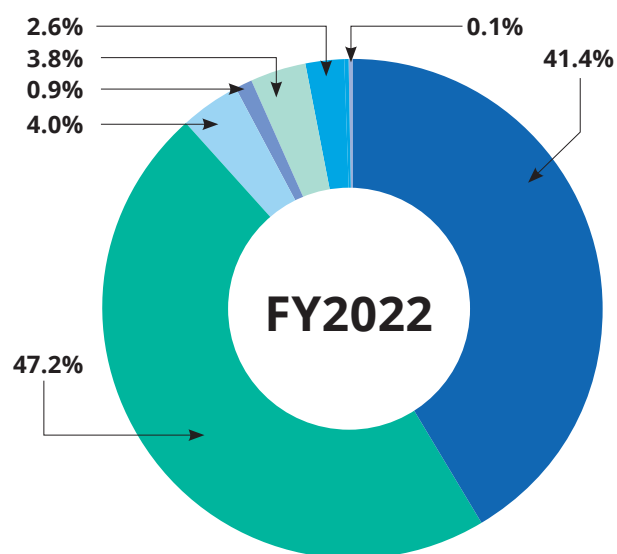
FY2022 443.0

317.3	Trade and other receivables
24.2	Investment properties
22.4	Property and equipment
19.3	Cash and bank balances and short term investments
59.4	Contract assets
0.4	Others

FY2023 420.7

324.5	Trade and other receivables
24.2	Investment properties
21.2	Property and equipment
13.4	Cash and bank balances and short term investments
29.6	Contract assets
7.8	Others

Performance Review: Simplified Statement of Financial Position



TOTAL EQUITY AND LIABILITIES (RM MILLION)

FY2022 443.0

183.7	Equity attributable to Owners of the Company
208.5	Trade and other payables
17.8	Borrowings
4.0	Contract liabilities
16.9	Deferred tax liabilities
11.5	Non-controlling interests
0.6	Others

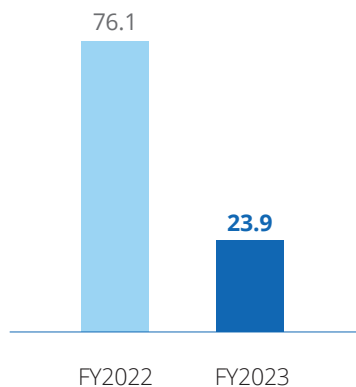
FY2023 420.7

177.3	Equity attributable to Owners of the Company
198.2	Trade and other payables
14.1	Borrowings
2.6	Contract liabilities
16.9	Deferred tax liabilities
11.4	Non-controlling interests
0.2	Others

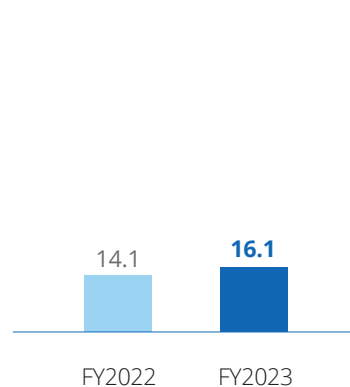
SEGMENTAL ANALYSIS (RM MILLION)

Review by Segment

Technology and Services



Talent



Performance Review: Financial Calendar

For the Financial Year ended 30 June 2022

Announcements of Consolidated Results

25

November 2021

Unaudited consolidated results for the 1st quarter ended 30 September 2021

28

February 2022

Unaudited consolidated results for the 2nd quarter ended 31 December 2021

27

May 2022

Unaudited consolidated results for the 3rd quarter ended 31 March 2022

29

August 2022

Unaudited consolidated results for the 4th quarter ended 30 June 2022

For the Financial Year ended 30 June 2023

Announcements of Consolidated Results

24

November 2022

Unaudited consolidated results for the 1st quarter ended 30 September 2022

23

February 2023

Unaudited consolidated results for the 2nd quarter ended 31 December 2022

25

May 2023

Unaudited consolidated results for the 3rd quarter ended 31 March 2023

28

August 2023

Unaudited consolidated results for the 4th quarter ended 30 June 2023

12th Annual General Meeting

26

October 2022

Notice Date

26

October 2022

Issuance of Annual Report and Audited Financial Statements for the Financial Year ended 30 June 2022

24

November 2022

Meeting Date

13th Annual General Meeting

25

October 2023

Notice Date

25

October 2023

Issuance of Annual Report and Audited Financial Statements for the Financial Year ended 30 June 2023

23

November 2023

Meeting Date

Performance Review: Investor Relations Report

Awantec recognises the importance in maintaining a strong, trust-based relationship with our shareholders and the broader investment community. Maintaining a credible communication channel with the investment community is integral to our commitment towards corporate governance. Towards this end, we have an experienced Investor Relations (IR) team who manage a structured IR programme through which we engage with analysts, investors and shareholders.

A key function of the IR team is to ensure timely and transparent disclosure of relevant and material information on the Company's developments to our investors to keep them updated of our strategies and performance, thus enhancing their understanding of the Company for more informed investment decisions. While enabling us to disseminate important updates, these sessions also enable us to gather valuable feedback from the investment community.

In addition to key events such as quarterly results announcements and our annual general meetings, the IR team, with or without key members of Management, also conducts one-on-one meetings and dialogue sessions with local institutions, investors as well as analysts.

As far as possible, the team will accommodate requests by analysts, the media or potential investors for information or a sharing session.

Further ensuring dissemination of relevant information on Awantec's businesses and activities, we release media statements on corporate developments and achievements.

KEY IR EVENTS IN 2023:

The Annual General Meeting in 2022 at which our Directors, Group CEO, Group CFO and other members of the Management Team presented the Company's performance for the financial period 2021, and answered questions posed by shareholders.

This AGM was held virtually due to the pandemic.

Quarterly results announcements made on 24 November 2022, 23 February 2023, 25 May 2023, 28 August 2023

- Announcements to Bursa Malaysia
- Media release on Financial Results

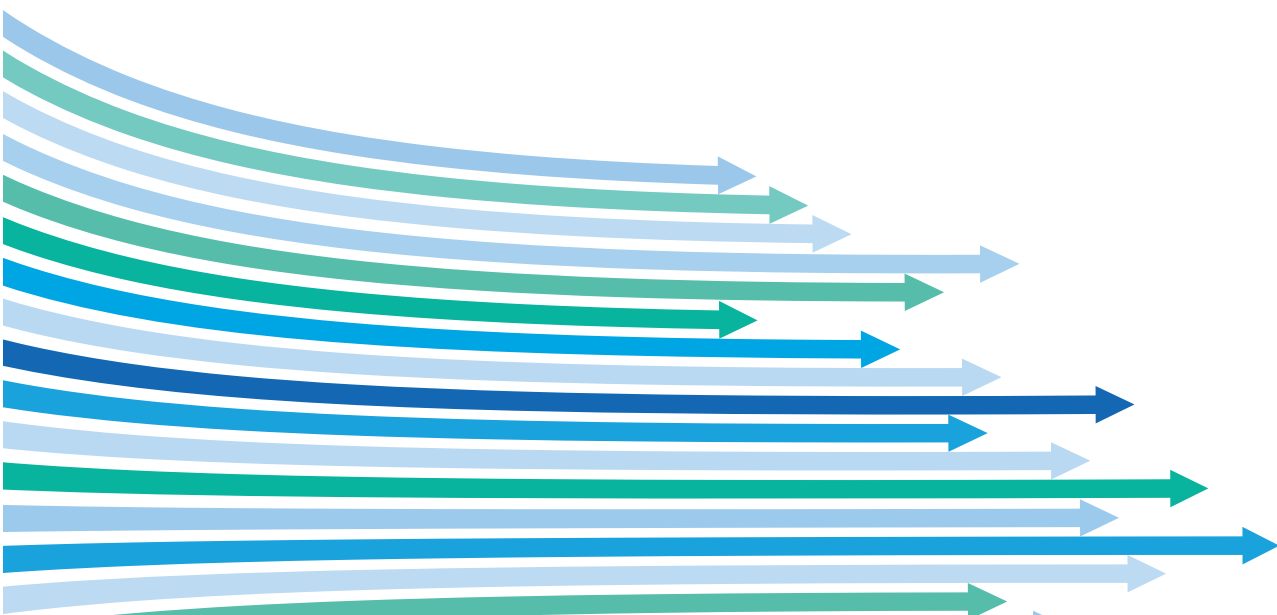
- Annual engagement session with analysts to share current performance, future plans, strategies and prospects of the Company
- Attended by 30 analysts

All corporate communication, including our quarterly and annual results as well as announcements to Bursa Malaysia are updated on our corporate website at www.awantec.my.

Moving into the new financial year, Awantec will continue to enhance our IR efforts and strive to communicate accurately and consistently material information on a timely basis, in line with IR best practices and Bursa Malaysia's Listing Requirements.

Performance Review: Share Price Movement

Period: 1 July 2022 - 30 September 2023



Business Review: Technology Segment

WHO WE ARE

Our technology segment provides cloud solutions and multi-cloud management services where we ensure the implementation of brand new solutions to negate risk and maximise return that are seamless to businesses and organisations. We also supply the infrastructure required to match their digitalisation demands

BUSINESS ENVIRONMENT

The principle business of Awantec under the Technology segment encompasses an array of Cloud Management Services, which encapsulates infrastructure as a Service ("IaaS"), Cloud-based Software Solution and System Integration

Key Focus Area

Build a portfolio of cloud-based solutions and services driving growth & stabilisation

KEY INITIATIVES AND OUTCOMES

Initiatives	Outcomes
Invest in skilled and competent talent to deliver and build new business streams	Hired additional Enterprise resources that specialises in Pre-Sales, Delivery and Support with continuous upskilling (training, learning and certifications) to deliver and build new business streams such as Cloud migration, implementation, dashboard, analytics and support
Cloud Framework Agreement (CFA) Execution Focus	<ul style="list-style-type: none"> CFA Roadshow execution. More than 400 attendees from 314 ministries and agencies Understand the whole CFA approval process
Services Run-rate engagement	Drive wins through services , and secured first Google Cloud Platform (GCP) contracts for public sector for cloud-based project such as Cloud Management Platform (CMP) and dashboard

OUTLOOK

As businesses and organisations continue to digitise, the demand for digital solutions will continue to increase. In response, Awantec has a clear strategy to fuel growth and stabilisation by building a portfolio of cloud-based solutions and services.

The outlook for our Technology segment also shows a positive trajectory as we see recurring contracts and services in addition to newly acquired contracts from both public and private sectors whilst progressing with current initiatives .

PERFORMANCE IN 2023

	FY2022	FY2023	Variance (%)
Technology Segment Revenue (RM' million)	76.1	23.9	-68.6
Total Software Seats Distributed	> 532,000	915,855	72.2

Business Review: Talent Segment

WHO WE ARE

We cultivate digital expertise and capabilities to take full advantage of the new and improved digital landscape

BUSINESS ENVIRONMENT

Our Talent segment provides synergistic end-to-end offerings of talent services, which cut across profiling, training, certification and placement

Key Focus Area

Providing talents with the capabilities as well as drive complementing newly acquired technologies to ensure true digital readiness

KEY INITIATIVES AND OUTCOMES

Initiatives	Outcomes
Increased Collaboration Partners	Penetration attempt into the GLCs and Private sector for upskilling through channel sales partners
Diversified Talents offerings	New products: Rocheston RCCE (Rocheston Certified Cybersecurity Engineer)/ RCCS (Rocheston Certified Cybersecurity Specialist), ComPTIA certification
Outreach programmes to engage and onboard new candidates, employers and partners	Achieved target placements with collaborations and support from our team of Candidates Success Specialist (CSS), new partners and employers

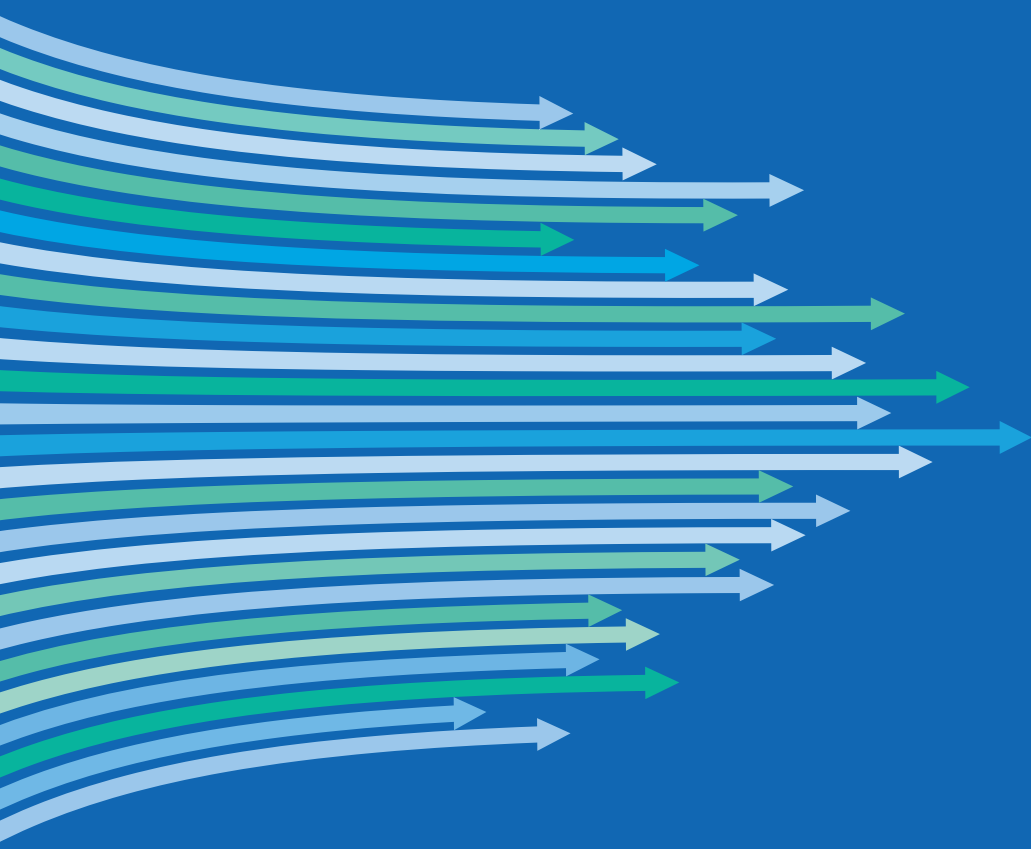
OUTLOOK

Globally, the digital talent landscape has grown throughout the pandemic. With the increasing demand for digital talent and certifications, we will be able to tap into the trend with our growing talent services.

The outlook for our Talent segment is showing a positive trajectory as we continue to collaborate and work closely with our recruitment partners, such as MBI, PersoKelly and HRD.

PERFORMANCE IN 2023

	FY2022	FY2023	Variance (%)
Talent Segment Revenue (RM' million)	14.1	16.1	14.2
Total Individuals trained and Certified	>25,000	>21,000	-16
Total Job Placement	>1,400	3,063	118.8



5 ENSURING SUSTAINABLE VALUE CREATION

- 55** Sustainability Statement
- 56** Our Approach to Sustainability
- 57** Sustainability Governance Structure
- 58** Principle 1: Sustainable Lifelong
Learning Environment
- 64** Principle 2 : Stakeholder Engagement
and Disclosure
- 67** Principle 3 : Commitment to
Corporate Responsibilities
- 80** Principle 4 : Engaging Workplace
- 89** Principle 5 : Governance to Drive
Compliance and Best
Practices

Sustainability Statement

The year 2023 marks another momentous stride in the execution of our sustainability strategy. Here at Awantec, we deeply understand and appreciate the importance of Environmental, Social, and Governance ("ESG") considerations. As we unveil our Sustainable Statement for the financial year 2023, we take immense pride in showcasing our unwavering dedication to sustainability and the ethical principles that underpin every facet of our operations.

Throughout this year, we have diligently worked to infuse sustainability practices into every aspect of our business. Our commitment stems from the firm belief that sustainable practices not only generate long-term value but also address the challenges posed by climate change, ultimately nurturing a sustainable future for all.

One of our standout accomplishments in FY2023 was the integration of the Task Force on Climate-related Financial Disclosure ("TCFD") framework and its recommendations into our business strategy. By comprehensively identifying and understanding climate-related risks and opportunities, we have positioned ourselves to make well-informed decisions, bolster our resilience, and seize emerging opportunities in our ever-evolving world. Our endeavours in this realm have not only enhanced our business practices but also contributed to our alignment with the Malaysia Plan to achieve a carbon net-zero target by 2050.

To effectively drive our sustainability agenda, we have implemented a transparent and up-to-date sustainable dashboard. This invaluable tool serves as a guiding compass, enabling us to measure our progress against predefined targets, foster accountability, and continuously improve.

We have begun to establish a robust and sustainable supply chain, formed through strategic partnerships to collectively reduce environmental and social impact. Prioritising data privacy and security, we conducted extensive cybersecurity measures to safeguard sensitive information to promote trust and integrity. Moreover, the momentous Awantec's Integrity Pledge Day served as a unifying event, bringing our entire company together to officially e-sign the Integrity Pledge. This united commitment underscores our dedication to the integrity clause, an essential step in our joint mission to counteract corruption and bribery. At Awantec, sustainability goes beyond our core operations. We minimise waste and promote responsible consumption through recycling and embracing the circular economy. Occupational health and safety are paramount, ensuring employee well-being through stringent measures and ongoing training. Embracing digitalisation and transitioning to the cloud optimise our operations and reduce our carbon footprint, while technological advancements elevate our sustainability performance and deliver value to stakeholders.

In conclusion, we extend our deepest gratitude to our dedicated employees, loyal shareholders, and supportive stakeholders for their unwavering commitment to sustainability. Together, we have achieved momentous milestones in the financial year 2023, firmly positioning Awantec as a responsible corporate citizen and an industry leader in sustainability.

Our endeavours in this realm have not only enhanced our business practices but also contributed to our alignment with the Malaysia Plan to achieve a carbon net-zero target by 2050.

Our Approach to Sustainability

AwanBiru Technology Sdn. Bhd. (also referred to as “Awantec”), presents this Sustainability Statement (“the Statement”) as a thoughtfully crafted narrative that describes our approach to environmental, social and governance (“ESG”) risks and opportunities throughout our business operation for the financial year 1 July 2022 to 30 June 2023.

This Statement is the eighth addition to our collection of Sustainability Statements from previous years which highlights the journey that Awantec has embarked on to inculcate sustainability measures that bring value to our stakeholders and operations. Awantec remains steadfast in upholding our reputable status as a well-established Talent and Technology digitalisation enabler that leads the way in our sustainability initiatives.

Reporting Framework



Reporting Period

This report covers the Financial Year 2023 (“FY2023”) throughout 1 July 2022 to 30 June 2023.

Reporting Scope

This Sustainability Statement provides a comprehensive overview of Awantec's sustainable performance and advancements across all its operations and activities in Malaysia, where the Group's headquarters and all its subsidiaries are based unless otherwise specified. The scope of this Statement extends to cover ESG-related risks, opportunities, and outcomes that are relevant to or associated with our key stakeholders.

Assurance

Awantec has diligently prepared this Sustainability Statement, recognising our responsibility to uphold the integrity of this report through robust governance practices, internal reporting procedures, and independent assurance in accordance with ISA 210. In view of this, no external assurance measures performed under either ISO or ISAE 3000 were being undertaken for the data disclosed in this Statement.

Feedback

In our ongoing efforts to enhance our reporting performance, Awantec highly appreciates suggestions, comments, and feedback from our valued stakeholders. To facilitate access, this statement, along with previous reports, can be found on Awantec's corporate website at www.awantec.my. For any feedback or enquiries on our report, please contact:

Chris Chan Shih Yung

Assistant Manager, Sustainability

Email: chris.chan@awantec.my

Sustainability Governance Structure

At Awantec, sustainability is not just a buzzword, but a shared responsibility across all levels of the organisation. Every employee is accountable for their contribution to sustainability efforts, and ESG-related KPIs are set to measure and monitor their performance.

The Board of Directors is responsible for ensuring that the Group's strategic plan supports long-term value creation with consideration for Environmental, Social, and Governance factors. The plan is then translated into specific parameters that encompass ESG performance, including the management of climate change risks, for both the CEO and COO. The compensation and benefits of these top executives are tied to their performance in meeting these parameters, ensuring that their decisions are aligned with the Group's sustainability commitments.

The sustainability efforts at Awantec are further decentralised to the Management Committees, Heads of Departments, and all employees, with Group-mandated ESG parameters integrated into their KPIs. These parameters account for a fixed 10% of each individual's KPI and directly impact their compensation and incentives. This incentivises all employees to actively contribute to the company's sustainability efforts, ensuring that sustainability remains a top priority for the Group as we collectively work towards achieving our sustainability goals.

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



Principle 1: Sustainable Lifelong Learning Environment



Doing well by Catalysing Digital Readiness

Malaysia stands at the forefront of digital transformation, owing to the government's steadfast commitment to driving this paradigm shift, the government consistently implementing a range of initiatives aimed at supporting and expediting the country's progress towards digitalisation. These initiatives include MyDIGITAL, the National Fiberisation and Connectivity Plan ("NFCP"), the Malaysia Cyber Security Strategy and more. These efforts are geared towards driving economic growth, enhancing efficiency, generating job opportunities, and fostering sustainability.

Awantec, as a talent and technology enabler, is proud to contribute towards bridging the digital talent gap and promoting Digital Readiness nationwide. In our unwavering dedication to sustainability and our core areas of Technology and Talent, we are resolute in our mission to equip the workforce with the necessary digital capabilities to thrive in the forthcoming digital era.

Awantec assumes a pivotal role in propelling Malaysia's digitalisation journey. Collaborating closely with the government, businesses, organisations and individuals, we aim to cultivate a workforce that is adept in the digital realm. Through comprehensive training programs and access to cutting-edge technologies, we strive to nurture a vibrant digital ecosystem within Malaysia.

The financial year 2023 witnessed a consistent and upward trend in the demand for digital talent. Recognising our role as a catalyst for talent and technology digitalisation, Awantec has diligently fulfilled its fiduciary duty to address the gap in digital talent.

Driving Digital Readiness Across the Nation

In our unwavering commitment to addressing the gap in Digital Readiness, Awantec offers a comprehensive range of initiatives that encompass both talent development and affordable technology distribution. This is exemplified through our robust multi-cloud management, employing the Software as a Service ("SaaS"), Platform as a Service ("PaaS"), and Infrastructure as a Service ("IaaS") delivery models. Through these models, we have empowered the Government, organisations, businesses, and individuals with over 915,855 software seats in the financial year under review.

At Awantec, we understand that technology is only as effective as the knowledge and skills required to harness its full potential. Therefore, we complement our technology offerings with comprehensive training programs. With the invaluable support of our esteemed training partners; Google, Skillsoft, CompTIA, HRD Corp, and Pearson Vue, we provide a complete life cycle talent management approach. This includes training and certification, equipping our users with the confidence and competence to operate digitally in a fruitful and efficient manner. Our talent and technology approach fosters strong adoption of newly acquired technologies, maximising the returns on investment made towards capitalising on the National digitalisation agenda.

To facilitate the aforementioned upskilling and reskilling, our comprehensive training programs are primarily conducted through our online learning platform. This approach aligns seamlessly with our sustainability and digitalisation agenda as it offers versatility, flexibility, cost-effectiveness, efficiency, and environmental friendliness by eliminating the need to travel and usage of paper, thereby contributing to the reduction of Greenhouse Gas Emissions. Complemented

by virtual instructor-led training and classroom sessions, our online platform has become the preferred choice for addressing the gap in Digital Readiness, with 16,151 active users recorded in FY2023.

In conclusion, Awantec is committed to empowering Digital Readiness through our integrated approach to talent development and technology distribution. By providing affordable and accessible technology solutions, coupled with comprehensive training programs, we equip individuals and organisations with the necessary tools and skills to thrive in the digital era.













For the financial year under review, we take great pride in announcing our rightful participation as a member of Persatuan Industri Komputer & Multimedia Malaysia ("PIKOM"), the national ICT trade association of Malaysia. PIKOM represents the technology industry with an impressive membership of over 1,000 active members and plays a pivotal role in advocating for the National Digitisation Agenda,

combating climate change, fostering digital economic growth, and creating investment opportunities.

With our business model perfectly aligning with PIKOM's agenda and vision, Awantec is wholeheartedly committed to actively participating in PIKOM, an organisation and trade associate in addressing climate-related issues and driving initiatives related to Malaysia's Digital Transformation agenda, while simultaneously fulfilling our UNSDGs priorities.

As a responsible company, we place a strong emphasis on maintaining the utmost consistency between our position and PIKOM's agendas. Should any disparities or contradictions arise, we respond thoughtfully and promptly, ensuring that our full involvement in PIKOM's initiatives remains unwavering. Our support and collaboration extend wholeheartedly to all related initiatives, signifying our unyielding commitment to sustainability as an integral part of our business practices. Together, let us embrace digital transformation and maximise the opportunities that lie ahead.

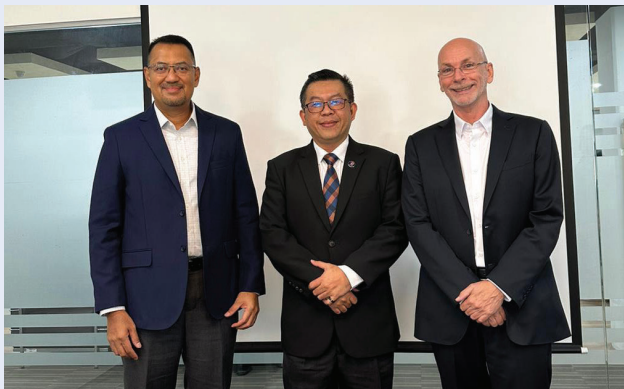
Bridging the Digital Skill Gap: Awantec's Focus Areas for Training and Development

Digital Transformation  <p>Equipping individuals and organisations with the knowledge and skills to navigate and drive digital transformation initiatives.</p>	Data Analytics  <p>Enhancing data analysis capabilities, enabling effective decision-making through insights gained from data.</p>	Process Automation  <p>Enabling the automation of repetitive tasks and business processes to improve efficiency and productivity.</p>	Cloud Infrastructure  <p>Developing expertise in managing and optimising cloud-based infrastructure to support scalable and flexible IT solutions.</p>	Virtual Collaborations  <p>Facilitating effective collaboration in virtual environments, leveraging tools and platforms to enhance remote teamwork.</p>	Agile and DevOps  <p>Emphasising agile methodologies and DevOps practices to foster efficient software development and deployment processes.</p>
API Development  <p>Building proficiency in designing, creating, and managing application programming interfaces (APIs) to enable seamless integration between systems and services.</p>	Programming  <p>Enhancing programming skills across various languages to enable the development of custom software applications and solutions.</p>	Cloud SQL  <p>Building competence in working with cloud-based relational database management system, for efficient data storage and retrieval.</p>	Application Coding  <p>Equipping individuals with the ability to code and develop applications using relevant programming languages and frameworks.</p>	Artificial Intelligence  <p>Developing knowledge and skills in leveraging artificial intelligence technologies and tools to drive innovation and efficiency.</p>	Cyber Security  <p>Strengthening expertise in safeguarding digital assets, mitigating cyber threats, and ensuring data privacy and security.</p>

Principle 1: Sustainable Lifelong Learning Environment

Forging Partnerships: Awantec's Journey in Talent Development and Digital Transformation

Awantec's Talent and Technology initiatives have yielded remarkable results, and we are thrilled to share with you some of the unforgettable moments from our active participation in various events. These gatherings have served as catalysts for collaboration, aligning with our mission to elevate talent development in Malaysia. One standout occasion saw us engaging in a highly productive discussion alongside Skillsoft and HRD Corp, aiming to strengthen our foothold in the 'Malaysian Upskilling Initiative'. The accompanying photo captures the presence of influential figures, including Mr. Rony A. Gobilee, CSO of HRD Corp, Mr. Chuck Mulloy, Aera Vice President of Skillsoft, and our esteemed CEO, Mr. Azlan Zainal Abidin.



A productive discussion in developing the collaborative efforts of Awantec, Skillsoft & HRD Corp's market penetration into the 'Malaysian Upskilling Initiative'. In the photo to the left, with Mr Rony A. Gobilee (Centre), CSO of HRD Corp, Mr Chuck Mulloy (Right), Aera Vice President of Skillsoft & Mr Azlan Zainal Abidin (Left), CEO of Awantec.

Awantec proudly unveiled the Rocheston Cyber Range at Neo Cyber. This cutting-edge platform stands as a testament to our commitment to empowering individuals with the necessary skills to thrive in the field of cybersecurity. The Rocheston Cyber Range is a state-of-the-art facility equipped with cutting-edge equipment and staffed by expert trainers. It offers a dynamic learning environment where talents can upskill and enhance their capabilities in cybersecurity. Through immersive training programs and hands-on experiences,

participants gain practical knowledge and valuable insights into the ever-evolving realm of cybersecurity. The launch of the Rocheston Cyber Range marks a significant milestone in our ongoing efforts to equip individuals with the expertise needed to safeguard digital landscapes and combat emerging cyber threats. It symbolises our dedication to staying at the forefront of technology and our commitment to nurturing a highly skilled workforce capable of addressing the ever-growing challenges in the cybersecurity landscape.



Launching of the Rocheston, Cyber Range at Neo Cyber. Talents will be able to upskill in cybersecurity with state-of-the-art equipment and trainers.

Awantec is filled with pride and gratitude for the privilege of receiving the esteemed Skillsoft APAC Partner of the Year award as comes directly from efforts taken by the Group in developing upskilling opportunities for talent in Malaysia, affirming the effectiveness of our efforts in creating impactful upskilling opportunities for talented individuals across Malaysia.



Awantec, a subsidiary of AwanBiru Technology Berhad, was awarded the prestigious Skillsoft APAC Partner of the Year award for 2022. Photo to the right: Mr Matthew Glitzer, Mr Tim Walker, VP Global Channel Partner, and Ms Sophy Malik, Senior Director of Channel Sales Asia (Centre)

Our active involvement in events focused on enhancing organisational talent for the Fourth Industrial Revolution (IR4.0). These gatherings have served as inspirational forums where like-minded individuals gather to exchange ideas and strategies. Additionally, Awantec's active participation in HR Forum Malaysia events further underscores our dedication to innovation, future-based approaches, and the utilisation of technology to address evolving needs and challenges.



Photo to the left: A one-day event bringing like-minded people keen on enhancing and developing their organisation's talent for IR4.0. Photo to the right: Awantec attending events hosted by HR Forum Malaysia

Principle 1: Sustainable Lifelong Learning Environment

Enabling employment through digitalisation

In line with the ongoing shift towards digitalisation in the business landscape, Awantec, as a pioneering force in digitalisation, has adopted an efficient recruitment approach. Our primary focus is to leverage technology to streamline the recruitment processes for employers, ensuring effective translation of the abundance of quality job seekers into employment opportunities. Through close collaboration with our trusted recruitment partners, we offer comprehensive support to employers in the following key areas:



Employment Requirements

We actively engage with companies to gain a deep understanding of their unique employment requirements and demands. This enables us to provide end-to-end employment solutions that precisely match the right mix of talent with the specific needs of businesses and organisations, setting them up for success.



Talent Screening

Awantec utilises our TalentXchange platform to gather and analyse data, allowing us to conduct thorough screening, shortlisting, and interview procedures. In addition, we consider the psychometric profiles of candidates to maximise the suitability of their skills and attributes for employers' specific business needs. This meticulous process ensures that only the most suitable candidates progress to the next stage of the recruitment process.



Onboarding

At Awantec, our commitment goes beyond the successful interview stage. We facilitate a seamless onboarding process and provide ongoing training programs for upskilling, reskilling, and certification to address any identified or potential skill gaps. This ensures that employees are well-equipped with the necessary skills and knowledge to make meaningful contributions to their respective businesses or organisations.

Our strategic approach has yielded impressive results, with the registration of 189 companies and over 16 thousand vacancies filled at no cost to both businesses and candidates. The Selangor State Government has generously covered associated expenses as part of their recovery plan and efforts to restore the economic health of the post-pandemic state. Through our dedication to digital innovation and data-driven recruitment, we take pride in contributing to the economic growth and prosperity of the region by connecting talented individuals with valuable employment opportunities.



The latest data from Trading Economics reveals a significant improvement in Malaysia's unemployment rate, which has decreased to 3.5% in May 2023 from 3.9% during the same month the previous year. This remarkable decline of 10% demonstrates the positive momentum and economic recovery following the disruptions caused by the pandemic. Awantec takes great pride in having contributed significantly to this cause by leveraging our expertise in matching job seekers to business job positions.

As an organisation dedicated to bridging the gap between job seekers and employers, we have played a crucial role in facilitating meaningful employment opportunities during these challenging times. By utilising our advanced recruitment methodologies and digital platforms, we have successfully connected countless job seekers with suitable job positions, helping to reduce the unemployment rate and contribute to the overall economic recovery of Malaysia.

In FY2023, Awantec maintained our specialised program, Talent Scout, which is derived from the Selangor Kerjaya initiative. This unique program allows individuals from the local community to register as scouts, actively searching for talented local candidates to fill identified employment vacancies within businesses and organisations. Through Talent Scout, we aim to increase employment opportunities while remaining dedicated to uplifting the local communities we serve. This initiative not only aligns with our commitment to economic

growth but also contributes to the government's recovery plan, helping to address local unemployment and generate income for registered individuals within the community.

Through Talent Scout, participating individuals from the local community have the opportunity to earn fees of up to RM500 for each successful placement they make. This initiative not only allows us to share our accomplishments but also serves to alleviate financial burdens faced by community members. We are pleased to announce that, in the financial year under review, a total of 13 locals registered as Talent Scouts, collectively generating a commendable total income of RM353,000. On average, each individual earned RM27,154 through their dedicated efforts.

We take great pride in the fact that Talent Scout not only facilitates the reintegration of the unemployed back into the workforce but also creates opportunities for locals to leverage for financial gain. This symbiotic relationship between Awantec, job seekers, local communities and the government underscores our unwavering commitment to fostering economic growth and providing opportunities that go beyond traditional employment. Through these endeavours, we strive to contribute to a more resilient and prosperous society. As we continue to expand and refine our initiatives, Awantec remains steadfast in our dedication to driving economic growth, supporting job seekers, and empowering local communities through innovative programs.

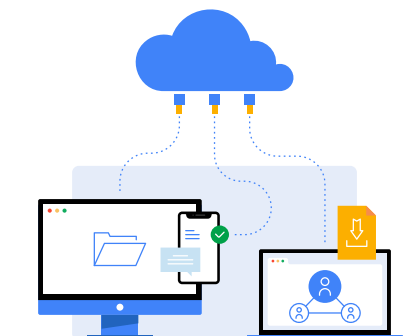
Testimonial

Journey to the cloud

“The future of work has evolved after the pandemic, organisations have started to look into digitisation for their business operations after realising that our employees are heavily reliant on web-based applications that are accessible anytime and anywhere on any device to support their work. Our IT department scrambled to make sure that the organisation can provide all employees with the flexibility to access business applications, while at the same time ensuring that security, speed, and user experience are not compromised.

Awantec has recommended Google Cloud to streamline our operational efficiencies and unlock the potential of the team. We enjoyed more secure access to our data and improved performance by taking advantage of the power of the Google Cloud Platform. We also leveraged personalized front-end portals and BigQuery to create data-driven platforms and unlock new opportunities.

Client: Public Sector Employee



Principle 2: Stakeholder Engagement and Disclosure



Doing Well By Forging Partnerships for Sustainable Growth

Awantec's commitment to our stakeholders and our dedication to disclosure are exemplified by our consistent efforts to stay informed about current and emerging issues that matter to all of them. We regularly engage with a diverse range of stakeholders, including government entities and private sector organisations to drive Malaysia's National Digitisation agenda by leveraging collective knowledge, expertise, and resources. We place a strong emphasis on building effective and efficient partnerships and prioritising high levels of customer satisfaction while addressing key challenges with technology and talent. This helps to eliminate uncertainties and volatility commonly associated with digitalisation's transition risk.

Our approach to stakeholder engagement reflects our long-standing commitment to ensuring that our stakeholders are well-prepared to navigate both current and potential disruptions. It also aligns with our vision of establishing a solid foundation for sustainable recurring revenue and benefits. By actively involving our stakeholders in decision-making processes and maintaining an open dialogue, we foster mutual understanding and encourage quality collaboration. This enables us to effectively respond to their specific needs, expectations, and concerns, while positioning ourselves as trusted partners on their digital transformation journeys.

Awantec recognises that stakeholder engagement is an ongoing process that requires constant evaluation and refinement. We remain dedicated to nurturing these relationships and fostering an environment of continuous dialogue and feedback. Through our collaborative efforts, we aim to deliver innovative solutions and drive sustainable value for our stakeholders, reinforcing our commitment to responsible and sustainable growth. Transparent and meaningful communication ensures that our stakeholders are actively involved in shaping our strategies, goals, and initiatives. This annual report serves as a testament to our commitment to stakeholder engagement and disclosure, showcasing the progress we have made and the ongoing efforts we undertake to create shared value for all our stakeholders.

Fostering Customer positive experience : Elevating Satisfaction and Cultivating Long-Term Partnerships

As we reflect on the financial year 2023, Awantec remains steadfast in our focus on delivering high levels of customer satisfaction. Guided by our shared values and sustainability goals, we have implemented various strategies to enhance our customer relationships, streamline digital processes, and provide exceptional value to our customers. In pursuit of our goal to achieve high-level customer satisfaction, we have established baseline performance metrics for different timelines, including short-term targets by FY2025 and long-term aspirations by FY2030.



In this section, we will highlight the initiatives we have undertaken to drive sustainable recurring revenues and showcase the results of our biannual Customer Satisfaction Survey. Throughout the year, we have placed a strong emphasis on engaging with our customers at every touchpoint. We have leveraged digital technologies to optimise the customer journey, providing a seamless and intuitive experience from start to finish. By refining our digital purchasing processes and improving turnaround times, we have demonstrated our commitment to delivering better value to our customers. To gauge our performance and ensure we are meeting our customers' expectations, we conducted a biannual Customer Satisfaction Survey. Using the Net Promoter Score ("NPS") methodology, we asked our customers to rate their likelihood of recommending Awantec's products and services to their organisations and peers. The rating scale ranged from 0 (not at all likely) to 10 (extremely likely). Based on their responses, our customers were categorised into three distinct groups:

Promoters

Customers who scored 9 or 10 on the NPS scale are considered promoters. They are highly satisfied with our products and services and are enthusiastic advocates for Awantec. Their positive experiences and recommendations contribute to our brand reputation and help drive organic growth.



Passives

Customers who scored 7 or 8 on the NPS scale fall into the passive category. While they are generally satisfied with our offerings, they may not be as actively engaged or likely to promote our brand. We recognise the opportunity to further engage and add value to this segment.



Detractors

Customers who scored 0 to 6 on the NPS scale are classified as detractors. These customers have expressed dissatisfaction with our products or services and may be at risk of seeking alternatives. Addressing their concerns and converting them into promoters remains a priority for us.



This has resulted in an NPS score of 62.60% promoters, 30.89% passives, 6.51% detractors. The feedback received from our Customer Satisfaction Survey has been invaluable in identifying areas for improvement. We have utilised this feedback to drive continuous enhancement of our products, services, and customer interactions. By actively listening to our customers and implementing their suggestions, we aim to deliver an even higher level of customer satisfaction in the future. As we look ahead, we remain dedicated to our shared values and sustainability goals, aiming to exceed customer expectations, foster long-term relationships, and drive sustainable growth.

CUSTOMER GOAL

Creating Value through Open Communication: Awantec's Transparent Approach

At Awantec, we hold steadfast to our commitment in transparency and full disclosure, ensuring that our valued shareholders and investors are well-informed to make informed decisions. Guided by our Corporate Disclosure Policy, we have implemented standard processes and best practices to facilitate effective communication with both internal and external stakeholders. This policy governs the review and release of information to regulatory authorities, ensuring the comprehensive disclosure of our company's material information. Through this dedication to transparency, we have been able to accurately and promptly disseminate important updates regarding our financial results, operational performances, business strategies, and other corporate matters. Awantec diligently complies with regulatory requirements, filing necessary information with the relevant authorities to maintain a high level of transparency and accountability.

To ensure accessibility, all relevant information, reports, policies, Investor relations presentations, general meeting minutes, and updates are readily available on our website at <https://www.awantec.my>. We are committed to providing timely updates to our stakeholders, empowering them with the knowledge needed to engage with our company. Additionally, we have established a dedicated investor relations email at ir@awantec.my, enabling stakeholders to submit their inquiries and seek further information. By fostering open lines of communication, we create a platform for meaningful dialogue and engagement, further reinforcing our commitment to transparency and stakeholder satisfaction.

Principle 2: Stakeholder Engagement and Disclosure

At Awantec, we are committed to fostering long-lasting and mutually beneficial relationships with our shareholders and investors. By prioritising transparency, accountability, and effective communication, we aim to create a culture of trust and collaboration that drives sustainable growth and creates shared value for all stakeholders involved.

Financial Results

At Awantec, we prioritise timely and transparent communication with our shareholders through the regular release of financial results. Our commitment to providing up-to-date information ensures that shareholders are well-informed about the Group's performance and operations. We adhere to a quarterly reporting schedule, promptly sharing key financial data and insights. In addition, we conduct analyst briefings following the release of each quarter's financial results to Bursa Malaysia Securities Berhad. These briefings serve as an opportunity to provide in-depth analysis and address any questions or concerns raised by investors. The materials presented during these sessions are readily available to investors upon request and can be accessed on our company's website. By maintaining this open and accessible approach, we strive to foster trust and transparency with our valued shareholders.

1st Quarter Result FY2023	24 November 2022
2nd Quarter Result FY2023	23 February 2023
3rd Quarter Result FY2023	25 May 2023
4th Quarter Result FY2023	28 August 2023

Shareholder Base

As of June 30, 2023, the shareholder base of the company has expanded. The number of institutional and retail shareholders has increased by 7.27% to reach 7,635, compared to the previous financial year's recorded total of 7,117 shareholders. The three major shareholders, Maybank Trustees Berhad, Eco Cloud Assets Sdn. Bhd, and CIMB Group Nominees (Tempatan) Sdn. Bhd. maintain direct equity holdings of 13.06%, 10.10%, and 7.02% of the total share capital, respectively. Foreign shareholdings make up 4.71% of the total. The expansion of the shareholder base indicates a growing interest in the company among both institutional and retail investors. This increase in the

number of shareholders can have several implications. It may signify growing confidence in the company's prospects and performance, potentially attracting more investors. Additionally, a larger shareholder base can lead to increased liquidity in the company's stock, which may positively impact trading volumes and market activity. The presence of major shareholders, such as Maybank Trustees Berhad, Eco Cloud Assets Sdn. Bhd., and CIMB Group Nominees (Tempatan) Sdn. Bhd. with significant equity holdings further highlights the support and investment from key players.

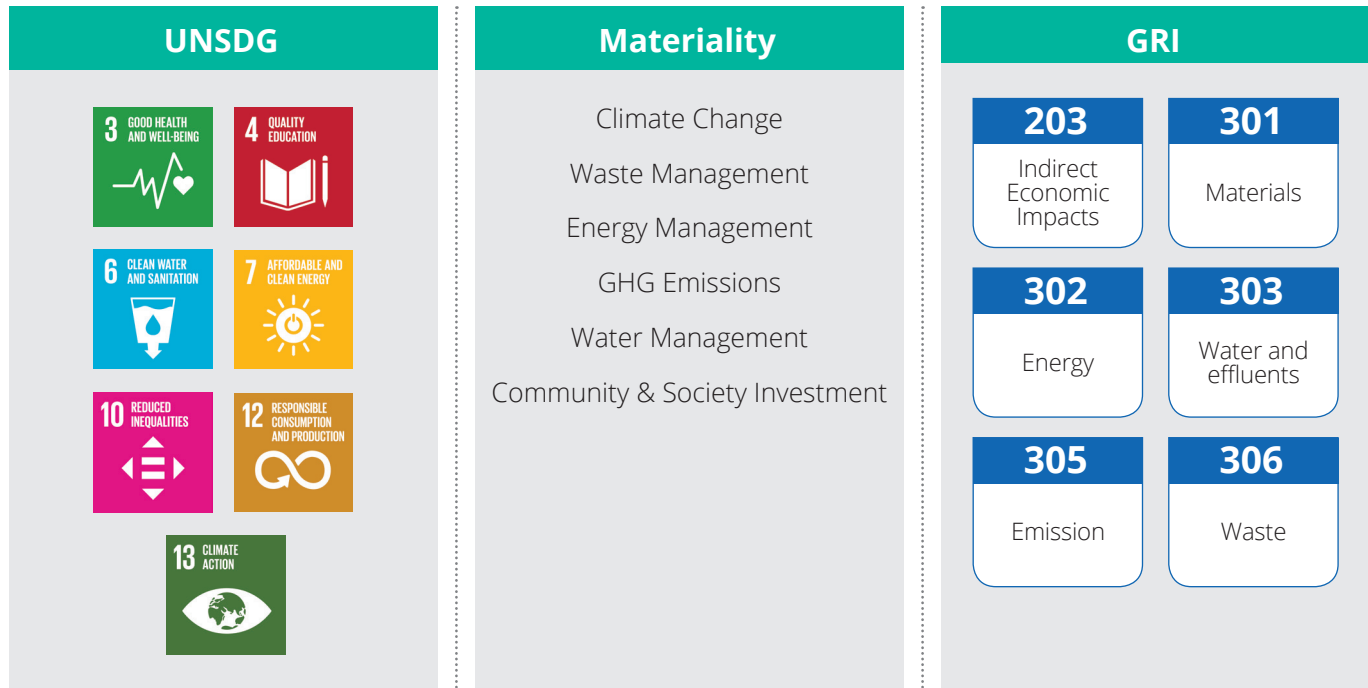
Share Performance

Throughout the financial year, Awantec's share price has exhibited a consistent and stable trend, with a slight upward movement. This indicates a positive trajectory for the company's stock performance over the specified period. The share price began the year at RM0.400 on July 1, 2022, and closed at RM0.405 on June 30, 2023. This subtle increment reflects a percentage increase of 1.25% for the entire financial year. It is worth noting that the overall performance of Awantec's share price has remained stable and demonstrated resilience in the face of market fluctuations. The stable trend, coupled with the modest growth, suggests a favourable market sentiment and investor confidence in the company. Additionally, the total number of shares, which includes treasury shares, stands at 789,892,100. This figure provides insights into the size and ownership structure of the company, illustrating the breadth of shareholder participation in Awantec. Overall, Awantec's share price has shown promising stability throughout the financial year, gradually increasing and reflecting positive growth.

Dividend Policy and Return to Shareholders

In alignment with our strategic direction and growth plans, the Board of Directors has made the decision not to declare any dividend for the financial year ended 30 June 2023. This deliberate choice stems from our steadfast commitment to investing in our operational capabilities and business units, as we continue to navigate the acceleration phase. We firmly believe that by proactively investing in our business, we are laying a solid foundation for future growth and positioning ourselves for success in a rapidly evolving market landscape. This decision reflects our commitment to capitalise on emerging opportunities, seize market share, and generate higher returns for our shareholders over the long term. Our focus remains steadfast on executing our growth plans, expanding our business horizons, and delivering sustainable returns for our valued shareholders.

Principle 3: Commitment to Corporate Responsibilities



Climate Change

Climate change holds paramount importance to multiple areas of Awantec's business operation. We recognise the associated risks and opportunities it presents and understand that addressing climate change is not only a responsibility but also an avenue for driving innovation and creating value. Awantec is committed to demonstrating our dedication to mitigating climate change and promoting sustainability in Malaysia by taking a public stance in support of related public policies and regulations. We believe in the importance of protecting the environment, conserving natural resources, and promoting renewable energy and energy efficiency. To achieve these goals, we strive to comply with all relevant policies and laws while continuously evaluating our sustainability strategies and taking proactive steps to minimise our impact on the environment.

We adhere to several public policy, international guidelines and regulations to ensure that our business practices and disclosures are aligned with best practices to combat climate change. These guidelines and regulations include, but are not limited to ;

**Bursa Malaysia
Sustainability Reporting
Guide 3rd edition**

**Global Reporting Initiative
("GRI")**

**United Nations Sustainable
Development Goals
("UNSDG")**

**Task Force on
Climate-related
Financial Disclosures
("TCFD")**

**Malaysia Code on
Corporate Governance
("MCCG")**

**Environmental
Quality Act 1974
("EQA")**



Principle 3: Commitment to Corporate Responsibilities

Awantec's Climate Change Initiatives and Projects

At Awantec, we acknowledge the pressing need to address the issue of climate change and its effects on the environment and society, and that climate change is a complex and multifaceted issue that requires cooperation among individuals, organisations, and governments. We believe that our role and initiative as a sustainable and responsible company in reducing our carbon footprint and alleviating or avoiding the adverse impacts of greenhouse gas can have a significant impact on the environment and communities in which we operate. Therefore, we are committed to align our action & their disclosure as recommended by Task Force on Climate related Financial Disclosure ("TCFD") in our annual reporting.

To fulfil our commitment to addressing climate change, we have adapted to the following initiatives ;

Measuring and Reporting Carbon Footprint	As a supporter of TCFD and in line with the Paris Agreement's objective of limiting global warming to well below 2°C, Awantec will continue to measure and report our carbon consumption scope 1, 2, and 3 across all areas of our operations to identify where we can reduce, avoid the impact or improve our efficiency to set targets for reducing our emissions. By FY2023, Awantec further reinforces the practice by setting ambitious, science-based targets linked to each department's climate-related key performance indicators (KPIs).
Assessing Climate-Related Risks	We conduct a thorough climate change risk assessment based on a 2 degree scenario. This helps us identify risks across various aspects, including operations, expenses, investments, and debt for business and financial planning to remain resilient.
Setting Sustainability Goals	We have set sustainability goals that cover climate change, labour standards, human rights, community engagement, and corporate governance. By striving for sustainability, we aim to create a better future for everyone.
Implementing Decarbonization Strategies	To reduce our greenhouse gas emissions, we have developed specific strategies to decarbonize our operations. Through targeted programs and initiatives, we are working towards progressively reducing our carbon footprint and contributing to a cleaner, healthier world.

At Awantec, we are committed to making a difference in the fight against climate change. Together, we can create a more sustainable world for generations to come.

Awantec's Climate Risk Assessment

ENVIRONMENT : Climate Change

For FY2023, Awantec have included Scope 1, 2 and 3 into our target, covering 100% of our total GHG emission. Integration of TCFD is one of our primary targets, and we are currently well ahead of our target towards full integration. In addition, as one of the key factors in addressing climate change, we isolated energy intensity reduction as an individual target due to it being a major contributor to greenhouse gas emissions. We are fully committed to reduce or avoid the impact or improve our energy efficiency in mitigating transition risks associated with shifting towards a low-carbon economy by setting reduction targets for energy consumption across all departments, with key performance indicators ("KPIs") in place. As part of our continuous improvement spirit, we shall strive to further reduce energy consumption heading towards FY2024. Aligning with the Government's 12th Malaysia Plan, Awantec shall strive to achieve our carbon net zero target by 2050.

Goal	Baseline By FY2022	Short Term Targets By FY2025	Long-Term Target By FY2030	Progress By FY2023
Reduction in total GHG Emission per employee, derived from scope 1, 2 and 3	Total GHG emission intensity at 405.86 tCO ₂ e. per employee at 3.83 tCO ₂ e/employee	Reduce 15% of total GHG emission intensity per employee to 3.024 tCO ₂ e/employee	Reduce 25% of total GHG emission intensity per employee to 2.52 tCO ₂ e/employee	Total GHG emission intensity is 465.84 tCO ₂ e, at 3.56 tCO ₂ e/employee. A reduction of 7% from the base year FY2022
TCFD Integration	Partial Integration to TCFD Framework	Full integration to TCFD Framework. Encompass the 4 thematic areas of Governance, Strategy, Risk Management, Metrics and Targets	Continuous improvement and alignment to the TCFD framework. To carry out 10 initiatives in relation to combat climate change	TCFD is integrated with all thematic areas completed. In addition, Cloud migration and green screening for our supply chain have been initiated
Energy Intensity reduction	2,246 kWh/employee	Reduce to 2,000 kWh/employee (10% reduction)	Reduce to 1,800 kWh/employee (20% reduction)	1,833 kWh/employee (18% reduction)



Principle 3: Commitment to Corporate Responsibilities

SOCIAL : Labor Standards, Human Rights & Community

At Awantec, we hold our stakeholders in high regard. We aim to create a fulfilling working environment for our employees by offering competitive compensation above the industry benchmark, comprehensive training, career development opportunities, and succession planning across the company.

Goal	Baseline By FY2022	Short Term Targets By FY2025	Long-Term Target By FY2030	Progress By FY2023
Stable Work Environment	Average turnover rate of 11% for all industries in 2022	Maintain a low average turnover rate of less than 5% per financial year	Further reduce the average turnover rate to 3% or less per financial year	2% average turnover rate
Decent Work and Fair Income	Malaysia's minimum monthly wage of RM1,500 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 well above minimum wage and equal to industry benchmark
Training & Development	Average 5.37 training man days in FY2022	Fulfil or exceed baseline average training man days	Individual development programme	Average 8.96 training man days
Succession Planning	Initiate establishing first tier successors are for all positions	Complete 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

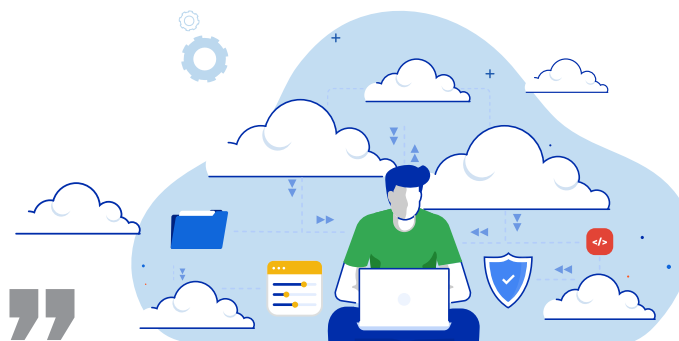
Testimonial

Hybrid Workplace

“Awantec, offers a comprehensive Work Transformation service, that would cater to my organisation's need for digital transformation. The solutions offered will help elevate my organisation from legacy systems to modern infrastructure.

Google Workspace has also helped us organize events like webinars, townhalls, and meetings with over 10,000 people internally within the organisation and externally more efficiently, by helping us to stay constantly connected to each other and to leverage the hybrid work environment, especially during the pandemic, whilst ensuring a cost reduction and improvement of the new norm for working from anywhere at anytime.

Client: Public Sector Employee



GOVERNANCE : Corporate Governance

We take great pride in our rigorous corporate governance practices, which we view as integral to our success. We have established comprehensive Anti-corruption and bribery policies to uphold the highest ethical standards in all our business dealings. Cybersecurity is also a top priority, and we have made significant investments in this area to safeguard our company's information and protect our customers' data. We recognise the importance of continuous improvement and regularly update our policies and procedures to ensure their effectiveness and relevance. Through our steadfast commitment to sound corporate governance, we foster a dependable and trustworthy foundation that our customers and stakeholders can rely on.

Goal	Baseline By FY2022	Short Term Targets By FY2025	Long-Term Target By FY2030	Progress By FY2023
Strong Sustainability Performances	FTSE4Good Rating average of 2.4 within the technology industry	Maintain above average rating of 2.4 for technology industry	Be on par or exceed the rating of technology industrial peers	ESG rating of 4.2 with grading band of four out of four star
Anti Corruption & Bribery	Initiatives and controls in place to mitigate incidents of corruption	Establishment of related policy, whistle blowing mechanism, risk assessment, procedures etc to adequately protect Awantec from identified risk	Group-wide training on Anti corruption, bribery and usage of whistleblowing channels. To assess risk of corruption across Awantec	All the necessary measures related to anti-corruption and bribery, including the whistleblowing channel, as well as the related documentation, procedures, policies, and training, have been implemented
Robust CyberSecurity	Existing cybersecurity controls and recorded incidents	Assessment and establishment of cybersecurity readiness plan	ISO 27001 (Information Security Management) certified & additional cybersecurity assessment	Vulnerability Assessment & Penetration Test ("VAPT") conducted.



Principle 3: Commitment to Corporate Responsibilities

Awantec's Climate Risk Assessment

We recognise and are committed to addressing climate change as a relevant risk and opportunities to our business. Climate change is not only a responsibility but also an opportunity to drive innovation, build resilience, ensure the long-term sustainability of our business and create value for our stakeholders.

With the oversight from our Board of Directors and engagement from all Head of Departments, we have carried out a thorough multi-disciplinary climate-related risk assessment across our entire company to identify key risks and opportunities associated. Specifically, to prepare ourselves against the 2 degree scenario as a reference point for climate-related scenario analysis and business planning. The risk assessment exercise has allowed us to identify multiple significant areas of risk associated with how climate change impacts our business operations and planning, including operational expenditure ("**OPEX**"), capital expenditure ("**CAPEX**"), merger and acquisition ("**M&A**"), and debt.

To address these risks according to their time horizon, we have developed a range of strategies and initiatives aimed at reducing our environmental footprint, increasing our resilience to climate-related risks, and taking advantage of emerging opportunities in the low-carbon economy. Our progress shall be measured and benchmark through specific metrics and targets which will be reviewed and updated annually. These analyses will also be incorporated into our financial planning and reporting processes to our stakeholders.



Awantec's Climate Risk Assessment

Policy & Legal			
Risk Description	Causes & Consequences	Horizon	Controls
Increased pricing of GHG emission causing electricity bill to increase as company is still reliant on servers. Directly increasing our OPEX.	<p>Failure in cloud migration.</p> <p>Reduction in revenue due to increased overhead of bills.</p>	Short Term ≤1yr	<ul style="list-style-type: none"> Cloud migration of Awantec's database by July 2023.
A rise in the stringency of environmental or climate change regulations necessitating Awantec to implement new or improved compliance measures to be eligible for procurement or transaction processes such as loans or tenders.	<p>Lack of updates/follow-up on the latest legal and regulatory requirements.</p> <p>Non-compliance with statutory compliance requirements or preferences by the relevant authorities or government bodies may result in penalties, fines, appear unfavourable or simply unconsidered for business opportunities.</p>	Long Term ≥ 3yrs	<ul style="list-style-type: none"> To maintain Awantec's long-term commitment and endeavours towards sustainability practices as aligned with Bursa Malaysia's Sustainability Reporting Guideline. To brace for climate change related regulation by preemptively integrating Task Force on Climate related Financial Disclosure (TCFD) into Awantec's governance, business strategy, risk management and targets. To fully integrate TCFD framework into Awantec business operation. Continuously update or incorporate any latest climate or sustainability related guidelines or requirements.
Environmental & climate awareness & issues are steadily gaining traction which could directly cause new climate related reporting requirements. Requiring us to implement a newer or an upgraded compliance solution. Resulting in higher OPEX.	Reduced profit margins due to new reporting requirements to implement a newer or an upgraded compliance solution. Resulting in higher capital & operational cost.	Long Term ≥ 3yrs	<ul style="list-style-type: none"> Focusing on maintaining & enhancing a high ESG ranking to avoid negative impact from any new legislation. In addition to existing control, to partake in new ESG related trends to strategically and proactively commit to necessary policies & practices before it is made a requirement. Continuously reviewing the current trend and latest material to stay ahead of the trend.

Principle 3: Commitment to Corporate Responsibilities

Market			
Risk Description	Causes & Consequences	Horizon	Controls
Poor sustainability performance from Awantec's external vendors leading to decreased demand for Awantec's services or market valuation.	<p>Evaluation of a company's sustainable performance have started to extend to their purchased goods or services.</p> <p>Reduced revenue through decreased demand or market valuation.</p>	Long-Term >=3yrs	<ul style="list-style-type: none"> Include ESG performance to vendor screening process.
Shift in Demand or perception for Awantec services due to change in customer preference. Potential affecting Awantec's position for M&A.	<p>Climate related risk and opportunities are increasingly taken into account as companies transition to a lower carbon economy.</p> <p>Reduced demand and ultimately revenue.</p>	Long-Term >=3yrs	<ul style="list-style-type: none"> To maintain Awantec's long-term commitment and endeavours towards sustainability practices as aligned with Bursa Malaysia's Sustainability Reporting Guideline. In addition to existing control, to brace for new trends such as climate change related regulation by preemptively integrating TCFD into Awantec's governance, business strategy, risk management and targets. To fully integrate TCFD framework into Awantec business operation. Continuously update or incorporate any latest climate or sustainability related guidelines or requirements.

Technology Risk			
Risk Description	Causes & Consequences	Horizon	Controls
Based on our climate scenario analysis, Malaysia is expected to experience a gradual rise in temperature, resulting in an increase in building cooling load. Consideration must be made to mitigate risk of increased cost impact caused by delayed procurement of lower emission or energy/water efficient products to manage the increasing CAPEX associated with this change.	<p>Efficient technology is slowly increasing in price due to gaining demand.</p> <p>Late procurement of efficient technology.</p> <p>Reduced revenue from late transition to efficient technology from both operating cost & increased procurement cost.</p>	Long Term >= 3yrs	<ul style="list-style-type: none"> Awantec will continue to explore both emerging and established technologies to enhance and minimise the energy usage of our company's infrastructure and facilities. Awantec to initiate the process to align to Green Building Certification, which will directly measure our equipment and facilities in accordance to Malaysia Green building guidelines ("MS1525-2019").

Resilience Risks

Risk Description	Causes & Consequences	Horizon	Controls
Vendors' inability to adapt to climate change.	<p>Increase operating cost, regulations or etc from climate change causes vendors to be unreliable or increase in their charges towards Awantec.</p> <p>Reduced revenue due to increased overheads from vendors.</p> <p>Increase lead time to seek for suitable vendors.</p>	Long-Term ≥3yrs	<ul style="list-style-type: none"> Include ESG performance to vendor screening process.

Physical Risk

Acute			
Risk Description	Causes & Consequences	Horizon	Controls
Our climate related scenario analysis shows that the escalation of sea levels in Malaysia may result in more severe extreme weather occurrences, such as floods, which would have a direct impact on our OPEX.	<p>Rising Sea Level.</p> <p>Stormwater overload.</p> <p>Impact may lead to business disruptions and delays in providing continual services to clients.</p> <p>Employees safety.</p> <p>Electric /water disruptions.</p> <p>Severe safety hazard.</p> <p>Destruction of company & personal properties.</p>	Long-Term ≥3yr	<ul style="list-style-type: none"> Comprehensive preventive maintenance plan. Adequate Insurance coverage. All employees relocate vehicles from the basement carpark when warned by the Building Facility Management Team or Emergency Response Team in the event of drainage overflow. In addition, do not park at basement parking until all overflow subsides. Ensure continuous awareness/training to employees. Scheduled facilities maintenance plan is adhered to.

Principle 3: Commitment to Corporate Responsibilities

Resource Efficiency

Risk Description	Causes & Consequences	Horizon	Controls
Wasteful consumption of electrical, water and paper leading to increased operating overheads. Affecting our OPEX.	<p>Lack of awareness, education or engagement from employees on Awantec's sustainability direction.</p> <p>Reduced revenue due to unnecessary overhead.</p> <p>Misalignment between Awantec's sustainability direction to employee's commitment.</p>	Mid Term >=1yr, <=3yrs	<ul style="list-style-type: none"> Implementing climate change related KPIs to each department for the purpose of reducing electrical, water and paper consumption. Implementing tracking of all climate change related KPIs & recyclable waste. To target a baseline of 5% to 7% on reduction of electrical, water and paper consumption. To complete placement of recycling facilities to all buildings. In addition, the cleaning team weighs all recyclable waste for proper documentation.

Aligned with our climate risk assessment and sustainable targets, Awantec explicitly pledges to synchronise all forthcoming CAPEX with our sustainability objectives. This commitment extends to our ongoing mission of replacing carbon-intensive assets or products with carbon-efficient alternatives.

To establish a comprehensive framework for action, Awantec's financial planning encompasses a sustainability-related budget that undergoes annual review. This diligent process ensures that all CAPEX are meticulously aligned with our decarbonisation goals. By adopting this approach, we can accurately allocate appropriate financial resources toward projects and initiatives that promote sustainability, effectively reducing our greenhouse gas ("GHG") emissions and advancing sustainable practices.

The incorporation of our decarbonization objectives into the evaluation and allocation of CAPEX reflects Awantec's unwavering dedication to achieving long-term sustainability. This holistic approach not only propels us toward an environmentally responsible future but also showcases our commitment to transparency, accountability, and concrete progress in combating climate change.



Awantec's Decarbonisation Strategy

In line with our short-term and long-term goals to significantly decrease the GHG emission intensity per employee, we are continuously striving to implement relevant programs and initiatives. The following strategies outline our primary approach to reducing GHG emissions and achieving our environmental goals. By implementing these strategies, we anticipate a significant and quantifiable reduction in our GHG footprint, contributing to a cleaner and healthier world for all.

Action	Key Element	Quantified Contribution
Migrate Server to Cloud	To transition Awantec's energy consumption from our own server to Google Cloud, in which Google neutralise all their current and past emissions by FY2020.	Estimated Reduction of 15% of electricity usage from scope 2, includes power required to run servers themselves, associated cooling systems and infrastructure to maintain optimal operating conditions. This would quantify a total contribution of 4% reduction to the total GHG emission.
Reduction of electrical usage through company-wide climate-related KPI	Base KPI to reduce 5% of electricity usage.	Estimated Reduction of 5% of electricity usage from scope 2, includes reduction of active usage. This would be quantified to a total contribution of 1% reduction to the total GHG emission.
Reduction of business travel through company-wide climate-related KPI	Base KPI to reduce 15% of business travel.	Estimated Reduction of 15% of business travel emission from scope 3, includes reduction of business travel due to digitalisation. This would be quantified to a total contribution of less than 1% reduction to the total GHG emission.
Reduction of paper usage through company wide climate-related KPI	Base KPI to reduce 10% of paper usage.	Estimated Reduction of 10% of paper usage emission from scope 3, includes reduction of paper usage due to digitalisation. This would be quantified to a total contribution of less than 1% reduction to the total GHG emission.
Green Building Certification	Comply with local Green Building Certification standards, focusing on minimising carbon footprint through the implementation of optimal resource efficiency measures, including energy and water, in alignment with the guidelines set forth by Malaysia Standard 1525.	Estimated Reduction of 15% from electricity & water from scope 2, estimation includes installation such as energy efficient lightings, mechanical ventilation system, low-e glass, water efficient fittings, solar panel, etc. This would quantify a total contribution of 6% reduction to the total GHG emission.

Principle 3: Commitment to Corporate Responsibilities

Awantec's Greenhouse Gas Emission

Awantec, as a conscientious corporate entity, fully grasps the pressing necessity to address climate change and its profound impact on our global habitat. We proudly present our comprehensive disclosure of total operational GHG emission data, encompassing the entirety of Scope 1, Scope 2, and Scope 3 emissions associated with all facets of our business operations and buildings. This disclosure adheres rigorously to the esteemed recommendations set forth by TCFD and the Bursa Malaysia Sustainability Guide.

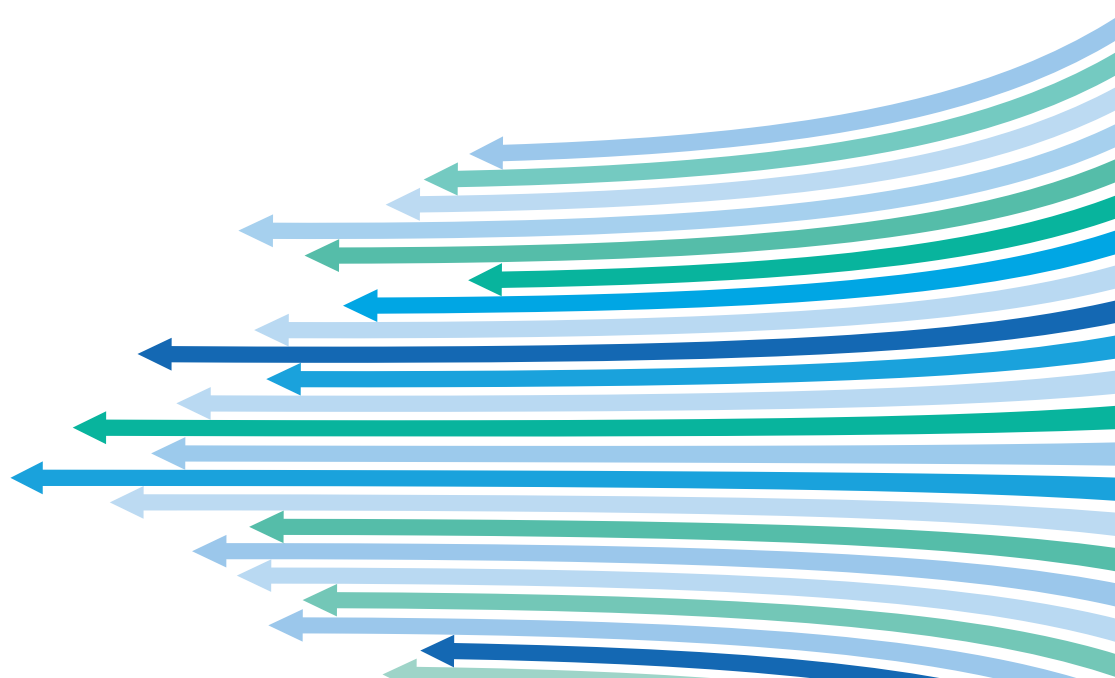
Our emission data is expertly facilitated by our holistic approach, supported by our co-owned and accessible sustainability dashboard, which serves all departments within Awantec. Through this initiative, every member of our organisation actively participates in the pursuit of greener practices while closely monitoring our progress, metrics, and targets towards attaining our environmental goals. The utmost credibility of our reported information is guaranteed as our internal auditors diligently assess and assure its veracity.

The precision of our emission calculations is meticulously upheld, strictly adhering to the globally recognized GHG Protocol Corporate Accounting and Reporting Standard where applicable. In addition, to eliminate any trace of uncertainty, we directly extract emission data from local electrical and water suppliers.

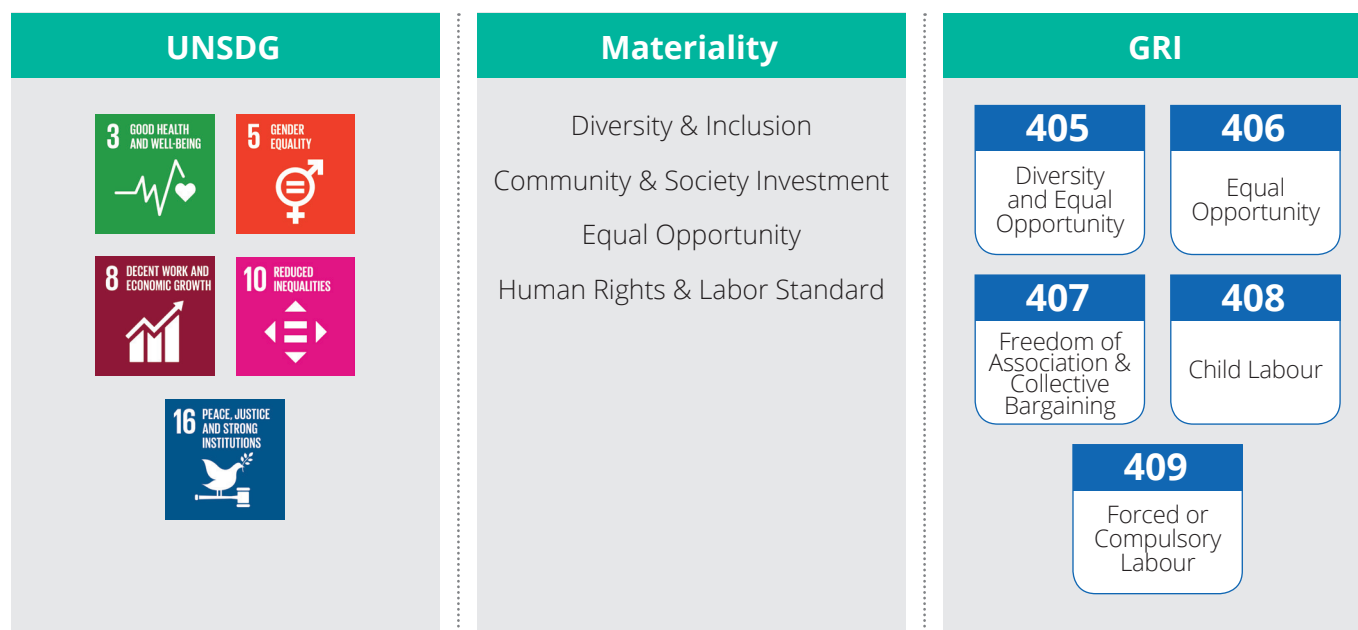
Description	Unit	FY2021	FY2022	FY2023
Total GHG Emissions	tCO ₂ e	254.49	405.86	465.84
GHG Emissions Intensity	tCO ₂ e/employee	2.74	3.83	3.56
Internal Carbon Pricing	RM	107,140.29	171,168.10	209,143.72
Internal Carbon Pricing	USD	25,449.00	40,585.84	46,584.22
Total number of employee	Nos	93	106	131
Scope 1 Emissions	tCO ₂ e	-	81.26	82.25
Scope 1 Emissions Intensity	tCO ₂ e/employee	-	0.77	0.63
Scope 1	USD	-	8,126.00	8,225.32
Fugitive Emissions - Refrigerants	tCO ₂ e	-	79.3	79.36
Fugitive Emissions - Fire Suppressants	tCO ₂ e	-	0.04	0.04
Mobile Combustion Emissions - Company Vehicle	tCO ₂ e	-	1.92	2.85
Scope 2 Emissions	tCO ₂ e	164.38	165.62	132.52
Scope 2 Emissions Intensity	tCO ₂ e/employee	1.77	1.56	1.01
Scope 2	USD	16,438.00	16,551.84	13,251.83
Total Electricity consumption	kWh	236,861.00	238,068.00	240,078.51
Energy Intensity	kWh/employee	2,547.00	2,245.92	1,832.66
Total water consumption	m ³	478.47	680.00	1,079.83
Water Intensity	m ³ /employee	5.14	6.42	8.24

Description	Unit	FY2021	FY2022	FY2023
Scope 3 Emissions	tCO ₂ e	90.11	159.08	251.07
Scope 3 Emissions Intensity	tCO ₂ e/employee	0.97	1.50	1.92
Scope 3	USD	9,011.00	15,908.00	25,107.06
Purchased Goods and Services	tCO ₂ e	5.48	7.19	2.28
Paper	ream	245	310	136
Business Travel & Commute	tCO ₂ e	84.63	151.89	248.79
Employee Commute	km	471,233.00	776,532.00	1,443,600.00
Business Travel: Road-Bound	km	9,974.00	51,400.00	98,929.15
Business Travel: Air	km	3,259.00	0.00	1,414.19
Total Waste Recycled	kg	1,460.00	584.00	194.25
Fleet fuel	gCO ₂ /km	0	0	0
Flaring emissions	CO ₂ e/tonnes	0	0	0
Methane	CH ₄ /tonnes	0	0	0
GHG emissions per megawatt-hr	tCO ₂ /Mwh	0	0	0
Electricity production	Mwh	0	0	0
GHG emission per tonne of cement material	Tonne	0	0	0

Description	Unit	FY2023	% of Emission
Total GHG Emissions	tCO ₂ e	465.84	100.00%
Scope 1 Emissions	tCO ₂ e	82.25	17.66%
Scope 2 Emissions	tCO ₂ e	132.52	28.45%
Scope 3 Emissions	tCO ₂ e	251.07	53.89%



Principle 4: Engaging Workplace



Building a Better Society: Awantec's Corporate Citizenship in FY2023

At Awantec, our profound commitment lies in upholding international human rights instruments, ensuring ethical conduct, human dignity, and social responsibility serve as guiding principles within our operations. Our objective is to promote justice and inclusivity for our local community. In FY2023, we further bolster our corporate citizenship by enhancing the quality of life and educational opportunities within our local communities. We actively drive digitalisation, aligning with Malaysia's MyDigital blueprint, and unwaveringly uphold the principles of children's rights. Through our volunteering and Corporate Social Responsibility ("CSR") initiatives, we create a positive impact, fostering engagement, and contributing to a sustainable future. At Awantec, we wholeheartedly believe in empowering individuals and working towards building a better society. These initiatives also aim to cultivate an engaging and rewarding workplace for our employees. We understand that a motivated and fulfilled workforce is essential for the success of our organisation.

To achieve this, we have implemented various initiatives that focus on employee development and well-being. We provide continuous learning opportunities, access to a wide range of courses and certifications through our Percipio platform, and actively encourage a culture of open communication and inclusivity. Our goal is to empower our employees to excel in their roles and reach their full potential. Furthermore, we strongly advocate for work-life balance and offer flexible

working arrangements, coupled with comprehensive wellness programs to support the physical and mental well-being of our team members.

By nurturing an engaging and rewarding workplace, we strive to create an environment where individuals feel valued, motivated, and inspired to contribute their best to the company. Our commitment to promoting human rights and social responsibility extends beyond our operations and encompasses our dedication to fostering a positive and supportive work culture at Awantec.

Corporate Citizenship and Community Investment

At Awantec, our deep commitment lies in upholding international human rights instruments, including those within the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. This dedication ensures that ethical conduct, respect for human dignity, and social responsibility are at the forefront of our operations. By adhering to these guidelines, we strive to foster a just and inclusive global business environment that values the well-being and rights of all individuals. Our Human Rights statement, available on our official website, comprehensively outlines our commitments and actions in this regard, reinforcing our unwavering dedication to promoting human rights and social justice.

In FY2023, we further reinforce our corporate citizenship responsibilities at Awantec by actively enhancing the quality of

life and educational opportunities within our local communities. Our community investment focuses on providing sustainable and quality education, aligning with our business strategy to contribute to Malaysia's digital economy for the betterment of our communities, youth, and nation as a whole.

Aligned with the national MyDigital blueprint, which represents the government's vision for a successful digital transformation of Malaysia, Awantec actively drives digitalisation in the public sector, private sector, and universities. As part of our commitment to upholding the principles outlined in the Children's Rights and Business Principles ("CRBP") and aligning with the UNSDGs, we firmly believe that every child deserves access to quality education. In line with this belief, we actively participate in government initiatives such as the National Training Week ("NTW"), organised by the Ministry of Human Resources and HRD Corp, which equips individuals from all backgrounds with future work skills and knowledge in line with the objectives of the 12th Malaysia Plan.

Through our Percipio platform, we offer a wide range of more than 8,500 courses, over 500 skill benchmark self-assessments, and 160 professional certification journeys to Malaysian citizens from various age groups, including children and young adults. Awantec takes pride in offering the highest number of complementary courses in our participation in the NTW event, benefiting Malaysian citizens from various age groups, including preschool children, teenagers, and young adults. These courses aim to enhance their knowledge, skills, and opportunities for future career endeavours. Additionally, we organise complimentary seminars and offer career coaching to academics, empowering them for their professional journeys.



Awantec sponsored free premium access to over 8,500 courses in collaboration with National Training Weeks 2023.

Facilitating Employee Engagement

As part of Awantec's commitment to give back to the community and facilitate employee engagement, we have implemented a robust framework that recognises and supports volunteering initiatives. These initiatives are embedded within our ESG specific KPIs established for relevant departments to fulfil during their financial year.

Our ESG-related KPIs include targets and structures aimed at encouraging departmental participation in volunteerism and community engagement. By incorporating these KPIs, we ensure that volunteering efforts are recognized as an essential component of our sustainability objectives and are aligned with our UNSDGs and materiality, specifically focusing on Good Health & Well-Being, Quality Education, Decent Work & Economic Growth, and Community & Society Investment, which form a significant part of our sustainable materiality.

To facilitate employee engagement, our structure involves thorough discussions with respective departments to identify suitable CSR events based on their objectives and the specific targets they aim to achieve. Roles and responsibilities are clearly defined, ensuring everyone understands their contributions to the community projects. Our CSR initiatives, amongst others, are carefully selected to maximise their impact and align with our sustainability goals. Once CSR events are finalised, we disseminate the details company-wide through email communication, actively seeking participation and donations. Our dedicated ESG champions play a vital role in further encouraging employee engagement and fostering a sense of collective responsibility. During these community events, our Sustainability Officer and corporate communication team collaborate to capture relevant data and photographs, enabling us to recognize and celebrate employee participation. This documentation also serves as valuable material for further evaluation, enabling us to identify areas for improvement, refine processes, and enhance employee engagement in future community events.

By fulfilling these reporting requirements, Awantec demonstrates our commitment to transparency, employee engagement, and community involvement. We continuously strive to create a positive impact, both within our organisation and in the communities we serve, as we work towards a sustainable and socially responsible future.

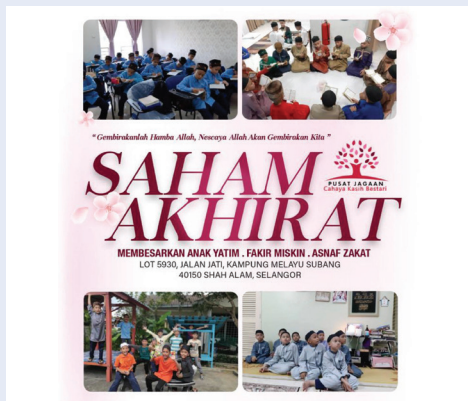
Principle 4: Engaging Workplace

Our Community Events

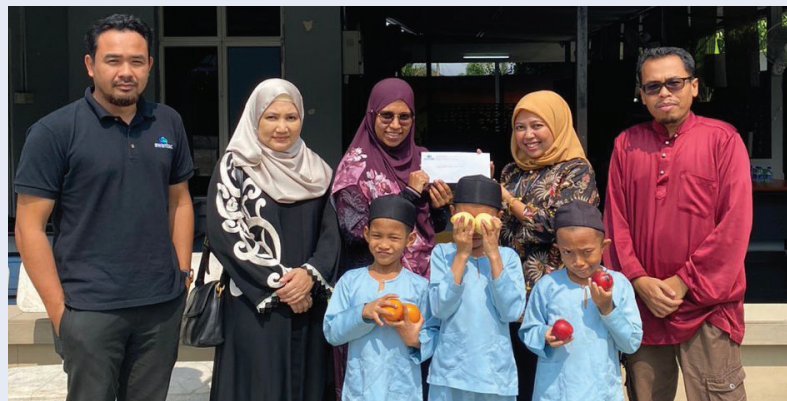
At Awantec, we strongly believe in giving back to the communities in which we operate. In the financial year 2023, we undertook multiple CSR initiatives that aimed to make a positive impact on the lives of individuals and animals in our local communities.

During the blessed month of Ramadan 2023, Awantec has organised a CSR program aimed at promoting the concept of welfare within our local community. For this purpose, Awantec has selected Pusat Jagaan Cahaya Kasih Bestari, an orphanage caring for 150 orphans, as the beneficiary of the CSR program.

As part of our contribution, Awantec has donated a total of RM7350 and 2 boxes of fruits, amounting to approximately 200 units of fruits. These contributions will be used to purchase two months' worth of daily necessities for the orphanage. We are delighted to be able to extend our support to Pusat Jagaan Cahaya Kasih Bestari and make a positive impact in the lives of these children during this special time of Ramadan.



Saham Akhirat, our annual company-wide event, is dedicated to promoting the welfare of our local community during Ramadan 2023.



Awantec's participating team members to personally hand over Awantec's monetary and fruit donation.

Selangor Kerjaya, participate in the impactful Bazar OK3U event. This program for OKU (persons with disabilities) has been a resounding success, achieving its main goals of promoting OKU businesses, motivating OKU individuals to venture into entrepreneurship, fostering a spirit of care for disabled persons, and showcasing the creativity of OKU fashion through a special fashion show. With the resource commitment of manpower and time from our team members, this event has yielded positive results, witnessing an increase in the number of volunteers and greater awareness and support for OKU businesses. We remain committed to contributing to such initiatives that promote inclusivity and empowerment in our community.



We conducted a seminar with Monfort Boys Town, a holistic and nurturing learning institution for underprivileged youth facing financial or academic challenges, totalling to approximately 140 students. The seminar focused on empowering them with essential skills such as resume writing, interview techniques, and career planning. Our dedicated team of experts and volunteers shared their knowledge and experiences to inspire and guide these young individuals towards a brighter future.



Empowering the Future: Awantec's dedicated team conducting a seminar at Monfort Boys Town, empowering approximately 140 underprivileged youth with essential skills for career success, including resume writing, interview techniques, and career planning.

In another similar community event, Awantec partnered with UYVERVOM, a non-government organisation dedicated to youth empowerment, to organise a webinar on career development for Politeknik institutes. The webinar aimed to equip the students with valuable insights into job readiness skills, as mentioned earlier. By collaborating with UYVERVOM, we provided guidance and mentorship to the students, helping them make informed decisions about their professional journeys.

We join hands with Selangor Kerjaya and UYVERVOM to host a career development webinar for Politeknik students, providing valuable insights and mentorship to shape their professional journeys.

Through these CSR initiatives, Awantec demonstrated its commitment to investing in local communities. By focusing on the well-being of our children & students. We aimed to create a positive and lasting impact on the lives of individuals who need support and guidance. Our total corporate and group donation in monetary terms adds up to RM7410 for FY2023. Furthermore, in alignment with our youth unemployment initiatives, apprenticeships, and graduate placements from our previously mentioned initiatives, we have allocated five internship slots for the fiscal year 2024. Through our internship policy, we aim to offer young individuals a practical learning experience and a stepping stone towards a successful career. With our expertise in training and development, we strive to equip them with the necessary skills and knowledge for their professional growth.

We are proud of our employees who actively participated and volunteered their time, knowledge, and resources to make these initiatives successful. Awantec remains committed to furthering our CSR efforts and making a difference in the lives of people in our local communities in the years to come.

Principle 4: Engaging Workplace

LOCAL EMPLOYMENT

At Awantec, we have made local employment one of our sustainable initiatives, driven by our vision to create a positive impact on the environmental, economic, and social development of the areas in which we operate. Through FY2023, we are proud to state that 100% of our workforce is hired from the local community.

Local employment allows us to actively contribute to the growth and prosperity of the communities we serve. By providing job opportunities and fostering local talent, we empower individuals and support the economic development of the area. This approach also instils a sense of pride and ownership within the community, forging stronger connections and mutual support. Moreover, our commitment to local employment aligns with our broader environmental goals. By minimising the need for long-distance commuting or relocation, we significantly reduce the carbon footprint associated with our workforce commuting. It encourages sustainable transportation practices, such as utilising public transport or carpooling which further contributes to our efforts in mitigating environmental impact. Additionally, shorter travel times for employees promote a healthier work-life balance, enhancing overall well-being.

Furthermore, hiring locally enhances our understanding of the specific needs and aspirations of the community. We prioritise skill development, career growth, and job creation for local individuals, ensuring that our business provides benefits beyond financial gains. This approach fosters long-term relationships with our employees, promoting loyalty and strengthening the social fabric of our organisation. By championing local employment as a core sustainability and ESG principle, Awantec actively contributes to the well-being and resilience of the communities we operate in. We firmly

believe that investing in the local workforce creates a positive ripple effect that extends beyond our organisation, generating sustainable socio-economic development and fostering a sense of shared prosperity. Through our commitment to employing locally, we are making tangible strides towards a more sustainable future, aligned with our values and the needs of the communities we serve. Awantec remains dedicated to creating meaningful and lasting impacts by empowering local talent and building a stronger, more sustainable foundation for success.

Embracing Diversity: Awantec's Commitment to Equality and Inclusion

Awantec is committed to promoting workforce diversity, equal opportunities, and the reduction of discrimination based on various factors such as race, religion, gender, age, sexual orientation, disabilities, and nationality. We firmly believe in creating an inclusive and equitable workplace where every individual is valued and respected.

To ensure fairness and impartiality in our hiring and promotion processes, we have implemented a competency-based approach while trying to diversify. Our focus is to prioritise assessing the skills, qualifications, and suitability of candidates for job positions. This approach eliminates any bias or discrimination and enables us to select the most qualified individuals based on their abilities and potential to contribute to the organisation. We actively encourage employees from diverse backgrounds to join our team and provide equal opportunities for career growth and development. We promote a work environment that celebrates differences and values unique perspectives, fostering creativity, innovation, and collaboration.

Our Equality, Diversity & Inclusion policies and practices reflect our commitment. We regularly review and update these policies to align with best practices and ensure that they reflect the evolving needs of our diverse workforce. We provide training and education on diversity and inclusion to all employees, promoting awareness and understanding across the organisation. By embracing diversity, equal opportunities, and competency-based assessments, Awantec aims to create a workplace that embraces and celebrates the richness of different backgrounds and experiences. We are dedicated to creating a culture that values and respects every individual, regardless of their race, religion, gender, age, sexual orientation, disabilities, or nationality.



Enhancing Employee Skills for the Digital Landscape: A Commitment to Continuous Learning

We remain steadfast in our commitment to enhancing the skills of our employees in the ever-evolving digital landscape. Throughout the financial year under review, we have taken significant strides in preparing our workforce for digitalisation by implementing new technologies, systems, and hardware. These advancements have been accompanied by comprehensive training sessions, workshops, and learning materials, ensuring a seamless transition towards cloud-based solutions. Our aim is to equip our employees with the necessary resilience to navigate disruptions and embrace digitalisation, thereby future-proofing their capabilities.

Aligned with our sustainability goals of fostering equal growth opportunities and catalysing digital readiness and talent attraction, our approach has empowered our employees with the essential knowledge and capabilities in technology. This has laid a strong digital foundation for all, enabling them to lead our customers and stakeholders on an effective cloud journey.

Despite our ambitious aspirations, we have maintained a prudent financial approach, leveraging our online Awan Learning Hub Platform and participating in Google Cloud training programs as a partner. Additionally, we have provided a digital learning platform that empowers employees to upskill themselves from anywhere, complemented by other training provisions. In the fiscal year 2023, we achieved an average of 67.2 training hours per employee, reflecting our dedication to continuous learning and development.

The majority of our training investments for this financial year were allocated to technical training, aligning with our pivot-to-cloud strategy and the transition phase of our business model. The remaining investments were dedicated to enhancing our employees' soft skills, with a focus on leadership development, communication, sustainability, and customer service.

Adhering to our Learning & Development policy, we conduct semi-annual COMPASS discussions with each employee. These discussions help us identify individual competencies and cluster performance, enabling us to propose suitable training programs. We conduct thorough training needs analyses at the individual, group, and organisational levels, providing each employee with an e-learning platform (Skillssoft Percipio) account upon onboarding.

In addition to our routine training, we have implemented initiatives aligned with new policies and initiatives. During FY2023, we established a dedicated team of floor wardens to serve as an Emergency Response Team and First Aiders.



Comprehensive training provided by Certified Emergency Response Training Academy was offered to all designated staff. Furthermore, we conducted an internal company-wide Anti-corruption and bribery training & awareness event, along with managers' training on handling of reports or instances of bullying or harassment in the works for FY2023.

As we move forward, we remain committed to nurturing a culture of continuous learning and development, ensuring our employees are equipped with the skills and knowledge needed to excel in the digital era. By investing in our workforce, we strive to drive innovation, deliver exceptional service to our customers, and achieve sustainable growth in the years ahead.

Principle 4: Engaging Workplace

Empowering Employees: The Importance of Effective Communication

At Awantec, effective communication among our employees is a top priority. We understand the significance of ensuring that every individual is well-informed about our employment terms, conditions, policies, guidelines, and best practices. To achieve this, we have meticulously documented all these details in our comprehensive Employee Handbook.

Awantec operates and is situated in Malaysia, where the English language is spoken and understood by most. We recognise the language proficiency of our workforce to thoroughly grasp and proficiently implement the policies and guidelines outlined within the handbook. When new hires join our organisation, we provide them with the Employee Handbook during their onboarding training sessions. This equips them with the essential knowledge to thrive within our company and establishes a strong foundation for their journey with us.

To ensure accessibility and efficiency, we have made the handbook available for download through our internal employee portal. Additionally, we send company-wide email notifications whenever updates are made to the handbook, providing everyone with the opportunity to seek clarification on any new information.



By adopting this approach, we effectively communicate our employment policies and guidelines to all Awantec employees, regardless of their location. We firmly believe that fostering a consistent understanding and adherence to these policies leads to a harmonious and productive work environment throughout our organisation.

Throughout this financial year, we diligently monitored and upheld all relevant regulations, ensuring that every aspect of our operations adhered to fair and ethical labour practices. We are proud to announce that no instance of non-compliance with labour standards was recorded, demonstrating our commitment to treating our employees with respect and ensuring a safe and equitable working environment.

Upholding Equal Pay For Equal Work

At Awantec, we wholeheartedly embrace the principle of equal pay for equal work, firmly believing in the values of fairness, inclusivity, equality, and diversity within our workforce. Our commitment to this principle is deeply ingrained in our practices, we proactively adhere to the provisions set forth in the Employment Act 1955, which aim to prevent any form of discrimination in remuneration based on gender or other protected characteristics. Furthermore, our Code of Conduct and Equality, Diversity, and Inclusion policy serve as additional safeguards against unlawful discrimination, specifically addressing the fair treatment of pay and benefits. By upholding these standards, we ensure transparency and unwavering compliance with local laws.

When making compensation decisions, we place utmost importance on objective factors such as job responsibilities, skills, experience, and performance. This approach allows us to ensure that each employee is fairly rewarded for their contributions. To maintain accountability and address any potential disparities, we conduct regular audits and assessments, diligently ensuring compliance with equal pay regulations. Through these measures, we identify and rectify any discrepancies that may arise, safeguarding the equitable treatment of our employees. Our commitment to equal pay is not a mere declaration, but an ongoing and dedicated effort. It serves as a testament to our unwavering dedication to promoting diversity, equity, and the long-term prosperity of both our employees and our organisation as a whole.

Freedom of Association & Collective Bargaining

At Awantec, our unwavering commitment to upholding the rights and welfare of our employees is at the core of our organisational values. We place utmost importance on fostering an environment that supports and respects the freedom of association and collective bargaining for all our employees. This commitment is demonstrated through our strict adherence to the provisions laid out in the Malaysia Constitution and the Employment Act 1955.

Moreover, our dedication to promoting and protecting human rights is stipulated in our Human Rights Statement where we acknowledge and uphold fundamental international standards, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labour organisation ("ILO") Core Conventions on Labor Standards. These globally recognised frameworks serve as the guiding principles for our policies and practices, ensuring that the rights and well-being of our employees are safeguarded.

We continuously strive to create an environment where all individuals feel valued, empowered, and able to contribute their best, fostering a culture of mutual respect and collaboration throughout our organisation. As of 30 June 2023, no trade unions or collective bargaining activities have been formed or conducted within Awantec.

Striving for Work-Life Balance

At Awantec, we prioritise work-life balance and strive to create a conducive environment for our employees. We have gone above and beyond local labour laws to proactively address excessive working hours. In line with this commitment, we have implemented a reduced total working hours policy of 37 hours and 30 minutes per week, which is lower than the national recommendation of 45 working hours per week as stipulated in the Employment (Amendment) Act 1955.

To further discourage excessive work hours, we have introduced additional measures. Employees who work more than four hours during the weekend are entitled to a half-day replacement leave, while those who work more than six hours can enjoy a full-day off. We emphasise the significance of rest by mandating that the replacement leave be utilised within a three-month period to ensure employees have sufficient time to recharge and rejuvenate.

Recognising the importance of flexibility, we have long embraced the practice of offering flexible working hours. This allows our employees to choose working schedules that best accommodate their individual needs and preferences. Furthermore, we understand that there may be moments when employees feel overwhelmed and in need of a quick break. In such cases, we encourage them to request time-offs to address immediate personal needs or responsibilities.

By implementing these measures, we demonstrate our commitment to fostering a healthy work-life balance for our employees. We believe that providing sufficient rest, flexibility, and opportunities for rejuvenation ultimately contributes to their well-being, productivity, and overall job satisfaction.



Principle 4: Engaging Workplace

Fair Compensation

We consistently go above and beyond the requirements set by the Minimum Wage Order, guaranteeing a minimum gross salary of RM2,100 for both permanent and contract employees, surpassing the local minimum wage of RM1,500. Our commitment to fair compensation is further reinforced by our determination to align ourselves with market standards through a thorough salary benchmarking process. By comparing our pay against data from Mercer's remuneration database, we strive to achieve parity with industry rates. In the latest financial year, our analysis reveals that our employees receive salaries equivalent to the industry average, ensuring their fair remuneration.

People Performance Indicators

Description	Unit	FY2021	FY2022	FY2023
Total Employees By Gender				
Total Employees	px	93	106	131
Female	%	52	58	54
Male	%	48	42	46
Total Employees By Age Group				
Below 30 Years Old	%	29.0	32.5	30.9
30-49 Years Old	%	63.0	61.0	61.1
50 Years Old and Above	%	8.0	6.5	8.0
Total Employees by Employment Contract				
Permanent employees	%	39	33	22
Contract employees	%	61	67	78
Staff Turnover Rate				
Average Voluntary turnover	%	1.6	2.0	2.4
Average Involuntary turnover	%	0.8	0.3	0.0
Grade A - Senior Leadership Team	px	-	-	3
Grade B - Managers	px	-	-	16
Grade C - Executives	px	-	-	19
Training Hours				
Total training hours	hr	5301.00	4555.00	8806.50
Average training hours per employee	hr	57.00	42.97	67.20
Average training days per employee	d	7.60	5.37	8.96
Grade A - Senior Leadership Team	hr	-	-	792.60
Grade B - Managers	hr	-	-	3566.70
Grade C - Executives	hr	-	-	4447.20
Employee trained in basic Anti bribery & corruption practices	%	-	-	100
Occupational Health and Safety				
Number of work-related fatalities	Nos	0	0	0
Lost time incident rate	hr	0	0	0
Employees trained in basic health and safety standards	%	-	-	100
Special Provision				
Employees with disabilities	%	0	2	0

Principle 5: Governance to Drive Compliance and Best Practices



Awantec's Ethical Imperative: Navigating Business with Integrity

Operating ethically is the very essence of Awantec's corporate philosophy, ingrained deeply into every aspect of our business strategy and operations. It serves as the bedrock on which we build sustainable and meaningful relationships with our stakeholders, fostering a bond of trust that withstands the test of time. Our unwavering commitment to ethical conduct resonates throughout our organisation, touching the lives of employees, partners, customers, and the communities we serve.

As we look back on the financial year under review, we take immense pride in the efforts we have undertaken to uphold the highest standards of corporate governance and sustainability practices. We recognize that these standards not only elevate our reputation but also positively impact our business operations. Our emphasis on transparency, fairness, and accountability empowers us to navigate the complex business landscape with confidence and integrity. We diligently adhere to all relevant legislation, regulations, and codes, ensuring that we are at the forefront of responsible and lawful business practices.

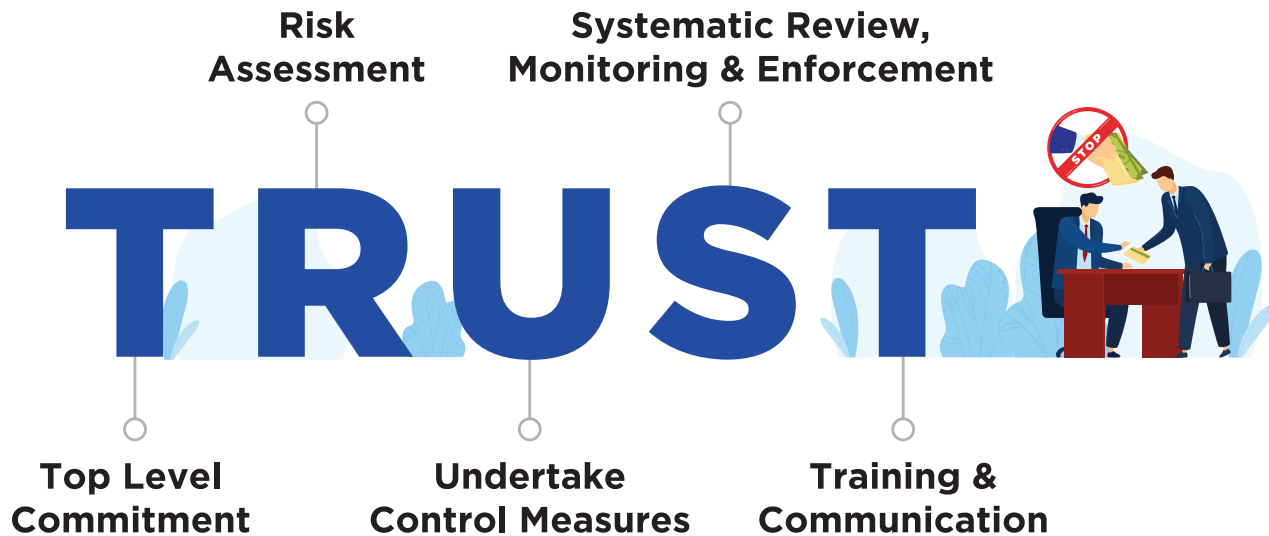
Our commitment to operating ethically extends beyond our immediate sphere of influence. As an ethical company, we actively seek to influence and uplift our entire business supply chain. Through collaborative partnerships, we encourage our suppliers and vendors to adopt ethical and sustainable practices, fostering a ripple effect of positive change throughout the industry.

Awantec's Integrity in Business Operations

As an ethical and responsible company, Awantec wholeheartedly commits to upholding the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Act 2018**"), conducting all business dealings with utmost integrity, accountability, fairness, and zero tolerance for any form of bribery or corruption. Our dedication to these principles is evident in our Code of Conduct, Anti-Bribery and Corruption Manual, and policy on adequate procedures under Section 17A of the MACC Act 2018. All these elements are aligned with the TRUST Principles, and they can be accessed and downloaded from our corporate website, www.awantec.my.

Principle 5: Governance to Drive Compliance and Best Practices

The TRUST Principles form the core of our policy and are designed to complement our existing Anti-Bribery and Corruption Manual (“**ABC Manual**”), ensuring compliance with the Guidelines on Adequate Procedures issued by the National Centre for Governance, Integrity, and Anti-Corruption. Within this framework, the concept of “Adequate Procedures” rests on five essential principles, which we have integrated into our Policy to protect the Company effectively. These principles aim to establish appropriate processes, procedures, and controls that effectively address the risk of bribery and corruption.



Top Level Commitment	Risk Assessment	Undertake Control Measures	Systematic Review, Monitoring & Enforcement	Training & Communication
Our leaders are totally committed to promoting integrity and stopping bribery and corruption. Our manual (Anti Bribery & Anti-Corruption) sets out clear rules for everyone in the company.	Awantec conducts regular assessments to identify and address both internal and external corruption risks to detect potential issues and take necessary measures to minimise the risk of corruption.	Awantec maintains strict ethical standards, including a no-gift policy, a reporting system for concerns, and partner checks to comply with anti-bribery and anti-corruption laws.	Systematic review and monitoring process in place to ensure strict compliance with our policies and procedures. Regular checks are conducted to ensure full adherence to all necessary requirements.	We make sure all our employees understand our policies and how to follow them by providing regular training. We recently had 'Integrity Week', where everyone made a pledge to act with integrity.

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.

Awantec's employees, directors, its subsidiaries, contractors, subcontractors, consultants, agents and representatives are required to read, understand and comply with the ABC Manual. No waiver or exceptions will be granted for practices that deviate from the ABC Manual. Joint venture companies and associated companies are encouraged to adopt the ABC Manual as the bare minimum or similar principles and standards as part of their anti-corruption framework.

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 ABC Manual is in place to address the risk, and being adhered to, 100% of Awantec business operation will be continually assess for all related risk. As of FY2023, we are proud to announce that we have yet to have any incident of corruption or bribery, with no related action taken accordingly.

In line with our zero tolerance policy towards bribery and corruption, 100% of Awantec's employees have received training on anti-corruption with Percipio as a platform by FY2023. 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 or 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>.

Awantec places great importance on maintaining a robust and transparent whistleblowing system that aligns with our Anti-corruption and Bribery manual. We have developed a comprehensive whistleblowing policy, which is readily accessible on our website, providing detailed information on

our confidential reporting channels. The primary objective of our policy is to establish a secure and accountable communication channel where legitimate concerns can be raised, objectively investigated, and appropriately addressed. We prioritise creating an environment in which individuals feel comfortable reporting any instances of illegal, unethical, or questionable practices, knowing that their confidentiality will be protected, and they will not face any form of retaliation.

We are fully committed to treating all disclosed information with the utmost confidentiality, in accordance with the limits permitted by law and to the extent practically feasible. This commitment extends to protecting the identity of the whistleblower who submitted the report in good faith, even if the allegations are later determined to be unfounded or mistaken. To facilitate the reporting process, our policy outlines various channels through which whistleblowing can be done. Individuals have the option to submit reports via letter, online submission, electronic mail to a dedicated address, or directly to the relevant government or regulatory authorities. We emphasise that all reporting methods allow for anonymous disclosure, ensuring that individuals can raise concerns without revealing their identity if they so choose.

At Awantec, we firmly believe that an effective whistleblowing system is crucial for promoting accountability and maintaining the highest standards of integrity within our organisation. We encourage all employees and stakeholders to familiarise themselves with our whistleblowing policy and to utilise the available channels to report any concerns they may have, as their input is vital in ensuring a safe and ethical work environment for everyone involved.

In FY2023, Awantec took a proactive stance in fortifying its commitment to combating corruption and bribery. As a key component of this initiative, we organised an impactful Integrity Week aimed at fostering awareness, promoting employee engagement, and providing essential training. Throughout the Integrity Week, the entire company actively participated in a series of quizzes that delved into specific scenarios related to ethical decision-making. These quizzes were designed to provoke thought, stimulate discussions, and educate our employees on the intricacies of handling ethical dilemmas with integrity. By challenging their understanding and ethical acumen, we aimed to equip our workforce with the necessary tools to make the right choices when faced with challenging situations.



Scan the QR code or visit our whistleblowing page for more information

Principle 5: Governance to Drive Compliance and Best Practices

The objective of the Integrity Week was to cultivate a culture of ethical consciousness within Awantec, ensuring that each employee is empowered to act responsibly and ethically in their roles. The discussions and interactions during this week fostered a sense of camaraderie and collective responsibility towards upholding the highest standards of integrity. As the pinnacle of the Integrity Week, we held a solemn company-wide pledge ceremony. During this meaningful event, every member of Awantec came together to affirm their unwavering dedication to ethical conduct and their role in combating corruption and bribery. This pledge served as a powerful symbol of unity, signalling to our stakeholders, clients, and partners that we stand united in our commitment to operating with integrity at all times.

Awantec's Integrity Pledge Day brought together the entire company to participate in the official e-signing of the Integrity Pledge.



The Senior Leadership team of Awantec demonstrated their unwavering commitment to upholding integrity.



The entire company united in pledging their dedication to the integrity clause.

Occupational Health & Safety

Health and safety is an intrinsic component of our governance strategy, empowering us to drive compliance and uphold best practices throughout our organisation. By integrating health and safety principles into our governance framework, we prioritise the well-being of our employees and stakeholders, ensuring a safe and secure work environment. Awantec recognises that occupational health and safety is an important aspect for any company. As of FY2023, Awantec does not have any work-related facilities or lost time incidents. Despite being in an industry which has relatively low risk in the area, Awantec have committed to fulfil our duty in ensuring the safety and health of our employees by providing company-wide onboarding and virtual training via Percipio to outline incident response processes, safety culture, communicating health hazards and etc. By FY2023, Awantec made the appointment of Floor Warden on each floor of the building in which we operate. The team is formed in an effort to ensure the safety and well-being of individuals within our business operation during emergencies, particularly safety and fire incidents.



The Emergency Response Team undergoing training in the usage of stretchers to carry immobile individuals to the designated evacuation point.



Participants learn the effective methods to swiftly combat fires during fire emergencies training to effectively curb a fire.

In line with our belief in training and preparedness, Awantec Floor wardens have undergone a 2 day course on Basic Fire Fighting & Emergency Response Plan and Preparedness Training, and another 2 day course on Basic Occupational First Aid, CPR & AED Training. The courses are customised to train the average person to become a qualified first aider as well as uphold the responsibilities and duties of a fire fighting team & fire warden. Including handling emergencies by developing Emergency Response Plan, understanding Emergency Procedure and executing incident command system. The courses are recognised by CPR & ECC guidelines 2020, National Fire Protection Association, and the Department of Occupational Safety and Health ("DOSH"). With health and safety as a fundamental element of our governance approach, we not only adhere to legal and regulatory requirements but also proactively identify opportunities for enhancing our safety protocols. This commitment is the cornerstone of our dedication to fostering a workplace where employees thrive, productivity flourishes, and our organisation continues to be a responsible corporate citizen.

Data Privacy & Security

Awantec recognises the value of data as a precious asset and is devoted to ensuring the privacy and security of data belonging to all stakeholders, including tenants, staff, third-party consultants, and contractors. To achieve this, we comply with Personal Data Protection Act 2010, as well as implement and maintain a comprehensive range of technical, physical, and administrative safeguards to protect against unauthorised access, use, disclosure, alteration, or destruction of data.

In line with our policies and procedures, all data is collected, used, and disclosed solely for legitimate business purposes. Moreover, we provide continuous cybersecurity training and education to our staff to mitigate potential risks of data breaches. We also offer cybersecurity-related bulletins covering internet and email etiquette, proper IT asset handling, password best practices, and more. Emphasising data protection, remote

working tools, and safeguarding against scams and insider threats, our commitment to education ensures a secure digital environment for everyone at Awantec. 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.

In our latest risk assessment, we have identified and addressed potential risks by implementing additional measures to our existing security protocols. These measures include establishing an incident response plan, conducting regular Vulnerability Assessment and Penetration Testing ("VAPT"), limiting software installation, implementing database backup both on-premises and in the cloud, and encrypting sensitive data, among other precautions.

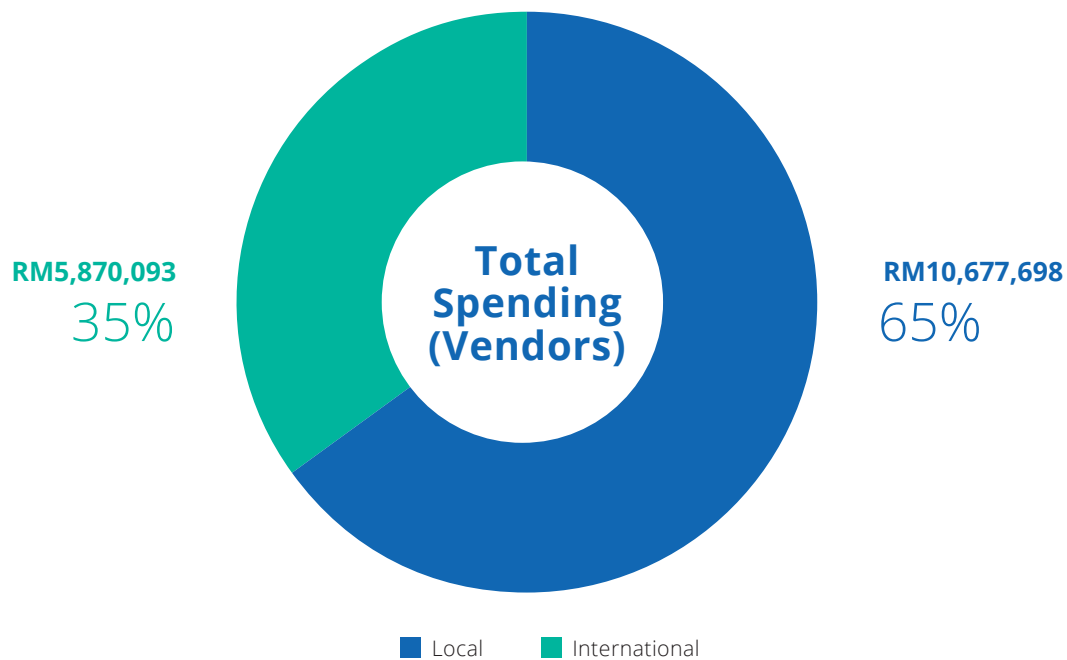
Furthermore, as part of our sustainability initiative, we have migrated our operational data centres to Google Cloud, which relies fully on renewable energy for its energy consumption. This migration represents a critical step towards reducing our carbon footprint and promoting sustainable practices in our operations. As of FY2023, Awantec has not received any substantiated complaints concerning breaches of customer privacy or losses of customer data.

Establishing Sustainable Supply Chain

Awantec boasts a substantial supply chain, from which we source products and services to support both our operations and capital expenditure. Our requirements span from cloud computing services, software, network equipment, and infrastructure to consultations and building management services, all of which are essential for our day-to-day activities. In the current year, we have collaborated with a total of 581 vendors to procure products and services across our business and operations. Situated in Cyberjaya, the heart of Malaysia's digital economy, we are keenly aware of our responsibilities in driving the local economy.

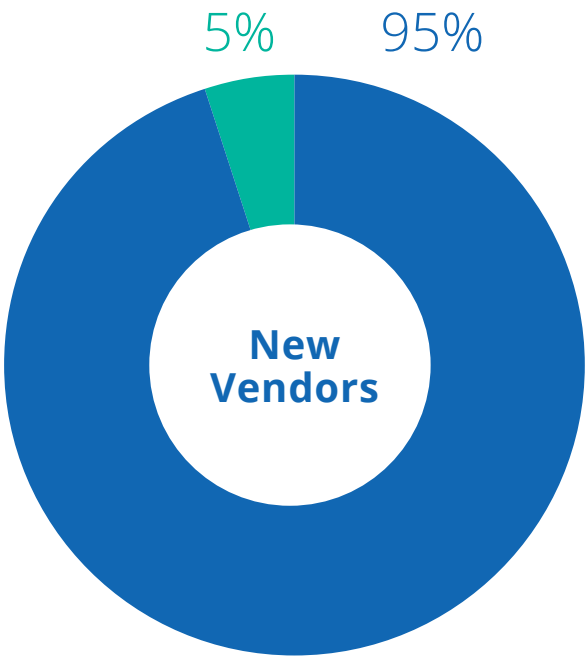
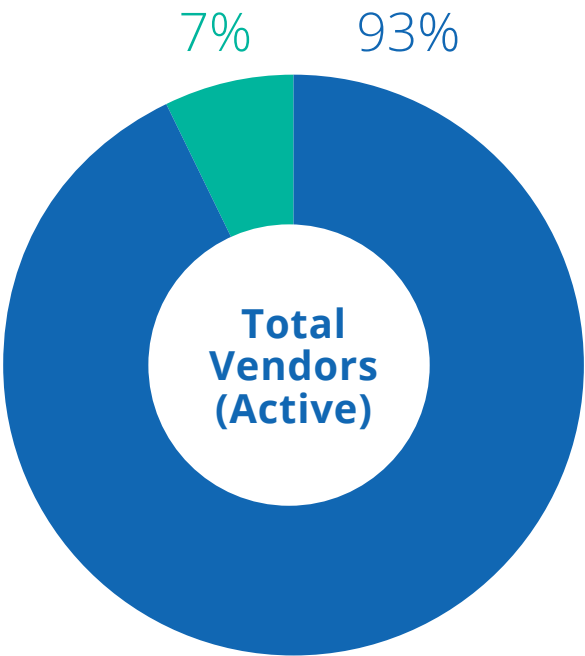
Principle 5: Governance to Drive Compliance and Best Practices

In keeping with this commitment to empower the local economy, we have maintained local vendors as the majority of our suppliers throughout the financial year under review. A noteworthy 538 vendors, constituting 93% of our total active vendors, are sourced locally, with the remaining 7% composed of international vendors totaling 43. Awantec continues to give priority to local vendors and suppliers in our sourcing processes, underscoring our dedication to supporting the local business community. In the financial year under review, we have registered 109 new local vendors, accounting for an impressive 95% of our newly onboarded suppliers, while 6 new international vendors make up the remaining 5%. As part of our ongoing commitment to sustainability. For the fiscal year 2023, Awantec's total spending on our vendors is as tabulated below.

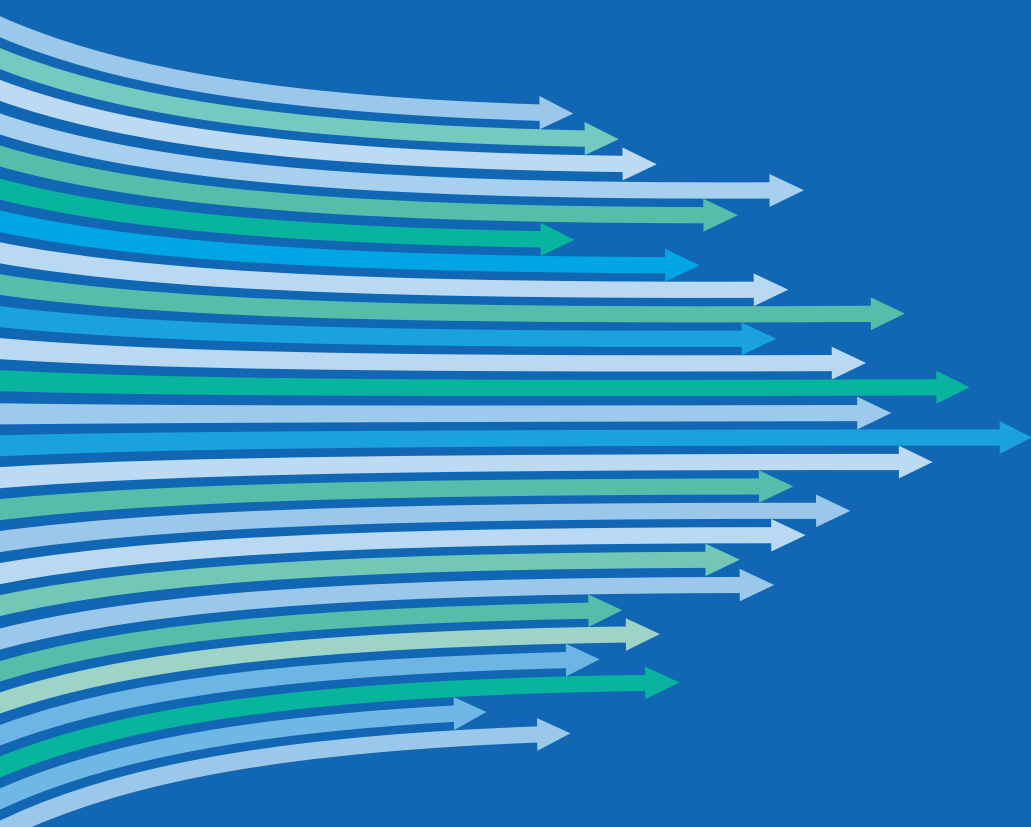


This year, Awantec will be expanding our focus beyond local vendors, by incorporating sustainability criteria into our vendor vetting process. Guided by our Vendor’s Code of Conduct and Procurement Policy, we strive to practise exemplary procurement practices. Our assessment involves a comprehensive evaluation of vendors and suppliers, encompassing factors such as quality, integrity, service delivery, and product value, while also taking into account ESG considerations. By implementing this rigorous approach, we ensure that our suppliers meet our high standards, including sustainable practices, as we remain steadfast in our commitment to responsible business conduct. This evaluation process, known as the Vendor Performance Review (“VPR”), gives priority to active vendors with a purchase value exceeding RM2,000, to be rated and evaluated against set criteria below:

1	Quality Meets Specification	2	Quantity Meets Specification
3	Delivery Timeline	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, and Terms
11 Sustainability Competency			



■ Local ■ International



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Corporate Information

BOARD OF DIRECTORS

Syed Naqiz Shahabuddin bin Syed Abdul Jabbar
Independent Non-Executive Chairman

Dr. Abu Hasan bin Ismail
Founder Mentor
Non-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

Lim Saw Imm
Independent Non-Executive Director
(Appointed w.e.f. 25 May 2023)

BOARD COMMITTEES

AUDIT COMMITTEE

Lim Saw Imm (*Chairperson*)
Ramanathan a/l Sathiamutty
Professor Emeritus Dato' Dr. Hassan bin Said
Hafidah Aman binti Hashim

RISK MANAGEMENT COMMITTEE

Ramanathan a/l Sathiamutty (*Chairman*)
Dr. Abu Hasan bin Ismail
Ginny Yeow Mei Ying

NOMINATION AND REMUNERATION COMMITTEE

Professor Emeritus Dato' Dr. Hassan bin Said (*Chairman*)
Ramanathan a/l Sathiamutty
Ginny Yeow Mei Ying
Hafidah Aman binti Hashim

LONG-TERM INCENTIVE PLAN COMMITTEE

Professor Emeritus Dato' Dr. Hassan bin Said (*Chairman*)
Dr. Abu Hasan bin Ismail
Ramanathan a/l Sathiamutty

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689 Practitioner)
(SSM PC No. : 201908002648)

Lim Lih Chau
(LS 0010105)
(SSM PC No. : 201908001454)

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Fax : +603 8689 7009
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SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

Level 11, Menara Symphony,
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Selangor Darul Ehsan, Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com
Website : www.boardroomlimited.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

(Listed since 27 July 2011)

Stock Code : 5204
Stock Name : AWANTEC

INVESTOR RELATIONS

Sherliza Samantha binti Asli

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Lingkar Cyber Point Timur,
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Email : ir@awantec.my

SOLICITOR

Lim Chee Wee Partnership

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Tel : +603 2011 3332
Fax : +603 2011 6616
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Website : www.lcwpartnership.com

EXTERNAL AUDITOR

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Level 16, Tower C, Megan Avenue II,
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Fax : +603 2788 9998

INTERNAL AUDITOR

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Level 10, KPMG Tower,
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Fax : +603-7721 3399

PRINCIPAL BANKERS

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

Profile of Board of Directors



SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR

Independent Non-Executive Chairman

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	51	Male	20 January 2021	2 years
No. of Board Meetings Attended in the Financial Year				
9/9				

Board Committee Membership(s)

- None

Qualification(s)

- 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

Present Appointment(s)

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

Past Experience(s)

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

Other Directorship(s):

Listed issuer:

- None

Public company:

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



DR. ABU HASAN BIN ISMAIL

Non-Independent Non-Executive Director / Founder Mentor

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	62	Male	18 November 2010	13 years
No. of Board Meetings Attended in the Financial Year				
7/9				

Board Committee Membership(s)

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

Qualification(s)

- Doctor of Philosophy, University of Sheffield, England
- Master 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 Appointment(s)

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

Past Experience(s)

- 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

Other Directorship(s):

Listed issuer:

- None

Public company:

- Institute Sultan Iskandar of Urban Habitat and High Rise



RAMANATHAN A/L SATHIAMUTTY

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	59	Male	16 April 2014	9 years
No. of Board Meetings Attended in the Financial Year				
9/9				

Board Committee Membership(s)

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

Qualification(s)

- 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 Appointment(s)

- 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 Experience(s)

- 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)

Other Directorship(s):

Listed issuer:

- Malaysia Airports Holdings Berhad

Public company:

- None



GINNY YEOW MEI YING

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	41	Female	28 February 2019	4 years
No. of Board Meetings Attended in the Financial Year				
8/9				

Board Committee Membership(s)

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

Qualification(s)

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

Present Appointment(s)

- Director, Kagic Corporation Sdn. Bhd.

Past Experience(s)

- 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

Other Directorship(s):

Listed issuer:

- None

Public company:

- None

Profile of Board of Directors



PROFESSOR EMERITUS DATO' DR. HASSAN BIN SAID

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	68	Male	25 February 2020	3 years
No. of Board Meetings Attended in the Financial Year				
8/9				

Board Committee Membership(s)

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

Qualification(s)

- Doctor of Engineering (Honorary), Brunel University, United Kingdom
- Doctor in Law (Honorary), University of Nottingham, United Kingdom
- 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 Appointment(s)

- Chairman, Board of Governors, Universiti Tenaga Nasional Berhad (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, United Kingdom
- Emeritus Professor, Universiti Sains Malaysia
- Fellow, Malaysian Mathematical Society
- Fellow, Academy Science of Malaysia

Past Experience(s)

- Vice Chancellor and President, Taylor's University
- Chairman, Board of Governors, University Malaysia of Computer Science and Engineering (UNIMY)
- 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

Other Directorship(s):

Listed issuer:

- None

Public company:

- Securities Industry Development Corporation



HAFIDAH AMAN BINTI HASHIM

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	54	Female	25 February 2020	3 years
No. of Board Meetings Attended in the Financial Year				
9/9				

Board Committee Membership(s)

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

Qualification(s)

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

Present Appointment(s)

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

Past Experience(s)

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

Other Directorship(s):

Listed issuer:

- None

Public company:

- Islamic Relief Malaysia



DATO' THARUMA RAJAH @ K.T. RAJAN A/L R. KRISHNAN

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	70	Male	20 January 2021	2 years
No. of Board Meetings Attended in the Financial Year				
9/9				

Board Committee Membership(s)

- None

Qualification(s)

- Malaysia Certification of Education, Grade 1, Malaysia

Present Appointment(s)

- Special Attache, Royal Family

Past Experience(s)

- 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

Other Directorship(s):

Listed issuer:

- None

Public company:

- None

Profile of Board of Directors



YM TUNKU ABANG FAISAL AMIR BIN ABANG ABU BAKAR

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	46	Male	20 January 2021	2 years

No. of Board Meetings Attended in the Financial Year
7/9

Board Committee Membership(s)

- None

Qualification(s)

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

Present Appointment(s)

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

Past Experience(s)

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

Other Directorship(s):

Listed issuer:

- None

Public company:

- None



LIM SAW IMM

Independent Non-Executive Director

Nationality	Age	Gender	Date Appointed	Length of Tenure
Malaysian	67	Female	25 May 2023	less than a year

No. of Board Meetings Attended in the Financial Year
Not Applicable

Board Committee Membership(s)

- Chairperson of the Audit Committee.

Qualification(s)

- Fellow of the Association of Chartered Certified Accountants
- Member of the Chartered Tax Institute of Malaysia
- Member of the Malaysian Institute of Accountants

Present Appointment(s)

- Senior Independent Director, Golden Land Berhad

Past Experience(s)

- Partner, PricewaterhouseCoopers Taxation Services Sdn. Bhd.
- Tax Manager, Robson Rhodes, United Kingdom

Other Directorship(s):

Listed issuer:

- Golden Land Berhad

Public company:

- None

- None of the Directors have any family relationship with each other and/or major shareholder of the Company.
- None of the Directors have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- 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 relevant regulatory bodies during the financial year.
- The Directors' share and warrant holdings in the Company are disclosed in the Analysis of Shareholdings and Analysis of Warrant A Holdings sections of this Annual Report.

Profile of Senior Management



Standing from Left:

Yasmin binti Abdullah, Chok Joon Heng, Dr. Peter Lee Fuei Siong, Siti Raha binti Mohammad Ishtiaq

Sitting from Left:

Ngai Kah Seng, Azlan bin Zainal Abidin, Ainun Mardziah binti Hashim

Profile of Senior Management

Azlan bin Zainal Abidin

Chief Executive Officer (CEO)

Nationality: **Malaysian**

Age: **50**

Gender: **Male**

Date of Appointment: **June 2023**

Qualification(s)

- Master of Business Administration - Entrepreneurship, Imperial College, United Kingdom
- Bachelor of Science - Commerce, Management Information Systems, Accounting, University of Virginia, United States of America

Past Experience(s)

- Group Chief Executive Officer, IT & e-Services, Dagang NeXchange Berhad DNEX/Chairman of Dagang Net Technologies
- Chief Enterprise Business Officer, Celcom Axiata
- Country Managing Partner, IBM Global Services
- Managing Director/Partner, Accenture Malaysia

- General Manager Group IT, Malaysia Airports Holdings Berhad (MAHB)
- Vice President, IT Transformation, Celcom Axiata Berhad
- Global Data lead for Chevron's Downstream SAP Implementation (Makati, Philippines), Accenture Singapore
- Business Process Advisor for Shell Exploration Global (Rijswijk, Netherlands), Accenture Malaysia
- Senior Consultant, PricewaterhouseCoopers

Directorship in Other Public Companies and Listed Issuers

- None

Chok Joon Heng

Chief Operating Officer (COO)

Nationality: **Malaysian**

Age: **49**

Gender: **Male**

Date of Appointment: **October 2022**

Qualification(s)

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

Past Experience(s)

- 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

Siti Raha binti Mohammad Ishtiaq

Chief Business Officer (CBO)

Nationality: **Malaysian**

Age: **48**

Gender: **Female**

Date of Appointment: **August 2022**

Qualification(s)

- Malaysian Higher School Certificate
- Malaysian Certificate of Education

Past Experience(s)

- 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

Ngai Kah Seng

Chief Technology Officer (CTO)

Nationality: **Malaysian**

Age: **47**

Gender: **Male**

Date of Appointment: **September 2022**

Qualification(s)

- Master of Business Administration (M.B.A.), Entrepreneurship, University of Nottingham, United Kingdom
- Bachelor's Degree, Majoring in Information System, Monash University Malaysia, Malaysia
- Diploma in Computing & Information Technology, Information Technology, Asia Pacific University of Technology & Innovation, Malaysia

Past Experience(s)

- Development Engineer, FCS Computer Systems Sdn. Bhd.
- Senior Professional Staff, CyberTouch Sdn. Bhd.
- Chief Architect, ePeopleAsia Sdn. Bhd.
- Consultant, Axway Software Sdn. Bhd.
- Solution Architect, Hewlett-Packard
- Principal Consultant, Arahe Solutions Sdn. Bhd.
- Senior Software Architect, hiSoft Technology International Limited
- Senior Tech Expert - P8, Alibaba Financial
- WebSphere Sales Manager, IBM Malaysia Sdn. Bhd.
- Director, GoCar Malaysia
- CEO, TC Systems Vietnam Co., Ltd
- Head of Technical Architecture, Enterprise Architecture, Group IT, Tan Chong Group
- Advisor to Group President, Tan Chong Group
- Enterprise Architect, CIMB Group Holdings Berhad

Directorship in Other Public Companies and Listed Issuers

- None

Dr. Peter Lee Fuei Siong

Director, Talent and Development

Nationality: **Malaysian**Age: **54**Gender: **Male**Date of Appointment: **March 2019****Qualification(s)**

- Bachelor of Medicine, Manipal Higher Education Academy, India
- Bachelor of Surgery, Manipal Higher Education Academy, India
- Certified SHL Practitioner
- Certified HRD TTT trainer
- Rocheston Cybersecurity Certified Specialist (RCCS)
- RCCS certified trainer

Past Experience(s)

- 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

Yasmin binti Abdullah

Director, Human Resource & Administration

Nationality: **Malaysian**Age: **55**Gender: **Female**Date of Appointment: **January 2018****Qualification(s)**

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

Past Experience(s)

- 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

Ainun Mardziah binti Hashim

Group Financial Controller

Nationality: **Malaysian**Age: **46**Gender: **Female**Date of Appointment: **May 2021****Qualification(s)**

- Chartered Certified Accountant by MIA
- Chartered Global Management Accountant by Chartered Institute of Management Accountants, United Kingdom
- Bachelor's Degree, Accounting, Universiti Utara Malaysia
- Chartered Accountant, Malaysian Institute of Accountants

Past Experience(s)

- Head of Accounting, Sapura Resources Berhad
- Acting Chief Financial Officer, 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.

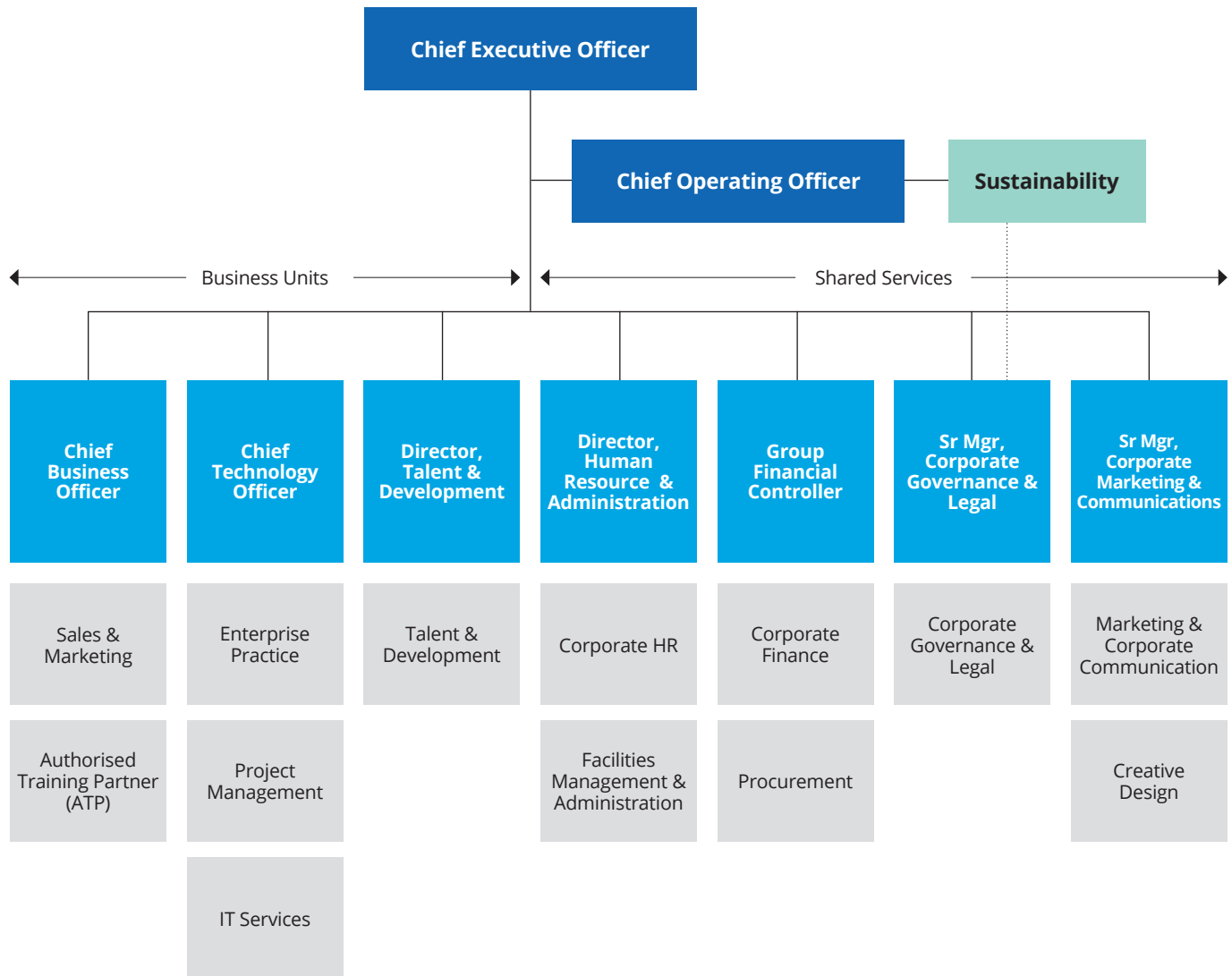
Directorship in Other Public Companies and Listed Issuers

- None

Notes:

- None of the Senior Management have any family relationship with any director and/or major shareholder of the Company.
- None of the Senior Management have any conflict of interest or potential conflict of interest with the Company or its subsidiaries.
- None of the Senior Management 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 relevant regulatory bodies during the financial year.

Organisation Structure

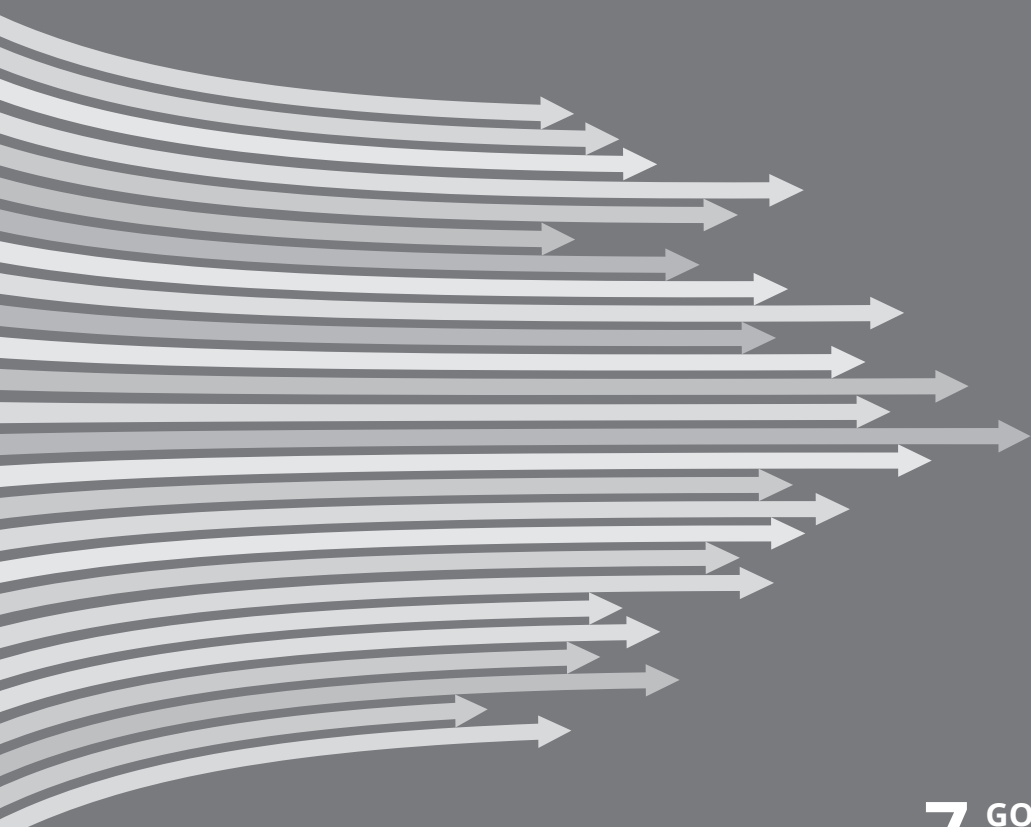




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7 GOVERNANCE FRAMEWORK

- 109** Corporate Governance Overview Statement
- 133** Audit Committee Report
- 137** Nomination and Remuneration Committee Report
- 139** Long-term Incentive Plan Committee Report
- 141** Risk Management Committee Report
- 143** Statement of Risk Management and Internal Control
- 150** Additional Compliance Information
- 153** Statement of Responsibility by Directors

Corporate Governance Overview Statement

The Board of Directors ("**Board**") of Awantec believes that good corporate governance practices and integrity embedded throughout our organisation enable the Company and its subsidiaries ("**Group**") to operate efficiently and realise our vision. The Board is fully committed to maintaining high standards of corporate governance, sustainability governance and gave our best to abide by all applicable best practices in the business and affairs of the Group. This is to fulfil our fiduciary responsibility as a business in **Doing Well by Doing Good** to be transparent, ethical and prudent with the ultimate objective of safeguarding the interests of all stakeholders and enhancing shareholder's value.

This Corporate Governance Overview Statement ("**Statement**") summarises the Board's responsibilities and activities in ensuring that the Group is at the forefront of good governance for the financial year under review. Key emphasis has been placed by the Board on the governance of the Group; focusing on its strategic priorities namely enhancing capabilities, digitalising operations and integrating sustainability. For more information, kindly refer to our Ensuring Sustainable Value Creation on pages 55 to 95. The Group adheres to, 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 4th Edition by Bursa Malaysia Berhad ("**CG Guide**")

This Statement focuses on the following three (3) key corporate governance principles of MCCG 2021 as follows:-

- A. Board Leadership and Effectiveness
- B. Effective Audit and Risk Management
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Statement should be read together with the Company's Corporate Governance Report ("**CG Report**") which is made available on the Company's website: <https://www.awantec.my/governance/>.

As a testament to the Board's unwavering commitment towards good corporate governance, Awantec was conferred the Excellence Award for Corporate Governance Disclosure 2020 (market capitalisation below RM1 billion) in August of 2021. In addition, Awantec was ranked 38th in MSWG-ASEAN CG AWARDS for Corporate Governance Disclosure 2021. Awantec is also a constituent of FTSE4Good since 2015 with an environmental, social and governance ("**ESG**") rating of 4 out of 4 stars as assessed by FTSE Russell, ranking Awantec comfortably amongst the top 25% public listed companies in the FTSE Bursa Malaysia EMAS Index.

The Boards will continue to address the gaps in the Sustainability Report 2023, CG Report 2023, and Annual Report 2023.

Corporate Governance Overview Statement

CORPORATE GOVERNANCE PRACTICES

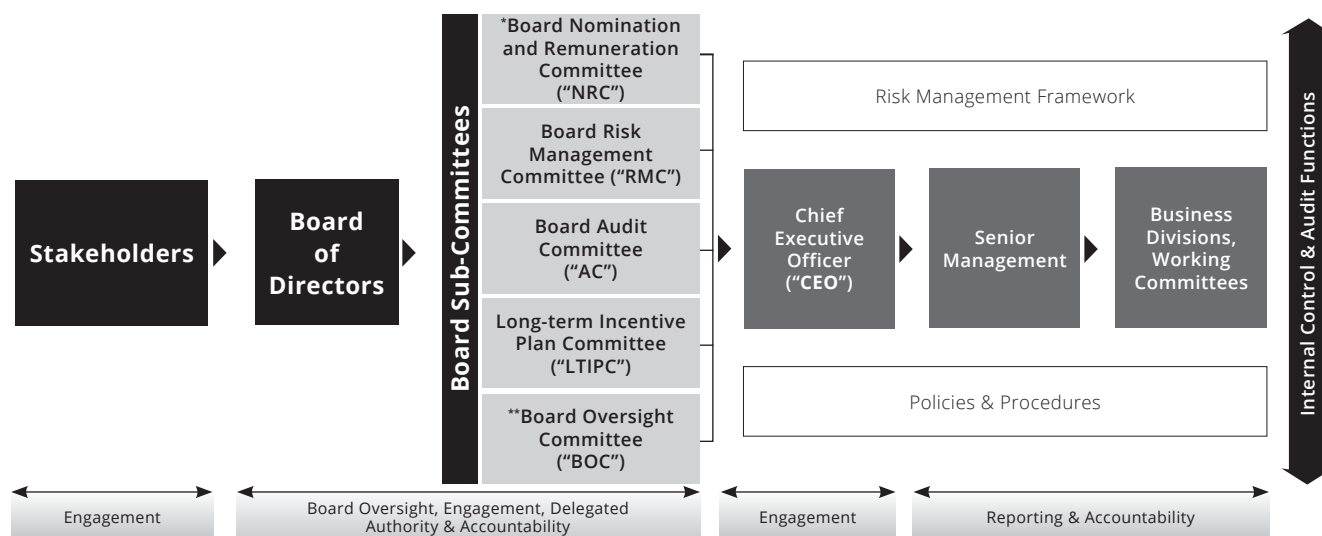
The Company has complied with the practices set out in MCCG 2021, save for the two (2) departures below. The explanation for the departure of practice can be read in the CG Report.

Practice 5.4 Step Up	Practice 8.3 Step Up
The Board has a policy which limits the tenure of its independent directors to nine years without further extension.	Companies are encouraged to fully disclose the detailed remuneration of senior management on a named basis.

GOVERNANCE FRAMEWORK

The Board is resolute in ensuring that there is a strong and effective system of corporate governance in place to support and facilitate the successful execution of the Group's strategy. This is achieved through the implementation of a delegated authority framework that strengthens accountability and responsibility in decision-making up to the Board.

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. In the absence of a Chief Executive Officer ("CEO") last year, a Board Oversight Committee ("BOC") was established, to act as a supervisory committee between the Board and the Management to ensure that the business strategies, management and operational functions of the Group are carried out efficiently and effectively. During the financial year under review, the Board approved the appointment of Azlan bin Zainal Abidin ("En. Azlan") effective from 1 June 2023 as Awantec's new CEO. With this appointment, the BOC was dissolved with effect from 30 June 2023.



* The Board has merged the Nomination Committee ("NC") and Remuneration Committee ("RC") into a single Board Committee known as the NRC with effect from 12 September 2023.

** The BOC was dissolved with effect from 30 June 2023.

Corporate Governance Overview Statement

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, and integrity as well as complies with the relevant laws, rules, and regulations. Additionally, the Board's commitment extends to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability with an emphasis on green investments.

The Board is led by Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar, the Independent Non-Executive Chairman (the "**Chairman**"), who is independent and is free from any executive roles in the Company. The roles of the Chairman and the CEO are separate and held by different individuals. The CEO acts in accordance with the authorities delegated to him by the Board whilst the Chairman provides leadership and manages 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.

OVERVIEW OF THE BOARD COMMITTEES

The Board is assisted by the following Board Committees:-

AC	NRC	RMC	LTIPC	BOC
1) Lim Saw Imm 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) Ramanathan a/l Sathiamutty 2) Ginny Yeow Mei Ying 3) Dr. Abu Hasan bin Ismail	1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan a/l Sathiamutty 3) Dr. Abu Hasan bin Ismail	1) Ramanathan a/l Sathiamutty 2) Dr. Abu Hasan bin Ismail
Details of the role and activities of AC are found on page 133 of this Annual Report.	Details of the role and activities of NRC are found on page 137 of this Annual Report.	Details of the role and activities of RMC are found on page 141 of this Annual Report.	Details of the role and activities of LTIPC are found on page 139 of this Annual Report.	This committee was dissolved with effect from 30 June 2023.

Each committee has its own role and responsibilities as constituted in its Terms of Reference ("**TOR**"). To ensure independence of the committees in performing their duties, the Chairperson of each Committee is not held by the Chairman of the Board. The TOR of each Committee can be downloaded from <https://www.awantec.my/governance/>.

Corporate Governance Overview Statement

OVERVIEW OF THE BOARD RESPONSIBILITIES

Chairman	<ul style="list-style-type: none"> • Provide leadership to the Board. • Instils good corporate governance practices, leadership, and the effectiveness of the Board. • Encourages and facilitates full and frank discussions among Directors to leverage on each individual's diverse background and knowledge. • Ensures the provision of information to Directors in a timely manner.
Individual Directors	<ul style="list-style-type: none"> • Act in good faith and best interest of the Group. • Demonstrate good stewardship and act with reasonable care, skill in a professional manner with sound mind. • 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.
Senior Director	<ul style="list-style-type: none"> • 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.
Chief Executive Officer	<ul style="list-style-type: none"> • Responsible for executing the Group's policies and strategies in line with the Board's direction. • Fosters the organisational culture that is aligned with the Group's corporate values. • Serves as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions. • To lead and execute the strategies of the Group and manage the business and operations of the Group.
Company Secretary	<ul style="list-style-type: none"> • Advises the Board on corporate disclosures and compliance with the CA 2016, MCGG 2021 and the MMLR. • Together with the Chairman, keeps the effectiveness of the Company's and the Board's governance processes under review. • Provides advice on corporate governance issues. • Monitoring the corporate governance development and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

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 follows:

Appointment and removal of Board members, Senior Management, and Auditors	Approval of major expenditure, the Company's annual business plan and scorecard
Calling of the shareholders meeting	Terms of Reference of Board Committees
Matters relating to corporate governance and whistleblowing	Dividends

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 deliberations 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 the financial year under review, the Board met nine (9) times to deliberate and consider any significant issues that require 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 Securities MMLR.

Non-Independent Non-Executive Director								
	BOD	AC	*NC	*RC	RMC	LTIP	BOC	AGM
Dr. Abu Hasan bin Ismail	7/9	–	–	–	1/1	–	1/1	1/1
Independent Non-Executive Directors								
<i>(Chairman)</i> Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	9/9	–	–	–	–	–	–	1/1
Lim Saw Imm¹	–	–	–	–	–	–	–	–
Ramanathan a/l Sathiamutty	9/9	5/5	6/6	3/4	1/1	–	1/1	1/1
Ginny Yeow Mei Ying	8/9	–	6/6	4/4	1/1	–	–	1/1
Professor Emeritus Dato' Dr. Hassan bin Said	8/9	5/5	6/6	4/4	–	–	–	1/1
Hafidah Aman binti Hashim	9/9	4/5	6/6	4/4	–	–	–	1/1
Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	9/9	–	–	–	–	–	–	1/1
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	7/9	–	–	–	–	–	–	1/1
Paul Chan Wan Siew²	5/5	3/3	–	–	–	–	–	1/1
Non-Independent Executive Director								
Baldesh Singh a/l Manmohan Singh³	4/4	–	–	–	–	–	–	–

* The attendance rate of NC and RC is from 1 July 2022 until 30 June 2023. The Board has approved to merge the NC and RC with effect from 12 September 2023.

¹ Appointed as an Independent Non-Executive Director of the Company on 25 May 2023.

² Retired as a Senior Independent Non-Executive Director of the Company on 24 November 2022.

³ Resigned as a Chief Operating Officer (“COO”) cum Non-Independent Executive Director of the Company with effect from 3 October 2022.

18.2 Hours Total Hours of the Board meetings	93.33% Overall percentage of the Board Meetings attended by the Directors	33.3 hours Total Hours of the Board and Committees meetings
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Corporate Governance Overview Statement

BOARD ACTIVITIES

The discussed topics and agendas for the meetings held during the financial year under review are summarised as follows:-

Strategy & Finance	<ul style="list-style-type: none"> • Approved the proposed budget for FY2023 • Approved Messrs. Crowe Malaysia PLT's Audit Review Memorandum for the financial year ended ("FYE") 30 June 2022 • Approved the Audit Planning Memorandum for FYE 30 June 2023 • Discussed on the Group's business & legal updates • Approved the unaudited quarterly report on consolidated results • Reviewed the related party transactions • Deliberated and discussed on the business segments in financial reporting • Discussed on the business segments in financial reporting and revenue recognition
Risk & Internal Control	<ul style="list-style-type: none"> • Approved the Risk Management Committee Report for the financial year 2022 • Reviewed the revised Risk Management Framework and proposed to the Board for adoption • Reviewed the internal audit report on cycle 2 for FYE 30 June 2022 • Reviewed the internal audit report on cycle 1 for FYE 30 June 2023 • Discussed on the risk management status of the business units • Approved the revised limits of authority • Approved the Business Continuity Policy • Approved the Communication Policy
Governance	<ul style="list-style-type: none"> • Approved the establishment of BOC and its TOR • Approved the Annual Report 2022 • Approved the Policy on Adequate Procedures • Approved the merger of the NRC • Approved the TOR for NRC, and revised TORs for AC and RMC • Approved the revised Board Charter • Approved the dissolution of the BOC
Sustainability	<ul style="list-style-type: none"> • Noted the inclusion of all necessary Common Sustainability Matters and their subsequent management, measurement, and disclosure. • Approved the full integration of the Task Force on Climate-related Financial Disclosure Framework. • Noted enhancements to the Sustainability Dashboard for benchmarking and tracking purposes. • Noted the initiation of sustainability screening for vendors.

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.

Corporate Governance Overview Statement

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 emphasises the Group's commitment to developing a culture of openness and honesty, where a person who is aware of potential malpractice or misconduct is encouraged to report such matters in good faith. It is designed to protect such whistleblowers against any potential reprisals, particularly if they are employees of the Group.

The Whistleblowing Policy has proven to be an effective tool to detect and act against instances of misconduct within the Group. During the FY2023, we received no claim or incident of non-compliance reported through the Company's whistleblowing channels.

To create a culture of integrity, the Company and its employees had on 3 March 2023, undertaken an Integrity Pledge to uphold ethical standards amongst employees.

A copy of the Code of Conduct along with the Whistleblowing Policy is available on the Company's website at <https://www.awantec.my/governance/>.

Anti-Bribery and Corruption Manual

To ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Company adopted an 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, Whistleblowing Policy and Policy on Adequate Procedures pursuant to Section 17A(5) under the MACC Act 2009 (T.R.U.S.T Principles)] is available on the Company's website at <https://www.awantec.my/governance/>.

Conflict of Interest

Guided by Clause 160 of the Company's Constitution and Directors' Code of Conduct and Ethics, all Board members are aware of their responsibilities to declare any personal, professional or business interests that may conflict with directors' responsibilities. A copy of the Directors' Code of Conduct is available on the Company's website at <https://www.awantec.my/governance/>.

Board members shall not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest. Relevant interests in this context are as follows:-

- a) Executive and Non-Executive directorships of significant shareholdings in, or employment by public or private companies likely or possibly seeking to do business with the Company; and
- b) Ownership or part-ownership of, or employment by, businesses or consultancies likely or possibly seeking to do business with the Company.

All employees of the Group are also required to declare any conflict of interest as and when it arises pursuant to the Code of Conduct. As part of monitoring the conflict, the Company will send reminders to all employees on a quarterly basis pursuant to the Company's Code of Conduct and Anti-Bribery and Corruption Manual.

Corporate Governance Overview Statement

Related Party Transaction (“RPT”)

Section 221 of the CA 2016

Every director, whether directly or indirectly, interested in a contract or proposed contract with the Company shall, as soon as practicable after the relevant facts have come to the director's knowledge, declare the nature of his interest at a meeting of the Board.

Paragraphs 1.01, 10.02(g) and 10.02(k) of the Bursa Securities MMLR

RPT is referring to a transaction governed by the percentage ratio threshold entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a director, major shareholder or person connected with such director or major shareholder.

To foster ethical and independent decision-making, the Company requires Directors with any direct or indirect interest in a proposal or transaction being considered by the Board or its Committees (**“Interested Director”**), to declare that interest and recuse himself/herself from the deliberations. Reminder emails are issued by Company Secretaries on a quarterly basis with regards to the declaration of RPT to all Board members and such disclosures must be recorded in the minutes of the meeting at which the disclosure is made. Any interested Director shall not participate and abstain from deliberation to allow unbiased and free discussion and decision-making. A copy of the Related Party Transaction Policies & Procedures can be found 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 financial performance and prospects through the annual audited financial statements, quarterly announcements of results to shareholders and the Management Discussion and Analysis in the Annual Report. This is led by the AC. Details of the AC efforts are as stated in the AC Report on pages 133 to 136 of this Annual Report. The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group is set out on page 153 of this 2023 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 CEO and COO.

The Board is kept abreast of the Group's sustainability efforts at Board meetings by the CEO. Details of the Company's sustainability practices are as set out on pages 55 to 95 of this 2023 Annual Report.

Corporate Governance Overview Statement

BOARD INDEPENDENCE

The Board, with the advice from the NRC, assesses the independence of Directors upon their appointment and via annual declarations prior to their re-election. Each Independent Director ("**ID**") has an affirmative obligation to notify the NRC of any change in circumstances which could impair his or her independence status.

With the recommendation by the NRC, the Board is satisfied with the level of independence demonstrated by all the IDs and their ability to act in the best interests of the Company. The independence criteria as stipulated in Paragraph 1.01 of Bursa Securities MMLR is also met.

The Board Charter provides that the tenure of an ID shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an ID 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 through a two-tier voting process at the Annual General Meeting ("**AGM**") in the event it intends to retain the Director as an ID.



BOARD COMPOSITION & DIVERSITY

The Company complies with Bursa Securities MMLR pursuant to Paragraph 15.02 regarding the Board's composition which states that at least two (2) Directors or one-third (1/3rd) of the Board, whichever is the higher, are IDs. The Board is comprised of eight (8) Independent Non-Executive Directors ("**INED**") and one (1) Non-Independent Non-Executive Director ("**NINED**"). The table below depicts the summary of the current Board composition:

1. Non-Independent Non-Executive Director	11.11%
2. Independent Non-Executive Directors	88.89%

The Board is committed to maintain diversity and inclusion in its composition as these values bring about multiple views and challenge common thinking patterns to arrive at good decisions. The Board is guided by its Diversity Policy, and it can be accessed on the Company's website at <https://www.awantec.my/governance/>. The Diversity Policy sets out the approach to achieve and maintain diversity and inclusivity within the Board of the Company.

The current Board embodies diversity and below is an overview of the Board's diversity in terms of skills, expertise, experience, age, tenure, and gender comparison.

Gender Diversity		Age Diversity		Board Tenure		Board Skills and Expertise
	66.67% Male	1	35 to 44	7	<4 years	
		3	45 to 54	-	5 - 8 years	
	33.33% Female	2	55 to 64	1	9 -12 years	
		3	65 to 74	1	>13 years	

- Taxation and Finance
- Accounting, Auditing and Investment
- Legal and Economics
- International Business and Business Operations
- Information Technology
- Investment
- Strategic planning

Corporate Governance Overview Statement

The Board is supportive of boardroom gender diversity and has met the 30% women directors as recommended by the MCCG 2021. As of the date of this report, the existing number of female Directors on the Board is three (3) comprising 33.33% of the total number of Directors.

Additionally, the Company takes diversity not only at the Board level but also operational level as it is essential to a well-functioning organisation and sustainable development of the Group. The Group's employees are guided by the Equality, Diversity and Inclusion Policy and as of the date of this Statement, the women employees comprising of 54%. The said Policy can be accessed on the Company's website at <https://www.awantec.my/governance/>.

BOARD APPOINTMENT

The recruitment and appointment of new Directors are among the key roles of the NRC. The NRC will ensure that the selection, nomination, appointment and re-election of suitable candidates to the Board and its subsidiaries follow and be guided by the policies and processes as set out below:-

- a) Nomination Policy;
- b) Fit and Proper Policy;
- c) Diversity Policy; and
- d) NRC TOR.

(Collectively, the "**Policies**")

Fit and Proper Policy also applied to key personnel of the Company's Senior Management and Head of Department whom to be considered for an appointment to the Board.

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 roles having regard to other commitments, participation and contribution in the board or track record.

All the above Policies are accessible on the Company's website at: <https://www.awantec.my/governance/>.

The NRC is entrusted with the responsibility of assessing and considering the capabilities, commitment, and qualities of candidates to be appointed as directors and potential conflict of interest prior to recommending to the Board.

In the course of identifying experienced, qualified and fit-for-purpose candidates, the NRC had approached several internal and external approaches including advertising on LinkedIn, directly sourced candidates, recommendations by the shareholders and also through the network of the Board. The NRC also undertakes adequate due diligence and background checking on the candidates prior to making recommendations to the Board for consideration and approval. If the latter approach was solely relied upon, the NRC provides appropriate justification outlining why this was deemed to be sufficient.

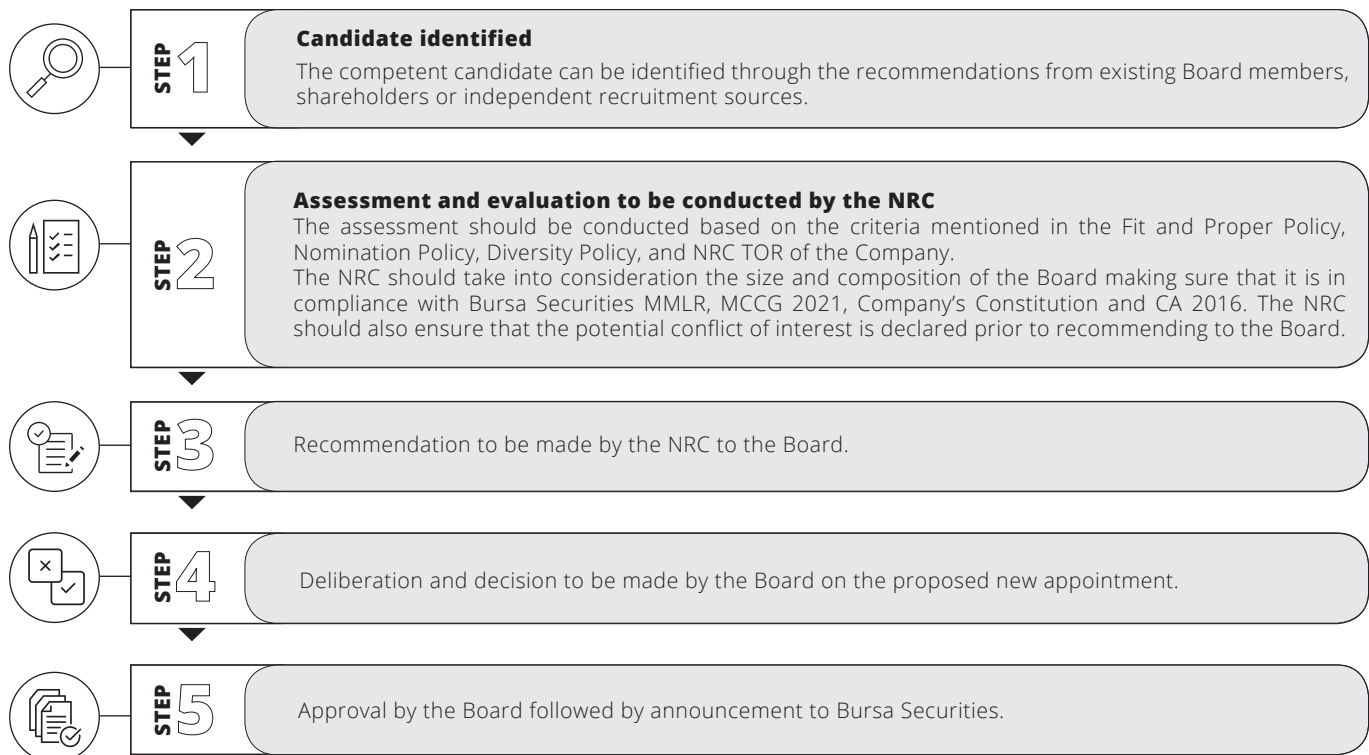
The Company Secretaries shall ensure that all appointments are properly made as prescribed by the Bursa Securities MMLR and necessary information is obtained from the newly appointed Director, both for the Company's records and for meeting statutory obligations as well as other regulatory requirements. Upon endorsement by the Board, the Company Secretaries will then announce to the Bursa Securities of the newly appointed Director.

Corporate Governance Overview Statement

During the financial year under review, there were two (2) candidates appointed to the Board to fill the vacancy of the CEO and AC's Chair positions, with the approval by the Board. After sourcing from a pool of candidates with the desired selection criteria, the Company has on 1 June 2023 appointed a new CEO, En. Azlan who has more than twenty-six (26) years of experience in managing profitable B2B businesses for systems integration, consulting and telecommunications organisations. In addition, En. Azlan also has led and managed business transformational programmes, technology operations and implementation delivery for both local and global companies. The NRC and the Board concluded that En. Azlan has the foresight to lead the Group's business, has strong entrepreneurship attributes and a strong understanding of the cloud or application business.

The Company has also on 25 May 2023 appointed a new INED, namely, Lim Saw Imm ("**Mdm. Theresa Lim**") as Chairperson of the AC in replacement of Chan Wan Siew ("**Mr. Paul Chan**") who retired on 24 November 2022. Mdm. Theresa Lim has over thirty (30) years of experience and a proven track record in the area of taxation and her tax specialism is in the areas of plantation, property development, and logistics specifically in shipping, retail and manufacturing in particular, advising on the largest plantation listing in Malaysia, major privatisation and Private Finance Initiative projects. The Company believes that Mdm. Theresa Lim possesses the necessary qualities, extensive knowledge and expertise, to effectively lead the AC function.

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.

Corporate Governance Overview Statement

PROTOCOL FOR ACCEPTING NEW DIRECTORSHIPS AND TIME COMMITMENT

The Board also acknowledges that before accepting any new directorships, the 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 Group.

In accordance with the provisions of Bursa Securities MMLR, none of the Directors hold more than five (5) directorships in listed issuers.

SUCCESSION PLANNING

The NRC is also responsible for reviewing the Board's and Senior Management's succession planning to ensure that there is an appropriate dynamic of skills, knowledge, experience, professional background, accomplishment, expertise, and diversity on the Board and Senior Management to support the growth and strategies of the Company.

During the financial year under review, several movements in the Senior Management took place. On 19 September 2022, the Company appointed its Chief Technology Officer ("**CTO**"), namely Eric Ngai Kah Seng ("**Mr. Eric Ngai**"), who has more than twenty (20) years of working experience in various technical and management roles across different business environments from start-ups to IT consultancy and multinational corporations. Mr. Eric Ngai's strengths lie in his strong technical knowledge that covers a variety of fields including Enterprise Architecture, Connectivity and Integration, Big Data, Mobility, Agile Development, Cloud Computing, Software Methodology and many more.

The Company also promoted ChokJoon Heng ("**Mr. Chok**") as the new COO, with effect from 4 October 2022 in replacement of Baldesh Singh a/l Manmohan Singh ("**Mr. Baldesh**") who vacated the position on 3 October 2022. Previously, Mr. Chok was the Director of Finance and Corporate Services of the Company. Mr. Chok is a professional Chartered Accountant with over twenty-five (25) years of extensive experience including business advising, mergers and acquisitions, accounting, auditing, financial modelling, financial management and risk management. Due to Mr. Chok's substantial professional work experience, the NRC and the Board were of the view that he is essential to the Group in strengthening the organisation's financial discipline, operational alignment, business recovery and putting the Group on the growth trajectory.

Mdm. Theresa Lim was appointed as the Chairperson of the AC on 25 May 2023. This decision was made based on her professional standing, and her extensive knowledge and expertise. As the AC Chairperson, Mdm. Theresa Lim will play a crucial role in leading and overseeing the AC's activities, ensuring effective governance, risk management, and financial reporting within our organisation.

In addition, the Company has also on 1 June 2023 appointed a new CEO, namely, En. Azlan. His appointment reflects the Company's commitment to strategic leadership and driving growth.

These appointments were made through intensive deliberations by the NRC and taking into account their mix of skills, experience, qualifications, expertise as well as education background prior recommending their appointments to the Board for approval.

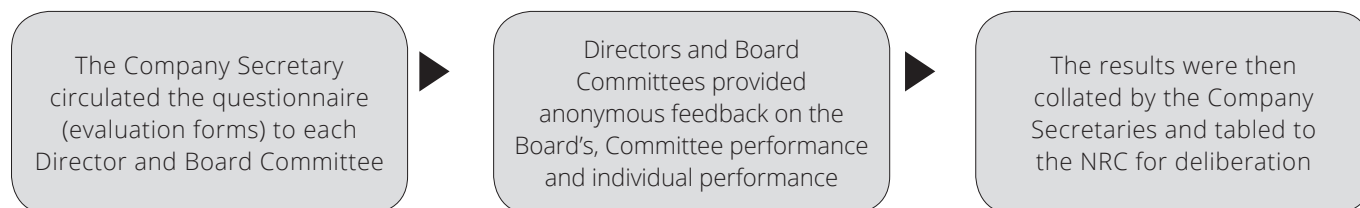
Corporate Governance Overview Statement

BOARD EFFECTIVENESS EVALUATION (“BEE”)

The NRC 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 a useful tool to recognise the Board’s strengths and to identify gaps or areas of improvement for the Board and its Committees.

Pursuant to Practice 6.1 of MCCG 2021, for Large Companies, the Board engages independent experts at least every three (3) years, to facilitate objective and candid board evaluations. Although the Company does not fall under the category of a Large Company, both the NRC and the Board believe that the appointment of independent experts should be pursued as and when it considers it to be necessary and appropriate.

Typical process of BEE of the Company is as depicted below:-



The NRC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director. The assessment was carried out via an online system, namely, Microsoft Forms. The Directors are provided with questionnaires to carry out the assessments with absolute anonymity and are based on their competencies, capabilities, time commitments, integrities, participations and contributions to the Board and its Committees.

Completed questionnaires were routed directly to the Company Secretaries without any intermediation by the Board or the Management. The results are then tabulated and presented to the NRC for its review and subsequently to the Board for notation. A summarised version of the results is circulated to each Director for their information. The criteria that are used in the assessments of the Board/Committees include the required mix of skills and experience and the effectiveness of the Board/Committees.

During the financial year in review, the Company has entrusted the Company Secretaries to facilitate the conduct of the exercise through circulation of questionnaires. The assessment criteria used in the performance evaluations are as follows:-

a) Board of Directors and Board Committees

Board mix and composition, quality of information and decision making, boardroom activities, Board's relationship with the management, ESG issues or Sustainability, roles and responsibility of the Board Committee.

b) Individual Directors

Fit and proper, contribution and performance as well as calibre and personality.

c) AC and Individual AC member

Quality and composition, skills and competencies as well as meeting administration and conduct.

d) Independence of the Independent Non-Executive Director

Declaration of IDs.

Corporate Governance Overview Statement

Below are the results of the evaluation assessment during financial year under review: -

a) Effectiveness of the Board, as a whole, and the Committees of the Board

- (i) Board Performance: The assessment results reveal that the Board's effectively fulfills their roles and responsibilities where the Board is seen to be actively involved in the decision making and provide effective governance, bolstered by strong support from the Management of the Company. Additionally, the Board ensures the integrity of the Company is aligned with the regulatory requirements.
- (ii) Board Committees Performance: Overall, the Board Committee results indicate that the Committee members provide satisfactory support and value to the Board. Additionally, the Board Committees are able to discharge their functions and duties effectively in assisting the Board for better decision making.

b) Contribution and performance of each Individual director

The overall score indicates that the Board is capable of fully discharging its responsibilities in overseeing Awantec and the Group, which is evident through the individual Director's effective contribution, professionalism, and dedication, while also considering each individual Director's capacity to demonstrate objectivity and clear-thinking during deliberations in meetings.

c) Contribution and performance of the AC and each individual AC member

- (i) AC Performance: In the evaluation of the AC, the terms of office and performance of the AC is evaluated by the NRC annually. The results indicate that the AC has carried out their responsibilities and duties effectively in providing sound advice.
- (ii) AC Members' Self/Peer performance: Based on the assessment results, indicate that the AC members are able to understand and discharge their functions and duties effectively.

d) Independence of the Independent Non-Executive Director

The NRC is of the view that all the Independent Non-Executive Directors have complied with the independence criteria as set out by Bursa Securities MMLR. The IDs have raised their concerns or expressed their views on issues with regards to the performance and operations of the Group.

Based on the findings of the BEE results, the Board is satisfied with the performance and effectiveness of the individual, the Board and the Board Committees in providing guidance and sound advice to the growth of the Company moving forward.

The previous BEE for the FYE 30 June 2022 was conducted by an independent consultant, namely, CG Board Asia Pacific Sdn. Bhd. ("CGB"). Further to the findings and recommendations by CGB, the Company has made some improvements and enhancements to the following:-

- Strengthening the Board's composition and diversity. As at the date of this report, the Board comprises of three (3) women Directors, and six (6) male Directors with solid business skills, relevant industry knowledge and experience;
- Developed an effective Board and Senior Management Succession Planning Framework;
- Sustainability of talent pool and the right talents for the Company to grow the business by providing attractive salaries and bonus;
- The timeliness of the dissemination of Board information and meeting time improved during the financial year under review with the Board members spending adequate time to address and deliberate key issues and strategies of the Company within the prescribed time.

Corporate Governance Overview Statement

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.

In respect of new appointments to the Board for the FY2023, Mdm. Theresa Lim shall retire at the forthcoming AGM of the Company in accordance with Clause 118 of the Company's Constitution, and being eligible, has offered herself for re-election.

Pursuant to Clause 119 of the Company's Constitution, Mr. Ramanathan a/l Sathiamutty and YM Tunku Abang Faisal Amir bin Abang Abu Bakar are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at the forthcoming AGM of the Company.

In determining the eligibility of the Directors for re-election at the Thirteenth AGM, the Board through the NRC, has assessed each of the retiring Directors, and considered the following:

- Based on the annual assessment results on the effectiveness of the Director's contribution and performance, undertaken by all, the retiring Directors named above, have met the performance criteria required for an effective Board.
- 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.
- Fit and proper declaration form undertaken by the retiring directors prior to re-election onto the Board.

The results of the BEE supported the Board's decision to endorse all the above retiring Directors named above 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.

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. A summary of training courses attended by the Directors during the financial year under review are listed below:-

Name of Directors	Training Programmes/Seminars/Forum Attended	Organisers	Date
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	Kursus Pembaharuan Ejen Cap Dagangan Bil 3/2022	MYIPO	2 August 2022
	ESG and Sustainability	E&Y	4 October 2022
	Kursus Pembaharuan Ejen Cap Dagangan Bil 3/2022	MYIPO	7 June 2023
Lim Saw Imm	21st Century Leadership	Golden Land Berhad	<ul style="list-style-type: none"> • 20 July 2022 • 13 August 2022
	Improving your Emotional Intelligence in the Workplace	Association of Chartered Certified Accountants	15 September 2022
	Ethics and inflation Challenges for the accountancy profession	Association of Chartered Certified Accountants	19 October 2022
	Understanding BEPS 2.0 measures and its impact	PricewaterhouseCoopers ("PwC")	27 October 2022
	AOB's Conversation with Audit Committees	Securities Commission Malaysia	6 December 2022
	Leading people through transformation	PwC	7 March 2023
	Building a Sustainable and Resilient Future	PwC	9 March 2023
	Immersive session	Bursa Securities	13 March 2023
	Welcome to Introduction to ESG-Sustainability Awareness	PwC	19 June 2023
Ramanathan a/l Sathiamutty	Cyber Security: what directors need to know	MSWG	14 July 2022
	Khazanah Megatrends Forum 2022 ("KFM2022")	Khazanah Nasional	3 & 4 October 2022
Ginny Yeow Mei Ying	Future Data Driven Summit	Data Driven Community	29 September 2022
	Past and Future AI with Google	Google	7 October 2022
	Advancing ESG Adoption Amongst Malaysian SME	Capital Markets Malaysia	22 November 2022
	Inventing in a "3G" Environment	CIMB Bank	9 February 2023
	Synergy Inclusive	Yinson	14 June 2023
Professor Emeritus Dato' Dr. Hassan bin Said	Business Foresight Forum 2022	SIDC SC	19 October 2022
	Strategic Onboarding for Board of Directors 2023	MOHE	9 May 2023
	Sustainable and Responsible Investment ("SRI") Virtual Conference 2023	SIDC	21 & 22 June 2023
Hafidah Aman binti Hashim	Directors' Duties and Climate Change	Malaysian Bar	5 August 2022
	Islamic Funds and Investment Products	CERT	17 January 2023
	Hajah And Darurah	Red Money Seminars	29 May 2023

Corporate Governance Overview Statement

Name of Directors	Training Programmes/Seminars/Forum Attended	Organisers	Date
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	EastSpring Investment - Invested in Change: Smart technology. Smart investing	EastSpring Investment	17 Aug 2022
	ChatGPT @ Howden: Let's Discuss AI	Howden Group	27 June 2023

Saved as disclosed above, Dr. Abu Hasan bin Ismail ("**Dr. Abu**") and Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan ("**Dato' KT**") were not able to secure and attend any training programmes during the financial year under review due to their busy work schedules. However, they have constantly kept themselves abreast with the relevant reading materials to equip themselves with the necessary skills and knowledge in discharging their duties as Directors of the Company.

The Board will continue to devote sufficient time in continuous training organised by external or internal organisers to enhance their knowledge and skills as well as to enable them to actively participate in Board deliberations. The Directors also continuously received briefings and updates on regulations from the Company Secretary and the industry, including information on the Group's businesses and operations, risk management activities and other initiatives undertaken by Management.

The Board, with the assistance of the NRC, would determine a continuous education programme for Board members to upgrade their skills in enhancing their effective contribution.

DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

The objective of the NRC 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 NRC 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/>.

Corporate Governance Overview Statement

Remuneration of Independent Non-Executive Director

All Independent Non-Executive Directors are paid an annual fee. The level of remuneration reflects the experiences, skills, competencies, knowledge, and level of responsibilities undertaken by the Independent Non-Executive Directors concerned. Amongst other factors to consider is the performance of the Group in operating its business.

The NRC is guided by benchmarking comparable companies in determining the remuneration of Non-Executive Directors and may from time to time make recommendations to its shareholders in relation to any increase in total fees. Any review shall be tabled to the shareholders at general meetings for approval.

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"> • Board Fee • Committee Fee • Benefits <ul style="list-style-type: none"> - Directors and Officers Liability Insurance - Benefits-in-kind 	<ul style="list-style-type: none"> • Meeting Allowance • Other Emoluments

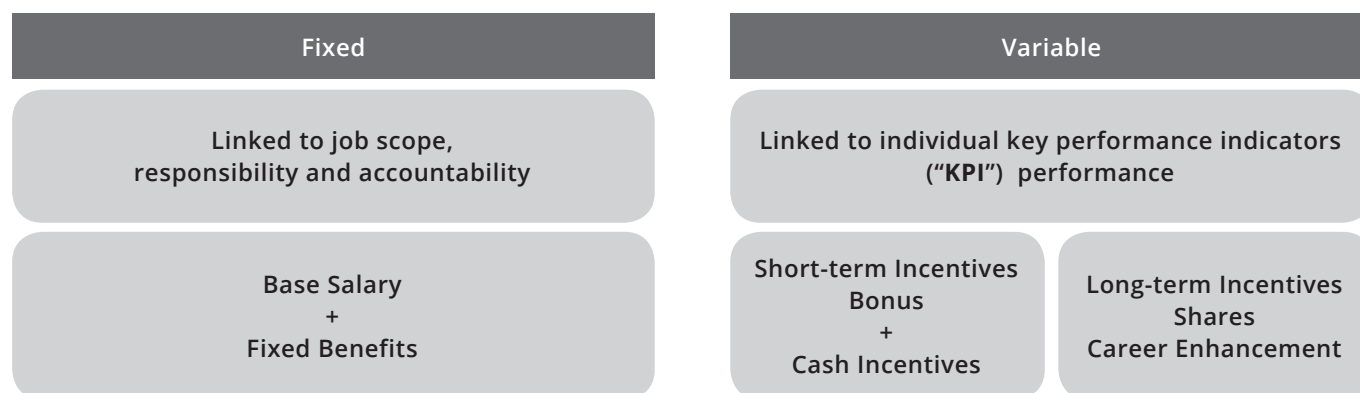
Dr. Abu was re-designated as a Non-Independent Non-Executive Director cum Founder Mentor of the Company on 1 February 2022. His remuneration is in the form of a monthly salary and he is also entitled to certain benefits such as travel allowance, utilities, Employees' Provident Fund (EPF)/Social Security Organisation (SOCSO), medical benefits, and life insurance.

Remuneration of Executive Directors and Senior Management

The remuneration of Executive Directors and Senior Management is 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 Directors do not receive any remuneration for directorships held in the Group.

Corporate Governance Overview Statement

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 are 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.

The Company has approved and adopted the Subsidiary Companies Board of Directors Remuneration Policy on 27 June 2022. This Policy sets out the remuneration guiding principles in relation to the appointment of directors for subsidiaries of the Company. The details of this remuneration are disclosed in table B below.

Awantec has adopted Practice 8.2 of MCCG 2021 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://ir.awantec.my/ar.html>.

Corporate Governance Overview Statement

Disclosure on Directors' Remuneration

Details of the remuneration received by the Directors for the FYE 30 June 2023 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)
Non-Executive Directors								
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	108,000	-	-	-	-	13,200	-	121,200
Lim Saw Imm ¹	8,952	-	-	-	-	-	-	8,952
Paul Chan Wan Siew ²	30,000	-	-	-	-	23,100	-	53,100
Ramanathan a/l Sathiamutty	567,000	-	-	-	-	48,000	-	615,000
Ginny Yeow Mei Ying	72,000	-	-	-	-	25,200	-	97,200
Professor Emeritus Dato' Dr. Hassan bin Said	72,000	-	-	-	-	43,200	-	115,200
Hafidah Aman binti Hashim	72,000	-	-	-	-	40,800	-	112,800
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	72,000	-	-	-	-	10,800	-	82,800
Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	72,000	-	-	-	-	13,200	-	85,200
Subtotal	1,073,952	-	-	-	-	217,500	-	1,291,452
Non-Independent Non-Executive Director								
Dr. Abu Hasan bin Ismail	66,000	480,000	-	58,318	-	1,200	-	605,518
Subtotal	66,000	480,000	-	58,318	-	1,200	-	605,518
Executive Directors								
Rezal Adzly bin Abdul Rahman ³	-	62,000	-	9,418	-	155,153.85	-	226,517.85
Baldesh Singh a/l Manmohan Singh ⁴	-	117,677.42	-	33,765	-	159,729.03	-	311,171.45
Subtotal	-	179,677.42	-	43,183	-	314,882.88	-	537,743.30
Grand Total	1,139,952	659,677.42	-	101,501	-	533,582.88	-	2,434,713.30

¹ Appointed w.e.f. 25 May 2023 as an Independent Non-Executive Director and the AC Chairperson of Awantec.

² Retired w.e.f. 24 November 2022 as a Senior Independent Non-Executive Director of Awantec.

³ Appointed w.e.f. 1 February 2022 and resigned w.e.f. 29 July 2022 as the CEO cum Non-Independent Executive Director of Awantec.

⁴ Resigned w.e.f. 3 October 2022 as the 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.

Corporate Governance Overview Statement

B. Received from the Group

Subsidiary Companies	Directors' fee (RM)
Abdul Razak bin Bakrun¹	
1) Awantec Systems Sdn. Bhd.	6,000
2) Agensi Pekerjaan Prestariang TalentXchange Sdn. Bhd.	3,000
3) Awantec Services Sdn. Bhd.	1,800
Subtotal	10,800
Chok Joon Heng²	
1) Prestariang SKIN Sdn. Bhd.	6,000
Subtotal	6,000
Ainun Mardziah binti Hashim³	
1) Awantec Systems Sdn. Bhd.	6,000
2) Agensi Pekerjaan Prestariang TalentXchange Sdn. Bhd.	3,000
3) Awantec Services Sdn. Bhd.	1,800
Subtotal	10,800
Grand Total	27,600

¹ Resigned as a director on the selected subsidiary companies of Awantec w.e.f. 30 December 2022.

² Current staff of the Company and was appointed as Director of the selected subsidiary companies of Awantec w.e.f. 9 March 2021.

³ Current staff of the Company and was appointed as Director of the selected subsidiary companies of Awantec w.e.f. 30 December 2022.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The composition and details of activities carried out by the AC during the financial year under review are set out in the AC Report of this Annual Report.

Corporate Governance Overview Statement

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 financial year under review, 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 143 to 149 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 AC and the Internal Auditors during the financial year under review is set out in the AC Report on pages 133 to 136 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 Securities 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 Securities, 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 website and Bursa Securities' website.

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.

Corporate Governance Overview Statement

INVESTOR RELATIONS (IR)

The annual report is one (1) of the main channels 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 during the financial year under review. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Securities.

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, and presentations slides 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: <https://ir.awantec.my/home.html>.

Any further information regarding the Group may also be obtained from the following communication channels:

Corporate Governance

Telephone : 03-8689 7000
Facsimile : 03-8689 7009
Email : inquiry@awantec.my

A summary of the corporate activities is set out on pages 8 to 9 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 were given at least twenty-eight (28) days from the date of notice of AGM. The notice was given on 26 October 2022 whilst the AGM was held on 24 November 2022. 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 Twelfth AGM, via broadcasting from DoubleTree by Hilton Putrajaya Lakeside. The Company sought services from the share registrar to provide remote participation and voting facilities ("RPV") 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 ("MSWG") 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 newly appointed COO, Mr. Chok 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 fully 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 Senior Management.

Corporate Governance Overview Statement

SHAREHOLDERS' REGISTRATION

During the Twelfth AGM held last year, shareholders whose names were listed in Awantec's records of depositors on 16 November 2022 were eligible to participate in the AGM remotely by themselves or by appointing a proxy/proxies to exercise on behalf of them. Registration for the RPV was open on the day the notice was advertised, 26 October 2022 until the deadline on 22 November 2022 at 10:00 a.m. which was forty-eight (48) hours before the commencement of the Twelfth AGM.

The RPV platform can be accessed at <https://investor.boardroomlimited.com> and the shareholders and proxies may register as a user (for first time users) and are required to do the following:-

1. Upload a softcopy of their identification card (front and back) or passport
2. Enter a valid mobile number and email address
3. The Portal will send a verification email and shareholders or proxies have to click 'Verify Email Address' and this will direct them back to the Portal for verification of the mobile number
4. Shareholders or proxies will need to click on the 'Request OTP Code' and the OTP Code will be sent to the registered mobile number. They need to enter the code and click 'Enter'
5. The registration will be completed once the shareholders or proxies receive an email notification. This registration process will be verified and approved within one (1) business day

POLL VOTING

During the Twelfth 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 Bursa Securities 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 on 9 October 2023.

Audit Committee Report

Chairperson	
Paul Chan Wan Siew (retired w.e.f. 24 November 2022) Attendance Rate: 3/3	
Lim Saw Imm (appointed w.e.f. 25 May 2023) Attendance Rate: N/A*	
* Note - no meeting was held after her appointment.	
Members	
Ramanathan a/l Sathiamutty (Independent Non-Executive Director) Attendance Rate: 5/5	
Professor Emeritus Dato' Dr. Hassan bin Said (Independent Non-Executive Director) Attendance Rate: 5/5	
Hafidah Aman binti Hashim (Independent Non-Executive Director) Attendance Rate: 4/5	
Number of AC Meetings held	
5	
Attendance	
93%	
Meetings held on	
26 August 2022 28 September 2022 23 November 2022 21 February 2023 23 May 2023	



1. ROLE

The Audit Committee ("**AC**") was established on 30 November 2010 by the Board to assist the 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 AC is formally constituted within the AC Terms of Reference, which sets out its key roles and responsibilities.

2. TERMS OF REFERENCE

The AC is empowered by the Board to assist the Board in fulfilling its oversight and fiduciary responsibilities over the activities of the Group.

The AC Terms of Reference sets out the authority, duties, and responsibilities of the AC, which are consistent with the requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**").

The AC TOR may be viewed on the Company's website at <https://www.awantec.my/governance>.

3. MEMBERSHIP

The AC is currently chaired by Mdm. Lim Saw Imm in replacement of Mr. Paul Chan Wan Siew who retired on 24 November 2022. The AC members solely comprises of four (4) Independent Non-Executive Directors, in compliance with Bursa Securities Main LR and the Malaysian Code on Corporate Governance ("**MCCG**") 2021, where all members having a working familiarity with basic finance and accounting practices, to enable the proper discharge of responsibilities by the AC.

The profile of each of the AC members is set out in the Directors' Profiles section of this Annual Report, beginning on pages 98 to 102.

Audit Committee Report

Both the former Chairman, Mr. Paul Chan Wan Siew and the new Chairperson, Mdm. Lim Saw Imm are members of the Malaysian Institute of Accountants.

The membership and composition of the AC complies with the requirements of paragraph 15.09 of the Bursa Securities Main LR with regards to size, independence, and skills.

4. MEETINGS

The Chief Executive Officer, Chief Operating Officer and the Group Financial Controller are invited to all AC meetings to facilitate direct communication and deliberation of the financial results of the Group. This provides a platform for direct interaction between members of the AC and Senior Management. Discussions at the AC have generally been robust and detailed, with the members of the AC focussed on improving controls, risk management and governance.

The AC met with the Group's External Auditors to discuss the external audit plan prior to commencement of the audit, as well as to discuss audit findings and other observations raised during their audit.

The AC also met privately with the External Auditors without the presence of Senior Management twice (2) during the year. The AC enquired and satisfied itself of Senior Management's cooperation with the External Auditors, their sharing of information and the adequacy of resources in financial reporting functions.

AC meeting notices, reports and papers are disseminated to AC members at least five (5) days before meetings, providing the AC with relevant facts and analysis to facilitate effective discussion and decision-making processes. At the meetings, the AC reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group.

SUMMARY OF ACTIVITIES OF THE AC DURING THE FINANCIAL YEAR UNDER REVIEW

Over the course of FY2023, the AC undertook the following activities:-

Financial Reporting

- Reviewed and discussed the unaudited quarterly consolidated financial results and the annual audited consolidated financial statements, and the performance of the Group, as well as the accompanying announcements to Bursa Securities, before recommending the same for approval by the Board.
- Among matters discussed were those related to accounting policies, significant matters highlighted by Management or the External Auditors, compliance with accounting standards and other legal or regulatory requirements.
- Reviewed and recommended to the Board the adoption of Policy on Adequate Procedures pursuant to Section 17(5) under the Malaysian Anti-Corruption Commission Act 2009.

Audit Committee Report

External Auditor

- Reviewed and approved the Audit Review Memorandum and Audit Planning Memorandum, which outlines the audit strategy and approach for the financial year 2023, approach, scope, and their proposed fees, prior to commencement of their audit.
- Affirmed that Messrs. Crowe Malaysia PLT and all members of its engagement team maintained their independence in accordance with the provisions of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- Deliberated on the External Auditors' reports on significant audit and accounting issues that arose from its audits, including the Management's responses to these findings.
- Discussed with the External Auditors the significant impact of any proposed or new developments in accounting standards and regulatory requirements applicable to the Group.
- Assessed the performance of the External Auditors and recommended their reappointment and remuneration to the Board for consideration and approval.

Internal Audit

- Reviewed and approved the annual internal audit plan to ascertain and ensure the 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.
- Reviewed the status of implementation, effectiveness, and adequacy of Management's corrective actions on previous audit findings through follow-up audit reports to ensure all action plans were adequately implemented to address the key risks.

Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPTs")

- Reviewed the RPTs/RRPTs of the Group to ensure compliance with Bursa Securities Main LR 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/RRPTs of the Group were reviewed on a quarterly basis at its meetings held on 26 August 2022, 23 November 2022, 21 February 2023 and 23 May 2023.

Annual Report

- Reviewed and endorsed the following documents prior to recommending the same for consideration and approval of the Board for inclusion in the Annual Report for the financial year 2023:-
 - (a) Statement on Risk Management and Internal Control;
 - (b) AC Report;
 - (c) Share Buy-Back Statement in relation to the Proposed Renewal of Authority for the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company.

Audit Committee Report

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 has been outsourced to KPMG Management and Risk Consulting Sdn. Bhd. ("KPMG") to assist the Board in maintaining a sound system of internal control. The AC 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 outsourced Internal Audit function assists the AC 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:-

- perform audit work in accordance with the pre-approved internal audit plan;
- carry out reviews on the internal control systems of the Group and the Company;
- review and comment on the effectiveness and adequacy of the existing control policies and procedures;
- provide recommendations, if any, for the improvement of the control policies and procedures;
- report back to the AC the progress of the recommendations made.

The following internal audit activities were carried out in accordance with the approved internal audit plan for financial year 2023:-

- compliance review on policies and procedures, limits of authority and other statutory and regulatory requirements within the Group;
- review 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;
- 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 AC; and
- a follow-up on the status of Senior Management's action plans to address the outstanding internal audit observations raised in the last cycle of internal audit carried out by KPMG.

Management ensures that corrective actions are taken within the required timeframe and all findings identified by the Internal Audit function are tracked and followed up on a quarterly basis with the status of the implementation reported to the AC accordingly.

The total cost incurred for maintaining the Internal Audit function for the year under review was approximately RM84,000. In comparison the cost was RM84,000 in FY2022.

This Report on AC was made in accordance with the approval of the Board on 9 October 2023.

Nomination and Remuneration Committee Report

Chairman		
Professor Emeritus Dato' Dr. Hassan bin Said (Independent Non-Executive Director) Attendance rate NC: 6/6 Attendance rate RC: 4/4		
Members		
Ramanathan a/I Sathiamutty (Independent Non-Executive Director) Attendance rate NC: 6/6 Attendance rate RC: 3/4		
Ginny Yeow Mei Ying (Independent Non-Executive Director) Attendance rate NC: 6/6 Attendance rate RC: 4/4		
Hafidah Aman binti Hashim (Independent Non-Executive Director) Attendance rate NC: 6/6 Attendance rate RC: 4/4		
Number of NC Meetings held		
6		
Number of RC Meetings held		
4		
Attendance		
NC: 100% RC: 93.75%		
NC Meetings held on		
25 July 2022		
5 October 2022		
21 February 2023		
20 March 2023		
19 May 2023		
24 May 2023		
RC Meetings held on		
25 July 2022		
5 October 2022		
21 November 2022		
21 February 2023		

1. ROLE

With effect from 12 September 2023, the Board has merged the Nomination Committee ("NC") and Remuneration Committee ("RC") into a single Board Committee known as Nomination and Remuneration Committee ("NRC"), which comprises exclusively of Independent Non-Executive Directors. The principal objectives of the NRC includes:

- to ensure an effective composition of Board members to discharge its stewardship responsibilities, including the appropriateness of non-executive participation;
- to recommend, nominate and screen potential Board member candidates with the aim to establish an appropriate structure for succession and development including an effective process for director selection and tenure and to review, under the guidance of the Company's Fit and Proper Policy; and
- to recommend to the Board the remuneration, compensation and benefits packages of the Executive Directors, Non-Executive Directors and Senior Management employees.

2. TERMS OF REFERENCE

The NRC Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. Amongst others, it leads the annual evaluation of the Board and diversity of the Board and sets the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management of the Company. The NRC Terms of Reference is available on the Company's website at <https://www.awantec.my/governance>.

3. MEMBERSHIP

The NRC comprises wholly of Independent Non-Executive Directors. It is chaired by Professor Emeritus Dato' Dr. Hassan bin Said and supported by three (3) other members.

4. MEETINGS

By invitation of the NRC, other Directors and Management can attend the meetings where their attendance is required in relation to a specific meeting. The Company Secretary or other appropriate senior official shall act as Secretary of the NRC.

Nomination and Remuneration Committee Report

The Meeting notices, reports and papers are disseminated to the NRC members at least five (5) working days before the meetings.

THE NRC'S MAIN ACTIVITIES IN 2023 ARE SUMMARISED AS FOLLOWS:-

A) Nomination matters






- Reviewed and deliberated on the findings and outcomes of the assessments of the Board, Board Committees and Directors conducted by the Independent Evaluator, CG Board Asia Pacific Sdn. Bhd.;
- 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 the Directors who are subject to retirement by rotation pursuant to the Company's Constitution;
- Reviewed and recommended to the Board on the re-designation of Mr. Chan Wan Siew to Non-Independent Non-Executive Director of the Company;
- Reviewed and recommended to the Board on the appointment of En. Azlan bin Zainal Abidin as the Chief Executive Officer ("**CEO**") of the Company;
- Reviewed and recommended to the Board on the appointment of Mdm. Lim Saw Imm as an Independent Non-Executive Director and as the AC Chairperson of the Company;
- Reviewed and recommended to the Board on the disbandment of BOC;
- Reviewed and recommended to the Board on the appointment of Mr. Chok Joon Heng as the Chief Operating Officer ("**COO**") of the Company;
- Reviewed the composition of the Company's Board;
- Reviewed and recommended to the Board on the approval of the Terms of Reference for the NRC;
- Reviewed and recommended to the Board on the merger of NC and RC into a single Board Committee to be known as the NRC; and
- Reviewed and recommended to the Board on the proposed KPIs/corporate scorecard for financial year 2024 for CEO and COO.

B) Remuneration matters

- Reviewed and recommended to the Board on the remuneration package of Mr. Chok Joon Heng as COO of the Company;
- Reviewed and recommended to the Board on the payment of Directors' fees of the Company;
- Reviewed and recommended to the Board on the payment of Directors' benefits of the Company;
- Reviewed and recommended to the Board on the key performance indicators ("**KPIs**") achievement for financial year 2022 for Dr. Abu Hasan bin Ismail, the President/Group CEO of the Company for the period of July 2022 to December 2022 and Mr. Baldesh Singh a/l Manmohan Singh, the COO of the Company;
- Reviewed and recommended to the Board on the proposed KPIs for financial year 2023, for Mr. Chok Joon Heng, the COO of the Company;
- Reviewed and recommended to the Board on the remuneration package of En. Azlan bin Zainal Abidin as Chief Executive Officer of the Company; and
- Reviewed and recommended to the Board on the remuneration package of Mdm. Lim Saw Imm as an Independent Non-Executive Director and the AC Chairperson of the Company.

This Report on the NRC was made in accordance with the approval of the Board on 9 October 2023.

Long-term Incentive Plan Committee Report

<i>Chairman</i>		
Professor Emeritus Dato’ Dr. Hassan bin Said (Independent Non-Executive Director) Attendance Rate: N/A		
<i>Members</i>		
Dr. Abu Hasan bin Ismail (Non-Independent Non-Executive Director) Attendance Rate: N/A Ramanathan a/I Sathiamutty (Independent Non-Executive Director) Attendance Rate: N/A		
<i>Number of LTIP Meeting held</i>		
Nil		
<i>Attendance</i>		
Nil		
<i>LTIP Meeting held on</i>		
Nil		

1. ROLE

The Long-Term Incentive Plan ("**LTIP**") Committee was established on 25 November 2020 by the Company's Board of Directors (the "**Board**") 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 LTIP of the Company in accordance with the LTIP By-Laws as approved by the shareholders.

2. TERMS OF REFERENCE

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 LTIP By-Laws of the Company.

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/governance>.

3. MEMBERSHIP

As of 30 June 2023, the LTIP Committee is chaired by Professor Emeritus Dato' Dr. Hassan bin Said and supported by one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director.

The LTIP Committee members shall be appointed by 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 and shall consists of not less than three (3) members.

Long-term Incentive Plan Committee Report

4. SUMMARY OF ACTIVITIES OF THE LTIP COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW





There were no meetings held or circular resolutions passed by the LTIP Committee of the Company during FY2023.

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.

This Report on LTIP Committee was made in accordance with the approval of the Board on 9 October 2023.

Risk Management Committee Report

<i>Chairman</i>		
Ramanathan a/I Sathiamutty (Independent Non-Executive Director) Attendance Rate: 1/1		
<i>Members</i>		
Dr. Abu Hasan bin Ismail (Non-Independent Non-Executive Director, Founder Mentor) Attendance Rate: 1/1		
Ginny Yeow Mei Ying (Independent Non-Executive Director) Attendance Rate: 1/1		
<i>Number of RMC Meeting held</i>		
1		
<i>Attendance</i>		
100%		
<i>RMC Meeting held on</i>		
14 February 2023		

1. ROLE

The Risk Management Committee ("**RMC**") 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 RMC is formally constituted within the RMC Terms of Reference, which is available on the Company's website at <https://www.awantec.my/governance>.

The RMC Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements.

3. MEMBERSHIP

As of 30 June 2023, the RMC is led by Ramanathan a/I Sathiamutty and supported by one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director.

The members of the RMC 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. OVERVIEW

As part of its functions, the RMC oversees the following:-

- Acting as Primary Champion of risk management at strategic and operational levels.
- Reviewing the on-going adequacy and effectiveness of the risk management process.
- Undertaking reviews of the consolidated risk register of major subsidiaries within the Group to identify significant risks and whether these are adequately managed.

Risk Management Committee Report

- 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.
- f) Ensuring that the policies and objectives are established for the business continuity management purposes and are compatible with the strategic direction of the Company.

In discharging its responsibilities, the RMC 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 RMC 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.

5. MEETINGS

The Chief Executive Officer, Chief Operating Officer and the Group Financial Controller were invited to the RMC 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 and external, were invited to deliberate on matters within their purview.

The Meeting notices, reports and papers are disseminated to the RMC members at least five (5) working days before the meetings.

THE RMC'S MAIN ACTIVITIES IN 2023 ARE SUMMARISED AS FOLLOWS:-

- Reviewed and recommended to the Board the revised Terms of Reference of the RMC;
- Reviewed and recommended to the Board the revised Risk Management Framework;
- Reviewed and recommended to the Board the Business Continuity Policy;
- Reviewed and recommended to the Board the Communications Policy;
- 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; and
- Reviewed the RMC Report for inclusion in the Annual Report for the financial year 2023.

RMC EFFECTIVENESS REVIEW AND PERFORMANCE

The RMC 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 the RMC was made in accordance with the approval of the Board on 9 October 2023.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Listing Requirements**"), this Statement on Risk Management and Internal Control ("**SORMIC**" or "**Statement**") of the Board of Directors ("**Board**") outlines the nature and state of risk management and internal control of AwanBiru Technology Berhad ("**Awantec**" or "**Company**") for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. The Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") under Principle B: Effective Audit and Risk Management also states that the Board should establish an effective risk management and internal control system to ensure that the system of internal control manages risks and that such system forms part of Awantec's corporate culture.

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" issued by Bursa Securities.

RESPONSIBILITY

The Board is responsible for ensuring that a sound system of risk management and internal control to safeguard shareholders' interest and Awantec's assets are maintained. The Board affirms its overall responsibility for Awantec and its subsidiaries ("**Group**")'s system of risk management and internal control which includes the establishment of an appropriate control environment and framework and will also be responsible for reviewing its adequacy and integrity. As there are limitations inherent in any system of risk management and internal control, this system is designed to manage the risk rather than eliminating such risks that may hinder the achievement of Awantec's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control includes strategic, financial, operational, compliance controls and risk management procedures.

In pursuing its responsibility, the Board has established an ongoing process for identifying, evaluating and managing significant risks faced by Awantec and to regularly review this process. This SORMIC outlines the nature and scope of its risk management and internal control which has been in place during the financial year under review and up to the date of approval of this Statement for inclusion in the annual report.

The Management is assigned by the Board with the responsibility to implement the policies and procedures on risk management, identify and assess various risks faced by Awantec and ensure appropriate controls are in place to mitigate, control and monitor these risks.

CONTROL STRUCTURE AND RISK MANAGEMENT

The day-to-day operations of the Group was overseen by the Chief Executive Officer ("**CEO**") and Chief Operating Officer ("**COO**") with the assistance of the business division Heads and Group Financial Controller ("**GFC**"). This control is exercised through Senior Management in respect of commercial, financial, and operational aspects of the Group. 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 and the Management of the Group. 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.

Statement on Risk Management and Internal Control

The Board has oversight over this critical area through the Risk Management Committee ("**RMC**"). The Board established a 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.

In providing a consistent and comprehensive Enterprise Risk Management ("**ERM**") approach across the Group, Awantec adopts the ERM framework outline by the ISO31000 to facilitate the effective identification, assessment, evaluation, treatment, monitoring and reporting of corporate and business associated risks. At the same time, the ERM Framework facilitates the Management in making sound business decisions with the aspiration to lead the Group towards a more proactive and inclusive risk management approach to mitigate threats and to capitalise on opportunities.

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 crystallised 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 a year.

The 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.

The overview and interrelation of the ERM framework components is illustrated in the following diagram:



Figure 1 : Risk Management Framework Diagram

Statement on Risk Management and Internal Control

i. Determine policy, objectives and define risk:

To identify strategic objectives in both external and internal environments in which these strategic objectives are being pursued.

ii. Risk Identification:

To identify and define the specific risks and sources of risks as internal or external forces of risk that will impact the Company's business performance.

iii. Risk Assessment:

This involves due consideration of the causes of risk, their positive and negative impact and the likelihood of occurrence. Risk is assessed by considering its impact and likelihood.

iv. Risk Evaluation:

Risk evaluation involves making decisions on appropriate actions to be taken by the Company after the risk assessment has been conducted, including deciding on whether a risk needs to be managed or mitigated and the priority to be given based on the risk rating after considering the current state of internal controls and cost-benefit analysis.

v. Risk Management or Treatment:

Process of initiating responsive or pre-emptive actions for managing risks and restricting those to acceptable levels i.e. within the Company's risk appetite. Having identified and prioritised the risks, the next stage is to determine the treatment to the risks, as shown in the table below:

Avoid	Avoiding the risk by deciding not to proceed or continue with the activity that gives rise to the risk or by seeking an alternative means to achieve the objective.
Reduce	Reducing the risk by the application of controls or management action plans. The controls or action plans may be by removing the risk source, changing the likelihood and/or changing the impacts.
Accept	Taking or increasing risk in order to pursue an opportunity and be prepared to manage its consequences/impacts.
Transfer	Sharing the risk with another party or parties e.g. through a contractual arrangement and risk financing.
Exploit	Steps that can be taken to leverage on opportunities that may be gained from changes in the business environment.

vi. Monitor and Review Risks:

This involves reviewing the risk events, the action plans, and the outcomes of such events and providing the lesson learned derived therefrom. Furthermore, due to the dynamic nature of risks, monitoring is required to ensure that new measures are introduced to manage these risks.

Statement on Risk Management and Internal Control

INTERNAL AUDIT FUNCTION

The Board regularly reviews the internal audit functions evaluating 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 Management & Risk Consulting Sdn. Bhd. ("**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 2023 were RM84,000 excluding Sales and Service Tax and out-of-pocket expenses.

The internal audit function serves to assist the Audit Committee ("**AC**") and Board of the Group by independently assessing the system of internal controls as established by Management of Awantec, 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.

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 AC Report at page 136 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 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 organisational structure for planning, executing, controlling and monitoring business operations with appropriate authorisation limits.
- Reviewing the consolidated risk register of the 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.

Statement on Risk Management and Internal Control

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:

The Board regularly reviews the evaluation on the adequacy and operating effectiveness of the Group's internal controls. Salient elements of the Group's internal control system are described below:

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the AC, RMC and, Nomination and Remuneration Committee.
- Well-defined organisational 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.
- 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.
- 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.
- The RMC was established by the Board to assist the Board to review and recommend the risk management policies and strategies for the Group in overseeing the overall management of the principal areas of risk 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 implement policies adopted by the Board through a risk management framework.
- 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.
- 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.
- Risk registers 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.

Statement on Risk Management and Internal Control

- The Directors' Code of Conduct and Ethics has been updated to record the ethical and professional standards of corporate and individual behaviour expected of the Board. Similarly, the Employees Code of Conduct records the acceptable general practices and ethics that guide the employees of the Group.
- The Vendor's Code of Conduct was established as a set of obligations on business and ethical practices, and professional conduct expected of all vendors with whom the Group does business towards upholding Awantec's values of integrity, transparency, and accountability.
- The Company also has in place a Whistleblowing Policy to provide an avenue for employees or members of the public to report any breach or suspected breach of any laws in relation to business ethics and the Company's policies and guidelines, in a safe and confidential manner. This policy is available on the Company's website at <https://www.awantec.my/governance/>.
- An 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.
- Monthly Group Management meeting, attended by all Senior Management and chaired by the CEO, are held to update and deliberate on business, financial and operational issues.
- The Board has put in place Policy on Adequate Procedures pursuant to Section 17A(5) under the Malaysian Anti-Corruption Commission Act 2009 to safeguard the Company against bribery and corruption risks, and impart good governance within the Company. This policy is available on the Company's website: <https://www.awantec.my/governance/>.
- The Group is committed to ensure the continuity of its business when faced with disruptive events and has therefore established a policy on Business Continuity Management System ("**BCMS**"). This policy is structured based on ISO22301 and is intended to provide the governing statements and operating mechanisms in establishing and maintaining Awantec's BCMS capability to minimise the risks and impacts of disruptions and incidents. This policy reflects Awantec's missions and visions, and will be subject to an annual review.

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. 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 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 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 shareholders' 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.

Statement on Risk Management and Internal Control

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this SORMIC pursuant to the scope set out in Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by Bursa Securities issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Annual Report of the Company for the financial year ended 30 June 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of of risk management and internal control within the Group.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control systems of the Group.

This SORMIC was approved by the Board on 9 October 2023.

Additional Compliance Information

(In accordance with Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The Company did not undertake any fund raising corporate exercise during the financial year under review.

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 under review are as follows:

	Group (RM)	Company (RM)
Audit Fees	198,000	66,000
Non-Audit Fees	14,000	14,000

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 under review.

4. MATERIAL LITIGATION

The Group 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.

The OS was first heard before the High Court on 22 January 2021 and the hearing of the OS is currently still ongoing.

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, Prestariang SKIN Sdn. Bhd. ("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 31 October 2019, representatives from PSKIN and the GOM (with the parties' respective Counsel) attended the first mediation session, and the Group will continue to pursue mediation in parallel with the OS.

5. SHARE BUY-BACK

The Company did not buy back any of its issued shares from the open market during the financial year under review.

Additional Compliance Information

(In accordance with Appendix 9C of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad)

6. LONG TERM INCENTIVE PLAN ("LTIP")

The Company had vide the Extraordinary General Meeting of Awantec held on 15 September 2020 obtained its shareholders' approval on the LTIP and implemented the same on 25 January 2021. The LTIP comprises the establishment of an Employees' Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") of up to fifteen percent (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.

The LTIP is governed by the By-Laws and under the administration of the LTIP Committee of the Board. The LTIP shall be in force for a period of five (5) years from the effective date and extendable which not in aggregate exceed ten (10) years from the effective date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

- A) The Group has one (1) ESOS in existence during the financial year. The information in relation to the ESOS is as set out in the table below: -

Total Number of options as of 30 June 2023		
Description	Total Number	Aggregate for Directors
Options granted	514,700	514,700
Options exercised	(130,000)	(130,000)
Options expired	(384,700)	(384,700)
Options outstanding	-	-

- B) The Group has one (1) SGP in existence during the financial year. The shares will be vested in three (3) tranches, i.e. on 30 June 2022, 30 June 2023 and 30 June 2024. The information in relation to the SGP is as set out in the table below: -

Total Number of shares as at 30 June 2023		
Description	Total Number	Aggregate for Directors and Chief Executive
Shares granted	922,500	498,500
Shares vested	(638,500)	(315,900)
Share lapsed	(165,700)	(138,200)
Shares outstanding	118,300	44,400

In accordance with the Company's By-Laws, not more than fifty percent (50%) of the Company's ordinary shares available under the LTIP shall be allocated, in aggregate to the Directors and Senior Management of the Group.

Additional Compliance Information

(In accordance with Appendix 9C of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad)

- A) The percentage of ESOS options granted to the Directors and Senior Management are as set out in the table below:-

Options Granted to Directors and Senior Management	During the financial year	Since commencement up to 30 June 2023
Aggregate maximum allocation in percentage	0%	50%
Actual percentage granted	0%	0.87%

- B) The percentage of SGP shares granted to the Directors and Senior Management are as set out in the table below:-

Shares Granted to Directors and Senior Management	During the financial year	Since commencement up to 30 June 2023
Aggregate maximum allocation in percentage	0%	50%
Actual percentage granted	0%	0.84%

The breakdown of the options granted and exercised by the Non-Executive Director during the financial year under review is as follows:-

Non-Executive Directors	Amount of options granted	Amount of options exercised
Chan Wan Siew	130,000	130,000
Total	130,000	130,000

No shares have been granted to and vested in Non-Executive Directors during the financial year under review.

Statement of Responsibility by Directors

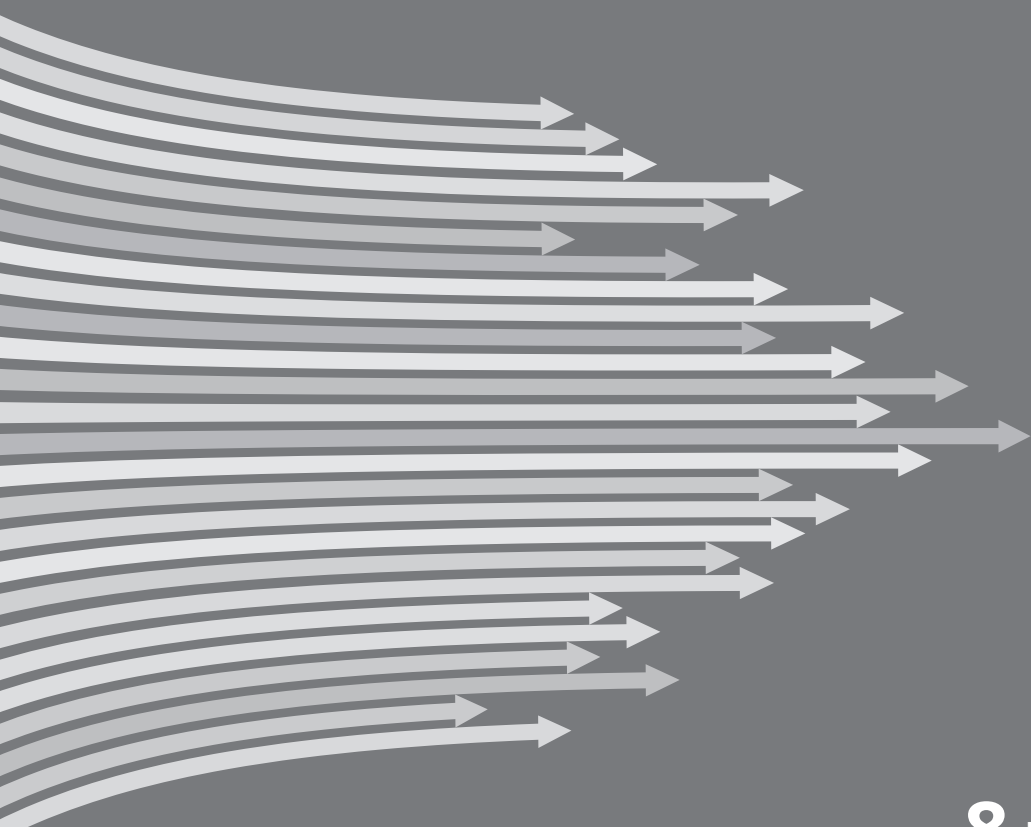
The Board of Directors (the "**Board**") is fully accountable for the preparation, integrity and fair presentation of the annual financial statements of the Group.

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 2023, as presented on pages 171 to 255, have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the CA 2016.

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 2023 are set out on pages 171 to 255. The preparation thereof was supervised by the Group Financial Controller and approved by the Board of Directors on 9 October 2023.



8 FINANCIAL STATEMENTS

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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 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in "Subsidiaries" section in Directors' Report. 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
Loss after taxation for the financial year	(6,562)	(7,537)
Attributable to:-		
Owners of the Company	(6,506)	(7,537)
Non-controlling interests	(56)	–
	(6,562)	(7,537)

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 RM176,861,202 to RM176,997,451 by way of:-
 - (i) issuance of 177,400 new ordinary shares under the Share Grant Plan pursuant to the Company's Long-term Incentive Plan for total fair value of RM72,734; and
 - (ii) issuance of 130,000 new ordinary shares from exercise of options under the Company's Employee's Share Option Scheme which amounted to RM63,515.

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 2023, the Company held as treasury shares a total of 1,698,500 of its 789,892,100 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,366,346. None of the treasury shares were resold or cancelled during the financial year.

Directors' Report

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.

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 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.

LONG-TERM INCENTIVE PLAN (CONT'D)

(a) ESOS

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company. A total of 130,000 options were exercised during the financial year.

The movement of the ESOS during the financial year is as follows:-

	Number of Options
As at 1 July 2022	130,000
Exercised during the financial year	(130,000)
As at 30 June 2023	–

The details of the ESOS are disclosed in the Note 19(a) to the financial statements.

(b) SGP

The movement of the ordinary shares under the SGP ("LTIP Shares") granted under SGP is as follows:-

	Number of LTIP Shares
As at 1 July 2022	461,400
Vested during the financial year	(177,400)
Lapsed during the financial year	(165,700)
As at 30 June 2023	118,300

The details of the SGP are disclosed in the Note 19(b) to the financial statements.

WARRANTS

There was no movement of Warrants during the financial year. The number of outstanding Warrants as at 30 June 2023 stands of 255,950,234 with an exercise price of RM0.385 and 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 all known bad debts had been written off 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 further 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.

Directors' Report

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 39 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:-

Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar
 Dr. Abu Hasan Bin Ismail
 Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan
 Ginny Yeow Mei Ying
 Hafidah Aman Binti Hashim
 Professor Emeritus Dato' Dr. Hassan Bin Said
 Ramanathan a/l Sathiamutty
 Tunku Abang Faisal Amir Bin Abang Abu Bakar
 Lim Saw Imm (Appointed on 25.5.2023)
 Rezal Adzly Bin Abdul Rahman (Resigned on 29.7.2022)
 Baldesh Singh a/l Manmohan Singh (Resigned on 3.10.2022)
 Chan Wan Siew (Retired on 24.11.2022)

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
 Ainun Mardziah Binti Hashim (Appointed on 30.12.2022)
 Abdul Razak Bin Bakrun (Resigned on 30.12.2022)

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 1.7.2022	Vested	Sold	At 30.6.2023
The Company				
<i>Indirect Interest</i>				
Dr. Abu Hasan Bin Ismail [#]	79,579,740	–	–	79,579,740
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
← Number of Redeemable Preference Shares "A" →				
	At 1.7.2022	Bought	Sold	At 30.6.2023
Awantec Services Sdn. Bhd., a 70% owned subsidiary of the Company				
<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 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' Report

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.

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.

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	1,168	1,140
Salaries, bonuses and other benefits	1,195	1,195
Defined contribution benefits	100	100
	2,463	2,435

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 RM18,030 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Directors' Report

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are as follows:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2023 %	2022 %	
Subsidiaries of the Company			
Awantec Systems Sdn. Bhd. ("ASSB")	100	100	Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management.
Agensi Pekerjaan Prestariang TalentXchange Sdn. Bhd.	100	100	To carry on the business as private employment agency, to recruit and place a worker to another employer.
Prestariang Technology Sdn. Bhd. ("PTSB")	100	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.
Prestariang Digital Sdn. Bhd.	^	100	Other information technology service activities (N.E.C).
Prestariang Capital Sdn. Bhd.	^	100	Investment holding.
Awantec Services Sdn. Bhd. ("ASV")	70	70	Investment holding.
Subsidiary of PTSB			
Total Leap Sdn. Bhd.	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.
Subsidiaries of ASSB			
Logisys Sdn. Bhd.	100	100	Other information technology service activities. The company has not commenced its business operations during the financial year.

Directors' Report

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are as follows (Cont'd):-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2023 %	2022 %	
Prestariang R&D Sdn. Bhd.	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"). The company has ceased its operation in prior years.
Prestariang Tech Services Sdn. Bhd. ("PTSSB")	*	*	Commenced Creditors' Voluntary Winding Up proceedings on 1 April 2022.

* The Group held 70% indirect equity interests in PTSSB. PTSSB has been deconsolidated from the Group in the prior years as the Group is deemed to have lost control over the subsidiary as a result of the liquidation of PTSSB.

^ The subsidiaries have been struck off during the current financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Termination of 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONT'D)**Termination of 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.

Both parties had agreed to terminate the MOU with effect from 30 June 2023.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**Notice To Show Cause On Suspension And De-listing Of Securities Of Awantec**

On 16 August 2023, the Bursa Malaysia Securities Berhad ("Bursa Securities") has decided to reject the Company's application for extension of time to submit the regularisation plan to the regulatory authorities ("Application") as the Company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. Bursa Securities has also issued a notice to show cause on suspension and de-listing of securities of the Company from the Official List of Bursa Securities ("Notice"), informing the Company to furnish Bursa Securities with the Company's representations, on or before 23 August 2023 (i.e. 5 market days from the date of the Notice), as to:

- (i) Why a suspension should not be imposed on the trading of the securities of the Company; and
- (ii) Why the securities of the Company should not be de-listed from the Official List of Bursa Securities.

On 22 August 2023, the Company has submitted the written representations in relation to above requests to Bursa Securities. As of current date, no further updates from Bursa Securities on the decision on suspension and de-listing of the Company.

Directors' Report

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:-

	The Group RM'000	The Company RM'000
Audit fee	198	66
Non-audit fee	14	14
	212	80

Signed in accordance with a resolution of the directors dated 9 October 2023.



Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar



Lim Saw Imm

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar and Lim Saw Imm, being two of the directors of AwanBiru Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 171 to 255 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 2023 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 9 October 2023.

Syed Naqiz Shahabuddin Bin Syed Abdul Jabbar

Lim Saw Imm

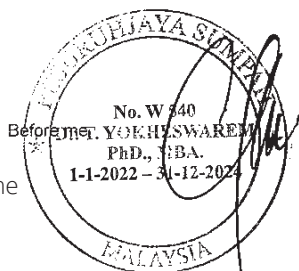
Statutory Declaration

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 171 to 255 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 9 October 2023.

Before me



Unit A11-1 & 2, Megan Avenue 1,
No. 120, Jalan Tun Razak,

Ainun Mardziah Binti Hashim

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 2023 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 171 to 255.

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 2023, 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.

Independent Auditors' Report

To the members of AwanBiru Technology Berhad
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Impairment assessment of trade receivables Refer to Notes 10 and 40.1(b)(iii) to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 June 2023, trade receivables amounted to approximately RM197.78 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 40.1(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"> • updates from the material litigation with GOM; • customers' payment profiles of past sales and corresponding historical credit losses; • specific known facts or circumstances on customers' ability to pay; or • by reference to past default experience. <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"> • Obtained the confirmation from legal advisors for the updates of the material litigation with GOM; • Obtained an understanding of:- <ul style="list-style-type: none"> • the Group's control over the receivables collection process; • how the Group identifies and assesses the impairment of receivables; and • how the Group makes the accounting estimates for impairment; • Reviewed the ageing analysis of receivables and testing the reliability thereof; • Reviewed subsequent cash collections for major receivables and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue amounts; and • Evaluated the reasonableness and adequacy of the allowance for impairment loss recognised.

Independent Auditors' Report

To the members of AwanBiru Technology Berhad
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Revenue recognition from contracts with customers Refer to Notes 4.1(e), 4.22, 11 and 25 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>During the financial year ended 30 June 2023, the Group recognised revenue amounting to RM39.97 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 2023, the Group had recognised contract assets amounting to RM29.61 million and contract liabilities amounting to RM2.64 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"> • Reviewed contracts with customers containing multiple performance obligations and assessed the appropriateness of revenue recognition under MFRS 15; • 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; • Reviewed management's assessment of the allocation of transaction price between various performance obligations; • Evaluated the effectiveness of the Group's internal controls over revenue recognition for sales of goods and services on a sampling basis; • 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 • 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.

Independent Auditors' Report

To the members of AwanBiru Technology Berhad
(Incorporated in Malaysia)

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.

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.

Independent Auditors' Report

To the members of AwanBiru Technology Berhad
(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

9 October 2023.



Onn Kien Hoe

01772/11/2023 J
Chartered Accountant

Statements of Financial Position

At 30 June 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	20,413	20,404
Property and equipment	6	21,222	22,433	497	526
Investment properties	7	24,180	24,180	–	–
Development costs	8	–	–	–	–
		45,402	46,613	20,910	20,930
CURRENT ASSETS					
Contract costs	9	6,267	382	–	–
Trade receivables	10	197,784	190,558	–	–
Contract assets	11	29,608	59,362	–	–
Other receivables, deposits and prepayments	12	126,662	126,681	236	107
Amount owing by subsidiaries	13	–	–	82,055	80,924
Short-term investments	14	5,529	15,313	5,529	15,313
Current tax assets		1,582	46	12	12
Cash and bank balances	15	7,876	4,034	940	248
		375,308	396,376	88,772	96,604
TOTAL ASSETS		420,710	442,989	109,682	117,534
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	176,997	176,861	176,997	176,861
Treasury shares	17	(3,366)	(3,366)	(3,366)	(3,366)
Warrant reserve	18	19,812	19,812	19,812	19,812
LTIP reserve	19	25	94	25	94
Accumulated losses		(16,177)	(9,671)	(85,009)	(77,472)
Equity attributable to owners of the Company		177,291	183,730	108,459	115,929
Non-controlling interests	5	11,414	11,470	–	–
TOTAL EQUITY		188,705	195,200	108,459	115,929

The annexed notes form an integral part of these financial statements.

Statements of Financial Position

At 30 June 2023 (Cont'd)

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT LIABILITIES					
Term loans	20	10,489	14,061	-	-
Redeemable preference shares "A"	21	152	152	-	-
Deferred tax liabilities	22	16,869	16,869	-	-
		27,510	31,082	-	-
CURRENT LIABILITIES					
Trade payables	23	189,023	199,943	-	-
Contract liabilities	11	2,635	3,960	-	-
Other payables and accruals	24	9,174	8,611	1,223	1,605
Term loans	20	3,663	3,768	-	-
Current tax liabilities		-	425	-	-
		204,495	216,707	1,223	1,605
TOTAL LIABILITIES		232,005	247,789	1,223	1,605
TOTAL EQUITY AND LIABILITIES		420,710	442,989	109,682	117,534

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 2023

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE	25	39,968	90,259	2,000	5,110
COST OF SALES		(22,902)	(62,536)	-	-
GROSS PROFIT		17,066	27,723	2,000	5,110
OTHER INCOME	26	2,926	5,330	296	467
		19,992	33,053	2,296	5,577
ADMINISTRATIVE EXPENSES		(21,977)	(21,537)	(9,617)	(9,065)
OTHER EXPENSES		(2,476)	(3,524)	(123)	(66)
FINANCE COSTS	27	(766)	(696)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	28	(1,068)	(1,970)	(93)	-
(LOSS)/PROFIT BEFORE TAXATION	29	(6,295)	5,326	(7,537)	(3,554)
INCOME TAX EXPENSE	32	(267)	(1,155)	-	-
(LOSS)/PROFIT AFTER TAXATION		(6,562)	4,171	(7,537)	(3,554)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(6,562)	4,171	(7,537)	(3,554)

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 2023 (Cont'd)

	Note	The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(LOSS)/PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		(6,506)	4,415	(7,537)	(3,554)
Non-controlling interests		(56)	(244)	-	-
		(6,562)	4,171	(7,537)	(3,554)
TOTAL COMPREHENSIVE (EXPENSES)/					
INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(6,506)	4,415	(7,537)	(3,554)
Non-controlling interests		(56)	(244)	-	-
		(6,562)	4,171	(7,537)	(3,554)
(LOSS)/EARNINGS PER SHARE (SEN)					
Basic	33	(0.83)	0.53		
Diluted		(0.81)	0.47		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2023

		◀ Non-Distributable ▶				Attributable to Owners of the Company	Non-controlling Interests	Total Equity
Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Accumulated Losses RM'000	RM'000	RM'000	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 under SGP	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.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2023 (Cont'd)

◀ Non-Distributable ▶								
						Attributable to Owners of the Company	Non- controlling Interests	Total Equity
Note	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Accumulated Losses RM'000	RM'000	RM'000	RM'000
The Group								
Balance at 1.7.2022	176,861	(3,366)	19,812	94	(9,671)	183,730	11,470	195,200
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	(6,506)	(6,506)	(56)	(6,562)
LTIP:								
- ESOS exercised	64	-	-	(12)	-	52	-	52
- Share options and LTIP shares granted	-	-	-	15	-	15	-	15
- Shares issued under SGP	72	-	-	(72)	-	-	-	-
Total contributions by and distributions to owners	136	-	-	(69)	-	67	-	67
Balance at 30.6.2023	176,997	(3,366)	19,812	25	(16,177)	177,291	11,414	188,705

Statements of Changes in Equity

For The Financial Year Ended 30 June 2023 (Cont'd)

Note	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable Warrant Reserve RM'000	Distributable LTIP Reserve RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
The Company						
Balance at 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)	-	-
Total contributions by and contributions to owners	189	-	-	(825)	919	283
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	(3,554)	(3,554)
Balance at 30.6.2022/1.7.2022	176,861	(3,366)	19,812	94	(77,472)	115,929
LTIP:						
- ESOS exercised	64	-	-	(12)	-	52
- Share options and LTIP shares granted	-	-	-	15	-	15
- Shares issued under SGP	72	-	-	(72)	-	-
	136	-	-	(69)	-	67
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	(7,537)	(7,537)
Balance at 30.6.2023	176,997	(3,366)	19,812	25	(85,009)	108,459

Statements of Cash Flows

For The Financial Year Ended 30 June 2023

Note	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(6,295)	5,326	(7,537)	(3,554)
Adjustments for:-				
Amortisation of development costs	-	1	-	-
Depreciation of property and equipment	1,875	1,656	123	-
Impairment losses on:				
- contract costs	-	71	-	-
- trade receivables	-	222	-	-
- other receivables	1,485	2,349	-	-
Interest expense	758	669	-	-
LTIP expenses	15	283	6	216
Fair value loss on investment properties	-	820	-	-
Loss on disposal of subsidiaries	-	36	-	66
Loss on disposal of property and equipment	14	-	-	-
Property and equipment written off	464	810	-	-
Dividend income	-	(43)	-	-
Interest income	(484)	(508)	(296)	(467)
Reversal of impairment losses on:				
- trade receivables	(92)	(601)	-	-
- other receivables	(325)	-	-	-
Write-off of amount owing by subsidiaries	-	-	93	-
Operating (loss)/profit before working capital changes	(2,585)	11,091	(7,611)	(3,739)
Increase in contract costs	(5,885)	(97)	-	-
Increase in trade and other receivables	(8,275)	(4,930)	(129)	(12)
Decrease/(Increase) in contract assets	29,754	(59,362)	-	-
(Decrease)/ Increase in trade and other payables	(10,480)	48,029	(505)	928
Decrease in contract liabilities	(1,325)	(5,686)	-	-
CASH FLOW FROM/(FOR) OPERATIONS	1,204	(10,955)	(8,245)	(2,823)
Interest paid	(758)	(669)	-	-
Income tax paid	(2,228)	(1,002)	-	-
NET CASH FOR OPERATING ACTIVITIES	(1,782)	(12,626)	(8,245)	(2,823)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2023 (Cont'd)

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Net cash inflow from the disposal of subsidiaries	34	-	83	-	113
Dividend income received		-	43	-	-
Interest income received		484	508	296	467
Proceeds from disposal of property and equipment		2	-	-	-
Purchase of property and equipment		(1,144)	(2,934)	(94)	(526)
Advances to subsidiaries		-	-	(1,224)	(13,136)
NET CASH FLOW FOR INVESTING ACTIVITIES		(658)	(2,300)	(1,022)	(13,082)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares		52	-	52	-
Repayment of term loans	35(a)	(3,677)	(6,320)	-	-
Advances from directors		123	-	123	-
Withdrawal of deposit pledged with a licensed bank		558	2,033	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(2,944)	(4,287)	175	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,384)	(19,213)	(9,092)	(15,905)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		17,256	36,469	15,561	31,466
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(b)	11,872	17,256	6,469	15,561

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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	:	Star Central, Block 11B, Lingkaran 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 9 October 2023.

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)

Amendments to MFRS 3: Reference to the Conceptual Framework
 Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
 Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
 Annual Improvements to MFRS Standards 2018 – 2020

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
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
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
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 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 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 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.

(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 amount owing by subsidiaries as at the reporting date are disclosed in Notes 12 and 13 to the financial statements respectively.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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).

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 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.

4.13 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.

4.14 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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.

4.15 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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.

4.16 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.

4.17 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 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.

4.19 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.

4.20 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.

4.21 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 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) Management Fee

Management fee is recognised based on services rendered.

4.22 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost:-		
At 1 July 2022/2021	20,837	21,016
Disposals of subsidiaries	*	(179)
At 30 June	20,837	20,837
LTIP vested to the employees of subsidiaries:-		
At 1 July 2022/2021	67	-
Addition during the financial year	9	67
At 30 June	76	67
Less: Accumulated impairment losses	(500)	(500)
	20,413	20,404

* Negligible

The details of the subsidiaries, which are all incorporated and having principal place of business in Malaysia, are as follows:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2023 %	2022 %	
Subsidiaries of the Company			
Awantec Systems Sdn. Bhd. ("ASSB")	100	100	Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management.
Agensi Pekerjaan Prestariang TalentXchange Sdn. Bhd.	100	100	To carry on the business as private employment agency, to recruit and place a worker to another employer.
Prestariang Technology Sdn. Bhd. ("PTSB")	100	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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2023 %	2022 %	
Prestariang Digital Sdn. Bhd.	^	100	Other information technology service activities (N.E.C).
Prestariang Capital Sdn. Bhd.	^	100	Investment holding.
Awantec Services Sdn. Bhd. ("ASV")	70	70	Investment holding.
<i>Subsidiary of PTSB</i>			
Total Leap Sdn. Bhd.	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.	100	100	Other information technology service activities. The company has not commenced its business operations during the financial year.
Prestariang R&D Sdn. Bhd.	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"). The company has ceased its operation in prior years.
Prestariang Tech Services Sdn. Bhd. ("PTSSB")	*	*	Commenced Creditors' Voluntary Winding Up proceedings on 1 April 2022.

^ The subsidiaries have been struck off during the current financial year.

* The Group held 70% indirect equity interests in PTSSB. PTSSB has been deconsolidated from the Group in prior years as the Group is deemed to have lost control over the subsidiary as a result of the liquidation of PTSSB.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Effective Equity Interest		The Group	
	2023 %	2022 %	2023 RM'000	2022 RM'000
ASV	30	30	11,414	11,470

- (b) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	ASV and its subsidiaries	
	2023 RM'000	2022 RM'000
<u>At 30 June</u>		
Non-current assets	-	-
Current assets	304,326	304,346
Non-current liabilities	(17,020)	(17,020)
Current liabilities	(249,340)	(249,173)
Net assets	37,966	38,153
<u>Financial Year Ended 30 June</u>		
Revenue	-	-
Loss for the financial year	(187)	(813)
Total comprehensive expenses	(187)	(813)
Net cash flows for operating activities	(347)	(1,204)
Net cash flows for investing activities	-	-
Net cash flows from financing activities	327	1,200

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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
The Group								
2023								
Cost								
At 1 July 2022	16,684	5,406	2,980	3,996	5,460	176	100	34,802
Additions	-	299	51	138	308	-	348	1,144
Reclassification	-	-	-	(58)	-	-	58	-
Write-offs	-	(6)	-	-	-	-	(459)	(465)
Disposal	-	-	-	(379)	-	-	-	(379)
At 30 June	16,684	5,699	3,031	3,697	5,768	176	47	35,102
Accumulated Depreciation								
At 1 July 2022	1,401	3,815	1,758	2,098	3,121	176	-	12,369
Charge for the financial year (Note 29)	328	645	245	308	349	-	-	1,875
Write-off	-	(1)	-	-	-	-	-	(1)
Disposal	-	-	-	(363)	-	-	-	(363)
At 30 June	1,729	4,459	2,003	2,043	3,470	176	-	13,880
Net Carrying Amount								
At 30 June	14,955	1,240	1,028	1,654	2,298	-	47	21,222

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

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
The Group								
2022								
Cost								
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 (Note 34)	–	–	(21)	(155)	(166)	(154)	–	(496)
At 30 June	16,684	5,406	2,980	3,996	5,460	176	100	34,802
Accumulated Depreciation								
At 1 July 2021	1,163	4,583	1,526	1,940	2,912	324	–	12,448
Charge for the financial year (Note 29)	238	620	240	278	280	–	–	1,656
Write-off	–	(1,388)	–	–	–	–	–	(1,388)
Disposal of a subsidiary (Note 34)	–	–	(8)	(120)	(71)	(148)	–	(347)
At 30 June	1,401	3,815	1,758	2,098	3,121	176	–	12,369
Net Carrying Amount								
At 30 June	15,283	1,591	1,222	1,898	2,339	–	100	22,433

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

6. PROPERTY AND EQUIPMENT (CONT'D)

	Computer systems and equipment RM'000	Office equipment RM'000	Total RM'000
The Company			
Cost			
At 1 July 2021	–	–	–
Additions	526	–	526
At 30 June 2022/1 July 2022	526	–	526
Additions	86	8	94
At 30 June 2023	612	8	620
Accumulated Depreciation			
At 1 July 2021	–	–	–
Charge for the year (Note 29)	–	–	–
At 30 June 2022/1 July 2022	–	–	–
Charge for the year (Note 29)	(123)	–	(123)
At 30 June 2023	(123)	–	(123)
Net Carrying Amount			
At 30 June 2022	526	–	526
At 30 June 2023	489	8	497

- (a) The freehold buildings of the Group amounted to RM11,068,000 (2022 - RM11,297,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 20(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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

7. INVESTMENT PROPERTIES

	The Group	
	2023 RM'000	2022 RM'000
<i>Carrying Amount</i>		
Freehold commercial buildings, at fair value		
At 1 July 2022/2021	24,180	11,430
Transfer to property and equipment (Note 6)	-	(11,430)
Reclassified from assets previously classified as held for sales	-	25,000
Loss on changes in fair value (Note 29)	-	(820)
At 30 June	24,180	24,180

- (a) 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 20(b) to the financial statements.
- (b) 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.

- (c) The title of the freehold buildings are in the process of being issued to the Group by the relevant authority.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

8. DEVELOPMENT COSTS

	The Group	
	2023 RM'000	2022 RM'000
Cost		
At 1 July 2022/2021	14,037	14,091
Disposal of a subsidiary	-	(54)
At 30 June	14,037	14,037
Accumulated Amortisation		
At 1 July 2022/2021	(1,390)	(1,412)
Addition during the financial year (Note 29)	-	(1)
Disposal of a subsidiary	-	23
At 30 June	(1,390)	(1,390)
Accumulated Impairment Losses		
At 1 July 2022/2021	(12,647)	(12,647)
Write-off during the financial year	-	-
At 30 June	(12,647)	(12,647)
Net Carrying Amount	-	-

9. CONTRACT COSTS

	The Group	
	2023 RM'000	2022 RM'000
Costs to fulfil a contract:		
- customer's order in future	7,045	1,160
Allowance for impairment losses	(778)	(778)
	6,267	382
Allowance for impairment losses:-		
At 1 July 2022/2021	(778)	(1,628)
Addition during the financial year (Note 29)	-	(71)
Written off during the financial year	-	921
At 30 June	(778)	(778)

- (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) In the previous financial year, an impairment loss of RM71,000 has been recognised as the management did not expect contract costs to be fully recovered due to the termination of certain contracts in the previous financial year.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

10. TRADE RECEIVABLES

	The Group	
	2023 RM'000	2022 RM'000
Trade receivables	207,497	200,363
Allowance for impairment losses	(9,713)	(9,805)
	197,784	190,558
Allowance for impairment losses:-		
At 1 July 2022/2021	(9,805)	(10,286)
Addition during the financial year (Note 28)	-	(222)
Disposal of a subsidiary	-	102
Reversal of impairment losses during the financial year (Note 28)	92	601
At 30 June	(9,713)	(9,805)

- (a) Trade receivables are non-interest bearing and are generally on 30 (2022 - 30) days credit terms.
- (b) Included in the trade receivables of the Group is an amount of RM182,798,000 (2022 - RM182,798,000) owing by the Government of Malaysia ("GOM") in relation to the development of SKIN Solution.

As disclosed in Note 43 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

11. CONTRACT ASSETS/(LIABILITIES)

Contract Assets

	The Group	
	2023 RM'000	2022 RM'000
At 1 July 2022/2021	59,362	–
Performance obligations performed	20,942	68,056
Transfer to trade receivables	(50,696)	(8,694)
At 30 June	29,608	59,362
Represented by:-		
Software and services	23,287	58,267
Job placement services	4,469	1,095
Training fees	1,852	–
	29,608	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	
	2023 RM'000	2022 RM'000
At 1 July 2022/2021	(3,960)	(9,646)
Contract liabilities at the beginning of financial year recognised as revenue	3,100	9,646
Performance obligations performed	2,255	4,858
Amounts billed for unfulfilled performance obligations	(1,664)	(2,616)
Advances received from customers	(2,367)	(6,202)
At 30 June	(2,635)	(3,960)

- (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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

11. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Contract Liabilities (Cont'd)

- (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	
	2023	2022
	RM'000	RM'000
<u>Software and services</u>		
Within 1 year	2,635	3,100
Between 1 to 2 years	-	860
	2,635	3,960

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables	132,358	130,582	2,703	2,674
Allowance for impairment losses	(6,109)	(4,956)	(2,599)	(2,599)
	126,249	125,626	104	75
Other deposits	146	886	-	-
Prepayments	267	169	132	32
	126,662	126,681	236	107
Allowance for impairment losses:-				
At 1 July 2022/2021	(4,956)	(2,607)	(2,599)	(2,599)
Addition during the financial year (Note 28)	(1,485)	(2,349)	-	-
Reversal of impairment losses during the financial year (Note 28)	325	-	-	-
Write-off during the financial year	7	-	-	-
At 30 June	(6,109)	(4,956)	(2,599)	(2,599)

Included in other receivables of the Group is an amount of RM123,376,000 (2022 - 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 (2022 - 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Non-trade balances	82,351	89,354
Allowance for impairment losses	(296)	(8,430)
	82,055	80,924
Allowance for impairment losses		
At July 2022/2021	(8,430)	(8,430)
Written off during the financial year	8,134	-
At 30 June	(296)	(8,430)

(a) The following table provides information on the amounts owing by/(to) subsidiaries prior to their offsetting:-

	Gross Amount RM'000	Amount Offset RM'000	Net Carrying Amount RM'000
The Company			
2023			
Amounts owing by	165,323	(82,972)	82,351
Amounts owing to	(82,972)	82,972	-
2022			
Amounts owing by	161,708	(72,354)	89,354
Amounts owing to	(72,354)	72,354	-

(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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

14. SHORT-TERM INVESTMENTS

	The Group/The Company	
	2023	2022
	RM'000	RM'000
Money market funds, at fair value	5,529	15,313

15. CASH AND BANK BALANCES

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	1,533	2,091	-	-
Cash and bank balances	6,343	1,943	940	248
	7,876	4,034	940	248

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 2.95% (2022 - 1.75% to 2.30%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2022 - 30 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 RM1,532,865 (2022 - RM2,091,177) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 39 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

16. SHARE CAPITAL

	The Group/The Company			
	2023 '000 Number Of Shares	2022 '000 Number Of Shares	2023 RM'000 Amount	2022 RM'000 Amount
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 July 2022/2021	789,585	789,124	176,861	176,672
Issuance of shares through:				
- Share grant to employee	177	461	72	189
- Exercise of ESOS	130	-	64	-
At 30 June	789,892	789,585	176,997	176,861

- (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 RM176,861,202 to RM176,997,451 by way of:-
- (i) an issuance of 177,400 new ordinary shares under the share grant plan pursuant to the Company's long term incentive plan at total fair value of RM72,734; and
 - (ii) an issuance of 130,000 new ordinary shares from exercise of options under the Company's ESOS which amounted to RM63,515.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

17. 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 (2022 - 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.

18. 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

19. 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 SGP 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

19. LTIP RESERVE (CONT'D)

(a) ESOS

The option price and the details in the movement of the options granted are as follows:-

			← Number of Options over Ordinary Shares ('000) →			
Date of Offer	Exercise Price	Remaining Contractual Life of Options	At 1 July 2022	Granted	Exercised	At 30 June 2023
20 June 2022	RM0.393	–	130	–	(130)	–
			← Number of Options over Ordinary Shares ('000) →			
Date of Offer	Exercise Price	Remaining Contractual Life of Options	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

A director has exercised 130,000 share options during the financial year.

In the previous financial year:-

- 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; and
- The Company has granted 130,000 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.

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
Fair value of share options at the grant date (RM)	0.0971
Weighted average ordinary share price (RM)	0.41
Exercise price of share option (RM)	0.393
Expected volatility (%)	54.11
Expected life (years)	1
Risk free rate (%)	2.97
Expected dividend yield	Nil

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

19. 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.

The movement in the total number of LTIP shares is as follows:

← Number of LTIP shares ('000) →						
2023						
Tranche	Grant date	Vesting date	At 1 July 2022	Vested	Lapsed	At 30 June 2023
Tranche 2	20 June 2022	30 June 2023	277	(177)	(100)	–
Tranche 3	20 June 2022	30 June 2024	185	–	(67)	118
			462	(177)	(167)	118
← Number of LTIP shares ('000) →						
2022						
Tranche	Grant date	Vesting date	At 1 July 2021	Granted	Vested	At 30 June 2022
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 LTIP shares which lapsed during the financial year were due to resignation of employees.

The fair value of LTIP shares under the SGP is based on observable market price of RM0.41 as of 20 June 2022.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

20. TERM LOANS

	The Group	
	2023	2022
	RM'000	RM'000
Current liabilities	3,663	3,768
Non-current liabilities	10,489	14,061
	14,152	17,829

(a) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate		The Group	
	2023	2022	2023	2022
	%	%	RM'000	RM'000
Floating rate term loans				
I	5.68	4.51	8,835	11,535
II	4.30	3.05	5,317	6,294
			14,152	17,829

(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(a) 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(a) 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) 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

21. REDEEMABLE PREFERENCE SHARES "A"

	The Group			
	2023 Number Of Shares '000	2022 Number Of Shares '000	2023 Amount RM'000	2022 Amount RM'000
RPS "A"				
At 30 June	152	152	152	152

The salient features of RPS "A", which were issued by ASV, are as follows:-

Terms	Details
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"> (i) on a date falling on the 13th anniversary of the effective date; (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 (iii) on a date as may be mutually agreed between the holder and ASV; <p>whichever is be the earlier ("Redemption Date").</p>
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"> (i) in respect of any resolution which varies the rights and privileges attaching to the RPS "A"; (ii) in respect of any resolution to reduce the share capital of ASV; (iii) in respect of any resolution for the winding-up of ASV; and (iv) any other circumstances as may be provided under the law.
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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

21. REDEEMABLE PREFERENCE SHARES "A" (CONT'D)

On 23 April 2019, ASV declared the payment of a single-tier dividend amounting to RM28,804,190 (Note 39) 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.

22. DEFERRED TAX LIABILITIES

	The Group	
	2023	2022
	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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses:				
-expires year of assessment 2031	6,444	6,444	6,444	6,444
-expires year of assessment 2032	4,957	4,957	4,957	4,957
-expires year of assessment 2033	2,106	2,106	2,106	2,106
-expires year of assessment 2034	6,217	-	6,217	-
Advances from customers	2,635	3,960	-	-
Provisions	9,553	10,499	-	-
(Accelerated)/Excess of capital allowance over property and equipment	(5,952)	(6,296)	106	-
Temporary difference on rental income	(3,578)	(2,015)	-	-
	22,382	19,655	19,830	13,507

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 (2022 - 10) consecutive years of assessment.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

23. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 (2022 - 60) days.

Included in trade payables is an amount of RM149,416,000 (2022 - RM149,416,000) owing by PSKIN to PTSSB, the repayment of which is subject to the proposed scheme of arrangement with the creditors.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other payables:-				
Third parties	3,825	3,315	455	480
Directors	123	-	123	-
Sales and services tax payable	187	410	-	-
	4,135	3,725	578	480
Accruals	5,039	4,886	645	1,125
	9,174	8,611	1,223	1,605

The amount owing to directors is unsecured, interest-free and non-trade in nature which are repayable on demand and is to be settled in cash.

25. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Software and services:-				
Sales of hardware and software licences	13,384	70,140	-	-
Training fees	6,569	8,641	-	-
Job placement services	9,518	5,506	-	-
	29,470	84,287	-	-
<u>Recognised over time</u>				
Software and services:-				
a) Deployment and implementation services	261	2,790	-	-
b) Operation, management and support services	6,761	1,702	-	-
c) Cloud Platform Services	430	430	-	-
d) Other services	3,046	1,050	-	-
	10,498	5,972	-	-
<u>Revenue from other sources</u>				
Management fee	-	-	2,000	5,110
	39,968	90,259	2,000	5,110

(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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

26. OTHER INCOME

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from other sources				
Interest income	484	508	296	467
Dividend income	-	43	-	-
Rental income	1,392	2,010	-	-
Realised gain on foreign exchange	58	10	-	-
Others	992	2,759	-	-
	2,926	5,330	296	467

27. FINANCE COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank charges	8	4	-	-
Commission charges	-	23	-	-
Interest expense on term loans	758	669	-	-
	766	696	-	-

28. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Impairment losses:				
- trade receivables (Note 10)	-	222	-	-
- other receivables (Note 12)	1,485	2,349	-	-
Reversal of impairment losses:				
- trade receivables (Note 10)	(92)	(601)	-	-
- other receivables (Note 12)	(325)	-	-	-
Write-off of amount owing by subsidiaries	-	-	93	-
	1,068	1,970	93	-

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

29. (LOSS)/PROFIT BEFORE TAXATION

In addition to those disclosed in Notes 26, 27 and 28 to the financial statements, (loss)/profit before taxation is arrived at after charging:-

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- audit fee:				
- for the financial year	198	168	66	64
- under/(over)provision in the previous financial year	31	(15)	(4)	(15)
- non-audit fee:				
- for the financial year	14	16	14	6
- underprovision in the previous financial year	11	-	11	-
Amortisation of development costs (Note 8)	-	1	-	-
Depreciation of property and equipment (Note 6)	1,875	1,656	123	-
Direct operating expenses on investment properties	108	107	-	-
Impairment loss on contract costs (Note 9)	-	71	-	-
Fair value loss on investment properties (Note 7)	-	820	-	-
Loss on disposal of property and equipment	14	-	-	-
Loss on disposal of a subsidiary (Note 34)	-	36	-	66
Realised loss on foreign exchange	21	74	-	-
Penalty	123	105	-	-
Property and equipment written off (Note 6)	464	810	-	-
Rental expense on:				
- equipment	97	276	-	-
- office	160	64	-	-
Staff costs (including directors' remuneration and other key management personnel as disclosed in Note 30)	16,348	15,855	7,701	8,008

30. STAFF COSTS

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses and other benefits	13,880	13,455	6,521	6,632
Defined contribution plans	1,517	1,253	629	625
Social security costs	124	85	39	34
LTIP expenses	15	283	7	216
Other staff related expenses	812	779	505	501
	16,348	15,855	7,701	8,008

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

30. STAFF COSTS (CONT'D)

Included in the staff costs of the Group and of the Company are:-

- (a) directors' remuneration amounting to RM2,463,000 and RM2,435,000 (2022 - RM2,705,000 and RM2,637,000) respectively, as further disclosed in Note 31 to the financial statements.
- (b) termination costs incurred on the Voluntary Separation Scheme paid to staff amounting to RM140,000 (2022 - RM84,000).

31. 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	976	1,532	976	1,532
Defined contribution benefits	100	234	100	234
LTIP expenses	-	57	-	57
	1,076	1,823	1,076	1,823
<i>Non-Executive Directors</i>				
Short-term employee benefits:				
- fees	1,140	612	1,140	612
- allowances	219	190	219	190
LTIP expenses	-	12	-	12
	1,359	814	1,359	814
<u>Directors of the Subsidiaries</u>				
Short-term employee benefit:				
- fees	28	68	-	-
Total directors' remuneration (Note 30(a))	2,463	2,705	2,435	2,637

In the previous financial year, the estimated monetary value of benefits-in-kind provided by the Group to its executive director was RM50,000.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

31. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

(b) Other Key Management Personnel

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	2,388	1,760	1,974	1,618
Defined contribution benefits	286	211	236	194
LTIP expenses	84	85	84	85
Total compensation for other key management personnel for continuing operations	2,758	2,056	2,294	1,897

32. INCOME TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax:-				
- for the financial year	370	1,152	-	-
- (over)/underprovision in the previous financial year	(103)	3	-	-
	267	1,155	-	-

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

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation	(6,295)	5,326	(7,537)	(3,554)
Tax at the statutory rate of 24% (2022 - 24%)	(1,511)	1,278	(1,809)	(853)
Tax effects of:-				
Non-taxable income	(119)	(645)	-	-
Non-deductible expenses	1,345	2,421	288	408
Deferred tax assets not recognised during the financial year	1,560	444	1,521	445
Utilisation of deferred tax assets previously not recognised	(905)	(2,346)	-	-
(Over)/Underprovision of current tax in the previous financial year	(103)	3	-	-
Income tax expense for the financial year	267	1,155	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

33. (LOSS)/EARNINGS PER SHARE

	The Group	
	2023	2022
Basic (loss)/earnings per share		
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(6,506)	4,171
Weighted average number of ordinary shares ('000):-		
Ordinary shares at 1 July 2022/2021	789,585	789,124
Effect of treasury shares held	(1,699)	(1,699)
Effect of new ordinary shares issued	1	1
Weighted average number of ordinary shares at 30 June ('000)	787,887	787,426
Basic (loss)/earnings per share (Sen)	(0.83)	0.53

The basic (loss)/earnings per share of the Group is calculated by dividing the Group's (loss)/profit 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	
	2023	2022
Dilutive (loss)/earnings per share		
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(6,506)	4,171
Weighted average number of ordinary shares at 30 June ('000)	787,887	787,426
Weighted average number of shares under warrants and LTIP option ('000)	256,072	255,968
Weighted average number of shares that would have been issued at average market price ('000)	(240,392)	(150,175)
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	803,567	893,219
Diluted (loss)/earnings per share (Sen)	(0.81)	0.47

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

34. DISPOSAL OF SUBSIDIARIES

- (a) During the current financial year, two of the wholly-owned subsidiaries of the Company, namely Prestariang Digital Sdn. Bhd. and Prestariang Capital Sdn. Bhd. were dissolved via striking off procedures.

The financial results of these subsidiaries being dissolved are insignificant to the Group and the Company.

- (b) In the previous financial year, 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.

The financial effects of the above disposal at the date of disposal are summarised below:-

	The Group 2022 RM'000	The Company 2022 RM'000
Investment in subsidiaries	–	179
Development costs (Note 8)	31	–
Property and equipment	149	–
Trade and other receivables	81	–
Cash and bank balances	30	–
Current tax assets	11	–
Non-controlling interests	(153)	–
Carrying amount of net assets disposed	149	179
Loss on disposal of subsidiaries	(36)	(66)
Consideration received, satisfied in cash	113	113
Less: Cash and bank balances of subsidiaries disposed of	(30)	–
Net cash inflow from the disposal of subsidiaries	83	113

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

35. CASH FLOW INFORMATION

(a) The reconciliation of liabilities arising from financing activities are as follows:-

The Group	Term loans RM'000	Total RM'000
2023		
At 1 July 2022	17,829	17,829
<u>Change in Financing Cash Flows</u>		
Repayment of principal	(3,677)	(3,677)
<u>Other Changes</u>		
Interest expense recognised in profit or loss (Note 27)	758	758
Repayment of interests (presented as operating cash flows)	(758)	(758)
	-	-
At 30 June	14,152	14,152
2022		
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 27)	669	669
Repayment of interests (presented as operating cash flows)	(669)	(669)
	-	-
At 30 June	17,829	17,829

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

35. CASH FLOW INFORMATION (CONT'D)

(b) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances (Note 15)	6,343	1,943	940	248
Fixed deposits with licensed banks (Note 15)	1,533	2,091	-	-
Short-term investments (Note 14)	5,529	15,313	5,529	15,313
	13,405	19,347	6,469	15,561
Less: Fixed deposits pledged with licensed banks (Note 15)	(1,533)	(2,091)	-	-
	11,872	17,256	6,469	15,561

36. 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Advances to	-	-	8,299	1,200
Advances from	-	-	9,475	21,047
Payment on behalf for	-	-	678	104
Payment on behalf from	-	-	276	298
Management fee	-	-	2,000	5,110

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. 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.

The Group is organised into 4 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, PaaS, XaaS).
- 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.
- 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS

	Software and Services RM'000	Talent RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
The Group						
2023						
Revenue						
External revenue	23,881	16,087	-	-	-	39,968
Inter-segment revenue	-	608	-	2,000	(2,608)	-
Consolidated revenue	23,881	16,695	-	2,000	(2,608)	39,968
Segment profit/(loss) before interest and taxation	1,765	1,512	(186)	(8,620)	-	(5,529)
Finance costs	(280)	(299)	-	(187)	-	(766)
Profit/(Loss) before taxation	1,485	1,213	(186)	(8,807)	-	(6,295)
Segment profit/(loss) includes the followings:-						
Interest expense	280	299	-	187	-	766
Depreciation of property and equipment	640	685	-	550	-	1,875
Impairment losses on: - other receivables	-	-	-	1,485	-	1,485
Realised loss on foreign exchange	21	-	-	-	-	21
Penalty	106	-	-	17	-	123
Loss on disposal of property and equipment	14	-	-	-	-	14
Written off on property and equipment	464	-	-	-	-	464
LTIP expenses	2	4	-	9	-	15
Realised gain on foreign exchange	(58)	-	-	-	-	(58)
Interest income	-	-	-	(484)	-	(484)
Reversal of impairment losses on: - trade receivables	(92)	-	-	-	-	(92)
- other receivables	-	-	-	(325)	-	(325)

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
The Group						
2023						
Assets						
Segment assets	109,320	21,948	304,323	109,772	(150,415)	394,948
Unallocated asset:						
- Investment properties						24,180
- Current tax assets						1,582
Consolidated total assets						420,710
Additions to non-current assets other than financial instrument are:						
- property and equipment	1,051	-	-	93	-	1,144
Liabilities						
Segment liabilities	76,334	8,381	249,492	4,122	(132,028)	206,301
Unallocated liabilities:						
- term loans						8,835
- deferred tax liabilities						16,869
Consolidated total liabilities						232,005

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
The Group						
2022						
Revenue						
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
Property and equipment written off	-	-	-	810	-	810
Realised loss on foreign exchange	-	-	-	74	-	74
Penalty	105	-	-	-	-	105
Fair value loss on investment properties	-	-	-	820	-	820
Loss on disposal of a subsidiary	-	-	-	66	(30)	36
LTIP expenses	24	14	-	245	-	283
Realised gain on foreign exchange	-	-	-	(10)	-	(10)
Dividend income	-	-	-	(43)	-	(43)
Interest income	-	-	-	(508)	-	(508)
Reversal of impairment losses on trade receivables	(601)	-	-	-	-	(601)

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. OPERATING SEGMENTS (CONT'D)

37.1 BUSINESS SEGMENTS (CONT'D)

	Software and Services RM'000	Talent RM'000	Concession RM'000	Other RM'000	Consolidation Adjustments and Eliminations RM'000	Total RM'000
The Group						
2022						
Assets						
Segment assets	129,163	13,729	304,343	117,542	(146,014)	418,763
Unallocated asset:						
- Investment properties						24,180
- Current tax assets						46
Consolidated total assets						442,989
Additions to non-current assets other than financial instrument are:						
- property and equipment	2,408	-	-	526	-	2,934
Liabilities						
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

37.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly all business segments in Malaysia. Accordingly, the information by geographical segments is not presented.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

37. OPERATING SEGMENTS (CONT'D)

37.3 MAJOR CUSTOMERS

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

	Revenue		Business Segment
	2023 RM'000	2022 RM'000	
Customer A	20,586	61,532	Software and services

38. CAPITAL COMMITMENTS

	The Group	
	2023 RM'000	2022 RM'000
Work-in-progress	29	601
Computer systems and equipment	59	428
	88	1,029

39. 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	
	2023 RM'000	2022 RM'000
Performance guarantee extended by a subsidiary to third parties	491	5,350
Dividend payable on RPS "A" (Note 21)	28,804	28,804
	29,295	34,154

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. 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.

40.1 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:-

	2023		2022	
	United States Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Singapore Dollar RM'000
The Group				
<u>Financial Asset</u>				
Cash and bank balances	1	-	1	-
Other receivables, deposits and prepayments	30	-	-	-
	31	-	1	-
<u>Financial Liabilities</u>				
Trade payables	(7,060)	-	(1,163)	-
Other payables	(37)	-	(15)	(2)
	(7,097)	-	(1,178)	(2)
Currency exposure	(7,066)	-	(1,177)	(2)

The Company does not have any foreign currency exposure and hence, is not exposed to foreign currency risk.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2023	2022
	RM'000	RM'000
Effects on Profit After Taxation		
USD/RM - strengthened by 5%	(269)	(45)
- weakened by 5%	269	45
SGD/RM - strengthened by 5%	-	*
- weakened by 5%	-	*

* 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 20 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

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

	The Group	
	2023	2022
	RM'000	RM'000
Effects on Profit After Taxation		
Increase of 100 basis points	(108)	(136)
Decrease of 100 basis points	108	136

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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 92% 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 RM14,643,000 (2022 - RM23,178,000), 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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 (2022 - 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 short-term 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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
The Group				
2023				
Current (not past due)	5,335	-	(43)	5,292
1 to 30 days past due	8,636	-	-	8,636
31 to 60 days past due	12	-	-	12
61 to 90 days past due	117	-	(4)	113
Past due more than 90 days	184,203	-	(472)	183,731
Credit impaired	9,194	(9,194)	-	-
Trade receivables	207,497	(9,194)	(519)	197,784
Contract assets	29,608	-	-	29,608
	237,105	(9,194)	(519)	227,392
2022				
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

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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
The Group			
2023			
Low credit risk	126,249	-	126,249
Credit impaired	6,109	(6,109)	-
	132,358	(6,109)	126,249
2022			
Low credit risk	125,626	-	125,626
Credit impaired	4,956	(4,956)	-
	130,582	(4,956)	125,626

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owning 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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
The Company			
2023			
Low credit risk	82,055	-	82,055
Credit impaired	296	(296)	-
	82,351	(296)	82,055
2022			
Low credit risk	80,924	-	80,924
Credit impaired	8,430	(8,430)	-
	89,354	(8,430)	80,924

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

	Contractual Coupon/ 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
The Group						
2023						
<u>Non-derivative Financial Liabilities</u>						
RPS "A"	4.60	152	152	-	152	-
Term loans	4.30 - 5.68	14,152	15,604	4,306	11,238	60
Trade payables	-	189,023	189,023	189,023	-	-
Other payables and accruals	-	9,174	9,174	9,174	-	-
		212,501	213,953	202,503	11,390	60
2022						
<u>Non-derivative Financial Liabilities</u>						
RPS "A"	4.60	152	152	-	152	-
Term loans	3.05 - 4.51	17,829	19,537	4,407	7,735	7,395
Trade payables	-	199,943	199,943	199,943	-	-
Other payables and accruals	-	8,611	8,611	8,611	-	-
		226,535	228,243	212,961	7,887	7,395

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 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
The Company						
2023						
<u>Non-derivatives</u>						
<u>Financial Liabilities</u>						
Other payables and accruals	-	1,223	1,223	1,223	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries #	-	-	14,643	14,643	-	-
		1,223	15,866	15,866	-	-
2022						
<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	-	-

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 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:-

	The Group	
	2023	2022
	RM'000	RM'000
RPS "A" (Note 21)	152	152
Term loans (Note 20)	14,152	17,829
	14,304	17,981
Less: Cash and cash equivalents (Note 35(b))	(11,872)	(17,256)
Net debt	2,432	725
Total equity	188,705	195,200
Debt-to-equity ratio	0.013	0.004

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 20 to the financial statements, failing which, the bank may call an event of default. The Group has complied with this requirement.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023	
	The Group RM'000	The Company RM'000
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Short-term investments (Note 14)	5,529	5,529
<u>Amortised Cost</u>		
Trade receivables (Note 10)	197,784	–
Other receivables (Note 12)	126,249	104
Amount owing by subsidiaries (Note 13)	–	82,055
Cash and bank balances (Note 15)	7,876	940
	331,909	83,099
Financial Liability		
<u>Amortised Cost</u>		
RPS "A" (Note 21)	152	–
Term loans (Note 20)	14,152	–
Trade payables (Note 23)	189,023	–
Other payables and accruals (Note 24)	9,174	1,223
	212,501	1,223

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2022	
	The Group RM'000	The Company RM'000
Financial Assets		
<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
Financial Liability		
<u>Amortised Cost</u>		
RPS "A" (Note 21)	152	–
Term loans (Note 20)	17,829	–
Trade payables (Note 23)	199,943	–
Other payables and accruals (Note 24)	8,611	1,605
	226,535	1,605

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2023	
	The Group RM'000	The Company RM'000
Financial Asset		
<u>Amortised Cost</u>		
Net (losses)/gains recognised in profit or loss	(524)	295
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(779)	–
	2022	
	The Group RM'000	The Company RM'000
Financial Asset		
<u>Amortised Cost</u>		
Net (losses)/gains recognised in profit or loss	(1,452)	467
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(743)	–

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 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		
The Group								
2023								
<u>Financial Asset</u>								
Short-term investments:								
- money market funds	-	5,529	-	-	-	-	5,529	5,529
<u>Financial Liabilities</u>								
RPS "A"	-	-	-	-	152	-	152	152
Term loans	-	-	-	-	14,152	-	14,152	14,152
2022								
<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

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

40. FINANCIAL INSTRUMENTS (CONT'D)

40.5 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
The Company								
2023								
<u>Financial Asset</u>								
Short-term								
investments:								
- money market								
funds	-	5,529	-	-	-	-	5,529	5,529
2022								
<u>Financial Asset</u>								
Short-term								
investments:								
- money market								
funds	-	15,313	-	-	-	-	15,313	15,313

(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	
	2023 %	2022 %
RPS "A"	4.60	4.60

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

41. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Termination of 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.

The scope of the proposed collaboration, encompass the following:

- (a) 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
- (b) 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:

- (a) Two (2) years from the Effective Date or such other date as mutually agreed between parties in writing; or
- (b) Immediately upon the execution of a definitive agreement.

Both parties had agreed to terminate the MOU with effect from 30 June 2023.

42. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Notice To Show Cause On Suspension And De-listing Of Securities Of Awantec

On 16 August 2023, the Bursa Securities has decided to reject the Company's application for extension of time to submit the regularisation plan to the regulatory authorities ("Application") as the Company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. Bursa Securities has also issued a notice to show cause on suspension and de-listing of securities of the Company from the Official List of Bursa Securities ("Notice"), informing the Company to furnish Bursa Securities with the Company's representations, on or before 23 August 2023 (i.e. 5 market days from the date of the Notice), as to:

- (a) Why a suspension should not be imposed on the trading of the securities of the Company; and
- (b) Why the securities of the Company should not be de-listed from the Official List of Bursa Securities.

On 22 August 2023, the Company has submitted the written representations in relation to above requests to Bursa Securities. No further updates from Bursa Securities on the decision on suspension and de-listing of the Company.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2023

43. MATERIAL LITIGATION

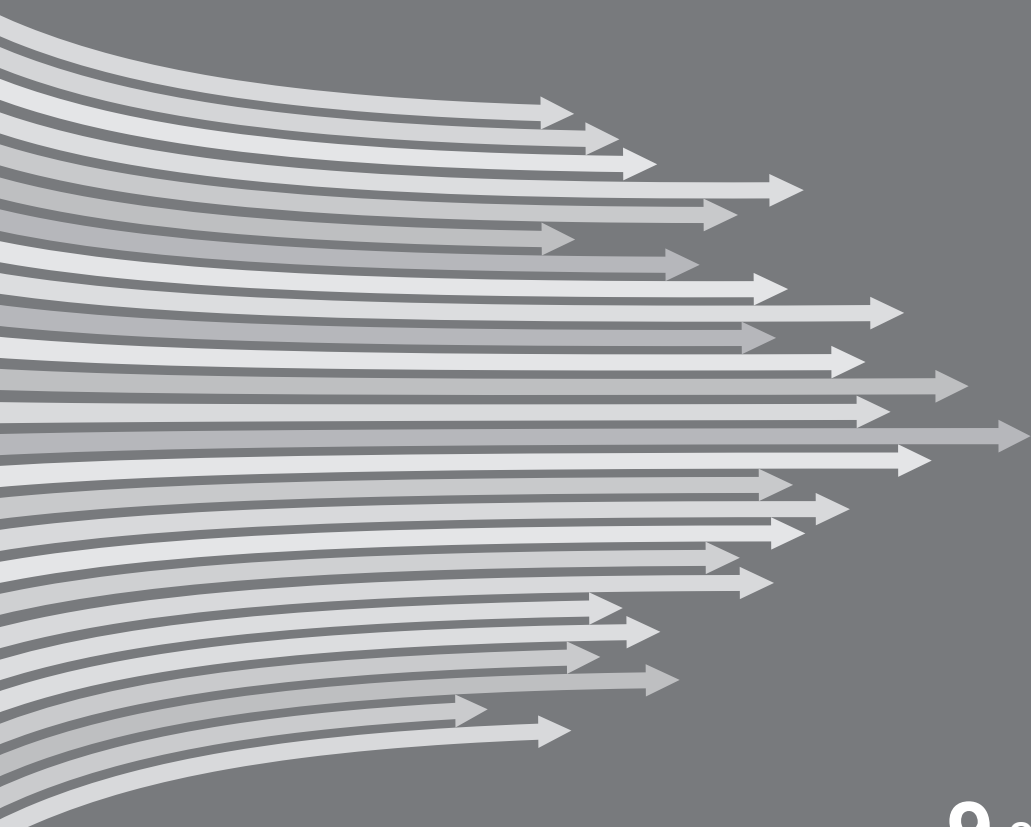
Details of Circumstances Leading to the Filing of the OS against the GOM

Following the letter from GOM dated 11 December 2018, confirming the decision of the Cabinet to terminate the SKIN, PSKIN and GOM met several times to discuss amongst others, the payment obligation of GOM and the quantum to be paid by GOM. Regrettably, both parties were unable to reach an agreement, consequent to this, PSKIN filed an Originating Summons (No. WA-21NCvC-20-04/2020) at the Kuala Lumpur High Court ("OS") against the GOM on 15 April 2019, seeking for *inter alia* 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;
- (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; and
- (f) Such further and/or other relief as the Court deems fit.

The OS was heard before the High Court on 22 January 2021, 29 January 2021, 26 February 2021, 9 April 2021, 20 May 2021, 2 November 2021, 30 November 2021, 11 March 2022, 25 July 2023, 26 July 2023 and 27 October 2023. 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 the parties' respective Counsel) attended the first mediation session and the Group will continue to pursue mediation in parallel with the OS. No further updates on the mediation process subsequent to 30 October 2019.



9 OTHER INFORMATION

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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 30/6/2023 (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	14.5	194,000	4 Sept 2007
2	Unit No. 71-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,710	Office Building	14.5	194,000	4 Sept 2007
3	Unit No. 72-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,710	Office Building	14.5	194,000	4 Sept 2007
4	Unit No. 73-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,847	Office Building	14.5	234,000	4 Sept 2007
5	Unit No. 72-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	14.5	369,000	4 Sept 2007
6	Unit No. 73-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	2,440	Office Building	14.5	584,000	15 Sept 2007
7	Unit No. 71-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	14.5	381,000	1 July 2009
8	Unit No. 70-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,446	Office Building	14.5	381,000	1 July 2009
9	Unit No. 73A-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	2,440	Office Building	14.5	772,000	3 Sept 2010
10	Unit No. 73A-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	1,847	Office Building	14.5	584,000	3 Sept 2010
11	Block 12 Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan	ASSB	Freehold	40,375	Office Building	5.5	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	5.5	11,067,000	19 Oct 2017

Analysis of Shareholdings

As at 29 September 2023

SHARE CAPITAL

Total number of issued shares	:	789,892,100 Ordinary Shares (Including 1,698,500 treasury shares)
Class of shares	:	Ordinary Shares
Voting rights	:	One (1) vote per Ordinary Share
Number of shareholders	:	6,918

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	125	1.81	4,214	0.00
100 - 1,000	886	12.81	534,513	0.07
1,001 - 10,000	3,179	45.95	17,428,614	2.21
10,001 - 100,000	2,218	32.06	78,893,395	10.01
100,001 - 39,409,679*	506	7.31	410,435,224	52.07
39,409,680 and above**	4	0.06	280,897,640	35.64
Total	6,918	100.00	788,193,600	100.00

Notes:-

(*) Less than 5% of issued holdings

(**) 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2023

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 ^(a)	10.10
6.	Eco Cloud Ventures Sdn. Bhd.	–	–	79,579,740 ^(a)	10.10

Note:-

^(a) Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings

As at 29 September 2023

DIRECTORS' SHAREHOLDINGS AS AT 29 SEPTEMBER 2023

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 ^(a)	10.10
3.	Ramanathan a/l Sathiamutty	–	–	–	–
4.	Professor Emeritus Dato' Dr. Hassan bin Said	–	–	–	–
5.	Hafidah Aman binti Hashim	–	–	–	–
6.	Ginny Yeow Mei Ying	–	–	–	–
7.	Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	–	–	–	–
8.	YM Tunku Abang Faisal Amir bin Abang Abu Bakar	–	–	–	–
9.	Lim Saw Imm	–	–	–	–

Notes:-

^(a) Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 SEPTEMBER 2023

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	25,300,000	3.21
6.	CIMSEC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (88008208-PB)	18,000,000	2.28
7.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E)	16,388,000	2.08
8.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR YEOH ENG HUA (PB)	14,386,000	1.83
9.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	13,441,900	1.71
10.	TEVIS ONG SENG CHUAN	10,000,000	1.27

Analysis of Shareholdings

As at 29 September 2023

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 SEPTEMBER 2023 (CON'T)

NO.	NAME	NO. OF SHARES	%
11.	CHIN CHIN SEONG	9,944,366	1.26
12.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	9,138,000	1.16
13.	LIANNEX CORPORATION (S) PTE. LTD.	7,800,100	0.99
14.	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	7,045,000	0.89
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	6,666,000	0.85
16.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	5,850,000	0.74
17.	LAI HOONG WYE	5,351,300	0.68
18.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO LIH MENG	5,100,000	0.65
19.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG KANG YEOW	5,000,000	0.63
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG	5,000,000	0.63
21.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG AIK SERN	4,750,000	0.60
22.	MUHAMAD ALOYSIUS HENG	4,730,200	0.60
23.	CHIN CHIN SEONG	4,600,000	0.58
24.	NUR ALIYAH BINTI ABDULLAH	4,408,000	0.56
25.	LIM SOO KIOW	4,230,000	0.54
26.	CHIN YAT YIN	4,000,000	0.51
27.	LOW CHU MOOI	4,000,000	0.51
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR ARECA CAPITAL SDN. BHD. (CLIENTS' ACCOUNT)	3,629,000	0.46
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	3,500,000	0.44
30.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN LEONG KIAT (M02)	3,301,700	0.42
TOTAL		486,457,206	61.73

Analysis of Warrant A Holdings

As at 29 September 2023

Total Number of Outstanding Warrant A Issued : 255,950,234 Warrants
Number of Warrant A holders : 1,595

DISTRIBUTION OF WARRANT A HOLDINGS

SIZE OF HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 - 99	118	7.40	5,306	0.00
100 - 1,000	166	10.41	92,166	0.04
1,001 - 10,000	601	37.68	3,309,569	1.29
10,001 - 100,000	541	33.92	20,056,928	7.84
100,001 - 12,797,511*	166	10.41	108,583,265	42.42
12,797,512 and above **	3	0.19	123,903,000	48.41
Total	1,595	100.00	255,950,234	100.00

Notes:-

(*) Less than 5% of issued holdings

(**) 5% and above of issued holdings

DIRECTORS' WARRANT A HOLDINGS AS AT 29 SEPTEMBER 2023

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.	Ramanathan a/l Sathiamutty	-	-	-	-
4.	Professor Emeritus Dato' Dr. Hassan bin Said	-	-	-	-
5.	Hafidah Aman binti Hashim	-	-	-	-
6.	Ginny Yeow Mei Ying	-	-	-	-
7.	Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	-	-	-	-
8.	YM Tunku Abang Faisal Amir bin Abang Abu Bakar	-	-	-	-
9.	Lim Saw Imm	-	-	-	-

Analysis of Warrant A Holdings

As at 29 September 2023

THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 29 SEPTEMBER 2023

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	13,170,000	5.15
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	4,620,000	1.81
8.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	4,100,000	1.60
9.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM ZHONG YONG	4,099,900	1.60
10.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E)	4,097,000	1.60
11.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR ARECA CAPITAL SDN. BHD. (CLIENTS' ACCOUNT)	4,031,300	1.58
12.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR YEOH ENG HUA (PB)	3,600,000	1.41
13.	CHIN CHIN SEONG	2,895,166	1.13
14.	CHIN CHIN SEONG	2,437,300	0.95
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0	1,860,000	0.73

Analysis of Warrant A Holdings

As at 29 September 2023

THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 29 SEPTEMBER 2023 (CONT'D)

NO.	NAME	NO. OF WARRANTS	%
16.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN CHIN SEONG	1,800,000	0.70
17.	LOW CHU MOOI	1,650,000	0.65
18.	TAMILSELVI A/P SUPPIAH	1,588,000	0.62
19.	KONG PAK LIM	1,522,500	0.60
20.	TEONG PECK JOO	1,250,000	0.49
21.	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO (MY2095)	1,230,000	0.48
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.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR ANDREW SAW KHAY CHIN (PB)	1,100,000	0.43
25.	LIEW KUO AUN	1,083,500	0.42
26.	KONG PAK LIM	1,061,000	0.42
27.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AHAM FLEXI FUND V	1,000,433	0.39
28.	GRACE CHEAH YEONG SEN	835,000	0.33
29.	JUSTIN ONG SENG BENG	833,333	0.33
30.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR NG GIAK PIN	805,900	0.32
TOTAL		198,720,872	77.68

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("**13th AGM**") of AwanBiru Technology Berhad ("**Company**") will be held on a virtual basis from the broadcast venue at Block 11B, Level 3A, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 23 November 2023 at 10:00 a.m. for the following purposes: -

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note No. 7)**
2. To approve the payment of Directors' fees up to an amount of RM612,000.00 for the period from 24 November 2023 until the next Annual General Meeting of the Company to be held in year 2024. **(Resolution 1)**
3. To approve the payment of Directors' benefits up to an amount of RM285,900.00 from 24 November 2023 until the next Annual General Meeting of the Company to be held in year 2024. **(Resolution 2)**
4. 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) Mr. Ramanathan a/l Sathiamutty; and **(Resolution 3)**
 - (b) YM Tunku Abang Faisal Amir bin Abang Abu Bakar. **(Resolution 4)**
5. To re-elect Madam Lim Saw Imm who is retiring pursuant to Clause 118 of the Company's Constitution and being eligible, has offered herself for re-election. **(Resolution 5)**
6. 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. **(Resolution 6)**

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:-

7. ORDINARY RESOLUTION NO. 1

(Resolution 7)

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"THAT subject always to the Companies Act 2016 ("**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."

8. ORDINARY RESOLUTION NO. 2

(Resolution 8)

- 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;

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."

9. 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: 25 October 2023

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 2023 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 not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 21 November 2023 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 13th 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, 21 November 2023 at 10:00 a.m.

Please refer to the Administrative Guide for the 13th AGM of the Company, which is available for download at https://ir.awantec.my/shareholders_meeting.html in order to register, participate and vote remotely.

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.

Notice of Annual General Meeting

8. Explanatory Notes: -

(i) 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 24 November 2023 until the next AGM and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

(ii) Re-election of Directors who retire pursuant to Clause 119 of the Company's Constitution

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.

Puan Hafidah Aman binti Hashim ("**Puan Hafidah**") and Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan ("**Dato' K.T. Rajan**") have informed the Board in writing of their intention to retire as Independent Directors of the Company and therefore will not be seeking re-election at the AGM. Hence, they will retain office until the conclusion of the 13th AGM. With Puan Hafidah and Dato' K.T. Rajan are not taken into account in determining the number of Directors to retire, a total of two (2) out of six (6) Directors are to retire in accordance with Clause 119 of the Company's Constitution.

Mr. Ramanathan a/l Sathiamutty and YM Tunku Abang Faisal Amir bin Abang Abu Bakar (each referred to as "**retiring Director**"), being eligible, have offered themselves for re-election at the 13th 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 13th AGM of the Company, the Board had through its Nomination and Remuneration Committee, undertaken a formal evaluation 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;
- (ii) Independence of the Independent Non-Executive Director; and
- (iii) Fit and proper assessment.

Based on the results of the abovementioned evaluations, the Board considered the performance of the retiring Directors 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 2023.

(iii) Re-election of Director who retires pursuant to Clause 118 of the Company's Constitution

Pursuant to Clause 118 of the Constitution of the Company, the Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, so long as the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Constitution of the Company. Any Director so appointed shall hold office only until the conclusion of the next AGM of the Company and shall be eligible for re-election at such meeting.

Notice of Annual General Meeting

Mdm. Lim Saw Imm (“**retiring Director**”), being eligible, have offered herself for re-election at the 13th AGM pursuant to Clause 118 of the Company’s Constitution.

For the purpose of determining the eligibility of the Director to stand for re-election at the 13th AGM of the Company, the Board had through its Nomination and Remuneration Committee, undertaken a formal evaluation to determine the eligibility of the retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:

- (i) Independence of the Independent Non-Executive Director; and
- (ii) Fit and proper assessment.

Based on the results of the abovementioned evaluations, the Board considered the performance of the retiring Director to be effective. The retiring Director was able to meet the Board’s expectations in terms of experience, expertise, integrity, competency, participation and contribution. The retiring Director demonstrates a commitment to the role and has sufficient time to meet her commitments to the Company. The retiring Director had abstained from deliberations and decisions on her own eligibility to stand for re-election at the meetings of the Board.

The details of the retiring Director are available in the Director’s Profile of the Annual Report 2023.

(iv) 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 13th AGM of the Company (hereinafter referred to as the “**General Mandate**”).

The Company had been granted a general mandate by its shareholders at the 12th AGM of the Company held on 24 November 2022 (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 AGM 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.

(v) 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 12th AGM of the Company held on 24 November 2022. 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 25 October 2023 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 ("**Company**") hereby appoint:-

First Proxy "A"

Full Name:	NRIC No./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 No./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 Thirteenth Annual General Meeting of the Company to be held on a virtual basis from the broadcast venue at Block 11B, Level 3A, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 23 November 2023 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.)

Items	Agendas	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon.			
2.	To approve the payment of Directors' fees up to an amount of RM612,000.00 for the period from 24 November 2023 until the next Annual General Meeting of the Company to be held in year 2024.	1		
3.	To approve the payment of Directors' benefits up to an amount of RM285,900.00 from 24 November 2023 until the next Annual General Meeting of the Company to be held in year 2024.	2		
4(a).	To re-elect Mr. Ramanathan a/l Sathiamutty as Director.	3		
4(b).	To re-elect YM Tunku Abang Faisal Amir bin Abang Abu Bakar as Director.	4		
5.	To re-elect Madam Lim Saw Imm as Director.	5		
6.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	6		
Special Business				
7.	Authority to issue shares pursuant to the Companies Act 2016.	7		
8.	Proposed Renewal of Share buy-back authority.	8		

As witness *my/our hand(s) this day _____ of _____, 2023.

* 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 2023 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.

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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 not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof i.e. Tuesday, 21 November 2023 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 13th 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, 21 November 2023 at 10:00 a.m.

Please refer to the Administrative Guide for the 13th AGM of the Company, which is available for download at https://awantec.listedcompany.com/shareholders_meeting.html in order to register, participate, and vote remotely.

www.awantec.my

AWANBIRU TECHNOLOGY BERHAD

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