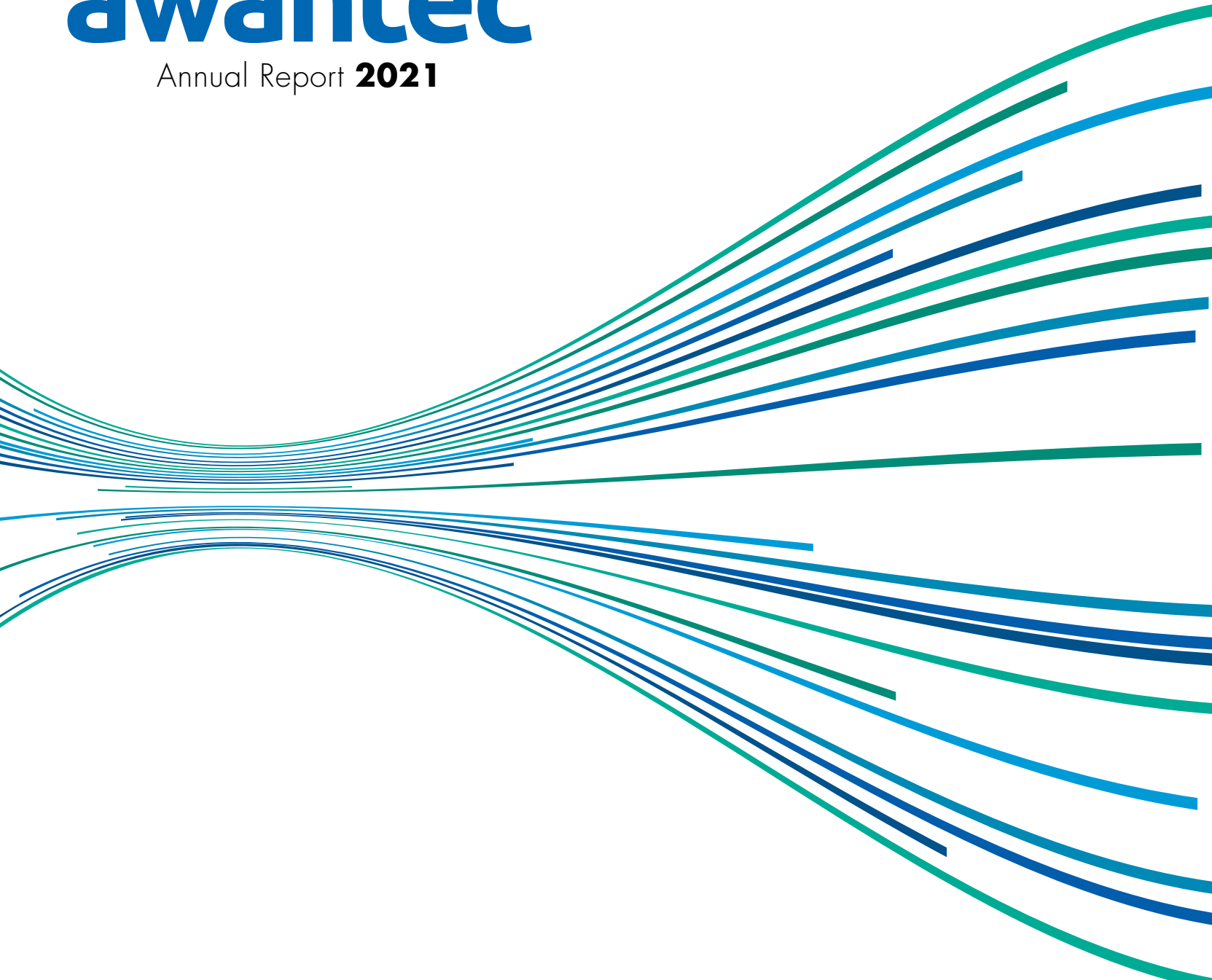




awantec

Annual Report **2021**



**Accelerating
Digitalisation**
Progressing with Purpose



About This Report



Awantec strives towards comprehensive, clear and transparent disclosure of our performance to keep our wide range of stakeholders informed.

Our Annual Report (“AR”) 2021, which is supplemented by our Sustainability Statement (“SS”) 2021 embedded inside, is the primary source of information on our Group’s financial and non-financial performances for the financial year 2021.

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

Reporting Scope, Boundaries and Period

| | |
|--------------------------------------|---|
| Annual Report 2021 | Reports the overall performance of the Company and its wholly owned business segments and subsidiaries. |
| Sustainability Statement 2021 | Reports the overall performance of the Company, including its wholly owned subsidiary, Prestariang Systems Sdn. Bhd., as the subsidiary contributed more than 99% to the Group’s business revenue for the reporting period, and was therefore assessed. |

Both the AR 2021 and SS 2021 covers the period from 1 July 2020 to 30 June 2021, and the performance of our operations in Malaysia, where Awantec is headquartered and all of its subsidiaries are located, unless otherwise stated.

Reporting Structure, Frameworks and Guidelines

| | Disclosure | Reporting Frameworks |
|--------------------------------------|--|--|
| Annual Report 2021 | <ul style="list-style-type: none"> • Performance Review • Governance • Financial Review | <ul style="list-style-type: none"> • Bursa Malaysia Securities Berhad Main Market Listing Requirements • Malaysian Code on Corporate Governance 2017 • Malaysian Financial Reporting Standards • Companies Act 2016 |
| Sustainability Statement 2021 | <ul style="list-style-type: none"> • Scope • Stakeholder Engagements • Sustainability Performance | <ul style="list-style-type: none"> • Bursa Malaysia Securities Berhad Main Market Listing Requirements • FTSE4Good Bursa Malaysia Index Criteria • Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines - Core Option • United Nations Sustainable Development Goals |

Accelerating Digitalisation Progressing with Purpose

Having ourselves pivoted to digitalisation, we have made it through the trying headwinds and remained resilient against wide range of disruptions, one after another.

Moving forward, we are answering to our greater calling of **Progressing with Purpose** by balancing profitability with sustainability – shifting our focus to ESG excellence with a mindset of **“Doing Well by Doing Good”** in creating long-term value for all stakeholders.

Fully transformed – it’s time for Awantec to leverage on our in-depth experiences, innovative solutions, along with our newfound potential in catalysing and **Accelerating Digitalisation** to drive Malaysia towards digital economy and beyond.

What's Inside



Cross-referencing can be done via our corporate website:
www.awantec.my

Feedback

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance.

To provide feedback, or for any inquiries on our report, please contact:

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Prestariang Berhad)

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+603 8689 7009

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Who We Are

Embarking on a future that pivots on digitalisation, we are shifting our strategic horizon in the direction of cloud computing and blue ocean strategies.

Committed to reinventing and rebranding to capitalise on new opportunities, Prestariang Berhad officially evolved on 16 December 2020; with a new name, a new brand, and a new outlook.

We are now:



About Awantec

AwanBiru Technology Berhad (formerly known as Prestariang Berhad), or **Awantec** is a Technology and Talent Pioneer that has evolved from being Malaysia's largest ICT software and training service provider to a **Digital Transformer**.



VISION

A Global Company that Provides 21st Century Talent and Technology Services Platform to Transform Lives

MISSION

To Drive Sustainable Recurring Profit through Digital Transformation

SHARED VALUES



Innovation

We rally world-class capabilities to innovate effective solutions and better services, continuously for our customers



Quality

We emphasise on service quality and excellence with added value via our understanding of customers' needs



Collaboration

We leverage the experience and expertise of our people, and the drive of our customers by collaborating openly and effectively



Customer-Focused

We adapt to evolving technological demands and consistently be ahead to provide the best-fit solutions for our customers



Integrity

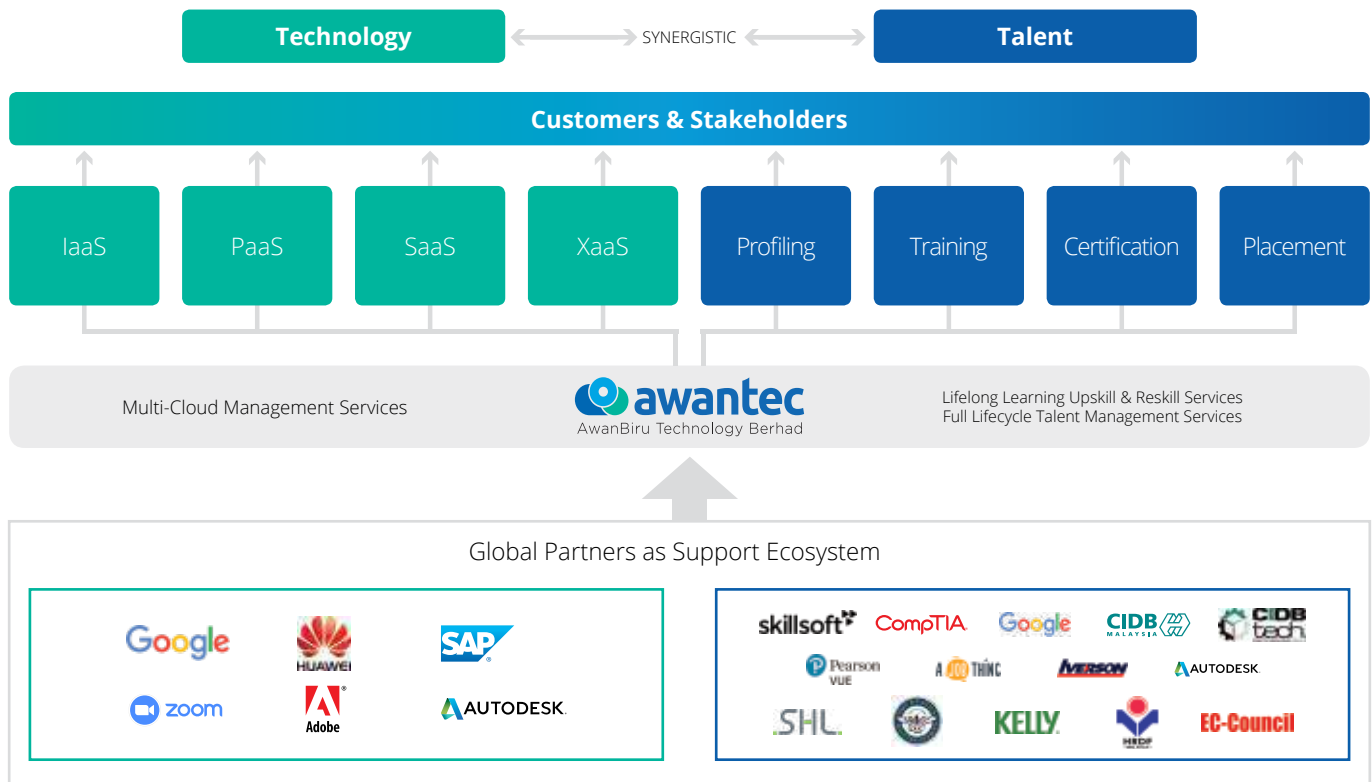
We take ownership of our business conducts and actions taken, and are accountable for the results

Who We Are

For more than 18 years, Awantec has been driving the technology and talent industry in Malaysia, both public and private, towards and beyond the new digital economy.

The principal business of Awantec under its Technology Division, consists of multi-cloud management services, which encapsulates Infrastructure as a Service (“**IaaS**”), Platform as a Service (“**PaaS**”), Software as a Service (“**SaaS**”) and Anything as a Service (“**XaaS**”).

Its Talent Division on the other hand, provides the synergistic offerings of talent development services, and full lifecycle talent management services, which offers profiling, training, certification and placement services.



With our global partners as our support ecosystem, our excellent track records and experienced workforce, we move together, in-sync to accelerate Malaysia's progress as a technologically advanced economy.



Incorporated in 2003
Listed under Main Market
Bursa Malaysia Securities
Berhad on 27 July 2011



A Constituent of FTSE4Good
Bursa Malaysia Index Since
September 2014



93 Experienced and
Professionally Certified Staffs

We have recorded successful
delivery of more than:



6.63 Million
Software Licenses Distributed
and Managed



289,000
Trained and Certified
Individuals

OUR SERVICES:

Technology

- 1. IaaS
- 2. PaaS
- 3. SaaS
- 4. XaaS

| Solutions | Cloud Computing Services | On Premise Offerings |
|---|--|--|
| Offering cloud-based solutions, across various platform: <ul style="list-style-type: none"> • Google • SAP • Adobe • Autodesk • Huawei | Providing holistic cloud computing services, including assessment, advisory and implementation services: <ul style="list-style-type: none"> • Cloud Assessment and Strategy • Cloud Migration • Cloud Integration • Cloud Managed Services • Cloud Optimisation | Encompassing delivery and installation of peripherals, along with professional supports: <ul style="list-style-type: none"> • Hardware • Data Centre and Network Modernisation • IT Change Management • Project Management • Support and Services |

Talent

- 1. Lifelong Learning
Upskill and Reskill
- 2. Full Lifecycle
Talent Management

| Talent Development | Talent Management Services |
|--|--|
| Offering various modes of holistic training and certification solutions, future-proofing talents for IR 4.0: <ul style="list-style-type: none"> • Online Learning • Classroom and Blended • Virtual Instructor-Led Training | Providing end-to-end talent management solutions: <ul style="list-style-type: none"> • Profiling • Placement |

Over 18 years of excellent track record, serving various sectors across Malaysia:



Education



Health



Energy and Natural Resources



Defense



Finance



Rural Development



Agriculture and Food Industries



Trade and Industry



Home Affairs



Local Government



Human Capital



Social Security

FY2021 At a Glance

While challenging, the second year of COVID-19 pandemic witnessed the fruition of our rebuilding and recovery efforts.

Here are some highlights of our financial year 2021:

Project Highlights:

Technology Segment



1 project was successfully completed



1 project was secured, valued at **RM22.8** million



4 new partnerships were formed

- Google
- Huawei Malaysia
- Zoom Video Communications Incorporated
- SAP

Talent Segment



4 new projects were secured, valued at **RM50.5** million



4 new partnerships were formed

- Kelly Services (M) Sdn. Bhd.
- Ajobthing Sdn. Bhd.
- CIDB Technologies Sdn. Bhd.
- SHL

Sustainability Highlights:



Maintained low scope 2 carbon intensity of 1.77 MT CO2-eq/employee

FY2020: 1.76 MT CO2-eq/employee



Reduced paper usage by 4.4% or 2.63 reams/employee

FY2020: 2.75 reams/employee



Increased average training man days by 167% or 7.6 average training man days

FY2020: 2.85 average training man days



Reduced customer complaints by 100% or 0 (zero) official complaint

FY2020: 2 official complaints



Awarded share option scheme for employees as part of our long term incentive plan to reward employees for their contributions and to promote performance



Awarded with Platinum Supplier Status by Human Resource Development Corporation



Awarded with Premier Level Partner by Google Cloud



Listed on the MSWG's Top 100 Companies for CG Disclosure 2020

Rank: 75th



FTSE4Good

Remained a constituent for FTSE4Good Bursa Malaysia Index since our inclusion in 2014



Won Excellence Award for CG Disclosure for market cap below RM100 million category in the Minority Shareholders Watch Group (MSWG) Award 2020

Key Events

2 July 2020

Successfully completed the Master Licensing Agreement 3.0 under the Enrolment for Education Solutions programme.



17 August 2020 ¹

Entered into a partnership with SHL to expand profiling capabilities for talent recruitment and development.



1 November 2020

Entered into a partnership with Kelly Services (M) Sdn. Bhd. to drive training and placement for Selangor Kerjaya Programme.

1 November 2020

Entered into a partnership with Ajobthing Sdn. Bhd. to drive training and placement for Selangor Kerjaya Programme.

3 November 2020 ²

Awarded by Menteri Besar Selangor to develop and implement the Selangor Kerjaya Programme.

16 November 2020

Completed the disposal of the entire equity interest in Prestariang Education Sendirian Berhad for RM2.5 million.

29 November 2020

Entered into a partnership with Google to expand cloud offerings within the Asia Pacific region.



30 November 2020

Completed the private placement and rights issue, raising RM63.2 million.

16 December 2020

Officially changed the name of the Company from Prestariang Berhad to AwanBiru Technology Berhad.



AwanBiru Technology Berhad
(formerly known as Prestariang Berhad)

29 December 2020

Traded and quoted officially on the main board of Bursa Malaysia under the new stock name - AWANTEC (5204)

6 January 2021 ³

Entered into a partnership with Huawei via a Memorandum of Understanding to drive digitalisation of Malaysia's public sector.

10 January 2021 ⁴

Entered into a partnership with CIDB Technologies Sdn. Bhd. via a Memorandum of Understanding to form Construction Skills Competency Training Programme.

20 January 2021

Appointed 3 new directors:

- Independent Non-Executive Chairman,
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar
- Independent Non-Executive Director,
YM Tunku Abang Faisal Amir bin Abang Abu Bakar
- Independent Non-Executive Director,
Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan

8 February 2021

Entered into a Sales and Purchase Agreement with Serba Dinamik Group Berhad to sell Block 12 Star Central building for RM24.2 million.

19 February 2021

Nominated by Google and appointed by Malaysian Administrative Modernisation and Management Planning Unit ("MAMPU") as a Managed Service Provider ("MSP") to support Malaysia's public sector digital transformation initiatives.

11 March 2021 ⁵

Implemented online learning platform, Sabah ELITE Percipio for the Sabah State Government.

7 April 2021 6

Awarded with the Platinum Supplier Status by Human Resource Development Corporation for the Company's outstanding performance.

16 April 2021

Offered options of up to 15% of the total number of issued shares of the Company, to eligible directors and employees as part of its Long Term Incentive Plan.

4 May 2021 7

Implemented online learning platform, KPLB Learning Hub for the Kementerian Pembangunan Luar Bandar.

24 May 2021 8

Participated in Malaysia's first Government Cloud Rendezvous, hosted by Malaysian Administrative Modernisation and Management Planning Unit.

16 June 2021

Implemented online learning platform, SUKNS Learning Hub for the Negeri Sembilan State Government.

9 July 2021

Secured RM22.8 million contract from the Ministry of Education, to supply G Suite Enterprise for Education software for schools under the ministry's purview.

27 July 2021 9

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

28 July 2021

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



10 Years of Progress in Transforming Lives through Technology and Talent

27 JULY

Listed on Bursa Malaysia's Main Board

22 AUGUST

Appointed by the Ministry of Higher Education to implement 1Citizen certification programme in higher learning institutions

17 OCTOBER

Entered into a contract to penetrate the United Arab Emirates market with our homegrown 1Citizen programme

31 JANUARY

Launched University Malaysia of Computer Science and Engineering (UNIMY), Malaysia's first ICT boutique university

30 SEPTEMBER

Appointed by the Ministry of Education to supply Autodesk software and value-add services to local public higher learning institutes

JULY

Recorded RM1 billion market capitalisation

13 NOVEMBER

Collaborated with the Ministry of Education to launch Big Data Competency Centres to propel the Malaysia's big data industry

9 DECEMBER

Nominated as one of Forbes Asia's Best Under a Billion Companies

SHARE PRICE MOVEMENT CHART

2011

2012

2013

2014

2015

20

18 DECEMBER

Appointed by the Ministry of Finance to implement Professional Skill Set for Oil & Gas Industry Programme

3 JULY

Appointed as the exclusive training and certification provider for 1 Vendor Development Programme by the Ministry of Finance

17 JANUARY

Secured a contract to run 1Citizen programme by the Ministry of Information, Communications and Culture

20 NOVEMBER

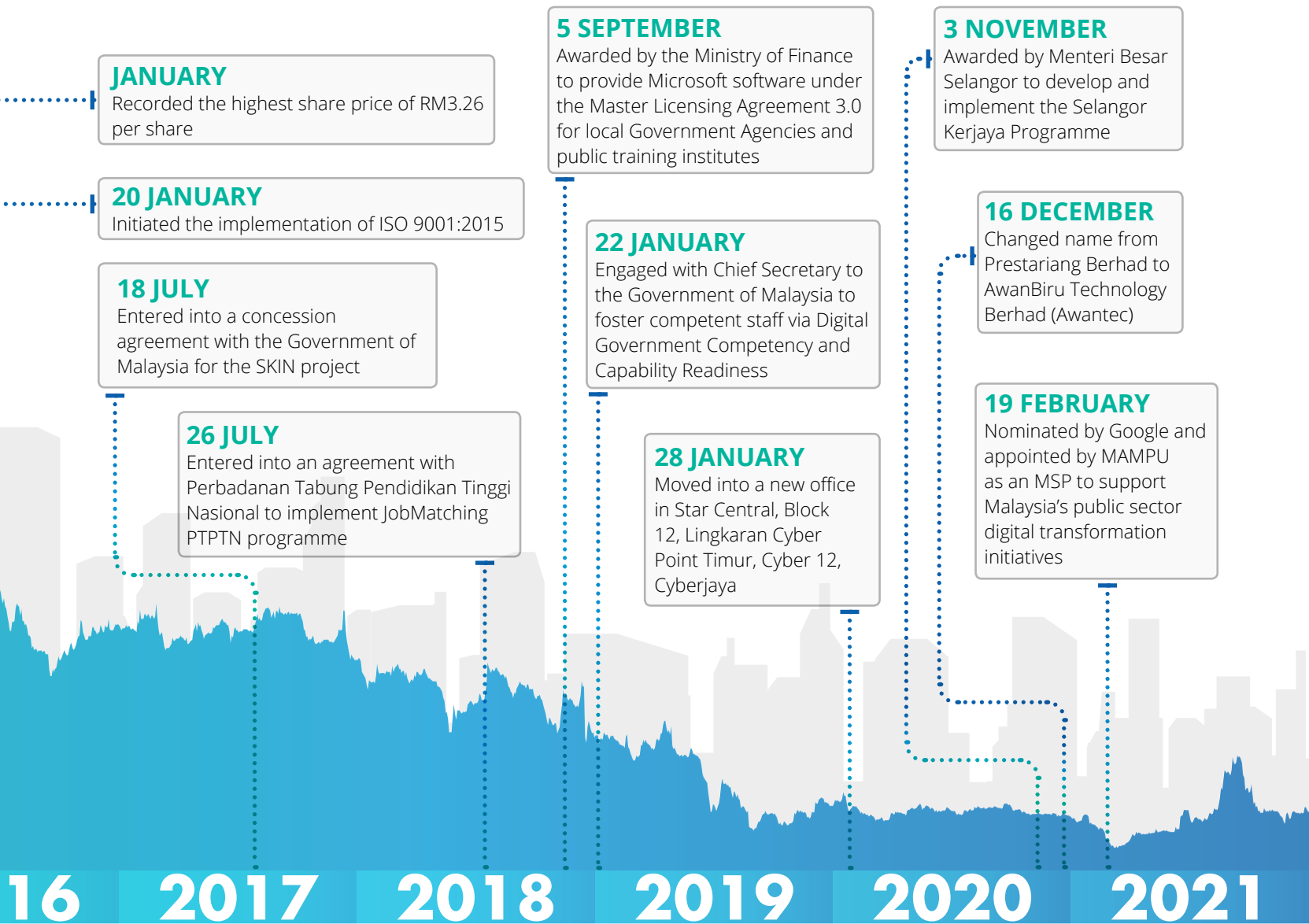
Signed and accepted a letter of approval from the Ministry of Home Affairs to implement the Sistem Kawalan Imigresen Nasional (SKIN)

30 OCTOBER

Appointed by the Ministry of Higher Education to supply Autodesk software services to local public higher learning institutes and colleges

21 JANUARY

Appointed by the Ministry of Finance to provide Microsoft software under the Master Licensing Agreement 2.0 for Malaysia's Government Agencies



JANUARY
Recorded the highest share price of RM3.26 per share

20 JANUARY
Initiated the implementation of ISO 9001:2015

18 JULY
Entered into a concession agreement with the Government of Malaysia for the SKIN project

26 JULY
Entered into an agreement with Perbadanan Tabung Pendidikan Tinggi Nasional to implement JobMatching PTPTN programme

5 SEPTEMBER
Awarded by the Ministry of Finance to provide Microsoft software under the Master Licensing Agreement 3.0 for local Government Agencies and public training institutes

22 JANUARY
Engaged with Chief Secretary to the Government of Malaysia to foster competent staff via Digital Government Competency and Capability Readiness

28 JANUARY
Moved into a new office in Star Central, Block 12, Lingkaran Cyber Point Timur, Cyber 12, Cyberjaya

3 NOVEMBER
Awarded by Menteri Besar Selangor to develop and implement the Selangor Kerjaya Programme

16 DECEMBER
Changed name from Prestariang Berhad to AwanBiru Technology Berhad (Awantec)


19 FEBRUARY
Nominated by Google and appointed by MAMPU as an MSP to support Malaysia's public sector digital transformation initiatives

21 NOVEMBER
Awarded by the Ministry of Higher Education to supply Adobe Creative Cloud software services to the government agencies, local higher learning institutes and colleges


31 JULY
Awarded with the Corporate Governance Industry Excellence Award (Technology) by MSWG

27 JULY
Celebrated our 10th initial public offering anniversary, since being listed on Main Market Bursa Malaysia


2 SEPTEMBER
Ventured into the global higher education cloud-based markets via an agreement with OpenLearning Global Pte. Ltd.



Scan the QR Code or click the link to watch the celebration speech from our President/Group Chief Executive Officer



Awantec 10th Year IPO Anniversary Celebration Speech



Chairman's Statement

*On behalf of the Board of Directors, it is my pleasure to present the Annual Report for AwanBiru Technology Berhad ("**Awantec**" or "**the Group**") for the financial year ended 30 June 2021 ("**FY2021**"). I am extremely grateful to Allah Almighty for giving us the resilience, perseverance, and patience amidst the storm that we are all facing globally at present.*

Dear Shareholders,

OUR FOCUS ON STRATEGY AND PERFORMANCE

Awantec has become synonymous with resilience. As we celebrate our 10th IPO anniversary this year, it should be noted that it is only through the persistence of our employees and the support of our stakeholders that we have rebuilt ourselves against the socio-economic and political headwinds of last year. Awantec has evolved from an ICT training and certification provider to become a key player in the technology and talent industry. Recently pivoting ourselves to the Cloud into a Managed Services Provider ("**MSP**"), Awantec now offers services and products offerings that are aligned with Malaysia Digital Economy Blueprint ("**MyDIGITAL**") in driving digitalisation for public and private sectors.

The first half of the financial year ended 30th June 2021 saw Awantec combine our strength coupled with sheer determination in creatively progressing through our core business despite all the impediments. To mitigate impact of last year's headwinds on our top and bottom line, the Group embarked on various initiatives to accelerate recovery whilst improving operational efficiency to protect profitability. This involved a rationalisation plan which included among others, cost cutting measures, divestment of non-core assets, and equity fund raising to further strengthen our capital

structure and improve cash flow. This has been ongoing since the movement restriction orders were announced by the government in 2020. We took stringent measures to reduce operating costs, while our plan to divest assets and raise equity funds helped with replenishing our working capital. Our Group's core business remains focused on two core verticals – technology and talent, as drivers of revenue and profits.

The year 2020 will indeed go down in history as a year where many countries were brought to an almost-standstill as countries around the globe adopted lockdowns and circuit breakers to curtail the pandemic. In Malaysia however, as the number of infections continued to rise in the first half of 2021, the government implemented restrictions to look after the well-being of its people while monitoring economic activities closely. Attempts at combating the new wave of COVID-19 infections since October 2020 were less fruitful. Thankfully, as I pen this note well into 2021, we are seeing significant improvement towards managing this pandemic and hopefully businesses are able to operate fully once again. Nevertheless, Awantec will continue to operate responsibly, to ensure the livelihood of our people are taken care off and the best interest of our shareholders and customers are prioritised while contributing to the economic growth of the nation.



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

Our Resilience

My stint as Chairman of Awantec is at its infancy. However, I have understood the organisation, its strengths, and challenges. We have endured two major setbacks – namely the loss of the government contract called ‘Sistem Kawalan Imigresen Nasional’ (“**SKIN**”) in late 2018 and also the discontinued partnership with Microsoft.

It was incredibly comforting to see that the Board of Directors (“**the Board**”) had approached these major hits in a calm manner. With their cumulative experience and strong leadership, they have set clear vision and objectives for the Group to rebuild itself.

We swiftly moved focus to our partnership with Google. The Board identified this new avenue of growth with Google Cloud which enables Awantec to provide cloud-based solutions and services to our clients encompassing Platform as a Service (“**PaaS**”), Infrastructure as a Service (“**IaaS**”), Software as a Service (“**SaaS**”), Anything as a Service (“**XaaS**”) and other niche offerings.

I am confident that these new relationships that we have built with Google and several other partners have established a strong footing for Awantec. Our partnership with Google was also timely, as the Malaysian government had established a panel of four cloud service providers including Google to address all public sector cloud needs in the next 3 years. The announcement aligns with the aim to accelerate the development of an effective ecosystem for the adoption of digital tools and infrastructure.

Awantec is the exclusive MSP to Google in serving the government and its agencies. This recognition from the government and our alliance with Google, validates Awantec’s role as a leading technology platform innovator.

We have the right partners, the right products and the right skill sets to complement the government’s digitalisation goals. Hence this paves the way for Awantec, to serve its traditional customer base in the public sector while it proceed to grow into the private sector too.

Chairman's Statement

In the last 10 years, we have been operating in a space where digital adoption is increasing. The global pandemic has also seen an increase in adoption trends. Awantec continues to expand its services and recommends service improvements across the organisations we serve. Our cloud-based offerings have been well received, and we have seen new contracts and customers from both public and private sectors. Our successful penetration into this market is underpinned by the strength and business acumen of our Board and the leadership skills of the Management Team, who have proven themselves as capable of weathering many changes.

Esteemed Stakeholders,

In line with the Government's initiatives under the Twelfth Malaysia Plan ("**RMKe-12**"), Awantec is ideally positioned to support the nation's Digital Economy with Lifelong Learning programmes in driving talent pool reskilling and up-skilling. Awantec is well aware of the need to evolve knowledge and skills of existing talent to embrace the inevitable Industrial Revolution ("**IR**") 4.0 in keeping up with technological advancements.

In Awantec, we are seeing increased traction for the offerings in our talent vertical. It allows us to build a talent pool both inside and outside of the organisation. We recognise how our Talent and Technology verticals synergistically complement each other. Our Talent Development programmes are tailored not only to prime the nation's talent pool in support of the nation's digitalised economy, but also our own internal talent pool to meet current and future demand of specific skills, by future-proofing their own competencies in those areas. By offering holistic solutions, we help our talent to enhance their potential and their marketability by learning and inculcating new skills. We realise that there is more to be done.

It is our aspiration to grow the Talent segment while adding more technology-centric elements into this vertical. Our market-centric Talent solutions start with us understanding the customer requirements in terms of qualification, skill sets and competencies that are required. In the case of Selangor Kerjaya Programme, we identify, profile, train and place talent to fit the employers' needs. It is a key programme, driven by the Selangor state government where we provided training and job placement services for job seekers. The data gathered for the state is an additional value all to provide intelligence and strategic insights for them to improve employment opportunities for its citizens in the near future.

This was a unique approach where Awantec not only matched suitable candidates with relevant employers, whilst futureproofing both parties with the much-needed skills and technologies to embrace IR 4.0, but we also provided intel to the state for future talent planning with recommended upskilling and re-skilling initiatives.

As talent landscape continues to change and evolve, we realised that there are many possibilities and opportunities which can be explored within the Talent sector, including the use of technology in the delivery of our solutions. This has made our offerings competitive and scalable, not just for public sector initiatives but also for the private sector.

Malaysia is a prime location for major brands to set up their global business services centres. This is because we train our talent pool to be IR 4.0 savvy. Awantec has evolved its training approaches from traditional technology-based talent solutions, to a scalable one which can be deployed beyond our shores.

Our People, Our Asset

Awantec's service offerings in Talent vertical is the answer to scale up and upskill local talent in order to meet challenges of the future in this digital era as envisioned in the RMKe-12. On a personal note, I see a strong opportunity for us to export expertise and talent. Our country has good talent and if the issue that we are facing as a nation is unemployment and the inability to secure employment for individuals, we should explore the idea of assisting Malaysians in securing employment overseas, in any sector which will yield benefits for the country by bringing our unemployment rate lower.

FINANCIAL RESULTS

The successful completion of a series of rationalisation plans and corporate exercises has resulted in a strong cash position, which includes our fund-raising exercise, monetisation of non-core assets and reduction in operating costs. This has given us the resilience as we rebuild our business with new product lines and services.

For the financial year under review, the Group recorded a total revenue of RM104.9 million compared to RM152.9 million in the preceding financial year, representing a decrease of 31.4%. The Group however registered a profit after taxation of RM9.3 million in FY2021 compared to loss of RM18.0 million in the previous financial year, mainly due to a one-off gain obtained from the disposal of a subsidiary. Moving forward, the Group will work towards overcoming the challenges it faces and strives to improve the Group's financial performance in the coming years employing various measures and strategies already articulated above.

Dividend

Awantec has paid a cumulative dividend pay-out of RM134.9 million since our listing. However, in view of the current challenging business environment due to the COVID-19 pandemic and the continuation of our rationalisation plans that includes among others, cost cutting measures to improve Awantec's cash flow and to increase our working capital, the Board have decided that no dividends will be declared for FY2021.

Revenue (RM million)

↓ 104.9
FY2020: 152.9

Profit/Loss After Taxation (RM million)

↑ 9.3
FY2020: (18.0)

OUTLOOK

Awantec is a forward looking and thinking entity. It has not looked back at the setbacks it's been dealt, instead we have pivoted to add value to our customers with the Google Cloud Platform and Google Workspace offerings. In February, when the Malaysian Digital Blueprint was launched, Awantec's subsidiary, Prestariang Systems Sdn. Bhd. is selected to support government agencies in operationalising few of the pillars with our core services. Our appointment included the provision of a suite of cloud-based services for the next three years, from 2021 to 2023.

Awantec is confident with our global cloud services as the industry is on an uptrend for over a decade now and in 2020, it was valued at USD370 billion. This prospect gives our shareholders and other stakeholders confidence in our products and services offerings to market. Data is a future commodity, and its proliferation has only about 50% penetration into the Western market while the Asian market offers significant opportunities to leverage data as a commodity in the near future.

The digital economy has the potential to enhance competitiveness and dynamism as countries are investing in the digital landscape to ensure they become more inclusive, efficient, and innovative by leveraging these emerging digital trends and solutions. Countries such as Finland, Singapore and Thailand have launched long-term strategies and initiatives to reap the benefits of the digital economy, while safeguarding themselves against its risks. Malaysia too should follow suit and we believe many initiatives carried out for this purpose are compulsory steps towards the right direction.

In Malaysia, the government has mandated 80% (estimated value at RM1.76 billion) usage of cloud storage across the government services by 2022. Public sector Cloud spend in 2022 is anticipated at RM2.2 billion. 2020 has been a pivotal year for the cloud as it played a lead role in facilitating remote work solutions. COVID-19 has heightened the focus on cloud capabilities as companies compete to thrive in this new remote work environment. The cloud has become an essential part of business continuity and the key to unlocking organisational growth. Worldwide spending on public cloud services is forecasted to grow 18.4% in 2021, which validates our view that Awantec is indeed in the right business and it has gained the necessary capacities and capabilities to propel the nation into digitalisation.

Chairman's Statement

ACKNOWLEDGEMENT

This journey for Awantec is only possible due to the strong and capable Management Team that has worked tirelessly in steering the Group through uncharted waters, keeping our employees engaged and focused, whilst always prioritising the health of our people alongside our commercial objectives.

Despite the many unprecedented events, restrictions and disruptions caused by the pandemic in the course of this financial year, we have made headway in our resilience and productivity. Awantec had also realigned its FY2021 ESG practices in order to meet international institutional investor standards. The Group has built a strong foundation for a robust future.

On behalf of the Board, I take this opportunity to express our greatest appreciation and gratitude to the President/ Group CEO of Awantec, Dr. Abu Hasan bin Ismail. He has earned enormous respect from everyone who worked for him and with him. I am sure that our shareholders will also acknowledge him as someone who has passionately served Awantec with great distinction.

I would also like to extend my gratitude to the entire Board for their patience and persistence in advising, along with their thought leadership in addressing Board matters. Most importantly I wish to thank Mr. Paul Chan, our previous Interim Chairman, who has spearheaded the company's directions when we needed it most. It is also opportune for me to welcome Yang Berbahagia Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan and YM Tunku Abang Faisal Amir Abang Abu Bakar to our Board of Directors.

We admit our learning curve was steep during the pandemic, but we were always in the guiding hands of my fellow directors with over a decade of experience in leading this company. Allow me to express my gratitude to the Board for placing their trust in me with my appointment as the Chairman of the Board for AwanBiru Technology Berhad. It is my personal aspiration to continue supporting our Board, Management and the Group to serve the interests of our shareholders.

SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR

Independent Non-Executive Chairman

Management Discussion & Analysis

DR. ABU HASAN BIN ISMAIL
Founder, President and Group CEO



Overview

Awantec is a globally benchmarked company providing 21st century ready talent and technology services platform which transform lives. As we celebrate our 10th IPO Anniversary, we are reminded of our Mission, which is to 'Drive Sustainable Recurring Profit through Digital Transformation'. This is embedded and deeply rooted in our shared values – Collaborative, Customer Focus, Innovative, Integrity and Quality.

Within the Financial Year 2021 ("**FY2021**"), in line with our theme of '**Accelerating Digitalisation - Progressing with Purpose**', we embarked on a strategy that brought in value to our shareholders. In the midst of COVID-19, we have strengthened our financial position and optimised our operations while we pivoted to Cloud services and offered newer opportunities for our clients in the government and private sector.

Our key strategies revolved around becoming a multi-cloud management services and products provider, aligned with Malaysia Digital Economy Blueprint ("**MyDIGITAL**") to drive digitalisation forward for nation building. We have prioritised active, direct engagement with customers to drive our cloud business. We continue to build competent talent to lead and steer Awantec towards new business streams and heights.

Our business caters to the full lifecycle of digital talent management - profiling, training, certification, and placement services.

Parallel with our growth strategy, we have maintained our focus on commitments towards Economy, Social and Governance ("**ESG**"). Bursa Malaysia, via its FTSE Russel ESG Ratings, recognises Awantec as part of the top 25% amongst PLCs in FBM EMAS that have been assessed by FTSE Russell. We have also remained as a shariah compliant stock.

Awantec actively pursued new business opportunities and established commercial value for our business. We further enhanced our brand value via sustainable practices, innovation and provide full range of digitalisation support with excellent service. We believe this will enhance returns on invested capital, leveraging on sustainable product portfolio which offers unique differentiation to suit the market demand and help our clients improve their digitalisation capability.

Management Discussion & Analysis

Awantec's Google Cloud Services



Productivity and Collaboration

Redefine teamwork, communications and collaboration with first-class productivity tools in meeting the needs of both the public and private sector.



Infrastructure Modernisation

Maximise flexibility, efficiency, scalability and optimise cost by giving a new breath to your existing infrastructure.



Database

Migrate, modernise and transform data with guarantee of reliability, security and high availability for your peace of mind.



Application Modernisation

Reimagine the way you engage with your customers with unique and intelligent applications, tailor-made just for your business.



Artificial Intelligence

Leverage on artificial intelligence and machine learning, the Google way to power up your businesses and operations.



Smart Analytics

Transform both your structured and unstructured raw data into accessible, useful insights, and pay only for what you store.



Security

Google Cloud's security and compliance are in a class of its own. We bring you the same to safeguard your cloud environment.



Digital Transformation

Attain full adoption of your digital transformation with clear strategies not only for your technologies, but people and processes as well.



Google Cloud Platform

Harness the power of Google's open-source, and bang for the buck core infrastructure, data analytics and machine learning that is secure and fully featured for all.

Our commercial strength and operational excellence are built on a foundation of state-of-the-art technology. We have built deep relationships with long-term partners regionally as well as within the country. In addition to Google, our key affiliations include renowned companies such as Huawei – another key strategic partner alongside Zoom, SAP, Kelly Services as our placement partner, Skillsoft as our online learning partner, CIDB Technologies as our Authorised Program Manager and Evaluator, and SHL as our profiling partner. These partnerships help us expand our portfolio of services into segments that enable new revenue streams. We have also been able to develop competencies and skills which increase job efficiency and effectiveness, resulting in higher productivity derived from these synergies with our partners. We believe in supporting the nation's vision to achieve inclusive, responsible, and sustainable socioeconomic growth with our business development plans. We equip our talent to execute those plans through trainings carried out in FY2021 for the entire Group which includes a strong focus on Cloud Computing Fundamentals in addition to other job-specific trainings, including Google technical Certifications and SAP Competencies.

Ever since Awantec started its operations, we have contributed and evolved at a steady pace with various and diverse projects, from delivering software products to human capital development training programmes that benefit not only our customers, but the society at large as well.

Today, Awantec continuously ventures forward into uncharted territories, all set to capitalise on new opportunities and limitless possibilities arising from digitalisation, untapped potential of cloud computing as well as the vast prospects arising from our blue ocean strategies.

Review of Financial Results

Awantec has consistently demonstrated financial resilience throughout the pandemic. Since any major business rationalisation and turnaround plan will always involve some uncertainties, we have followed this through with a guided strategy for recovery. We have scrutinised our Auditors' reports, recommendations and the effects on our Group's cash flow projections. Taking into consideration all underlying assumptions and having performed suitable sensitivity analysis on those assumptions, we are satisfied with the validity and reasonableness of those key assumptions. Our financial statements for FY2021, have addressed all material topics impacting the sustainable development of our business. Some of the key matters addressed in the preparation of these financial statements are detailed on pages 132 to 134 under the Key Audit Matters section of this report.

We hope this summary of our financial position will give our stakeholders the comfort that we have robust financial control measures to safeguard shareholder value and in this process become a more resilient business.

Summary of Group's Key Financial Indicators (RM Million)

| | 2020 (restated) | 2021 | Change in % |
|------------------------------------|-----------------|-------|-------------|
| Revenue | 152.9 | 104.9 | - 31.4 |
| Profit/(Loss) Before Tax | (16.8) | 9.8 | 158.3 |
| Profit/(Loss) After Tax | (18.0) | 9.3 | 151.7 |
| Shareholders' Equity | 105.4 | 179.0 | 69.8 |
| Total Asset | 302.5 | 402.5 | 33.1 |
| Earnings/(Loss) per share (sen) | (3.78) | 1.46 | 138.6 |
| Income Tax Expenses | (1.2) | (0.5) | 58.3 |

Our overall results for FY2021 shows that our revenue has dropped by about 31% and this is mainly impacted by the dual effect of the expiry of the Master Licensing Agreement ("MLA") with the Government of Malaysia and the discontinuation by Microsoft of our wholly owned subsidiary, Prestariang Systems Sdn. Bhd. ("PSSB")'s membership in the Microsoft Partner Network effective 31 January 2021. Nevertheless, we achieved a Profit After Tax of RM9.3 million (an increase of 152%) mainly due to the net impact of a one-off gain obtained from the disposal of Prestariang Education Sdn. Bhd. ("PESB") (now known as Serba Dinamik Education Sdn. Bhd.) of RM17.7 million, less one-off provision of impairment loss for property and equipment amounting to RM3.0 million.

Comparison of Revenue (FP2020 vs FY2021) (RM Million)

| | 2020 (Restated) RM'000 | 2021 RM'000 |
|---|---------------------------|----------------|
| Revenue from Contracts with Customers | | |
| <u>Continuing Operations</u> | | |
| ICT training and certification | 3,240 | 5,085 |
| Software licence distribution and management | 145,225 | 99,594 |
| Employment services | 4,440 | 230 |
| | 152,905 | 104,909 |

Our revenue had decreased by 31% on average, as the core components had experienced some reduction where the Software license distribution and management reduced by 31.4% from RM145.2 million in FY2020 to RM99.6 million in FY2021. ICT training and certification revenue increase by 59.4 % from RM3.2 million for FY2020 to RM5.1 million in FY2021. Employment services revenue reduced to RM0.23 million from RM4.4 million in the previous year end due to the discontinuation of its manpower management services for a project in Pengerang as the project has been completed.

Shareholders' Equity, Group Total Assets and Dividends

Our shareholders' Equity has increased by 69.8% to RM179.0 million during the financial year, against RM105.4 million the period before. The same goes for our Total Assets which has increased to RM402.5 million from RM302.5 million in the previous financial year. We have a shareholder base of 7,126 institutional and retail/private shareholders as at 30 June 2021. Maybank Trustees Berhad for Areca Dynamic Growth Fund and Eco Cloud Assets Sdn Bhd are our two major shareholders with direct equity holdings of 13.07% and 10.11% of our total share capital respectively. Foreign shareholding accounted for 2.64% of the total.

Our share price has been on an upward trend in FY2021. We believe this can be attributed to the strategic positioning of our products and services, amid the pandemic and is well-poised for the nation-wide digitalisation push. The share price opened at RM0.40 on 1 July 2020, and closed at RM0.80 on 30 June 2021, representing more than 135% increase for the financial year, for a total of 787,425,100 shares (including treasury shares).

For the financial year ended on 30 June 2021, the Board of Directors did not declare any dividend. This decision was a result of the current challenging business environment due to the COVID-19 pandemic and the continuation of our rationalisation and transition plan towards cloud-based products and services. As we rebuild our top line and invest in our people, we believe it is prudent to retain sufficient financial resources in the form of our working capital.

Management Discussion & Analysis

Strong Cash Position

We have embarked on and made substantial progress in our rationalisation plan to monetise non-core assets and reduce operating cost since 2019. This is evident by disposals of non-core assets and loss-making operations which has improved our overall cash flow. In November 2020, we concluded the disposal of our entire equity interest in PESB which was making a loss. In addition to a private placement of RM14.2 million in June 2020, we have also completed the fund-raising exercise from placement of shares and rights issue of shares, raising a gross amount of RM63.2 million.

We had announced in February 2021 the disposal of our office building in Cyberjaya for RM24.2 million, and once completed, this disposal will result in an annual cash savings of RM2.0 million plus surplus cash of approximately RM6.6 million from the sale which will be channelled as working capital for our continuing operations. Recently in August 2021, we have also completed the sale of our 51% equity interest in loss making Prestariang O&G Sdn. Bhd. ("**POGSB**").

We achieved a positive net operating cash flow of RM6.3 million for the financial year ended 30 June 2021 despite significant payments for trade payables due to the expiry of the MLA by intensifying our efforts on collection of trade receivables.

Rebuilding Revenue Base with More Products and Service Offerings

In February 2021, our wholly owned subsidiary PSSB was appointed by Google as their exclusive Managed Service Provider ("**MSP**") to the Government of Malaysia in relation to their empanelment by the Malaysian Administrative Modernisation and Management Planning Unit ("**MAMPU**") to support government agencies with Google Cloud Platform and Google Workspace. This appointment involves Infrastructure as a Service ("**IaaS**"), Platform as a Service ("**PaaS**"), Software as a Service ("**SaaS**") and Anything as a Service ("**XaaS**") for three years until 2023.

At the beginning of July 2021, PSSB secured a RM22.8 million contract from the Ministry of Education to supply G-Suite Enterprise for Education SaaS to public schools in Malaysia for a 3-year term contract. This shows the increase in acceptance of our products and services by our customers as they move towards the Cloud in their digital adoption.

Notwithstanding, the expiry of the Master Licensing Agreement ("**MLA**") with the Government of Malaysia, along with the discontinuation by Microsoft of PSSB's membership in the Microsoft Partner Network which came to an end on 31 January 2021, the appointment of PSSB by Google as their exclusive MSP to the Government of Malaysia is a significant step forward for the Group into cloud based services. We see demand from customers for our new and wider range of Cloud-based services growing at an accelerated pace. We have laid the groundwork in terms of our capability, financial reserves from the recent corporate exercise and partnerships with leading global technology players like Google, SAP, Adobe, and others to access products and services to tap the vast opportunities in digitalising Malaysia. On this premise, our Board is of the view that our Group is in good position to capitalise on the task of meeting the market requirement for technology and talent services to spearhead our business growth.

One key and innovative project for our talent division, this financial year is the Selangor Kerjaya Programme. This was a collaboration between Menteri Besar Selangor (incorporated) and Awantec to develop and implement the Selangor Kerjaya Programme that was set to provide upskilling, reskilling and job placement for 10,000 job seeking Malaysians. The Selangor Kerjaya Programme is a key state program in which PSSB plays pivotal roles in providing training and job placements for job seekers, while in the same time enabling Selangor state government with analytics and intelligence that will give the state a strategic advantage to improve employment opportunities of its residents in the future.

Other Corporate Exercises

During the financial year, the Company increased its issued and paid-up share capital from RM133,802,983 to RM176,672,151 by way of:

- a) a private placement of 79,579,740 new ordinary shares at an issue price of RM0.35 each, together with 79,579,740 free warrants for a cash consideration of RM18,874,510 (after net of transaction costs of RM137,090 and allocation of RM8,841,309 to warrant reserve);
- b) an issuance of 176,842,127 new ordinary shares pursuant to the right issues with warrants at RM0.20 each, together with 79,579,740 free warrants for a total cash consideration RM23,783,571 (after net of transaction costs of RM355,379 and with allocation of RM11,229,475 to warrant reserve); and
- c) an issuance of 471,633 new ordinary shares for a total cash consideration of RM181,579 at an issue price of RM0.385 each from warrants conversion, with transfer of RM29,508 from warrant reserve.

The Employees' Share Option Scheme of the Company

The Employees' Share Option Scheme of the Company ("**ESOS**") is governed by the ESOS By-Laws and was approved by shareholders on 15 September 2020. The ESOS is to be in force for a period of 5 years effective from 25 January 2021.

We are happy to offer this ESOS to our employees. They have demonstrated the highest level of commitment and loyalty in serving our stakeholders throughout the years, and in return, we offer them with an opportunity for equity participation to enable our employees to capitalise on Awantec's growth.

ESG Efforts

In light of the changes in its suite of services, Awantec has reviewed its material sustainability plans and strategies to ascertain their relevance and the manner in which they are measured. In addition, Awantec had to adapt its strategies and operations to meet challenges stemming from COVID 19 pandemic to ensure the sustainability of its business and the safety of its employees. Measures such as using virtual meeting tools to collaborate or hold meetings, implementing social distancing measures in the office and moving physical training classes to virtual learning platforms, were introduced to cushion the impact of the pandemic. Details of our sustainability activities can be found at page 39 to 78 of this report.

Value Creation Opportunities

Alignment to MyDIGITAL BLUEPRINT

MyDIGITAL has set the tone and direction of Malaysia's digital economy. It is formulated as the action plan and outlines the efforts and initiatives which will be implemented up to 2030. This blueprint envisions Malaysia as the regional lead in digital economy with inclusive, responsible and sustainable socio-economic development. Its three objectives are to encourage industry players to become creators, users and adopters of innovative business models, harness human capital to thrive in the digital economy and nurture an integrated ecosystem that allows society to embrace digital economy.







Awantec complements two of its six strategic thrusts, which drives digital transformation in the public sector, boosts economic competitiveness through digitalisation, builds enabling digital infrastructure along with agile and competent digital talent, creates an inclusive digital society, and builds trusted, secure, and ethical digital environment. These strategic thrusts are supported by 22 strategies, 48 national initiatives and 28 sectoral initiatives. The implementation of MyDIGITAL is divided into three phases. Phase 1 starts from 2021 to 2022 which will strengthen the foundation of digital adoption. Phase 2 which covers 2023 to 2025 which will drive inclusive digital transformation and Phase 3 which covers from 2026 to 2030 which will enable Malaysia to become a lead in digital content and cyber security for the regional market.

MyDIGITAL is designed to complement national development policies such as the Twelfth Malaysia Plan ("**RMKe-12**") and Wawasan Kemakmuran Bersama 2030 ("**WKB 2030**"). Digital economy was identified as a key economic growth area ("**KEGA**") in realising WKB 2030. Awantec's solutions contribute towards the Governments goals of making Malaysia a country which is developing sustainably with fair economic distribution as well as equitable and inclusive growth.

Awantec's core services contribute to T1 – driving digital transformation in the public sector and T4 – building agile and competent digital talent.

Management Discussion & Analysis

Key Thrusts and Strategies of MyDIGITAL Blueprint

| | |
|---|---|
|  <p>T1</p> <p>Drive digital transformation in the public sector</p> | <p>In Line with Strategy 3: Enhancing digital skill sets of civil servants</p> |
|  <p>T2</p> <p>Boost economic competitiveness through digitalisation</p> | <p>Aspiration 1 To ensure all public servants are equipped with digital skill sets, future-proofed and remain relevant.</p> <p>Aspiration 2 To identify gaps between readily available skills and future needs, on the national agenda level to ensure resiliency and long-term relevance.</p> <p>Aspiration 3 To identify values, interests and personal preferences of each public servants, to drive effectiveness and performance level.</p> |
|  <p>T3</p> <p>Build enabling digital infrastructure</p> | <p>Aspiration 4 To enable public servants to take charge of their own career and development paths, according to their individual passions.</p> |
|  <p>T4</p> <p>Build agile and competent digital talent</p> | <p>In Line with Strategy 1: Integrating digital skills into education at primary and secondary level</p> |
|  <p>T5</p> <p>Create an inclusive digital society</p> | <p>Aspiration 1 To provide adequate tools for educators and students, in underpinning their talent transformation into "Digital Makers".</p> <p>Aspiration 2 To ensure all students have access to internet connection (via collaboration with service providers).</p> <p>Aspiration 3 To catalyse enlargement and upscale of DELiMa on the aspects of content and reach.</p> |
|  <p>T6</p> <p>Build trusted, secure and ethical digital environment</p> | <p>Aspiration 4 To ensure all students have access to devices to narrow the digital divide between haves and haves-not.</p> <p>Aspiration 5 To ensure successful transformations of the existing education, in line with MyDigital Teacher Programme, via comprehensive training and continuous learning roadmap.</p> <p>Aspiration 6 Encourage the development of a rich Digital Education Ecosystem towards a large open access knowledge bank of teaching materials for education.</p> |

Awantec plays an integral role in achieving digitalisation milestones by aligning its core business services with the pillars of MyDIGITAL to propel growth, in digitalising services for the government, corporate and individuals.

Anticipated and Known Risks

Awantec undertakes comprehensive risks assessment and audits thoroughly to identify all factors that might affect the Group, then prioritising those that could impact us most significantly. In doing this, we analyse the likelihood and the impact of such risks on the Group's business and performance. We then derive plans or strategies to mitigate or eliminate such risks.

Below are some critical risks that may impact the strategic execution of Awantec's growth trajectory:

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

To remain competitive, Awantec will reinforce its positioning as a market leader in the digital economy. This will be supported by continuous investments in training and development of staff, innovations to fit customers' requirements and application of technology for product and services improvements.

Details of Awantec's activities on risks management is found in our Statement On Risk Management And Internal Control ("**SORMIC**") Risk Recommendations on page 115 of our Annual Report.

Forward-Looking Statement

Awantec is confident it will experience many more successes as it has earned the confidence of its shareholders, relevant stakeholders and most importantly its employees who deliver products and services to the market. Capacity strengthening is significant to us with new tools, new business model agility, and new approaches in being nimble to deliver superior services to the market. ESG initiatives and compliance, can also be key drivers for new opportunities and innovation that creates long-term value for both business and society. Awantec recognises that a strong ESG profile garners competitive leverage in the digital marketplace.

Awantec is committed to not only operating sustainably, but to promote sustainability as an integral part of our businesses. This is to fulfil our fiduciary duty as public listed company in Doing Well, and our calling as an advocate of Technology and Talent by Doing Good in positively impacting our people, environment, customers, economy, and ultimately society at large; leading Malaysia towards the digital economy and beyond. We have consolidated our efforts in **Doing Well by Doing Good** throughout the financial year under review, and we plan to keep on going with that motto in mind for every business and operational decisions that we make in the future.

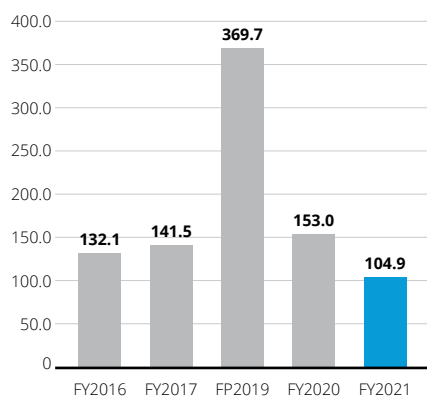
Awantec is proud to be a key player in the digital economy landscape which is expected to contribute 22.6% to the country's GDP by 2025. Cloud Readiness Index Asia (2020) ranked Malaysia in 8th position after Japan for Cloud Services preferred countries. Known as the global financial services hub, Hong Kong and Singapore are ranked 1st and 2nd in the same index. Innovation and knowledge are driving economic growth and competitiveness of a nation in the era of the Fourth Industrial Revolution ("**IR 4.0**"). The IR 4.0 is a technological revolution characterised by a fusion of digital technologies, innovation, and knowledge across socioeconomic activities. As a result, the IR 4.0 catalyses the growth of digital economy in Malaysia. Cloud based solutions and cloud computing allows businesses to procure services without having to own and maintain assets. 44% of micro, small, and medium enterprises ("**MSMEs**") are using cloud computing, but more than 80% of this for now relate mainly to storing documents, photos, and videos. There is significant room to leverage this with machine learning solutions, artificial intelligence and a host of other cloud based innovation that is yet to come.

Awantec is ready to assist its customers to embrace the digital economy towards the IR 4.0, where digital technologies are being widely adopted. According to the World Economic Forum, IR 4.0 involves a fusion of technologies – blurring the lines between the physical, digital, and biological domains. Moreover, it disrupts almost every industry and transforms all productions, managements, and governance in its path. The rapid adoption of digital technology and the integration of data will effectively drive opportunities for digital economy players such as Awantec.

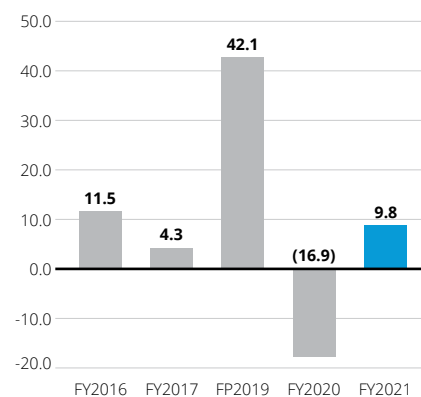
DR. ABU HASAN BIN ISMAIL
Founder, President and Group CEO

Financial Highlights (RM Million)

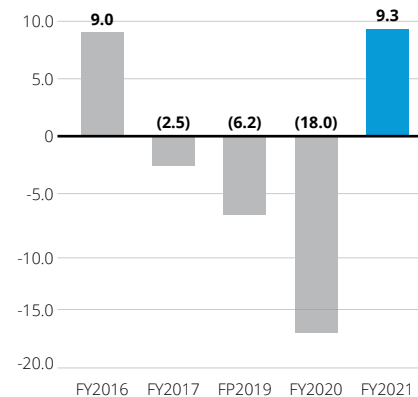
Revenue



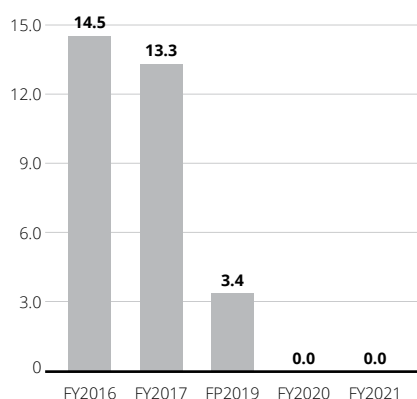
Profit/(Loss) Before Tax



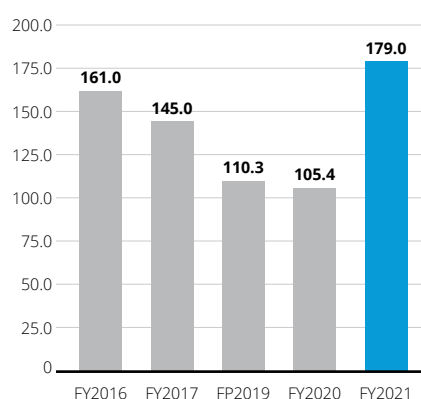
Profit/(Loss) After Tax



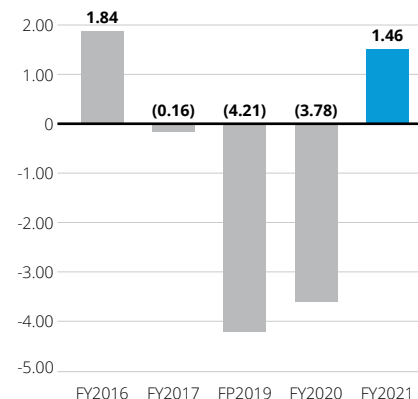
Dividend Payout



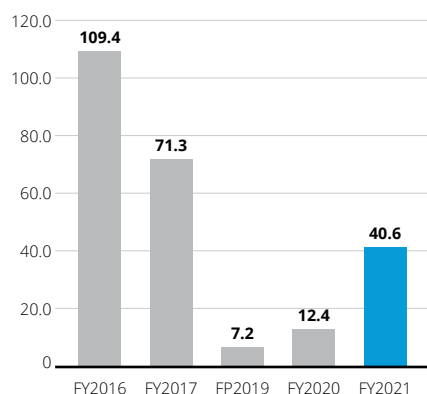
Shareholders' Funds



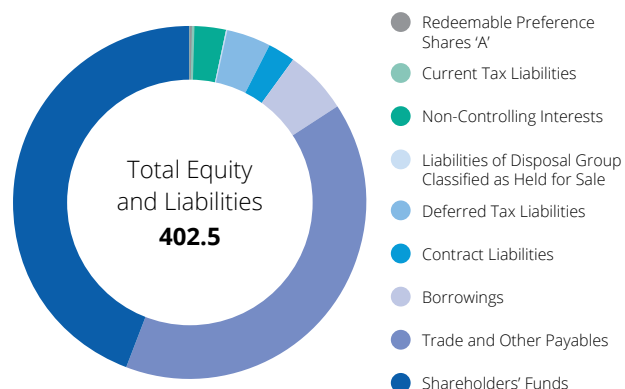
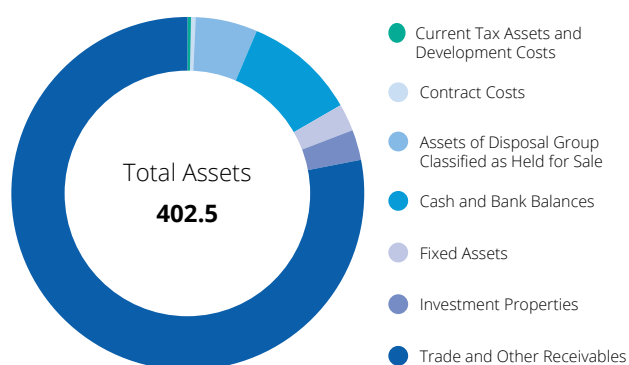
Earnings/(Loss) Per Share (sen)



Cash and Bank Balance, and Short Term Investments



Financial Position (RM Million)



Total Assets

| Item | FY2020 | % | FY2021 | % |
|--|--------------|--------------|--------------|--------------|
| Trade and Other Receivables | 229.3 | 75.8 | 314.4 | 78.1 |
| Investment Properties | 27.5 | 9.1 | 11.4 | 2.8 |
| Fixed Assets | 23.2 | 7.7 | 10.7 | 2.7 |
| Cash and Bank Balances | 12.4 | 4.1 | 40.6 | 10.1 |
| Assets of Disposal Group Classified as Held for Sale | 5.7 | 1.9 | 25.0 | 6.2 |
| Contract Costs | 4.3 | 1.4 | 0.3 | 0.1 |
| Current Tax Assets and Development Costs | 0.1 | 0.0 | 0.1 | 0.0 |
| Total Assets | 302.5 | 100.0 | 402.5 | 100.0 |

Total Equity and Liabilities

| Item | FY2020 | % | FY2021 | % |
|---|--------------|--------------|--------------|--------------|
| Shareholders' Funds | 105.4 | 34.8 | 179.0 | 44.3 |
| Trade and Other Payables | 71.6 | 23.7 | 160.5 | 39.9 |
| Borrowings | 64.0 | 21.1 | 24.1 | 6.0 |
| Contract Liabilities | 16.8 | 5.5 | 9.6 | 2.4 |
| Deferred Tax Liabilities | 16.9 | 5.6 | 16.9 | 4.2 |
| Liabilities of Disposal Group Classified as Held for Sale | 13.4 | 4.4 | 0.0 | 0.0 |
| Non-Controlling Interests | 12.8 | 4.2 | 11.9 | 3.0 |
| Current Tax Liabilities | 1.4 | 0.5 | 0.3 | 0.1 |
| Redeemable Preference Shares 'A' | 0.2 | 0.1 | 0.2 | 0.1 |
| Total Equity and Liabilities | 302.5 | 100.0 | 402.5 | 100.0 |

Share Performance Chart

Share Price Movement for the Period from 1 July 2020 to 30 September 2021



— Awantec
 — FBMKLCI

(Source: ShareInvestor)

| Price | 2020/21 | Date |
|---------|---------|------------------|
| Highest | RM1.28 | 22 February 2021 |
| Lowest | RM0.35 | 03 November 2020 |

Average daily volume traded within the period:
15 million shares

Financial Calendar

Annual General Meeting

Notice Date

22 October 2021

11th Annual General Meeting

24 November 2021

Issuance of Annual Report 2021

22 October 2021

10th Annual General Meeting

25 November 2020

Board of Directors Meetings

2020

| | |
|--------------------------|---|
| 25 November 2020 | Q1 FYE 30 June 2021 Unaudited consolidated 1st quarter results ended 30 September 2020 |
| 30 September 2020 | Special Board of Directors' Meeting |
| 26 August 2020 | Q4 FYE 30 June 2020 Unaudited consolidated 4th quarter results ended 30 June 2020 |
| 19 August 2020 | Special Board of Directors' Meeting |
| 23 July 2020 | Special Board of Directors' Meeting |
| 21 July 2020 | Special Board of Directors' Meeting |
| 20 May 2020 | Q3 FYE 30 June 2020 Unaudited consolidated 3rd quarter results ended 31 March 2020 |
| 25 February 2020 | Q2 FYE 30 June 2020 Unaudited consolidated 2nd quarter results ended 31 December 2019 |

2021

| | |
|--------------------------|--|
| 29 September 2021 | Special Board of Directors' Meeting |
| 25 August 2021 | Q4 FYE 30 June 2021 Unaudited consolidated 4th quarter results ended 30 June 2021 |
| 9 July 2021 | Special Board of Directors' Meeting |
| 27 May 2021 | Q3 FYE 30 June 2021 Unaudited consolidated 3rd quarter results ended 31 March 2021 |
| 24 February 2021 | Q2 FYE 30 June 2021 Unaudited consolidated 2nd quarter results ended 31 December 2020 |
| 26 January 2021 | Special Board of Directors' Meeting |

Corporate Structure



AwanBiru Technology Berhad

(formerly known as Prestariang Berhad)

Reg. No.
201001038336 (922260-K)



* Formerly known as Prestariang Services Sdn. Bhd.

Corporate Information

BOARD OF DIRECTORS

Syed Naqiz Shahabuddin bin Syed Abdul Jabbar

Independent Non-Executive Chairman

Paul Chan Wan Siew

Senior Independent Non-Executive Director

Ramanathan a/l Sathiamutty

Independent Non-Executive Director

Ginny Yeow Mei Ying

Independent Non-Executive Director

Professor Emeritus Dato' Dr. Hassan bin Said

Independent Non-Executive Director

Hafidah Aman binti Hashim

Independent Non-Executive Director

Dato' Tharuma Rajah @ K.T. Rajan a/l R.Krishnan

Independent Non-Executive Director

YM Tunku Abang Faisal Amir bin Abang Abu Bakar

Independent Non-Executive Director

Dr. Abu Hasan bin Ismail

Founder, President and Group Chief Executive Officer, Non-Independent Executive Director

Baldesh Singh a/l Manmohan Singh

Chief Operating Officer, Non-Independent Executive Director

BOARD COMMITTEES

Nomination Committee

Professor Emeritus Dato' Dr. Hassan bin Said
(Chairman)

Ramanathan a/l Sathiamutty
Ginny Yeow Mei Ying
Hafidah Aman binti Hashim

Audit Committee

Paul Chan Wan Siew
(Chairman)

Ramanathan a/l Sathiamutty
Professor Emeritus Dato' Dr. Hassan bin Said
Hafidah Aman binti Hashim

Remuneration Committee

Professor Emeritus Dato' Dr. Hassan bin Said
(Chairman)

Ramanathan a/l Sathiamutty
Ginny Yeow Mei Ying
Hafidah Aman binti Hashim

Risk Management Committee

Ramanathan a/l Sathiamutty
(Chairman)

Dr. Abu Hasan bin Ismail
Paul Chan Wan Siew
Baldesh Singh a/l Manmohan Singh
Ginny Yeow Mei Ying

Long Term Incentive Plan Committee

Professor Emeritus Dato' Dr. Hassan bin Said
(Chairman)

Paul Chan Wan Siew
Dr. Abu Hasan bin Ismail
Ramanathan a/l Sathiamutty
Baldesh Singh a/l Manmohan Singh

COMPANY SECRETARIES

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

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

BUSINESS ADDRESS

Star Central, Block 12,
Lingkar Cyber Point Timur,
Cyber 12,
63000 Cyberjaya,
Selangor Darul Ehsan

Tel : **+603 8689 7000**
Fax: **+603 8689 7009**
Website: www.awantec.my

REGISTERED OFFICE

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

Tel : **+603 2084 9000**
Fax: **+603 2094 9940**

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa
Malaysia Securities Berhad since
27 July 2011.

Stock Code : 5204
Stock Name: AWANTEC

INVESTOR RELATIONS

Smartly Consultancy Sdn. Bhd.
ir@awantec.my

EXTERNAL AUDITOR

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

INTERNAL AUDITOR

KPMG Management and Risk Consulting Sdn. Bhd.
Level 10, KPMG Tower,
8, First Avenue,
Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan

SOLICITORS

Lim Chee Wee Partnership
12-1, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Level 11, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan

Tel : **+603 7890 4700**
Fax: **+603 7890 4670**

Board of Directors' Profile



SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR

Independent Non-Executive
Chairman

Malaysian | Age: 49 | Male

Date of Appointment
20 January 2021

Length of Tenure
Less than a year

**Number of Board Meetings
Attended in the Financial Year**
3/3

Membership of Board Committees

None

Qualifications

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

Present Appointments

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

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

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



DR. ABU HASAN BIN ISMAIL

Non-Independent
Executive Director

Founder, President and Group
Chief Executive Officer

Malaysian | Age: 60 | Male

Date of Appointment
18 November 2010

Length of Tenure
11 years

**Number of Board Meetings
Attended in the Financial Year**
8/9

Membership of Board Committees

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

Qualifications

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

Present Appointments

- CEO Faculty, Ministry of Higher Education, Malaysia
- Council Member, Taylors University, Malaysia
- Advisory Panel, International Business School, Universiti Teknologi Malaysia
- Adjunct Professor, Universiti Teknologi Malaysia and Universiti Sultan Zainal Abidin

Past Experience

- Executive Director, FSBM Holdings Berhad
- Professor and Dean, Faculty of Creative Multimedia, Cyberjaya, Malaysia

- Associate Professor, School of Architecture, Universiti Teknologi Malaysia
- Assistant Lecturer A, School of Architecture, Universiti Teknologi Malaysia
- Assistant Lecturer B, School of Architecture, Universiti Teknologi Malaysia

Directorship of Other Public Companies and Listed Issuers

Institute Sultan Iskandar of Urban Habitat and High Rise



PAUL CHAN WAN SIEW

Senior Independent
Non-Executive Director

Malaysian | Age: 70 | Male

Date of Appointment
18 November 2010

Length of Tenure
11 years

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

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

Present Appointments

- President, Business Transitions Asia Sdn. Bhd.
- Director, Corston-Smith Asset Management Sdn. Bhd.
- President, Malaysian Alliance of Corporate Directors
- Vice President I, Federation of Public Listed Companies
- Founding & Strategic Member, Global Network of Director Institutes

- Global IIRC Ambassador, International Integrated Reporting Council, UK
- Adjunct Practice Professor, Sunway University Business School
- DBA Assessor, International University of Malaya-Wales
- Advisory Board Member, FutureBoards SA, Norway

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

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



RAMANATHAN A/L SATHIAMUTTY

Independent Non-Executive
Director

Malaysian | Age: 57 | Male

Date of Appointment
16 April 2014

Length of Tenure
7 years

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

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

Present Appointments

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

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

Malaysia Airports Holdings Berhad

Board of Directors' Profile



GINNY YEOW MEI YING

Independent Non-Executive
Director

Malaysian | Age: 39 | Female

Date of Appointment
28 February 2019

Length of Tenure
2 years

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

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

Present Appointments

- Director, Kaginic Corporation Sdn. Bhd.

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None



BALDESH SINGH A/L MANMOHAN SINGH

Non-Independent
Executive Director,
Chief Operating Officer

Malaysian | Age: 52 | Male

Date of Appointment
28 February 2019

Length of Tenure
2 years

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

- Chartered Certified Accountant, Chartered Institute of Management Accountants

Present Appointments

None

Past Experience

- Chief Financial Officer and Head of Strategy, Liannex Corporation Pte. Ltd.
- Executive Director and Chief Operating Officer, Eduspec Holdings Berhad
- Head of Strategy, Kencana Capital Sdn. Bhd.
- Vice President, Office of the Executive Vice Chairman, SapuraKencana Petroleum Berhad (now known as Sapura Energy Berhad)
- Executive Director of Finance, Richfield Brands & Services Pte. Ltd. (SG)
- Chief Financial Officer, The Works Partnership Pte. Ltd. (HK)
- Group Financial Controller, Turnaround Management Team, Tajo Berhad
- Vice President Small & Medium Industries, Melewar Equities

- Accountant, Rofia Group
- Corporate Banking Officer, Bumiputra Merchant Bankers Berhad
- Management Trainee, Sunrise Berhad

Directorship of Other Public Companies and Listed Issuers

None



**PROFESSOR
EMERITUS DATO' DR.
HASSAN BIN SAID**

Independent Non-Executive
Director

Malaysian | Age: 66 | Male

Date of Appointment
25 February 2020

Length of Tenure
1 year

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

- Doctor of Engineering (Honorary), Brunel University, UK
- Doctor in Law (Honorary), University of Nottingham, UK
- Doctor Honoris Causa, University of Toulouse Jean Jaurès, France
- Doctor of Human Resource Management (Honorary) Universiti Sains Islam Malaysia
- Doctor of Educational Leadership (Honorary) Asia e-University
- 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 (Math), Manchester University, England

Present Appointments

- Member, Board of Governors, Universiti Sains Malaysia
- Chairman, Board of Governors, University Malaysia of Computer Science and Engineering (UNIMY)
- Vice Chancellor, Universiti Teknologi MARA
- Fellow, Institute of Mathematics and Application, UK
- Emeritus Professor, Universiti Sains Malaysia
- Fellow, Malaysian Mathematical Society
- Fellow, Academy Science of Malaysia

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None



**HAFIDAH AMAN
BINTI HASHIM**

Independent Non-Executive
Director

Malaysian | Age: 52 | Female

Date of Appointment
25 February 2020

Length of Tenure
1 year

**Number of Board Meetings
Attended in the Financial Year**
9/9

Membership of Board Committees

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

Qualifications

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

Present Appointments

- Partner, Messrs Mohamed Ridza and Co.

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None

Board of Directors' Profile



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

Independent Non-Executive
Director

Malaysian | Age: 68 | Male

Date of Appointment
20 January 2021

Length of Tenure
Less than a year

**Number of Board Meetings
Attended in the Financial Year**
3/3

Membership of Board Committees

None

Qualifications

- Malaysia Certification of Education, Grade 1

Present Appointments

- Special Attaché, Royal Family

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None



**YM TUNKU ABANG
FAISAL AMIR BIN
ABANG ABU BAKAR**

Independent Non-Executive
Director

Malaysian | Age: 44 | Male

Date of Appointment
20 January 2021

Length of Tenure
Less than a year

**Number of Board Meetings
Attended in the Financial Year**
3/3

Membership of Board Committees

None

Qualifications

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

Present Appointments

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

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None

Notes:

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

Senior Management Profile

DR. ABU HASAN BIN ISMAIL

Non-Independent Executive Director
Founder, President and Group Chief Executive Officer

Note: Please refer to page 30 for Dr. Abu Hasan bin Ismail's complete profile.

BALDESH SINGH A/L MANMOHAN SINGH

Non-Independent Executive Director
Chief Operating Officer

Note: Please refer to page 32 for Baldesh Singh a/l Manmohan Singh's complete profile.

HAFIZA ANOM BINTI ABDUL HAMID

Chief Business Officer

Malaysian | Age: 45 | Female

Date of Appointment: November 2020

Qualifications

- Bachelor of Science, Computing, University of Portsmouth, UK
- Diploma in Computer Science, Universiti Teknologi Malaysia

Past Experience

- Group Director of Sales and Marketing, AwanBiru Technology Berhad (formerly known as Prestariang Berhad)
- Director of Sales and Marketing, Software & Services, Prestariang System Sdn. Bhd.
- Head of Sales, MLA 2.0, Prestariang System Sdn. Bhd.
- Sales Manager CRM Sales Auto – Applications, Oracle Corporation Malaysia Sdn. Bhd.
- Account Manager, Public Sector Group, Microsoft Sdn. Bhd. (MY)
- Inside Account Manager, Public Sector Group, Microsoft Sdn. Bhd. (MY)
- Account Manager, HeiTech Padu Berhad
- Account Executive, Berita Information Systems Sdn. Bhd.

Directorship of Other Public Companies and Listed Issuers

None

Senior Management Profile

CHOK JOON HENG

Director, Finance and Corporate Services

Malaysian | Age: 47 | Male

Date of Appointment: March 2017

Qualifications

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

Past Experience

- 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 of Other Public Companies and Listed Issuers

None

YASMIN BINTI ABDULLAH

Director, Human Resource and Administration

Malaysian | Age: 53 | Female

Date of Appointment: January 2018

Qualifications

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

Past Experience

- Senior Vice President, Human Resource & Learning and Development, AwanBiru Technology Berhad (formerly known as Prestariang 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 of Other Public Companies and Listed Issuers

None

DR. PETER LEE FUEI SIONG

Director, Talent and Development

Malaysian | Age: 52 | Male

Date of Appointment: March 2019

Qualifications

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

Past Experience

- 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 of Other Public Companies and Listed Issuers

None

AINUN MARDZIAH BINTI HASHIM

Group Financial Controller

Malaysian | Age: 44 | Female

Date of Appointment: May 2021

Qualifications

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

Past Experience

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

Directorship of Other Public Companies and Listed Issuers

None

FARUL AZIM BIN MOHD GHAZALI

Chief Technology Officer

Malaysian | Age: 49 | Male

Date of Appointment: August 2021

Qualifications

- Master of Business Administration (Executive), INSEAD, France
- Master of Science, Operations Research, Columbia University, New York, USA
- Bachelor of Science, Computer Engineering, Columbia University, New York, USA
- Certified Amazon AWS Solution Architect - Associate

Past Experience

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

Directorship of 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 interests with the listed issuer.
- Other than traffic offences, none of the Senior Management have any convictions for offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Sustainability Statement

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Tone from the Top

The COVID-19 pandemic has highlighted the importance of businesses having a business model and operations that are resilient in facing unexpected events and economic downturn. In order to be resilient, it is important for a company to adopt sustainability measures not only as part of its strategy but also to embed the sustainability measures in its operations.

We in Awantec subscribe to such practice and we have documented our commitment to sustainability in our Sustainability policy which sets out Awantec's 5 Sustainability Principles. Guided by these principles, Awantec had commenced its sustainability journey, stopping to adapt its sustainability measures where necessary to meet the changes in its business.

In the financial year under review, Awantec had faced a big challenge when it ceased to be a member of Microsoft Partner Network with effect from 31st January 2021. With this change, the Board of Awantec had reviewed Awantec's material sustainability matters and performance and recommended changes where some will be reflected in this report and others will be implemented in the Group's next financial year.

The Board of Awantec is committed to ensuring Awantec continues its sustainability efforts in order to **build a sustainable, responsible and ethical business** that contributes to the community and brings positive changes to the environment.



Overview

ABOUT THIS REPORT

This is the sixth Sustainability Statement (“**the Statement**”) by AwanBiru Technology Berhad (“**Awantec**” or “**the Group**”). The Statement covers Awantec’s sustainability strategies, initiatives and performance, for each of our principles that are directly mapped to our Environmental, Social and Governance (“**ESG**”) issues, for the financial year 1 July 2020 to 30 June 2021. Our reporting scope, boundaries and period can be found on the inside front cover of this annual report.

This Sustainability Statement is reported annually following the Group’s financial year, unless stated otherwise. Following a change in Awantec’s financial period in 2019, our data and performance are measured from 1 July 2018 to 30 June 2019 (“**FP2019**”) against our performance from 1 July 2019 to 30 June 2020 (“**FY2020**”), and 1 July 2020 to 30 June 2021 (“**FY2021**”) to provide a clear comparison of our performance.

Subject to our scope, all data, statistics and targets are in relation to Awantec’s operations in Malaysia. We have divided our turnover rate for the past three (3) financial years/period (FP2019 - FY2021) into two categories: voluntary and involuntary to comply with the latest requirements.

Key Changes:

In terms of the Group’s structure, we have disposed two subsidiaries in the Group:

1. On 16 November 2020, we had completed our disposal of the entire equity interest in Prestariang Education Sdn. Bhd. (“**PESB**”). As such, PESB ceased to be a subsidiary of the Group. For details please refer to our announcement made to Bursa Malaysia Securities Berhad on 16 November 2020, which can be found on our website <https://www.awantec.my>.
2. On 23 August 2021, we entered into a Sale and Purchase Agreement with MIE Corporate Holdings Sdn. Bhd. for the proposed disposal of equity interest held in Prestariang O&G Sdn. Bhd. (“**POGSB**”) and the disposal was completed on the same day. Hence, POGSB cease to be a subsidiary of the Group. For details please refer to our announcement made to Bursa Malaysia Securities Berhad on 23 August 2021, which can be found on our website <https://www.awantec.my>.

On our supply chain, we have ceased from being a member of Microsoft Partner Network during the reporting cycle. Awantec is no longer an affiliate or a partner of Microsoft effective 31 January 2021. For details please refer to our announcement, made to Bursa Malaysia Securities Berhad on 23 December 2021, which can be found on our website <https://www.awantec.my>.

There were no other significant changes to the organisation and our supply chain during the reporting cycle. During the reporting period, we have not sought external assurance for this report. Consideration of external assurance will be done as our reporting matures.

FY2021 KEY HIGHLIGHTS

ENVIRONMENT



Maintained low scope 2 carbon intensity

of 1.77 MT CO2-eq/employee

FY2020: 1.76 MT CO2-eq/employee



Reduced paper usage by 4.4%

or 2.63 reams/employee

FY2020: 2.75 reams/employee

SOCIAL



Reduced customer complaints by 100%

or 0 (zero) official complaints

FY2020: 2 official complaints



Increased average training man days by 167%

or 7.6 average training man days

FY2020: 2.85 average training man days



Awarded share option scheme for employees

as part of our long term incentive plan to reward employees for their contributions and to promote performance

GOVERNANCE



Won Excellence Award for CG Disclosure

for market cap below RM100 million category in the MSWG Award 2020



Listed on the MSWG's Top 100 Companies for CG Disclosure 2020

rank: 75th



FTSE4Good

Remained a Constituent for FTSE4Good Bursa Malaysia Index

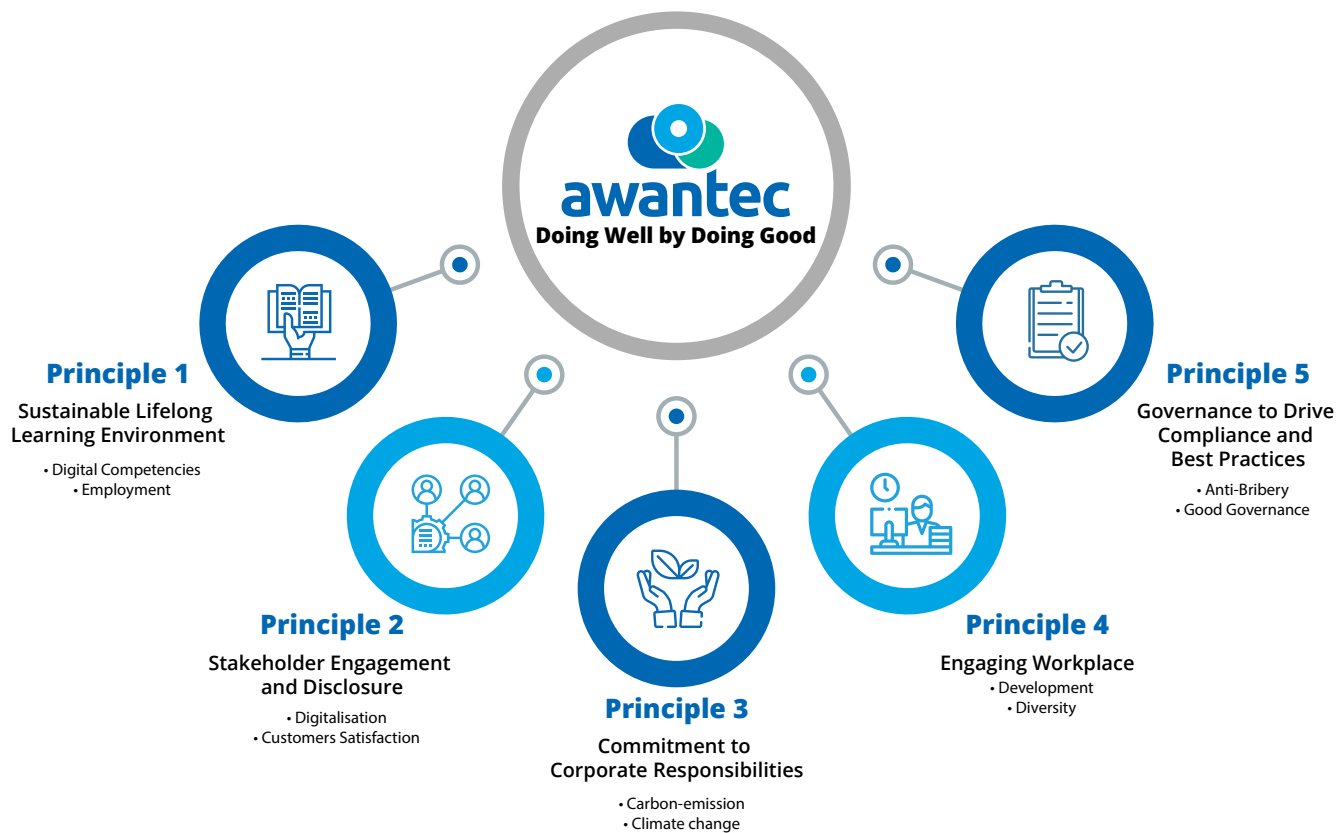
since our inclusion in 2014

Sustainability at Awantec

FOCUSED AGENDAS

Awantec is committed to not only operating sustainably, but to promote sustainability as an integral part of our businesses as well. This is to fulfil our fiduciary duty as public listed company in **Doing Well**, and our calling as an advocate of Technology and Talent by **Doing Good** in positively impacting our people, environment, customers, economy, and ultimately society at large – leading Malaysia towards the digital economy and beyond.

Our Focused Agendas



Our efforts are guided by five (5) Sustainability Principles in our Sustainability Policy, which are aligned with the four themes under the Environmental, Social and Governance pillars: Climate Change, Human Rights and Community, Labour Standards and Corporate Governance.

Our Sustainability Policy is reviewed on a regular basis. In the reporting period, we have reviewed and updated our Sustainability Policy to align ourselves better with current business trajectories and interests of our stakeholders. Do visit Awantec's website (<https://www.awantec.my>) to learn more about our Sustainability Policies and Principles.

Through our business verticals, we provide access to latest technologies, upskill and reskill individuals and organisations - Starting from our own and eventually all Malaysians to help them future-proof themselves and embrace digitalisation in eradicating unemployment.

Internally, we adapt to digitalisation in order to further elevate customer satisfaction level, and in the same time, minimise our own carbon footprint and utilise our resources much more efficiently.

All in all, we have consolidated our efforts in **Doing Well by Doing Good** throughout the financial year under review, and we plan to keep on going with that motto in mind for every business and operational decisions that we make in the future.

GOVERNANCE STRUCTURE

In Awantec, sustainability efforts are a shared responsibility across all levels in the Group - with the accountability and ESG Key Performance Index ("**KPI**") being distributed across the Board of Directors, Executive Management, Heads of Departments, to our employees.

For instance, both the Chief Executive Officer ("**CEO**") and Chief Operating Officer ("**COO**") have specific parameters encompassing ESG performance, including management of climate change risks that directly impact their compensation and incentives. This is to ensure full commitment is given to all four ESG themes on every decision made.

As sustainability initiatives are also communicated from the top, the same is true for the employees as Group mandated ESG related parameters are made into a core component of their KPIs, which also directly impact their compensation and incentives as well.

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

Awantec Sustainability Governance Structure





| | |
|--|---|
| <p>BOARD OF DIRECTORS Chairman</p> | <p>Consists of the members of Awantec's BOD, and is led by the Chairman of the Board.</p> |
| <p>SUSTAINABILITY COMMITTEE Led by CEO and COO</p> | <p>Consists of the appointed Heads of Departments ("HOD") and is led by CEO and COO.</p> |
| <p>SECRETARIAT Corporate Governance Corporate Communication</p> | <p>Headed by Corporate Governance Department and Corporate Communications Department.</p> |

Sustainability at Awantec

SUSTAINABILITY GOALS

In FP2019, we have set the following short-term (2024) and long-term (2030) goals for Awantec, that are aligned with United Nation Sustainable Development Goals (“**UNSDGs**”), across all four (4) of our ESG themes:

Environment

| Goal | Baseline | Short-Term Targets (by FY2024) | Long-Term Targets (by FY2030) | FY2021 Progress |
|---|--|---|--|--|
| Carbon Intensity Reduction  | Scope 2 emission measured in MT CO ₂ -eq/employee Baseline: Average emissions of 2.7 MT CO ₂ -eq/employee in the United States of America | Reduce our Scope 2 emission down to 2.5 MT CO ₂ -eq/employee (or 7.4% reduction) | Further reduce our Scope 2 emission down to 2.0 MT CO ₂ -eq/employee (or 25.9% reduction) | 1.77 MT CO ₂ -eq/employee |
| Paper Intensity Reduction  | Paper usage measured in reams/employee Baseline: 5.4 paper reams usage/employee Base year: FY2017 | Reduce our paper usage down to 5 paper reams/employee (or 7.4% reduction) | Further reduce our paper usage down to 4 reams/employee (or 25.9% reduction) | 2.63 paper reams/employee |
| Energy Intensity Reduction  | Energy intensity measured in kWh/employee Baseline: Energy intensity of 3,006 kWh/employee Base year: FP2019 | Reduce our energy intensity down to 3,000 kWh/employee (or 0.2% reduction) | Further reduce our energy intensity down to 2,800 kWh/employee (or 6.9% reduction) | 2,547 kWh/employee |
| Incorporation of Climate Change into Policies, Strategies and Planning  | Number of policies with climate change measures incorporated approved | All policies within the Company revised to add climate change impact considerations | New policies with considerations on climate change impact | Policies are currently being revised to add climate change impact considerations |

Material Matters






Carbon Emissions

UNSDGs Alignment

12. Responsible Consumption and Production
13. Climate Action



Social

| Goal | Baseline | Short-Term Targets (by FY2024) | Long-Term Targets (by FY2030) | FY2021 Progress |
|---|---|---|--|--|
|  <p>High Level Customer Satisfaction</p> | <p>Number of official customer complaints</p> <p>Baseline: 5 official complaints</p> <p>Base year: FP2019</p> | <p>Reduce number of official complaints down to 2 official complaints</p> | <p>Towards zero complaints</p> | <p>0 official complaints</p> |
|  <p>Stable Work Environment</p> | <p>Turnover rate</p> <p>Baseline: Average turnover rate for technology industry of 11%</p> | <p>Reduce our turnover rate down to 5%</p> | <p>Further reduce our turnover rate to 3% or less</p> | <p>Turnover rate of 2.4%</p> |
|  <p>Decent Work and Fair Income</p> | <p>Wage/Pay of our employees</p> <p>Baseline:</p> <ol style="list-style-type: none"> Malaysia's minimum monthly wage Industry benchmark | <p>Ensure employees are paid above minimum wage and equal to industry benchmark</p> | <p>Ensure employees are paid above market rate</p> | <p>Employees are paid above minimum wage and equal to industry benchmark</p> |
|  <p>Employees Development</p> | <p>Average training man days</p> <p>Baseline: Average 8 training man days</p> <p>Base year: FY2016</p> | <p>Fulfill or exceed average training man days</p> | <p>Ensure that each employees are professionally certified</p> | <p>7.6 average training man days</p> |
|  <p>Succession Planning Implementation</p> | <p>Established sources of successors from both internal and external sources</p> | <p>Establish the first tier successors for all positions</p> | <p>Establish up to second tier of successors for all positions</p> | <p>First tier successors are currently being established for all positions</p> |



Material Matters Customer Satisfaction
Recruitment, Career, Training and Development

UNSDGs Alignment 4. Quality Education
8. Decent Work and Economic Growth



Sustainability at Awantec

Economic and Governance

| Goal | Baseline | Short-Term Targets (by FY2024) | Long-Term Targets (by FY2030) | FY2021 Progress |
|--|---|--|---|--|
| Products and Services Diversification  | Diversify products and services via cloud offerings | Obtain cloud competencies and certifications | N/A | Obtained 26 cloud competencies and certifications for various categories |
| Maintaining Good Governance  | FTSE4Good Rating and ESG Grading Band | Maintain FTSE4Good ESG rating of 4.0 or more, and ESG Grading Band of four stars (or Top 25% Companies by ESG Ratings) | To be listed in the FTSE Bursa Malaysia Top 100 Index | ESG rating of 4.1 and ESG Grading Band of four stars |

Material Matters





Innovation and Technology
Ethics and Integrity

For more information on our sustainability goals and materiality assessment, please refer to our Annual Report 2019.


SUSTAINABILITY RISKS AND OPPORTUNITIES

The Sustainability Committee has conducted a review of the existing risks and updated the following table to meet the changes in the Group's business portfolio:




Risk

| Risk | Risk Level | Details | Action/Mitigation Plan |
|---|------------|--|---|
| Technology Evolution  | High | Technology is both a key enabler as well as a potential source of significant disruption to our business model in the long run. The rapid rate of technological advances and disruptions in the ICT landscape lead to the shift in market demands. | <ul style="list-style-type: none"> Periodically review the business model. Upgrading capabilities to provide better service experiences. Continuously exploring and embracing new technological developments. |
| Carbon Footprint  | Medium | Risk of increasing carbon footprint at Awantec project sites nationwide. Business travels and conducting business events are essential, and sometimes are requirements of the project deliverables. | <ul style="list-style-type: none"> For business meetings, employees have opted for online meetings via conference calls or video conferencing as an alternative option where suitable. Awantec engages local vendors to arrange and occasionally conduct events where necessary, in order to reduce employees' carbon footprint for outstation events. State level business events were reduced to regional business events instead to lower carbon footprint and optimise financial operations. |
| Product Relevance  | High | The obsolescence of products and services as a result of technological updates e.g. cloud services. The shift in market demand. | <ul style="list-style-type: none"> Focusing on product development with innovative solutions that can be commercialised into winning products and services. Conducting reviews and refreshing products and services periodically to stay relevant with users and industry expectations. Continue to leverage on strategic partnerships and alliances to create value. |
| Talent Retention  | Medium | Our Talents being the heart of the Group have the ability and experience to carry out the daily business operations, meet customers' needs and ensure customer satisfaction. | <ul style="list-style-type: none"> Developing talents for succession planning. Developing quality employee engagements and training programmes, as well as realign talents' competencies to organisational needs. Conducting periodic Employee Engagement Surveys to assess their level of engagement with Awantec and solicit employees' views. Optimising manpower productivity through right-sizing exercises based on business needs. |

Sustainability at Awantec

| Risk | Risk Level | Details | Action/Mitigation Plan |
|---|------------|--|---|
| Financial Management  | High | Ensuring sufficient financial resources to meet the Group's working capital. | <ul style="list-style-type: none"> Implement rationalisation plan to improve cash flow position, which includes operating cost reduction, monetisation of non-core assets and equity fundraising. Reviewed the business operations and working capital needs, ensuring timely collection of receivables; favourable payment terms from suppliers, minimising inventory and maintaining sufficient bank facilities to support the existing business operations. Continuously monitoring the extent of credit risk to an acceptable level. |

Opportunity

| Opportunities | Details | Action Plan |
|--|--|--|
| Investments in Sustainability and Green Processes  | Medium Plan Implementation Factoring ESG matters in all decision making which is embedded throughout the business while reducing wastage that impacts the environment. | <ul style="list-style-type: none"> Conducting reviews on business operations processes which include sustainability, as well as Green ICT Practice. |
| Transformational and Dynamic Business Model  | Medium Plan Implementation Awantec's business model allows the Group to have a structure yet it is agile to adapt to new technology and talent services. | <ul style="list-style-type: none"> Realigning existing core businesses to focus on profitable business segments. Extending value added products and services to the existing core businesses. Providing multi-cloud management services. Providing lifelong learning upskill and reskill services, and full life cycle talent management services. |
| Innovative Learning  | Medium Plan Implementation Aligning with our sustainability focused agendas, the Group is committed to find different and innovative learning environments to lessen the environmental impact, yet providing effective learning experiences for both trainers and students. | <ul style="list-style-type: none"> Seizing the online learning platform to develop better services and learning experience. Digitalisation of services leads to reduced consumption of resources – reduced trainers, logistic expenditures, paper usage, less time taken, etc. |

STAKEHOLDER ENGAGEMENTS

Both of our internal and external stakeholders are key in our operations. Therefore, in ensuring seamless engagements, communications and collaborations between our stakeholders and us are fundamental to our success.

To keep ourselves abreast with the interests and concerns of our stakeholders, we engage with them through various tools, methods and channels that favors two-way communications. This was done to better understand the environmental and societal impacts from our operations, as well as to discover newer and better avenues for us to grow as a business, and to contribute to the development of the community where we operate in.



Sustainability at Awantec

| Stakeholder Group | Engagement Platform | Frequency | Key Interests/Material Matters |
|--|--------------------------------|-----------|---|
| Investment Community - Shareholders - Investors - Fund Managers - Analysts  | Annual General Meeting | Annually | Shareholders and proxies attended Awantec's virtual 10 th Annual General Meeting to review the Group's annual performance and to vote on resolutions tabled. |
| | Extraordinary General Meeting | As needed | Shareholders and proxies attended Awantec's virtual Extraordinary General Meetings to vote on resolutions tabled. |
| | Analyst Meetings and Briefings | As needed | Two-way communication with the investment community encompassing financial performance, business direction, strategies, and sustainability initiatives throughout the year via regular Meetings and Briefings . |
| | Reports | Quarterly | Awantec's quarterly financial results were announced in the Financial Reports and presentations. |
| | Corporate Website | As needed | Provided real-time reports on Awantec's share price, presentations, annual reports, announcements and press releases on Awantec's Corporate Website . |
| Employees  | Engagement Survey | Biennial | Periodic engagement with employees through the Employee Engagement Survey to understand their needs. |
| | Events | As needed | Periodic employee engagement through Events and activities such as luncheon, competitions, virtual talk sessions and virtual workout sessions. |
| | Trainings and Workshops | As needed | Online Trainings and Workshops were conducted throughout the financial year to drive employees' career development, as well as to ensure standards and applicable laws are adhered to in day-to-day operations. |
| | Performance Review | Annually | Employees' growth, contributions and achievements were recognised via the annual Employee Performance Management sessions which were conducted virtually. |
| Customers  | Satisfaction Survey | Biennial | Satisfaction Surveys were carried out regularly to assess satisfaction levels and derive feedback from customers. A healthy amount of responses with regards to our services and products were received for the financial year under review. |
| | Meetings and Teleconferences | As needed | Regular Meetings and Teleconferences were held virtually, encompassing project matters - delivery, timeline, technical and commercial issues, as well as quality management. |
| | Events and Programmes | As needed | Organised various virtual Events and Programmes involving our clients on technology updates and talent development, via multiple platforms, including webinars and virtual events. |

| Stakeholder Group | Engagement Platform | Frequency | Key Interests/Material Matters |
|--|-----------------------------------|-----------|--|
| Strategic Partners  | Collaborations | As needed | Awantec and its subsidiaries Collaborated with various partners in creating business and value for our stakeholders, namely: <ul style="list-style-type: none"> - Google - Huawei - Zoom - SAP - Kelly Services - Ajobthing - CIDB Technologies - SHL |
| | Performance Review | Annually | Regular partner Performance Reviews were performed to evaluate partnership performances and ensure consistent quality delivery via Awantec's offerings. |
| Students and Academic Community  | Collaborations | As needed | Awantec and its subsidiaries Collaborated with members of Academic Community in solving key issues and delivering values: <ul style="list-style-type: none"> - Universiti Teknologi Mara in empowering persons with disabilities. |
| | Internships | As needed | Awantec and its subsidiaries have primed young individuals to be industry-ready and employable via its Internships Programme. |
| Vendors and Suppliers  | Performance Review | Annually | Evaluation of vendors were done via the annual Vendor Performance Review . A total of 115 vendors were assessed for the financial year under review. |
| Local Communities and Non-Government Organisations  | Donations and Sponsorships | As needed | Donations and Sponsorships were done in attending to the needs of the community where we operate in, to foster positive relationships and to promote brand trust. |
| | Representations and Associations | As needed | Representations and Associations in non-profit bodies such as Malaysian Alliance of Corporate Directors were done in driving strategic executions of national development and sustainability. |
| Government Agencies and Authorities  | Meetings and Conferences | As needed | Virtual Meetings and Conferences were done to align Awantec with the national agendas and trajectories. This allows better understanding on actions that can be taken and carried out to underpin the government's efforts. |
| Media  | Press Releases and Advertisements | As needed | Press Releases and Advertisements were done in promoting Awantec's offerings, capabilities and reputation to drive top-of-mind brand awareness and trust. |

Principle 1: Sustainable Lifelong Learning Environment



Doing Well by Driving Digital Competencies and Boosting Employments

In recent years, digitalisation has displaced some existing jobs and also created new ones. This transformation of various occupational roles have been accelerated by the current COVID-19 pandemic.

This transformational wave brought about opportunities, as well as massive challenges for Malaysians. Hence, Malaysians now need to adopt and acquire new skills and competencies to remain relevant in the job force.

While the prospects are bright, uptake of new skills and technologies may prove to be challenging not only for seniors and adults who are predominant in the country's workforce, but also for the digitally native children and youth as well.

This is where our role as a Digital Transformer and our core verticals of Technology and Talent became more vital than ever to transition Malaysians into 21st century digital workers - A key ingredient for the nation to make the quantum leap towards an advanced digital economy. Our Business Model to achieve the same can be found on page 4.

Underpinned by our global partnerships with key industry players across the globe, we are committed to arm Malaysians with the right tools along with key competencies needed in this digital age, for them to stay ahead of the curve.

In successfully riding this wave of Digital Transformation, technology alone is not enough - because **digitalisation is less about technology, and more about people.**

Leaders need to take a good hard look at the human side of their organisations, because the culture and way people interact with technology will be the deciding factor of their digitalisation success.

Dr. Abu Hasan bin Ismail

Founder, President and Group Chief Executive Officer

Helping Labour Market to Keep Pace with Digitalisation

In line with our focus of driving technology adaptation through distribution of software, and our Software as a Service delivery model, we have enabled the Government of Malaysia, organisations, businesses and individuals with more than 330,750 affordable software in the financial year under review alone.

Complementing the software provision, we have imparted the knowledge required with the support of our partners - CompTIA, Adobe, Autodesk, EC-Council, Rocheston and Iverson via ICT training and certifications. These were done to drive strong adaptation to and adoption of the newly acquired technology, for them to fully reap the benefits of their investments and remain resilient in the surge of digitalisation.



Further, to curb the spread of COVID-19 most of the Malaysian workforce had to adopt a new norm of working from home (“WFH”), thus rendering traditional training and certification approaches not viable.

With talent development brought to a halt by the new normal, businesses and organisations are hard-pressed to find viable alternatives that are efficient and effective to equip their workforce with the required know-hows in successfully meeting the new market demands.

Our Progress So Far:



Distributed more than
330,750
affordable software licenses



Trained and certified
29,745
individuals on various
digital competencies



Recorded
73,605
total training hours

Backed by our years of experience in training and certifying multitude of Malaysians, along with shared esprit de corps with our American online learning partner Skillssoft, we have consolidated our efforts to introduce online training for various organisations, sowing the seeds of digital learning across the nation in the financial year.

This in turn, enabled us to address the current skill gaps which are widening with digitalisation, and empower Malaysian workforce with the much needed digital competencies for them to meet new job demands and capitalise on new opportunities, stemmed from digitalisation and the Fourth Industrial Revolution (“IR”) 4.0.



Sabah State Government are among the early adopters of our online learning platform, which has enabled 1,500 of their senior officers to upskill themselves despite the pandemic.



Kementerian Pembangunan Luar Bandar is our latest subscriber of our online learning platform, enabling the ministry to impart the best in upskilling and reskilling its members to serve the people better.

Principle 1: Sustainable Lifelong Learning Environment

Turning Unemployed, Employed

While we gave our best in supporting the workforce to deal with job disruptions, we have also focussed on helping the unemployed whose number has increased.

Aiming to train and place 10,000 job seeking Malaysians, we engaged and collaborated with the Selangor state government via Menteri Besar Selangor Incorporated to run the Selangor Kerjaya Programme in eradicating unemployment.



With more than 728,000 unemployed across the nation (55% of them are youths), coupled with an increasing unemployment rate, we strive to help fellow Malaysians to regain their footing in this challenging time.



"The entire placement and interview processes are surprisingly quick. In just two mere weeks, I am officially employed. Who would have thought that job search can be made this easy and fast!"

Nor Dyana Aisyah
24, Graphic Designer

In doing so, we applied a three-pronged approach to effectively place unemployed individuals into the right jobs to ensure high retention rates and job satisfaction level:

Identify Unutilised Talents and Market Needs

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

Decide on Best-Fit-Jobs

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

Prepare Talents for New Roles

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

Helping Employers, Employ

There is no better way to turn the unemployed employed, other than helping the employers to employ. As business owners and organisations grapple with the economic downturn caused by the pandemic, we helped to relieve the employment and reemployment processes off their shoulders - allowing them to be fully invested in their recovery and growth.

To effectively raise employment levels, we collaborated with our recruitment partners, to support the employers through the following strategy:

Identify Employment Needs

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

Shortlist Right Talents

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

Get Talents Onboard


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

All of our engagements via Selangor Kerjaya Programme for both job seekers and employers were done for virtually no cost. The actual expenditures were borne by the state government as part of their recovery plan and effort to restore the economic health of Selangor and its citizens.

Feeding Two Birds with One Stone

While we boost employment with the Selangor Kerjaya Programme, Awantec also offered a temporary solution to boost the economy of the local communities where we operate through Talent Scout - A derivation of Selangor Kerjaya Programme, built to support its recruitment and placement processes.

Offering fees for each successful placement for all registered Talent Scouts, we hope to alleviate some of their financial burden with this initiative while prospering together with the locals in braving this unprecedented time.



Scan the QR Code or click on the link to find out more about Talent Scout



With the objective to offer individuals the opportunity to generate extra income, Talent Scout has enabled our local community members to earn some extra income whilst helping their fellow community members to get employed.



Talent SCOUT

Find out more about Selangor Kerjaya Programme and Talent Scout on <https://www.selangorkerjaya.com.my> or by following its Facebook, Twitter, Instagram, LinkedIn, Telegram and TikTok @selangorkerjaya.

Narrowing Digital Divide amongst Youths

Next in line to inherit and helm the nation, our youths are struggling in a different battle that was brought about by the headwind of COVID-19 as well. Deprived of a teacher's personal touch in a good old classroom, Malaysian students are making the best out of the situation to continue learning albeit virtually.

As the country attempts to transform our youth into Digital Makers, transforming from digital users to producers will be a tall order for our young Malaysians and their educators if they are not sufficiently exposed to new technologies, and destituted of the right infrastructure in doing their day to day learning process.



Scan the QR Code or click on the link to find out more about Selangor Kerjaya Programme



Principle 1: Sustainable Lifelong Learning Environment

Determined to cater the young Malaysians' education needs for technological exposures, along with streamlined and refined learning experiences, Awantec joined forces with our cloud and education partner, Google in developing digital classrooms, powered by cloud technology.

Through our distribution of Google Suite Enterprise for Education which encompasses schools under the purview of the Ministry of Education, we empower both teachers and students with a unified learning environment for the school community - resulting in efficient, organised and secure teaching and learning delivery.

However, empowering classrooms with cloud capabilities is just a part of the solution in closing the digital divide. Committed to making the transformation a reality, we will continue to engage our stakeholders to envisage the nation's needs of a well-positioned education system and integration of lifelong learning culture with both of our Talent and Technology verticals.



Image: Robb Report Malaysia

Empowering Trades and Skilled Workforce

In our effort to boost employment, we continued with our endeavour towards meeting the needs for welding experts nationwide through our Technical and Vocational Education and Training ("TVET") programmes via Prestariang Skills Training Institute ("PSTI"). This is to ensure a steady stream of trade and skilled workforce, in balancing and complementing the digital explosion within future talent lifecycle.

Retained the previous record of 100% graduation rate for our 2nd batch of Sijil Kemahiran Malaysia 3 TVET Programme, we continued with the programme for our 3rd and 4th batch to develop more certified competent welders. We are to welcome our new 5th batch intake which is set for the fourth quarter of 2021.

Awantec however, had disposed of its equity interest held in Prestariang O&G Sdn. Bhd. along with PSTI via Sale and Purchase Agreement with MIE Corporate Holdings Sdn. Bhd. on 23 August 2021. This was part of our rationalisation plan to focus on providing competency and professional development in the digital space.

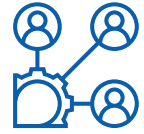
We must look forward to providing long-term solutions for our young learners, instead of the short-term fix we are having right now.

This surely cannot be the best way for students to immerse themselves in learning if we want to transform them into Digital Makers.

Dr. Abu Hasan bin Ismail

Founder, President and Group Chief Executive Officer

Principle 2: Stakeholder Engagement and Disclosure



Doing Well by Enabling Effective Partnerships and Maintaining Customer Satisfaction

In line with our second sustainability principle, we have kept ourselves abreast of current and emerging issues which concern our stakeholders through regular engagements with them.

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

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

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

Facilitating Shifts towards Modern Workplace

In the financial year under review, we have co-hosted a live webinar with our partner Skillsoft, as a knowledge sharing platform in paving the way for our customers and stakeholders towards digital transformation.

Participated by 292 individuals from 121 agencies across Malaysia, including National Institute of Public Administration and Leadership Institute of Sarawak Civil Service, we unravel digital transformation whilst casting away uncertainties by showcasing successful case studies of some companies in transforming their respective workplaces.

Challenges and gaps were discussed in the engagement including development of digital dexterity, digital learning as well as change management as key success factors for digital transformation.

Fixated to empower their digital transformation, we have also provided complimentary access to our digital learning platform for all participants to experience digital learning and upskilling first hand, with hope that it will illuminate the way in their transformative journey.



Questions, opinions and ideas were exchanged back and forth between our subject matter representatives and the participants as the webinar went about actual and effective applications of digital transformation in real-world practices.

Principle 2: Stakeholder Engagement and Disclosure

Underpinning Malaysia Digital Economy Blueprint

FY2021 also witnessed the appointment of Awantec and our partner Google Cloud as Managed Service Providers (“MSP”) and Cloud Service Providers (“CSP”) respectively by the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) to work hand-in-hand with Malaysian government in realising national digital transformation initiatives.

To support the national agenda, we pooled our in-depth understanding of government’s needs as well as Google Cloud’s cloud capabilities, which are translated into cloud adoption strategies, change management components and cloud management platform to supplement our offer of seamless and integrated cloud experience.

With the tagline of ‘Bersama Menjayakan Aspirasi Pengkomputeran Awan Kerajaan’, our partner and us will continue to work together with the government as well as other key stakeholders as the appointed CSP and MSP to uplift and solidify Malaysia’s position as a cloud service hub across ASEAN region via the execution of Cloud First Policy.

This is in line with Malaysia Digital Economy Blueprint (“MyDIGITAL”) which aims to accelerate Malaysia’s progress as a technologically-advanced economy via trusted, secure and ethical digital environment as a foundation for national transformation.



Awantec and Google Cloud rallied in the 1st Government Cloud Rendezvous to lay down propositions of cloud-based business transformation with the reassurance of unrivalled data security, and tailored cloud adoption strategy in getting Malaysia to advance as a nation

Giving the Best to our Customers

Within our sustainability strategy, customer satisfaction remains material to us as our customers are key drivers of our sustainable recurring revenues. This is true to our Shared Values of Customer as our Focus and our Sustainability Goals of High Level of Customer Satisfaction.

Throughout the financial year under review, we have continued to improve our customer journey by providing better engagement platforms, refining digital purchasing experiences and improving turnaround time in delivering support to our customers.

These efforts were then measured via our annual Customer Satisfaction Survey, which was conducted towards the end of the FY2021.

The survey has indicated a significant increase in the number of customers satisfied with our overall services from 89% in FY2020 to an all-time high of 90% for the financial year under review.

We have also opted to use the instrument of Net Promoter Score (“NPS”) to measure our performance. Through the survey, we inquired our customers on how likely they are to recommend Awantec’s products and services to their organisations and peers, with a rating range of 0 (not at all likely) all the way to 10 (extremely likely). Depending on the response, our customer will fall under one of these three (3) categories:



Promoters

Customers who scored 9-10 which is interpreted as loyal Awantec evangelists



Passives

Customers who scored 7-8 which is interpreted as satisfied but not enough to be considered promoters



Detractors

Customers who scored 6-0 which is interpreted as unhappy and unlikely to use our products and services again.

This has resulted in an NPS score of 66.6 for FY2021, as we record 77.7% promoters, and 11.1% detractors, on which remedial action was taken immediately to address their concerns.

We have also managed to reduce the number of official complaints from customers throughout the financial year down to zero (0), against our record of two (2) official complaints in FY2020. This achievement reflects the fruition of our efforts in improving customer satisfaction levels.

Keeping Shareholders and Investors Informed

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

This is achieved through seamless execution of our IR Policy which contains processes and practices that ensure effective communications to internal and external stakeholders. It also dictates the review and release of information to regulatory authorities to facilitate full disclosure of the Company's material information.

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

The IR team is also responsible for organising and planning regular meetings, roadshows, conference calls and site visits to keep our shareholders and the investment community updated on our strategic developments, financial performance as well as on ESG matters.

In the financial year under review, we have reactivated our IR engagements to build trust in our new brand, and at the same time, to better align ourselves with stakeholders' expectations. This has yielded us with higher top-of-the-mind awareness of Awantec's brand, and multiple new investors, and increased number of shareholders.

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



From left, our Chief Business Officer, Hafiza Anom binti Abdul Hamid, Founder, President and Group CEO, Dr. Abu Hasan bin Ismail, COO, Baldesh Singh a/l Manmohan Singh and Director, Finance and Corporate Services, Chok Joon Heng, in our first virtual analyst and fund managers briefing after we have rebranded into Awantec.

Principle 2: Stakeholder Engagement and Disclosure

Financial Results

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

Announcements of Quarterly Results

4th Quarter Result FY2020

27 August 2020

1st Quarter Result FY2021

26 November 2020

2nd Quarter Result FY2021

24 February 2021

3rd Quarter Result FY2021

27 May 2021

4th Quarter Result FY2021

27 August 2021

Shareholder Base

We have a shareholder base of 7,126 institutional and retail/private shareholders as at 30 June 2021. An increase of 11.22% against our shareholder base of 6,407 on 30 June 2020. Maybank Trustees Berhad for Areca Dynamic Growth Fund and Eco Cloud Assets Sdn Bhd are our two major shareholders with direct equity holdings of 13.07% and 10.11% of our total share capital respectively. Foreign shareholding accounted for 2.64% of the total.

As a Shariah-Compliant company, Awantec is committed to responsible investments that are free from usury, gambling and ambiguity while striving for steady and sustainable profitability.

Share Performance

Our share price was on an upward trend in the FY2021. This can be attributed to the strategic position that we have with our products and services, amid the pandemic which are well-poised for the nation-wide digitalisation push. The share price opened at RM0.40 on 1 July 2020, and closed at RM0.80 on 30 June 2021, representing a 100% increase for the financial year, for a total of 787,425,100 shares (including treasury shares).

Dividend Policy and Return to Shareholders

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

For the financial year ended on 30 June 2021, the Board of Directors did not declare any dividend. This decision was a result of the continuation of our rationalisation plan that includes among others, cost cutting measures to improve Awantec's cash flow and to increase our working capital.

Principle 3: Commitment to Corporate Responsibilities



Doing Well by Minimising Carbon Footprint

Following our third sustainability principle, we continue to consolidate our effort in safeguarding human rights within our sphere of influence and contribute our best to meet community needs.

For the financial year under review, we have carried on with our commitment to reduce carbon footprint and lessen climate change impact in making our operation more sustainable - In line with our alignment to UNSDGs, materiality matters and our sustainability goals, which were set in FP2019.

- Sustainability Goals:**

Short-term - To reduce our total carbon emission to less than 2.5 MT CO₂-eq/employee by 2024.
 Long-term - To reduce our total carbon emission to less than 2.0 MT CO₂-eq/employee by 2030.



- Alignment to UNSDG's 12.2 Responsible Consumption and Production:**

To achieve sustainable management and efficient use of natural resources covering energy, water and paper by 2030.



- Materiality matters of Green IT Practices:**

To minimise impact of ICT devices on the environment, which includes reduction of energy use and better e-waste management.



Making Carbon Footprint Reduction Our KPI

In realising the goals that we have set for ourselves, we adopted a holistic approach where we have mandated ESG related parameters into the KPI of our employees, with emphasis on reducing energy, water, paper and total carbon intensity to encourage them to take part in further reducing our carbon footprint as a Group.

Active goals such as reducing departmental paper usage and increasing recycling rate were introduced in the financial year under review, which constitute 10% of all employees KPI scores that are tied to their compensation and incentives.



Employees were briefed on the newly mandated ESG-related KPI by our Director, Human Resource and Administration in our previous Performance Evaluation Conversation held in July.

This environment that we are operating in is not exclusively ours - it is shared with everyone and the next generation as well. Therefore, it is the responsibility of us all to ensure that we operate with the least carbon footprint and impact as possible.

To inculcate sustainability as a Group-wide culture, the Group has mandated for all employees to have a minimum of 10% out of their total KPI score to be dedicated to ESG-related goals.

Yasmin binti Abdullah
 Director,
 Human Resource and Administration



Principle 3: Commitment to Corporate Responsibilities

Pivoting on Digitalisation to Reduce Carbon Intensity

To further strengthen our performance in managing our carbon footprint, we have adapted to digitalisation to further reduce our paper intensity and carbon emission in our day-to-day operations, following our Green ICT Practices.

Employees were less reliant on physical paper as the Group capitalised on Google for Workspace's capabilities in creating, editing and storing our documents as part of our effort to bring down our paper intensity. This was further reinforced by technologies such as Adobe Sign, which has enabled us to reduce the signing of physical documents and rely on digital signatures in carrying out normal operations safely and securely instead.

We have also carried out the majority of our meetings online in the financial year under review, thanks to the online meeting facilities such as Google Meet application. While enabling the employees to conduct their discussions and collaborations in the safety of their homes amid the pandemic, this has also significantly reduced our carbon emissions as need for business commuting and travels were reduced in carrying out most of our duties.

By pivoting ourselves to digitalisation, we have managed to:

Reduce Our Paper Intensity by 4.4%

Compared to the previous financial year



Reduce Our Employee Commute by 7.2%

Compared to the previous financial year



Reduce Our Total Business Travel Mileage by 67%

Compared to the previous financial year



Green ICT Practices



Printing and Printers

Using Energy Star certified printers, consolidated via networked multifunction devices.



Energy Consumptions

Using energy efficiently and optimally by making use of natural light and other energy efficient means.



Computers

Using energy efficient hardwares and leveraging on cloud computing, to reduce energy consumptions.



Recycle, Reuse, Reduce

Empower employees to recycle waste generated, and minimise general waste encouraging better alternatives.



Servers

Reduce the energy consumption of servers by relocating data onto various cloud services.



Green Conduct

Conduct paperless meetings and Utilise secured email, drives and cloud services as alternatives of printed copies.



Data Privacy, Confidentiality and Security

Apply remote access, data transfer and audit trail monitoring guidelines that are in line with ISMS practices as well as the Personal Data Protection Act 2010.

Visit our website to find out more on our Green ICT Practices at <https://www.awantec.my>.

Doing Well by Empowering Communities

Our approach in empowering our communities has always been through various value creation via strategic focuses and initiatives. For the financial year under review, our strategic focus remains towards raising employability of individuals through education, improving quality of lives and living standards as highlighted in our Corporate Citizenship Commitments.

Corporate Citizenship Commitments

We continue to build better lives, especially in enhancing education opportunities and lifelong learning. 

This is our steadfast contribution and definition towards quality sustainable education for the betterment of local communities, their children and society in its entirety. 

We are committed to take responsibility of our environmental consumption and production which may impact the lives of the community that surrounds us 

These strategic focuses are also directly linked to our business strategies (refer page 4) in catalysing adoption of digitalisation to drive healthier employment levels across the nation.

Empowering PWDs

In the financial year under review, we have banded together with Universiti Teknologi Mara (“UiTM”) to drive the upskilling of Persons with Disabilities (“PWDs”) within UiTM campuses across the nation.

The collaboration, nicknamed ‘No One Left Behind’ is a programme that is focused on effective upskilling and self-development of PWDs to address economic disparities across the said group – in line with the Government of Malaysia’s Shared Prosperity Vision 2030, the Goal 8 of UNSDGs of Decent Work and Economic Growth, as well as UiTM primary focus of inclusivity.



Capitalising on our offering of profiling services, we appraised PWDs primarily, along with the B40 group across UiTM branches to identify knowledge gaps and areas of strength. We then leveraged on the profilings to upskill and professionally certify the said groups via our online learning platform - ensuring they are IR 4.0 ready and all set to be employed.

During the same financial year, Awantec has also made a total community investment of RM50,000, through our Founder, President and Group CEO, Dr. Abu Hasan bin Ismail, to UiTM’s Person with Disabilities Care Fund.



The recent statistics revealed that we have more than 150 PWD students, studying in UiTM across 16 of our campuses nationwide. It is my wish for this initiative to be the stepping stone towards the bright future of equal and holistic development for all, with no one left behind, as per outlined in the Shared Prosperity Vision 2030.

Associate Professor Dr. Badrul Isa
UiTM’s Deputy Rector (Student Affairs)

Principle 3: Commitment to Corporate Responsibilities



Empowering Youths

In empowering youths, we continue to offer our industrial training for undergraduates that ranges from three to six months, for final year students of all disciplines. Through the industrial training, we provide them with real world experience by streaming them into respective departments within the Group, in line with their education and curricular backgrounds.

The programme is available for deserving students while our temporary employment programme is available for unemployed youths as stated within our Internship Policy. The policy is reviewed yearly or as and when needed.

Internship Policy

1. Equal employment opportunity for the underprivileged groups, which include those with:
 - a. Deprived backgrounds;
 - b. Poor social status; and/or
 - c. No formal education or qualifications.
2. Placement programme opportunities for unemployed youths, apprenticeships and graduate placements.

Allowance for Interns and Temporary Employees are currently set at:

Degree
RM1,000
per month



Diploma
≥RM800
per month

During the financial year, we have hired three (3) temporary staff. No interns were taken in.

Looking Forward

In the future, we are planning to migrate our servers to the cloud in an attempt to better manage our carbon footprint. Guided by our Green ICT Practice, this migration will give us the advantage of scale, flexibility, and efficiency in using our resources by:

- Rendering the need to purchase network hardware unnecessary as the Group can scale effectively by relying on pay-per-use cloud services and infrastructures.
- Reducing energy consumption significantly as we decommission our servers.

Echoing our 4th Sustainability Goals - Incorporation of Climate Change into Policies, Strategies and Planning as well as our Green ICT Practices, we will continue to discover avenues in improving our operations in making our business more resilient against climate change, whilst managing its impact better by integrating climate change considerations into our existing policies.

This includes enforcing green purchase, sustainable sourcing and encouraging adoption of our Green ICT Practices and climate change considerations by our vendors as well. Where that is not possible, Awantec will opt to explore new possibilities to achieve the said objectives.

Following our Green ICT Practices, we are actively looking into ways and methods in managing our waste better. Compared to our previous practice, we have transcended from measuring our recycling activity by recycling frequency to effectively tracking waste generated in our day-to-day operations. This will enable us to measure our waste management performance by the amount of waste recycled, starting from FY2021 onwards.



In the financial year, we have managed to recycle

1,460kg
of boxes, plastic and steel.

Environment Performance Indicators

| Description | FP2019 | FY2020 | FY2021 |
|---|-----------|----------------------|----------------------|
| Total Energy Use (kWh) | 643,289 | 230,866 ¹ | 236,861 ¹ |
| Energy Intensity (kWh/employee) | 3,006 | 2,537 | 2,547 |
| Total Carbon Emission (MT CO ₂ -eq) | 794.80 | 259.64 | 254.49 |
| Scope 2 Carbon Emission (MT CO ₂ -eq) ² | 446.44 | 160.22 | 164.38 |
| Scope 3 Carbon Emission (MT CO ₂ -eq) | 348.36 | 99.42 | 90.11 |
| Paper Use (MT CO ₂ -eq) ³ | 10.16 | 5.58 | 5.48 |
| Employee Commute (MT CO ₂ -eq) | 332.22 | 88.91 | 82.47 |
| Business Travel : Road-Bound (MT CO ₂ -eq) ⁴ | 1.71 | *1.25 | 1.74 |
| Business Travel : Domestic Air Travel (MT CO ₂ -eq) ⁴ | 4.27 | 3.68 | 0.42 |
| Carbon Intensity (MT CO ₂ -eq/employee) | 3.71 | 2.85 | 2.74 |
| Total Water Use (m ³) ⁵ | 287.16 | 436.87 | 478.47 |
| Water Intensity (m ³ /employee) | 1.34 | 4.80 | 5.14 |
| Total Paper Use (reams) | 450 | 250 | 245 |
| Total Paper Use (tonne) | 1.13 | 0.62 | 0.61 |
| Paper Intensity (reams/employee) | 2.10 | 2.75 | 2.63 |
| Total Employee Commute (km) | 1,572,900 | 532,350 | 471,233 |
| Total Business Travel : Road-Bound (km) | 8,095 | 5,906 | 9,974 |
| Total Business Travel : Domestic Air Travel (km) | 39,548 | 34,109 | 3,259 |
| Total Waste Recycled (kg) | | | 1,460 |
| Internal Carbon Pricing (RM) ⁶ | 317,920 | 103,857 | 101,796 |
| Internal Carbon Pricing (USD) | 79,480 | 25,964 | 25,449 |
| Scope 2 (USD) | 44,644 | 16,022 | 16,438 |
| Scope 3 (USD) | 34,836 | 9,942 | 9,011 |

*Updated Scope 3 Carbon Emission - Business Travel : (Road-Bound MT CO₂-eq) for FY2020

Note:

- The reported energy use does not include consumption by our tenant (University Malaysia of Computer Science and Engineering, which occupies the Ground, 4th, 5th, 6th and 7th floors).
- The carbon emissions reported in the table are based on the calculations provided by GreenTech Malaysia (<https://www.greentechmalaysia.my/carboncalculator>) which provide estimates for our Scope 2 emissions. We do not produce any direct emission (Scope 1) in our daily operations.
- The carbon emissions reported in the table are based on the calculations provided by Environmental Paper Network (<https://c.environmentalpaper.org/calculate.html>) which provide estimates for our emissions derived from paper use.
- The carbon emissions reported in the table are based on the reporting requirements of Greenhouse Gas Protocol (GHG) Accounting and Reporting Standard. The equivalent CO₂ emissions for business travels and employee commute are calculated based on the Average-data method.
- The water consumed is obtained from the municipal water supply. Estimates were used for our NeoCyber office building due to technical metering problems. Water stress areas are not applicable.
- Assuming that 1 USD is equal to RM4.00.

Principle 4: Engaging Workplace



Doing Well by Keeping Our Employees Well

While our employees were doing their part as the prime mover of our efforts in Doing Well by Doing Good to our wide group of stakeholders, we have invested equally as much in keeping them well too.

Our employees are the cornerstone for Awantec to drive the nation towards and beyond the digital economy, making it a natural choice for us to keep them well connected despite the distances, well primed to face any form of disruption head-on and well rewarded for every contribution made. At the same time, we continue to go out of our way to abide by our fourth sustainability principle in making Awantec a workplace that is inclusive and diversified for all our employees.

Keeping Our Employees Well Connected

Creating engaging and supportive work culture continues to be our twin focus under the fourth sustainability principle. In realising our aspiration, we have intensified the frequency of engagement with our employees throughout the financial year under review to keep them well connected with one another in the workplace.

This has allowed us to retain high motivation level among employees and at the same time, enabled them to maintain good physical and mental health as the employees continue to adapt with the new normal in carrying out their day-to-day business and operational activities virtually.

Various meaningful engagements such as appreciation lunch, competitions, online hangouts via virtual talks and exercises were done as part of our effort to inspire well-being, as well as to avoid them from feeling disconnected due to the lack of peer interaction.

These engagements have proven to be effective in bringing the employees together, despite the physical distances that separate them as the Group continues with our Work From Home Policy to keep our employees safe from any risk of COVID-19 infection.

FY2021 Employee Engagement Activities

8 July 2020 Appreciation Lunch for Employees



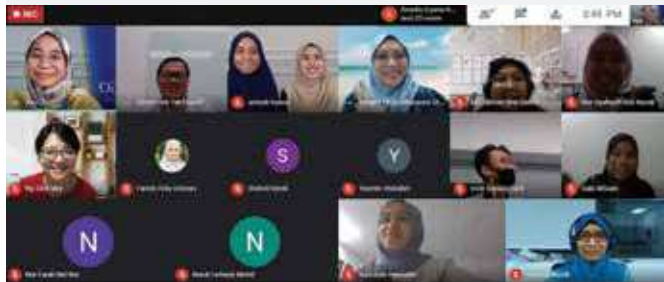
We celebrated our employees with an informal luncheon gathering at Grand Hyatt, Kuala Lumpur in cherishing their hard work, efforts as well as to strengthen camaraderie among employees towards achieving future success.

13 July 2020
Awantec Anti-Corruption Talk (2nd Session)



Setting ourselves towards successful adoption of the Malaysian Anti-Corruption Commission (MACC) Act 2009, we invited MACC Assistant Commissioner, Mohd Nur Lokman bin Samigan to clear any air of uncertainty and ambiguity on the topic of corruption and gratification.

16 March 2021
**Awantec Virtual Talk Series - 1st :
 Overcoming Back Pain at Workplace**



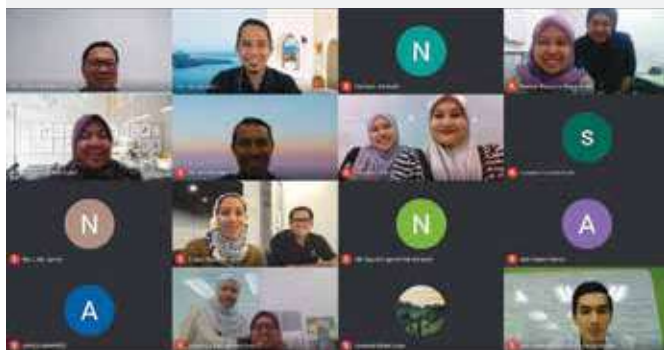
We kickstarted the first out of four virtual talks, in the Awantec Virtual Talk Series. The inaugural session shed some light on the topical issue of back pain at the workplace and on methods for employees to overcome them via proper sitting and working postures, as well as regular stretching.

27 August 2020
Merdeka Celebration Photo Contest



Fully immersed in the spirit of Merdeka, we had our employees submit their photos with the 'jalur gemilang'. The selected winning entries were then montaged into a website banner, posters and other collaterals to commemorate the nation's independence.

8 April 2021
**Awantec Virtual Talk Series - 2nd :
 The Impact of COVID-19 on Our Mental Health**



The second session of the virtual talk series focused on managing the silent struggle that comes with social distancing and working from home, including the feeling of disconnected, unexplained sadness, disorders as well as anxiety.

Principle 4: Engaging Workplace

18 April 2021

Awantec Virtual Talk Series - 3rd : Ihya Ramadhan



The third session of the virtual talk series was set to rekindle the spirit of worship and observance in welcoming holy month of Ramadhan, among the muslim employees. At the same time, the virtual talk served as a platform of inclusivity for the non-muslim employees to understand the practice of fasting better.

14 July 2021

Awantec Virtual Talk Series - 4th : Conflict Management at Home and at Work

The fourth session of the virtual talk series encapsulated conflict management at home and at work for us to communicate the right approach in managing them to our employees. All of the series combined, will serve as a holistic guide for employees to be on top of their mental health and well-being.

17 July 2021

1st Virtual Zumba and Sweat at Home Session

Not letting social distancing and the mandated Movement Control Order (MCO) stop our employees from keeping themselves fit, Awantec called for Malaysia's favourite zumba instructor Zin Yasmin to grace the inaugural virtual zumba session and provide our employees an enjoyable 'sweat-out' session.

24 July 2021

2nd Virtual Zumba and Sweat at Home Session

Fully determined to keep themselves in shape, our employees kept their grooves and busted more moves to break more sweat in the second virtual zumba session. Recorded encouraging participations, Awantec will continue to hold the session on a weekly basis here onwards.

27 July 2021

10th IPO Anniversary Celebration



Our employees gathered virtually to celebrate the momentous moment of the Group's 10th anniversary since it went public. In tune with the celebration, "I Grew with Awantec" competition was held to celebrate employees' growth with the Group, which saw four of our employees taking home cash prizes worth more than RM3,000.00.



Scan the QR Code or click on the link to watch our celebratory video



Awantec 10th IPO Anniversary Celebratory Video



Keeping Our Employees Well Primed

As part of our effort in upscaling our employees in this new normal, we have primed them for digitalisation through acquisition of various competencies, on top of our regular provision of training courses and workshops for their learning and personal growth. The competencies range from soft skills, technical competencies all the way to professional certifications, in order to future-proof our employees, whilst driving resiliency against any form of disruptions and digitalisation.

While being in line with the short and long term objectives of our eighth sustainability goal of employee development, this approach allows us to empower them to be the best version of themselves, enabling our employees to lead the digital transformation and cloud journey of our customers and stakeholders better.

In the financial year under review, multiple credentials and certifications were acquired by our employees, encompassing 11 technical credentials and professional certifications, and 18 sales credentials under both Google Cloud and SAP offerings.

Virtual Brown Bag Sessions



In pivoting ourselves to digitalisation, we have conducted a series of virtual brown bag sessions with our employees to help them keep pace with the new technologies and methods that they can leverage on to deliver better.

Carried out in the form of casual talks between our product experts and employees, the brown bag sessions cut across the means of capitalising from cloud-based services and various tools such as Google Appsheet, Data Studio, Percipio and more to support their administrative tasks as well as their training and development.

Training and Development

Benchmarking against our previous performance on training and development, we have recorded a healthier 7.6 average training man days per employee despite our work from home arrangement, versus 2.85 in the last financial year. This is due to the better adoption rate by the employees of our new online learning hub for them to continue upskilling and reskilling themselves virtually anywhere.

Our adoption of online learning via said learning hub has also enabled Awantec to keep our training investment at an optimal level while delivering better overall training aggregate. This is evident from the significant increase of 167% average training man days for the financial year under review against our performance in the last financial year, with less than 0.2% increase from total training investment made in the same financial year.

We will continue to leverage on our online learning hub to instill a true lifelong learning culture where our employees may learn, unlearn and relearn continuously from anywhere, on any time, device and subject of their choice.

Principle 4: Engaging Workplace

| Financial Year | 2020 | 2021 |
|---------------------------|--------------|--------------|
| Total Training Investment | RM201,809.00 | RM202,058.00 |
| Technical Trainings | 5 | 5 |
| Non-Technical Trainings | 37 | 6 |
| Average Man Days | 2.85 | 7.6 |

Majority of the training investment for the financial year was allocated for non-technical training and certifications while the remaining was allocated for programmes that are product-specific to serve our stakeholders better.

| Technical | |
|--|-------------------|
| Training Course | Training Provider |
| SAP Learning Series | SAP |
| SHL Training | SHL |
| CompTIA IT Fundamental | CompTIA |
| APJ Partner Customer Engagement Executives (CEEs) Bootcamp | SAP |
| Percipio Expert 2.0 | Percipio |

| Non-Technical | |
|---|---|
| Training Course | Training Provider |
| Company Secretary as Governance Professional | Malaysian Institute of Chartered Secretaries and Administrators |
| Tax Awareness for Employers and 2020 Form E-preparatory | Crowe CPE Sdn. Bhd. |
| Cloud Computing Fundamentals For Beginners | Percipio |
| Change Management & Sustainability Commitment | Percipio |
| Evaluating Employee Performance and Potential | Percipio |
| Inspiring Engagement and Resilience | Percipio |

Awantec has remained consistent in contributing 1% of total salary into the Human Resource Development Fund for claimable training. Each year, we allocate between RM2,000.00 to RM3,000.00 per employee to enroll for external courses.

Keeping Our Workplace Inclusive and Diversified

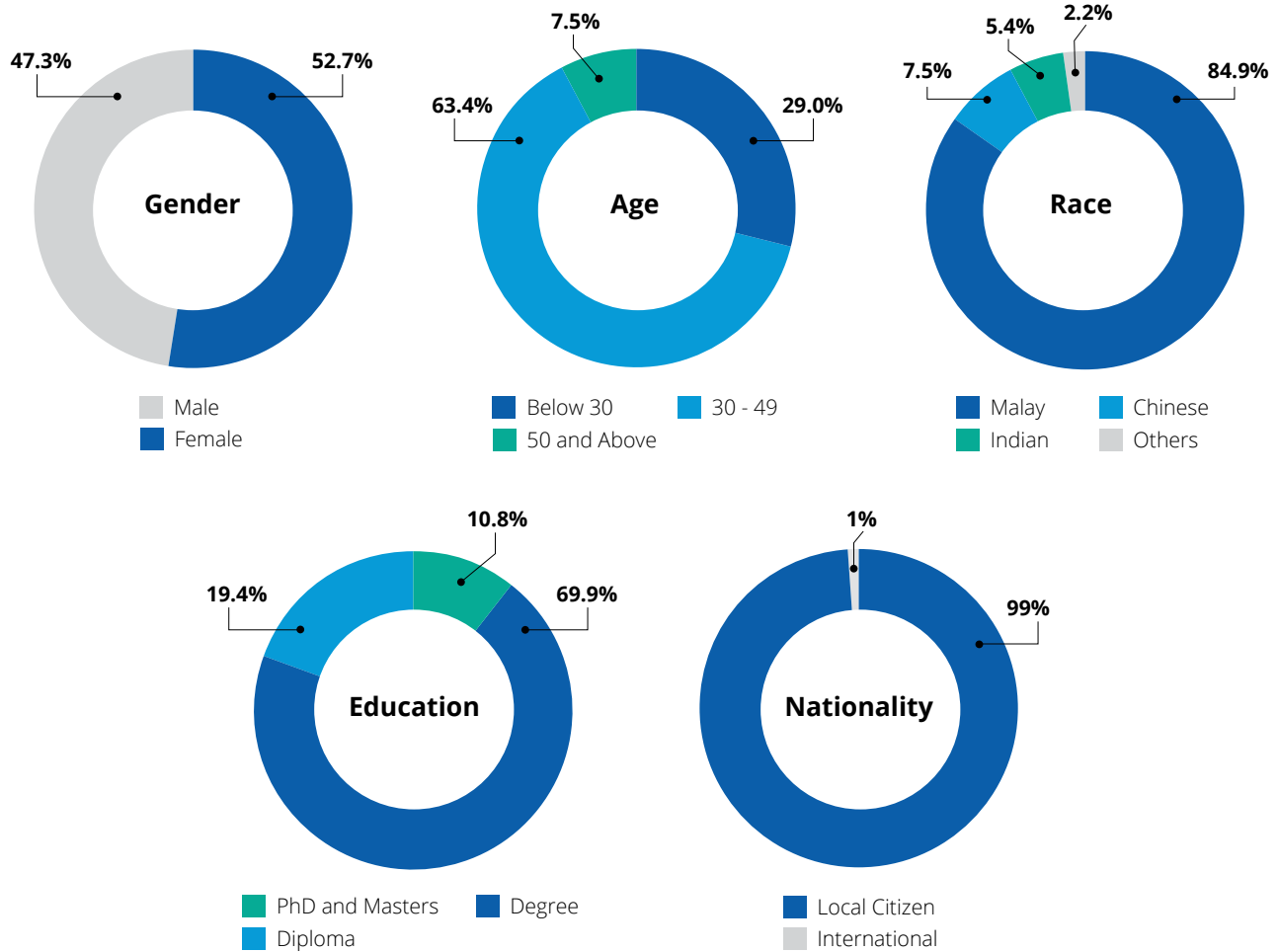
When it comes to inspiring inclusivity and diversity in the workplace, we continue to cherish differences of age, gender, race, belief and education level in creating a well-rounded culture within our employees and the boardroom as well.

Our hiring approach goes beyond checklist mentality in cultivating a workplace culture that breeds inclusion and celebrates diversity in exploring various ideas, methods, values and opportunities to drive Awantec towards both its short, and long term goals.



Malaysian companies are encouraged to adopt a good diverse set of employees, as well as board members from various backgrounds, skill sets, cultures, and ages to make good calculated decisions for a company. A true inclusivity and diversity within a company and its boardroom will be translated into values to be delivered to the stakeholders.

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



In attracting the right talents for us to drive such a level of inclusivity and diversity in the workplace, we continue to give our best in building the best workplace there is for our employees. This dedication of ours translates into the following best practices and standards:

- Compliance with Regulations and Laws**
 We remain committed to creating a work environment that protects the rights of our employees by complying with all applicable laws and regulations, including Employment Act 1955, Child Act 2001, Children and Young Persons (Employment) (Amendment) Act 2019, Industrial Relations Act 1967, Trade Union Act 1959, subscription to Universal

Declaration of Human Rights and more. For the full list of regulations and laws that Awantec is compliant with, you may visit our website at <https://www.awantec.my>.

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

Principle 4: Engaging Workplace

- **Advocate Freedom of Expression and Association**

We welcome feedback, thoughts, inquiries and concerns from our employees. We support the right to freedom of expression for all employees, and encourage them to raise work-related concerns in good faith, via our established processes without having to fear for any retaliations. We also uphold freedom of association, compliant with the Federal Constitution and other applicable laws in that regard, where our employees have the right to freely associate or not associate with third party organisations. We respect those rights and are committed to treat our employees with dignity as they exercise their rights.

- **Discourage Excessive Working Hours**

We take work-life balance very seriously. We comply with local labour laws with regards to working hours and public holidays. Committed to helping our employees achieve a work-life balance, we also allow flexible working hours to accommodate specific needs of our employees as addressed in our Employee Handbook. We discourage excessive work hours where any employee who puts in more than four hours during weekends will be given half-day replacement leave, and a full day off, if they are required to work above six hours. We also encourage our employees to utilise their said replacement leave within a three-month period.

- **Commitment to Exceed Minimum Wage**

We continue to exceed the Minimum Wage Order 2018 regulations, as we go above and beyond by ensuring that both permanent and contract employees are paid a minimum of RM2,000.00 gross salary, versus the local minimum wage of RM1,200.00.

- **Support the Rights to Trade Union and Collective Bargaining**

We comply with the local law on collective bargaining. In compliance with the Industrial Relations Act 1967, we respect and support the rights for non-executives, trade workers and/or general workers to participate or form trade unions provided for under the National Union of Commercial Workers. As of 30 June 2021, no trade unions were formed.

- **Commitment to Timely Benefit and Compensation**

We are committed to providing on-time salary payment to employees, which is above the statutory minimum wage, pay overtime compensation in accordance with the labour laws and regulations, and provide all employees with Medical Benefits.

- **Zero Tolerance Conduct and Grievance Mechanism**

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

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

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

All of our employment terms, conditions as well as the policies, guidelines and best practices for us to foster a safe, inclusive, and respectful workplace are explained in detail within our Employee Handbook. The said handbook is given out to all new hires during the on-boarding training sessions. The Employee Handbook is also made available in both English and in Bahasa Malaysia, and downloadable via our internal employee portal, as part of our effort to communicate all employment policies and guidelines globally to employees of Awantec.

Employee Demographics

For the financial year under review we have recorded an employee average of 93, an increase of 2.2% compared to the average of 91 employees that we had in the last financial year. This increase was driven by our success in securing new contracts, including the execution of Selangor Kerjaya Programme, and supply of G-Suite Enterprise for Education for schools under the Ministry of Education.

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

In terms of gender diversity across the workplace, our female to male ratio has continued to improve in the financial year under review at 52.7%, against our performance of 51% in the last financial year.

To maintain a stable work environment, we continue to be mindful of engaging and retaining productive employees, according to our set short and long term targets for employee turnover. For the financial year under review, we have recorded a turnover rate of 1.6% for voluntary turnover and 0.8% involuntary turnover, amounting to a total turnover of 2.4% by our full-time employees.

Keeping Our Employees Well Rewarded

In ensuring the performances and efforts of our employees did not go unrecognised, we continue with our practice of annual Employee Performance Management (EPM) sessions to acknowledge their roles and contributions for every success of Awantec.

Through the session, we continue to identify employees' strengths and performance gaps in setting the right goals and career paths for them.

In the financial year under review, Awantec has introduced an employee share option scheme, as part of our Long Term Incentive Plan to allow employees an opportunity of equity participation in the Group. This initiative was driven by our aspirations to inspire performance, recognise contributions by the employees and reward them where it is due, guided by the EPM outcome.

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



We do not let our employees step into an evaluation session unprepared. Starting from the financial year under review, we will conduct regular Employee Performance Evaluation Conversations in helping our employees to navigate their way towards a productive EPM evaluation conversation.

This virtual workshop is an embodiment of our dedication in supporting our employees to outperform their previous selves into the best version of themselves.

Looking Forward

As we strive to maintain the virtue of inclusivity, diversity and connectivity, we will continue with our strategy to support career development of our employees and upscale their individual competencies in ensuring that they remain ahead of the digitalisation curve.

Guided by our fourth sustainability principle and our sustainability goals, this effort will be supported by our establishment of a well-structured succession plan for all levels of employment, along with our adoption of an online learning platform to instill a true lifelong learning culture where our employees can take charge of their development.

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

Principle 4: Engaging Workplace

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

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

People Performance Indicators

| Description | FP2019 | FY2020 | FY2021 |
|--|--------|--------|--------|
| Total Employees by Gender | | | |
| Female | 92 | 46 | 49 |
| Male | 122 | 45 | 44 |
| Total Employees | 214 | 91 | 93 |
| Total Employees by Employment | | | |
| Permanent Employees (Female) | 49 | 20 | 20 |
| Permanent Employees (Male) | 38 | 16 | 15 |
| Total Permanent Employees (%) | 40.4% | 40.0% | 37.6% |
| Contract Employees (Male) | 80 | 27 | 27 |
| Contract Employees (Female) | 47 | 28 | 31 |
| Total Contract Employees (%) | 59.6% | 60.0% | 62.4% |
| Total Employees by Age Group | | | |
| Below 30 Years Old | 16.3% | 24.7% | 29.0% |
| 30 - 49 Years Old | 77.9% | 68.2% | 63.4% |
| 50 Years Old and Above | 5.8% | 7.1% | 7.5% |
| Gender Mix by Employee Category (% of Female) | | | |
| Non-Executives | 25.0% | 50.0% | 33.3% |
| Executives | 54.4% | 63.0% | 63.3% |
| Management | 43.8% | 48.4% | 53.3% |
| Senior Management | 18.2% | 22.2% | 22.2% |
| Total Women in Workforce | 43.0% | 51.0% | 52.7% |
| Full Time Staff Turnover Rates¹ | | | |
| Voluntary | 2.0% | 1.0% | 1.6% |
| Involuntary | 5.0% | 1.0% | 0.8% |
| Training | | | |
| Average Training Man Days | 3.8 | 2.85 | 7.6 |
| Total Training Investment Made (RM'000) | 572.3 | 201.8 | 202.1 |

Note:

1. We have divided our turnover rate for the past three (3) financial years/period (2019-2021) into two categories: voluntary and involuntary to comply with the latest requirements.

Principle 5: Governance to Drive Compliance and Best Practices



Doing Well by Operating Ethically and Sustainably

Operating ethically is crucial in keeping our business and operations sustainable, as this is the very core that instills trust between us and our stakeholders. In keeping that confidence level high, we continue to maintain high standards of corporate governance, sustainability governance and give our best to abide by all applicable best practices in the business and affairs of Awantec and its Group of companies.

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

Keeping Our Operations Free from Bribe and Corruption

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

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

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

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

In line with our zero tolerance policy towards bribery and corruption, we empower all employees to speak up and report any form of bribery, corruption or any other unlawful behaviours in good faith via our Whistleblowing channels. Our whistleblowing mechanism allows the report to be done by our employees anonymously without having to fear any retaliations of backlashes.

Our stand against all forms of bribery and corruption are further detailed within our ABC Manual, which is communicated to all employees of Awantec, and can be downloaded from our corporate website <https://www.awantec.my>. Violations of the ABC Manual are grounds for disciplinary action, up to and including termination of employment.

Keeping the momentum from our adoption of the newly amended MACCA in the last financial year going, we continue to drive Group-wide awareness among our employees on the topic of bribery and corruption via our Anti Bribery and Corruption Talk.

The series were hosted by both internal and external subject matter experts, cutting across various topics including new controls and procedures under the MACCA 2018, main offenses of corruption and corporate liability.

Principle 5: Governance to Drive Compliance and Best Practices



Deeply invested in promoting and encouraging better corporate governance and legal compliance in our day-to-day operations, Awantec invited Malaysian Anti-Corruption Commission's Assistant Commissioner, Mohd Nur Lokman bin Samigan in one of our Anti Bribery and Corruption Talk series to give his fair share of insights and experiences to deter bribery and corruption.

In ensuring that our business and operations are being done ethically and sustainably, we do not limit the ABC Manual communications and applications to Awantec and our subsidiaries alone; but extends also to our intermediaries as well, including our contractors, subcontractors, consultants, agents, representatives, and others performing work for or on behalf of Awantec.

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

Keeping Our Corporate Governance Standards High

True to our commitment to maintain the highest standards of corporate governance, we continue to meet and exceed applicable statutory requirements, best practices, guidelines and standards such as Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Code of Corporate Governance 2017 and the 3rd Edition Corporate Governance Guide.

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



FTSE4Good

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

We were also nominated as the winner of the MSWG-ASEAN Corporate Governance Award 2020, under the Excellence Award for Corporate Governance Disclosure (Market Cap Below RM100 Million) category. The recognition was given based on MSWG's assessment of Awantec's Corporate Governance disclosure as one of Malaysian public listed companies, with ASEAN Corporate Governance Scorecard as a metric.

MSWG has also ranked Awantec on the 75th place amongst 851 other public listed companies that were assessed in the List of Top 100 Companies for Corporate Governance Disclosure, which speaks volume of our commitment towards driving good corporate governance.



The recognition by MSWG is a reflection of Awantec's commitment in upholding the highest standard of corporate governance. Guided by our Corporate Governance framework and strategies, we will continue to create more values for all of our stakeholders, moving forward.

Keeping Our Data Safe

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

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

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

In the financial year under review, we have recorded 1 cyber-attack incident and zero breach of data privacy incidents. One of our digital assets was affected by a Distributed Denial of Service (DDoS) attack that originated from Indonesia. We have resolved the issue in less than one hour, and preventive measures such as placing stricter access restrictions, subscriptions to monitoring tools for our digital assets, reconfiguration of firewall settings, web services and passwords have been taken as well to avoid future incidents.

Routinely, we continue to patch our systems with security updates and protect our systems from unauthorised internal or external access using internally developed security procedures and practices as well.

Keeping Our Supply Chain Sustainable

As a Digital Transformer, our supply chain of products and services under the technology vertical are in most cases, procured for Government agencies and public training institutes in Malaysia. As for our talent vertical, our products and services are typically intended to nurture, optimise, and supply talents through all input channels in delivering quality talents to meet the human capital needs of industries.

We source for products and services for both our operations and capital expenditure, ranging from cloud computing services, software, network equipment, infrastructure, all the way to consultations and building management services to drive our daily operations.

Operating in Cyberjaya, the heart of Malaysia's digital economy, we take cognisance of our responsibility towards driving the local economy. In this aspect, we have maintained local vendors as the majority of our suppliers throughout the financial year under review.

Principle 5: Governance to Drive Compliance and Best Practices

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

Driven by our commitment to empower the local economy and to ensure a steady stream of supply, Awantec prioritises local vendors and suppliers in its sourcing processes.

In the financial year under review, we have registered:



96

New Local Vendors

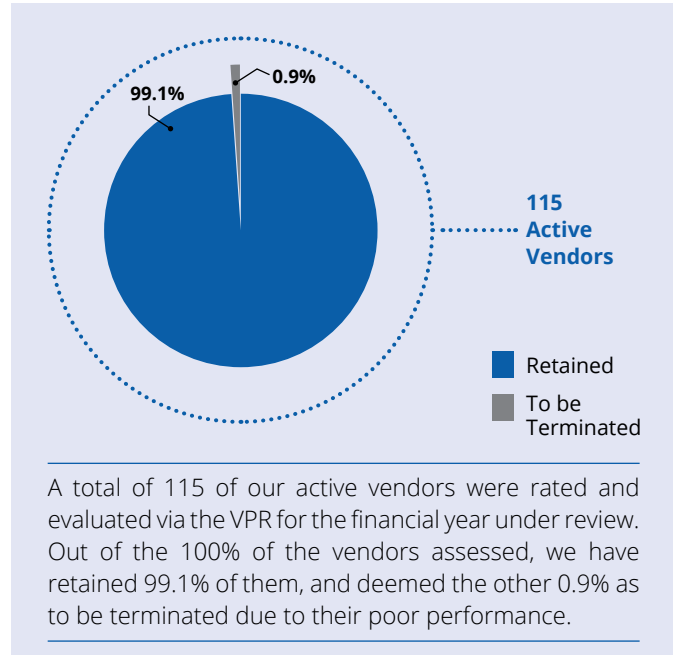


10

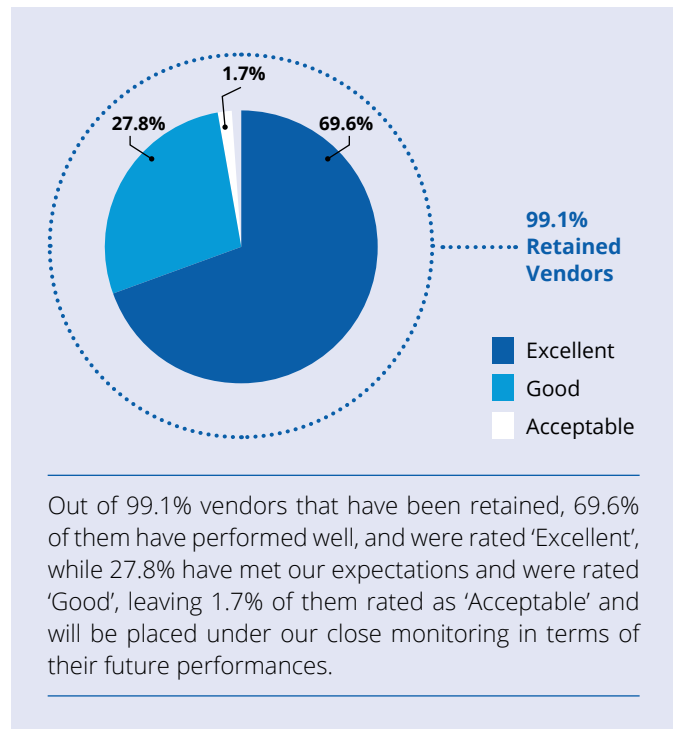
New International Vendors

We have also carried on with our practice of annual Vendor Performance Review where our active vendors with purchase value over RM2,000 are rated and evaluated based on set criteria:

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



A total of 115 of our active vendors were rated and evaluated via the VPR for the financial year under review. Out of the 100% of the vendors assessed, we have retained 99.1% of them, and deemed the other 0.9% as to be terminated due to their poor performance.



Out of 99.1% vendors that have been retained, 69.6% of them have performed well, and were rated 'Excellent', while 27.8% have met our expectations and were rated 'Good', leaving 1.7% of them rated as 'Acceptable' and will be placed under our close monitoring in terms of their future performances.

Transparency

| | |
|---|------------|
| Corporate Governance Overview Statement | 80 |
| Audit Committee Report | 103 |
| Remuneration Committee Report | 107 |
| Nomination Committee Report | 109 |
| Long Term Incentive Plan Committee Report | 111 |
| Risk Management Committee Report | 113 |
| Statement on Risk Management and Internal Control | 115 |
| Additional Compliance Information | 120 |
| Statement of Responsibility by Directors | 122 |

Corporate Governance Overview Statement

Awantec Board of Directors (the "**Board**"), Management and employees of the Group affirm their commitment in ensuring that the Group is at the forefront of good governance.

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

- Companies Act 2016 ("**CA 2016**")
- Bursa Securities Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**")
- Malaysian Code on Corporate Governance 2017 ("**MCCG**")
- Corporate Governance Guide: Moving from Aspiration to Actualisation ("**CG Guide**")

This Statement gives an overview of how the Company complies with the three (3) main corporate governance principles in MCCG 2017:

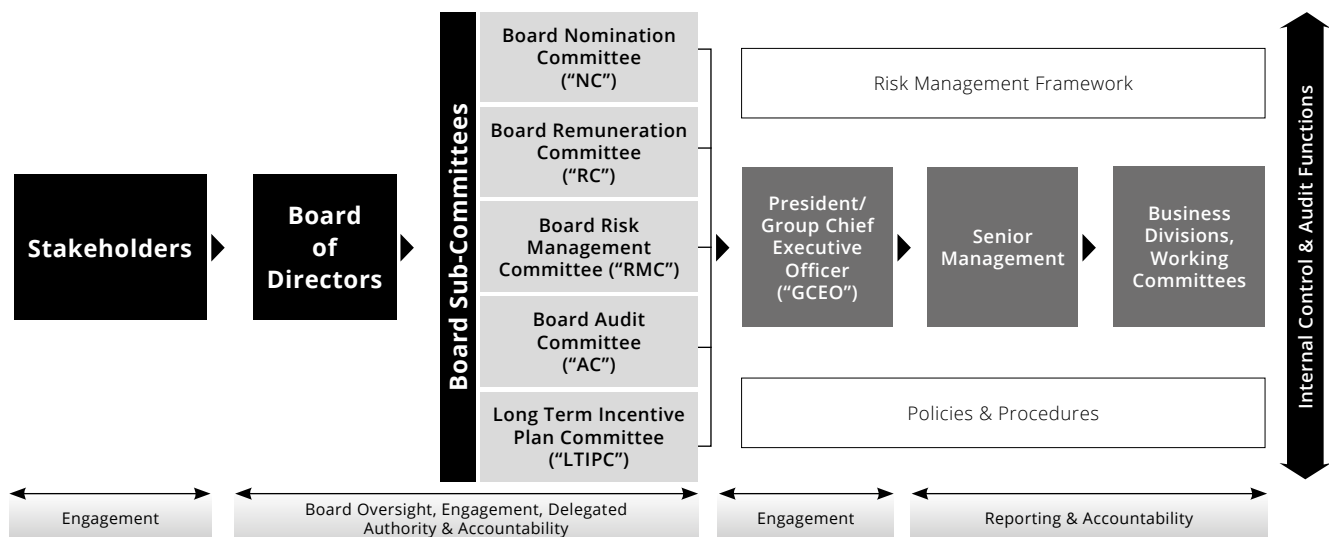
- Principle A: Board leadership and effectiveness;
- Principle B: Effective audit and risk management; and
- Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement should be read together with the Company's Corporate Governance Report ("**CG Report**") which describes how the Company applies the Corporate Governance ("**CG**") practices for the financial year ended 30 June 2021 ("**FY2021**"). The CG Report is available on the Company's website: <https://www.awantec.my> or through the announcement published on the website of Bursa Securities.

For the financial year under review, the Company was not in compliance of Principle 4.5 as it does not meet the recommended 30% for women participation on its Board. It has currently two (2) female directors out of ten (10) directors.

GOVERNANCE FRAMEWORK

The diagram below describes the governance framework of the Group to demonstrate the interaction between the Board and its stakeholders. The Group has also in place processes to ensure delegation flows through the Board and its committees and into the organisation.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

THE ROLE OF THE BOARD

The Board remains resolute and upholds its responsibility in governing, guiding and monitoring the direction of the Company with the eventual objective of enhancing long-term sustainable value creation aligned with shareholders' interests whilst taking into account the long-term interests of all stakeholders, including shareholders, employees, customers, business associates and the communities in which the Group and the Company conducts its business.

The Board's primary commitment is to lead and oversee the business of the Company and to ensure that the conduct of the Group's operations promotes business sustainability, integrity and complies with the relevant law, rules and regulations. Hence, the Board reviews the strategy of the Company in the Company's annual budget meeting. The role of the Board is stated in the Board Charter. A copy of the Board Charter is available on the Company's website at <https://www.awantec.my>

BOARD CHARTER

The Board Charter is a comprehensive reference document for Directors on matters relating to the Board, its structure, and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Directors, the Senior Independent Director ("**SID**"), the Chairman and the President/GCEO. In addition, the processes for the onboarding of new directors and guidance on training and development and assessment of the Board are also prescribed in the Board Charter.

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 | Matters relating to corporate governance and whistleblowing | Approval of major expenditure, the Company's annual business plan and scorecard | Dividends | Calling of shareholders meeting | Terms of Reference of Board Committees |
|---|---|---|-----------|---------------------------------|--|

CORPORATE GOVERNANCE ("CG") IN COVID-19

The financial performance as well as the welfare of the Group remain as a top priority to the Board. Without compromising the CG practices, the Group adapted to the current challenging scenarios to ensure stakeholders' interest were preserved and protected. Operations were carried remotely to safeguard the employees and customers from the risk of the COVID-19.

Meetings were conducted on a fully virtual setting in compliance to the movement control order announced by the Government of Malaysia and decisions were sought via virtual board meetings and/or resolutions in writing.

BOARD DELIBERATIONS

The Board met on a quarterly basis and meetings were scheduled prior to the commencement of each financial year. Special Board Meetings will be held to discuss urgent matters if required. During FY2021, 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.

Corporate Governance Overview Statement

Agenda and matters for discussion are prepared and circulated in advance of each meeting. All proceedings from Board meetings are recorded and the minutes are maintained by the Company Secretaries.

The discussed topics and agendas for the meetings held in FY2021 are summarised as follows:-

| Strategy & Finance | Risk & Compliance | Governance |
|---|--|--|
| <ul style="list-style-type: none"> • Proposed Fund Raising for Rights Issue, Private Placement and Long-Term Incentive Plan • Group Budget for the Financial Year Ended ("FYE") 30 June 2021 • Approval of the unaudited quarterly reports • Reviewed and recommended the payment of Directors' fees of up to an amount of RM450,000 for the FYE 30 June 2021 • Reviewed and recommended the payment of Directors' benefits of up to an amount of RM153,000 from 26 November 2020 until the next Annual General Meeting of the Company • Approved the appointment of LTIPC members • Proposed disposal of property | <ul style="list-style-type: none"> • Risk Management Status of business units • Discussed the status of the Company being an affected issuer effective 31 January 2021, pursuant to Paragraph 8.03A of Bursa Securities MMLR | <ul style="list-style-type: none"> • Re-election of Independent Non-Executive Directors and Non-Independent Executive Directors • Discussed the retention of Senior Independent Non-Executive Director, who exceeded the cumulative term limit of nine (9) years pursuant to the MCCG • Approved the disclosures in Annual Report • Approved the appointment of the Company's Group Financial Controller • Approved the appointment and remuneration package of the Company's Chief Business Officer • Reviewed the composition of the Board • Annual board evaluation • Review of the Company's Policies and Terms of Reference • Reviewed and approved the appointment of three (3) new INED • Reviewed the Key Performance Indicators ("KPI") planned for FY2021 for the GCEO and C-Suite level officers • Reviewed and approved the draft Audited Financial Statements for FY2020 • Discussed the re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year |

DEMARCATIION OF RESPONSIBILITIES

The roles of the Chairman and the President/GCEO are held by different individuals which are segregated and clearly defined by their individual position descriptions. Further, the Board members have unrestricted access to the advice and services of the Company Secretaries.

| | |
|--|---|
| <p><u>CHAIRMAN</u></p> <ul style="list-style-type: none"> Syed Naqiz Shahabuddin bin Syed Abdul Jabbar | <p>The Chairman, who is an independent director, is responsible in providing leadership for the Board by leading and facilitating discussions at meetings to ensure that the Board can perform its responsibilities effectively.</p> |
| <p><u>PRESIDENT/GCEO</u></p> <ul style="list-style-type: none"> Dr. Abu Hasan bin Ismail | <p>All Board authority conferred on management is delegated through the GCEO so that the authority and accountability of management is considered to be the authority and accountability of the GCEO so far as the Board is concerned. The GCEO is responsible for the overall business and day to day management of the Group and his role is to lead the management and implement business decisions. He is assisted by Mr. Baldesh Singh a/l Manmohan Singh, the Chief Operating Officer ("COO").</p> |
| <p><u>COMPANY SECRETARIES</u></p> <ul style="list-style-type: none"> Chua Siew Chuan Lim Lih Chau | <p>The Company Secretaries are responsible for all matters in relation to the proper functioning of the Board and to facilitate effective information flow between the Board and the Board Committees and between the Board with management of the Company. The Board is regularly updated and apprised by the Company Secretaries on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities.</p> |
| <p><u>SENIOR INDEPENDENT DIRECTOR</u></p> <ul style="list-style-type: none"> Paul Chan Wan Siew | <p>To act as an intermediary for other Directors when necessary and provide an alternative channel of communication for shareholders and other stakeholders to convey their concerns and issues.</p> |
| <p><u>INDEPENDENT DIRECTORS</u></p> <ul style="list-style-type: none"> Ramanathan a/l Sathiamutty Ginny Yeow Mei Ying Professor Emeritus Dato' Dr. Hassan bin Said Hafidah Aman binti Hashim Dato' Tharuma Rajah @ K. T. Rajan a/l R. Krishnan YM Tunku Abang Faisal Amir bin Abang Abu Bakar | <p>Their role is to constructively challenge the Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address the matters concerning the management and oversight of the Company's business and operations.</p> |
| <p><u>EXECUTIVE DIRECTORS</u></p> <ul style="list-style-type: none"> Dr. Abu Hasan bin Ismail Baldesh Singh a/l Manmohan Singh | <p>Responsible for providing strategic leadership and overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities.</p> |

Corporate Governance Overview Statement

SUPPLY OF INFORMATION

All members of the Board are supplied with information in a timely manner where the Company strives to do so five (5) business days in advance. Board reports and meeting papers are circulated in advance prior to the Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings. Minutes of meetings, which accurately reflect the deliberation and decisions of the Board are also circulated within a reasonable period of time upon conclusion of each meeting.

CORPORATE INTEGRITY

Code of Conduct and Whistleblowing Policy

The Company has adopted the Code of Conduct and the Whistleblowing Policy to uphold integrity and cultivate ethical business conduct by the employees.

The Code of Conduct contains policies and guidelines relating to the standards and ethics that all employees are expected to observe and obey during the course of their employment in the Company whereas the Whistleblowing Policy is designed to enable employees of the Company to raise concern and disclose information which the individual believes shows malpractice or impropriety.

As at the date of this Statement, the Company has not received any complaint under this procedure.

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

Anti-Bribery and Corruption Manual

To ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Company had adopted Anti-Bribery and Corruption Manual to regulate how the Company, its Subsidiaries, directors, employees contractors, subcontractors, consultants, agents and representatives conduct themselves in their dealings with the Company, at work and with the Company's stakeholders. The Company is committed in ensuring that its subsidiaries and employees conduct themselves in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations. The Company is also committed to a zero-tolerance policy against all forms of bribery and corruption. A copy of the Anti-Bribery and Corruption Manual (which should be read in conjunction with the Code of Conduct and Whistleblowing Policy) is available on the Company's website at <https://www.awantec.my>

FINANCIAL REPORTING

The Board aims to provide a balance and meaningful assessment of the Group's and the Company's financial performance and prospects through the annual audited financial statements and announcement of quarterly results to shareholders and the Management Discussion and Analysis in the Annual Report. This is led by the Audit Committee. Details of the Audit Committee's efforts are as stated in the Audit Committee Report on pages 103 to 106 of this Annual Report. The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Group and the Company is set out on page 122 of this Annual Report.

SUSTAINABILITY AND THE BOARD

The Board acknowledges the importance of integrating sustainability practices in the strategy and operations of the Group to ensure the long-term sustainability of its business. The Board has established a Sustainability Framework and the management of the sustainability measures of the Group are led by the Sustainability Committee. The Sustainability Committee is chaired by the GCEO and COO.

The Board is kept abreast of the Group's sustainability efforts at Board meetings by the Group CEO. Details of the Company's sustainability practices are as set out on pages 39 to 78 of this Annual Report.

BOARD COMPOSITION

The Company complies with Bursa Securities MMLR with regard to Board's composition and the required ratio of Independent Directors with 80% of the Board comprising of Independent Directors. The profiles of the Directors are set out on pages 30 to 34 of this Annual Report.

| Director Independence Status | Meetings attendance record (1 July 2020 to 30 June 2021) | | | | | | |
|---|--|-----|-----|------|-----|------|-----|
| No. of Non-Independent Directors | 20% | | | 80% | | | |
| 2 persons | 8 persons | | | 80% | | | |
| | BOD | AC | NC | RC | RMC | LTIP | AGM |
| | No. of meetings held in FYE 2021 | | | | | | |
| No. | 9 | 7 | 3 | 2 | 1 | 4 | 1 |
| % of Attendance | 98.41 | 100 | 100 | 87.5 | 80 | 100 | 100 |
| Current Directors | | | | | | | |
| Syed Naqiz Shahabuddin bin Syed Abdul Jabbar Independent Non-Executive Chairman <ul style="list-style-type: none"> ● <i>Chairman since 20 January 2021</i> ● <i>Board member since 20 January 2021</i> | 3 | n/a | n/a | n/a | n/a | n/a | n/a |
| Paul Chan Wan Siew Senior Independent Non-Executive Director <ul style="list-style-type: none"> ● <i>Board member since 18 November 2010</i> ● <i>Last re-elected on 25 November 2020</i> | 9 | 7 | n/a | n/a | 1 | 4 | 1 |

Corporate Governance Overview Statement

| | | | | | | | |
|---|---|-----|-----|-----|-----|-----|---|
| <p>Dr. Abu Hasan bin Ismail</p> <p>Non-Independent Executive Director – President/Group CEO</p> <ul style="list-style-type: none"> ● Board member since 18 November 2010 ● Last re-elected on 25 November 2020 | 8 | n/a | n/a | n/a | 0 | 4 | 1 |
| <p>Ramanathan a/I Sathiamutty</p> <p>Independent Non-Executive Director</p> <ul style="list-style-type: none"> ● Board member since 16 April 2014 ● Last re-elected on 27 November 2019 | 9 | 7 | 3 | 2 | 1 | 4 | 1 |
| <p>Baldesh Singh a/I Manmohan Singh</p> <p>Non-Independent Executive Director – COO</p> <ul style="list-style-type: none"> ● Board member since 28 February 2019 ● Last re-elected on 27 November 2019 | 9 | n/a | n/a | n/a | 1 | 4 | 1 |
| <p>Ginny Yeow Mei Ying</p> <p>Independent Non-Executive Director</p> <ul style="list-style-type: none"> ● Board member since 28 February 2019 ● Last re-elected on 27 November 2019 | 9 | n/a | 3 | 1 | 1 | n/a | 1 |
| <p>Professor Emeritus Dato' Dr. Hassan bin Said</p> <p>Independent Non-Executive Director</p> <ul style="list-style-type: none"> ● Board member since 25 February 2020 ● Last re-elected on 25 November 2020 | 9 | 7 | 3 | 2 | n/a | 4 | 1 |

| | | | | | | | |
|--|---|-----|-----|-----|-----|-----|-----|
| Hafidah Aman binti Hashim Independent Non-Executive Director <ul style="list-style-type: none"> Board member since 25 February 2020 Last re-elected on 25 November 2020 | 9 | 7 | 3 | 2 | n/a | n/a | 1 |
| Dato' Tharuma Rajah @ K. T. Rajan a/l R. Krishnan Independent Non-Executive Director <ul style="list-style-type: none"> Board member since 20 January 2021 | 3 | n/a | n/a | n/a | n/a | n/a | n/a |
| YM Tunku Abang Faisal Amir bin Abang Abu Bakar Independent Non-Executive Director <ul style="list-style-type: none"> Board member since 20 January 2021 | 3 | n/a | n/a | n/a | n/a | n/a | n/a |

| | | |
|---|---|---|
| OVERALL PERCENTAGE OF THE BOARD MEETINGS ATTENDED BY THE MEMBERS 98.41% | ALL MEMBERS HAVE COMPLIED WITH THE MINIMUM ATTENDANCE AS STIPULATED IN THE MAIN MARKET LISTING REQUIREMENTS OF NOT LESS THAN 50% | TOTAL BOARD MEETINGS HOURS 14 HOURS 20 MINUTES |
| DATE OF BOARD MEETINGS <ul style="list-style-type: none"> 21 July 2020 (Special Board of Directors' Meeting) 23 July 2020 (Special Board of Directors' Meeting) 19 August 2020 (Special Board of Directors' Meeting) 26 August 2020 (Board of Directors' Meeting) 30 September 2020 (Special Board of Directors' Meeting) 25 November 2020 (Board of Directors' Meeting) 26 January 2021 (Special Board of Directors' Meeting) 24 February 2021 (Board of Directors' Meeting) 27 May 2021 (Board of Directors' Meeting) | | |

Corporate Governance Overview Statement

BOARD COMMITTEES

The Board has delegated authority to several Board Committees to enable the Board to discharge its duties and responsibilities properly and exercise oversight in specific areas. There are five (5) established committees (as listed below) focusing on Audit, Risk Management, Nomination, Remuneration and Long-Term Incentive Plan. The Terms of Reference of the respective Board Committees can be found at the Company's website: <https://www.awantec.my>

The Chairman of the various Board Committees report to the Board on the outcome of the respective Board Committee meetings. Such reports are incorporated in the minutes of the full Board meetings.

| Audit Committee ("AC") | Nomination Committee ("NC") | Remuneration Committee ("RC") | Risk Management Committee ("RMC") | Long Term Incentive Plan Committee ("LTIP") |
|---|--|--|--|---|
| 1) Paul Chan Wan Siew 2) Ramanathan a/l Sathiamutty 3) Professor Emeritus Dato' Dr. Hassan bin Said 4) Hafidah Aman binti Hashim | 1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan a/l Sathiamutty 3) Ginny Yeow Mei Ying 4) Hafidah Aman binti Hashim | 1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan a/l Sathiamutty 3) Ginny Yeow Mei Ying 4) Hafidah Aman binti Hashim | 1) Ramanathan a/l Sathiamutty 2) Ginny Yeow Mei Ying 3) Paul Chan Wan Siew 4) Dr. Abu Hasan bin Ismail 5) Baldesh Singh a/l Manmohan Singh | 1) Professor Emeritus Dato' Dr. Hassan bin Said 2) Ramanathan a/l Sathiamutty 3) Paul Chan Wan Siew 5) Dr. Abu Hasan bin Ismail 6) Baldesh Singh a/l Manmohan Singh |
| Details of the role and activities of AC are found on page 103 of this Annual Report. | Details of the role and activities of NC are found on page 109 of this Annual Report. | Details of the role and activities of RC are found on page 107 of this Annual Report. | Details of the role and activities of RMC are found on page 113 of this Annual Report. | Details of the role and activities of LTIPC are found on page 111 of this Annual Report. |

BOARD INDEPENDENCE

Independent Directors play an important role in the Company by ensuring that the interest of all stakeholders are looked after and not just the interest of a particular group. As such, in line with its role outlined in its Terms of Reference, the NC will, review the independency of the Independent Directors from time to time. Supported by the recommendation of the NC, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company which also meets the independence criteria as stipulated in Paragraph 1.01 of the Bursa Securities MMLR.

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must provide justification and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it intends to retain the Director as an Independent Director.



At the coming AGM, the tenure of the Senior Independent Non-Executive Director of the Company namely, Mr. Paul Chan Wan Siew is eleven (11) years which has exceeded the cumulative term of nine (9) years. Both the NC and the Board have assessed the independence of Mr. Paul Chan Wan Siew and are satisfied with how he carries out his role as an Independent Director as well as the independent judgement that he brought to the Board. In view thereof, the Board recommends and supports his retention as an Independent Director of the Company which will be tabled for the shareholders' approval at the forthcoming AGM based on the following justifications:-

- (a) Mr. Paul Chan Wan Siew has met the independence guidelines as set out in Paragraph 1.01 of the Bursa Securities MMLR;
- (b) He has not been entering nor is expected to enter into transaction(s) especially material contract(s) with the Group and/or the Company which would cause any conflict of interest with the Group and/or the Company;
- (c) He does not have any relationship which would interfere his independent judgement in carrying out his function as an Independent Director; and
- (d) He is familiar with the Group's activities and is able to provide tremendous insight to facilitate the decision-making processes of the Group.

BOARD DIVERSITY

The Board recognises the importance of diversity and inclusivity in a board as these values bring about multiple views and challenges common thinking patterns to arrive at good decisions. The Board has established a Diversity Policy where diversity is broadly categorised into the following: (a) Skills, expertise and experience (b) Gender (c) Age (d) Independence and (e) Cultural background.

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

| Gender Diversity | | Age Diversity | | Board Tenure | | Board Skills and Expertise |
|---|-----------|---------------|----------|--------------|-------------|---|
|  | 8 Males | 2 | 35 to 44 | 7 | <4 years | <ul style="list-style-type: none"> • accounting, auditing, and investment • taxation and finance • legal and economics • international business and business operations • information technology |
| | | 3 | 45 to 54 | 1 | 5 - 8 years | |
|  | 2 Females | 2 | 55 to 64 | 2 | 9 -12 years | |
| | | 3 | 65 to 74 | - | - | |

The Board is supportive of boardroom gender diversity as recommended by the MCCG. However, the Board currently only consists of two (2) female directors and has not met the 30% target recommended by the Code. Nevertheless, 52.7% of the Group's employees are female. The Company targets to comply with the 30% representation within two (2) years.

Corporate Governance Overview Statement

BOARD APPOINTMENT

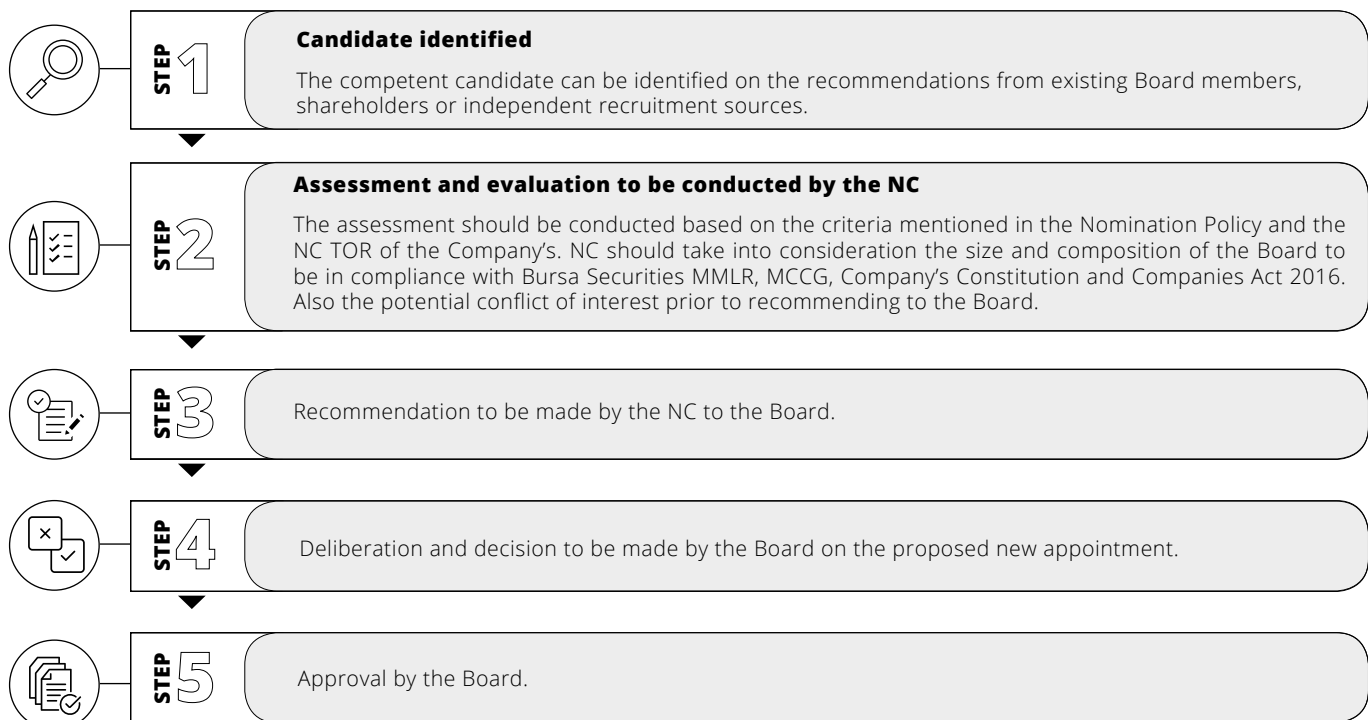
The recruitment and appointment of new Directors is one of the key roles of the NC. The NC will ensure that the selection, nomination, and appointment of suitable candidates to the Board follow the processes set out in the Nomination Policy and its terms of reference.

The NC shall consider and recommend to the Board the selection criteria for new appointment or re-appointment of any existing member(s) as Director and its Committee, which include amongst others:-

- Reputation for integrity.
- Accomplishment, experience and reputation in the technology industry and other relevant sectors.
- Commitment in respect of sufficient time, interest, and attention to the Company's business.
- Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge, and experience.
- The ability to assist and support management and make significant contributions to the Company's success.
- Independence, for the appointment of INED.

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

The table below demonstrates the process on appointing new director of the Company:-



Each newly appointed director shall be briefed on the terms of their appointment, their duties, and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Director:-

- Board Charter;
- Constitution;
- Directors' Code of Conducts and Ethics;
- Board Committees' Composition and TOR;
- Latest Business Plans;
- Latest Annual Report and financial statements; and
- Latest Organisation chart.

SUCCESSION PLANNING

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

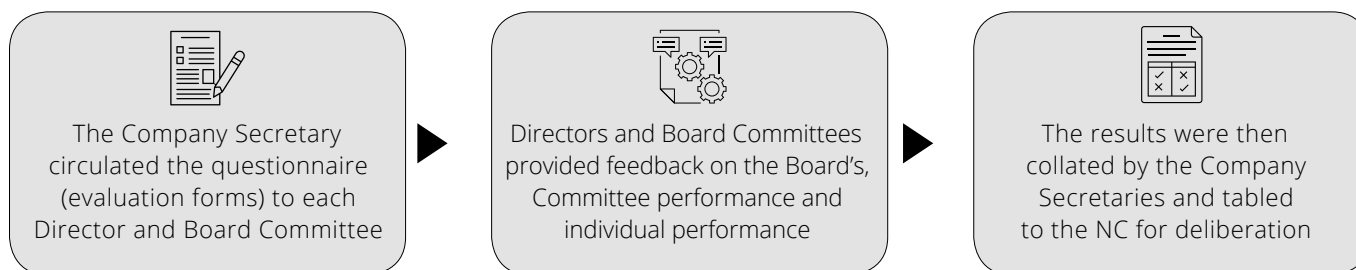
There were three (3) new board members duly appointed by the NC during the financial year under review. In compliance with the Practice 8.1 of MCGG, Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar was appointed as Independent Non-Executive Chairman with effect from 20 January 2021 to replace Mr. Paul Chan Wan Siew who acted as the interim Chairman since the retirement of Dato' Maznah binti Abdul Jalil on 27 November 2019.

YM Tunku Abang Faisal Amir bin Abang Abu Bakar and Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan were appointed as Independent Non-Executive Directors with effect from 20 January 2021.

BOARD EFFECTIVENESS EVALUATION

The NC is responsible in conducting an annual assessment of individual performance of directors and collective performance of the Board and its Committees. The Board is cognisant of the importance of the annual assessment to produce significant improvements in Board effectiveness as well as a useful tool to recognise the Board's strengths and to identify gaps or areas of improvement for the Board and its Committees.

Below are the process undertaken by the NC for board effectiveness evaluation:-



Corporate Governance Overview Statement

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, roles and responsibility of the board committee.
- b. Individual Directors
Fit and proper, contribution and performance as well as calibre and personality.
- c. Audit Committee and Individual AC member
Skill sets
- d. Independence of the Independent Non-Executive Director
Declaration of Independent Directors

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

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

Overall, the ratings of the performance of the Board and the Board Committees were "Yes, most of the time/Average and "Yes, always/Above average"" based on the assessment results.

ii) Contribution and performance of each individual Director

Overall, the ratings of the contribution and performance of each individual Director were "Above average/Yes, always" based on the assessment results.

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

Overall, the ratings of the contribution and performance of the AC and each individual AC member were "Yes, always or above average" based on the assessment results.

iv) Independence of the Independent Non-Executive Directors

Based on the confirmation received from the Independent Non-Executive Directors, all the Independent Non-Executive Directors are independent as defined under Bursa Securities MMLR and the Independent Directors have raised their concerns or expressed their views on issues with regards to the performance and operations of the Group.

The review supported the Board's decision to endorse all retiring Directors standing for election. The assessment report together with the report on the Board balance (the required mix of skills, experience, and other qualities) were discussed and circulated to the Board. The results affirmed that the Board and each of its committees continue to operate effectively.

Protocol for accepting new directorships and time commitment

The Board also acknowledges that before accepting any new directorships, directors should notify the Chairman and indicate the amount of time that will be spent on the new appointment. The directors are expected to devote sufficient time to discharge their duties as directors of the Company.

DIRECTOR'S RETIREMENT AND RE-ELECTION

In accordance with the Company's Constitution, one-third (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. Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments. Pursuant to the Clause 119 of the Company's Constitution, Mr. Ramanathan a/l Sathiamutty and Mr. Baldesh Singh a/l Manmohan Singh are the Directors subject to re-election by rotation, of whom being eligible for re-election, have offered themselves for re-election at this forthcoming AGM.

Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar, YM Tunku Abang Faisal Amir bin Abang Abu Bakar and Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan, who were appointed on 20 January 2021 are subject to retirement pursuant to Clause 118 of the Company's Constitution and being eligible, have offered themselves for re-election at this forthcoming AGM.

The right for the shareholders to vote annually for election/re-election of all directors is explicitly provided in the Company's Constitution and Board Charter. The results of shareholders' voting in the AGM are disclosed in detail in the AGM minutes as published in our website: <https://www.awantec.my>

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. As at FY2021, the Board has attended multiple training programmes/seminars/forums and the programmes attended by the Directors during the financial year are as follows:

| Name of Directors | Training Programmes/Seminars/Forum Attended | Organisers |
|---|---|--|
| Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (Appointed w.e.f 20 January 2021) | Malaysian Code on Corporate Governance | MMC Corporation Berhad |
| | Malaysia Code on Corporate Governance | AwanBiru Technology Berhad |
| | Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| | Transformational Leadership at the Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| Paul Chan Wan Siew | The Next Normal: Business Continuity | Diligent |
| | Workforce & Talents: Implications for Boards | National Association of Corporate Directors, Pacific Southwest Chapter |
| | Family & Private Companies: Implications for Boards | National Association of Corporate Directors, Pacific Southwest Chapter |
| | Technology: Implications for Boards | National Association of Corporate Directors, Pacific Southwest Chapter |
| | MDEC-MACD Webinar: Data Driven Decision | Malaysia Digital Economy Corporation |
| | Paradigm Shift in Human Capital Management | FPLC |
| | COVID-19 & Future of Global Supply Chains | Conference Board |
| | Security Beyond Boardroom | Diligent |
| | International Integrated Reporting Council (IIRC) Global Conference | IIRC |

Corporate Governance Overview Statement

| Name of Directors | Training Programmes/Seminars/Forum Attended | Organisers |
|-------------------------------------|--|---|
| Paul Chan Wan Siew (Cont'd) | AI World Summit 2020 | AI World School Singapore |
| | AI for SMEs (AI4S) | Malaysian Investment Development Authority |
| | Economic Outlook for the Europe: Implications for China & Asia | Conference Board |
| | Integrated Report Assurance Initiatives – EY Case Studies | IIRC |
| | McKinsey: Future of Work after COVID-19 | FPLC |
| | <IR> Business Network and Investor Roundtable on Sustainability-Related Disclosure within an Integrated Report | IIRC |
| | Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| Ramanathan a/l Sathiamutty | 1 st Government Cloud Rendezvous | Malaysian Administrative Modernisation and Management Planning Unit |
| | Public Sector Digital Conference | Malaysian Administrative Modernisation and Management Planning Unit |
| Dr. Abu Hasan bin Ismail | Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| Baldesh Singh a/l Manmohan Singh | Public Sector Digital Conference | Malaysian Administrative Modernisation and Management Planning Unit |
| | Google Hybrid Cloud Offerings | Google Cloud |
| | Introduction to Product Management | General Assembly |
| | Cloud Computing Fundamentals | Percipio |
| | Moving to the Cloud | Percipio |
| | Cloud Services Models & Benefits | Percipio |
| | Cloud Computing Fundamentals | Percipio |
| | Expert Insights on Managing Change | Percipio |
| Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors | |
| Ginny Yeow Mei Ying | Redefine Business Continuity | CPA Malaysia |
| | International CSR and Sustainability Summit 2020 - Valuation, Debunking the Myths | Asian Banking School |
| | 2021 Investment Outlook Southeast Asia | HSBC |
| | Governance in the New Norm (Creating Sustainable Value for Stakeholders) | Malaysian Institute of Accountants |

| Name of Directors | Training Programmes/Seminars/Forum Attended | Organisers |
|---|---|---|
| Professor Emeritus Dato' Dr. Hassan bin Said | Mandatory Accreditation Programme for Directors of PLC | Asia School of Business |
| | Anti-Bribery and Corruption: S.17A Corporate Liability Perspective | Quorse |
| | SIDC Sustainable and Responsible Investment 2021 Virtual Conference | Securities Industry Development Corporation |
| | Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| | Corporate Directors Training Programme Fundamental 3.0 | Companies Commission of Malaysia |
| | Business Foresight Forum 2021 | Securities Industry Development Corporation |
| Hafidah Aman binti Hashim | Roles and Responsibilities of Directors under the Companies Act 2016 | Mohamed Ridza & Co. |
| | Compliance with the Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries by the Securities Commission | Mohamed Ridza & Co. |
| | Corporate Liability under Section 17A MACC Act 2009 | Mohamed Ridza & Co. |
| | Corporate Directors Summit 2021 | Malaysian Alliance of Corporate Directors |
| Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan (Appointed w.e.f. 20 January 2021) | Mandatory Accreditation Programme for Directors of PLC | Bursa Securities |
| YM Tunku Abang Faisal Amir bin Abang Abu Bakar (Appointed w.e.f. 20 January 2021) | COVID and Malaysia Economy | Credit Suisse |
| | Howden Asia Virtual Regional Conference | Howden |
| | Global Supertrends Conference 2021 | Credit Suisse |
| | 2H2021 Market Outlook | Affin Hwang |
| | Forbes Asia CEO Webinar | Forbes |
| | Mandatory Accreditation Programme for Directors of PLC | Bursa Securities |

Apart from attending various conferences, seminars and training programmes organised by external/internal organisers during the financial year, the Directors also continuously received briefings and updates on regulatory from the Company Secretaries and industry including information on the Group's businesses and operations, risk management activities and other initiatives undertaken from Management.

Corporate Governance Overview Statement

DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

The objective of the RC is to assist the Board and its subsidiaries in ensuring that it has a competitive remuneration package to attract, reward, retain and motivate the Directors and Senior Management needed to run the Company successfully and to achieve Company's long-terms business objective.

In formulating the recommended remuneration packages, the RC has taken into consideration the information prepared by Management and/or independent consultants based on data of comparable companies.

On 25 January 2021, the Company announced the establishment of a Long-Term Incentive Plan as part of its talent retention strategy and to reward employees and directors for their contribution.

A copy of the Remuneration Policy is available on the Company's website at <https://www.awantec.my>

Remuneration of Non-Executive Director

All Non-Executive Directors are paid an annual retainer fee.

The level of remuneration reflects the experiences, skills, knowledge and level of responsibilities undertaken by the Non-Executive concerned. Amongst other factors to consider is performance of the Company and the Group in operating its business.

Remuneration of the Non-Executive Directors is a matter for the Board as a whole and will require shareholders' approval at the AGM.

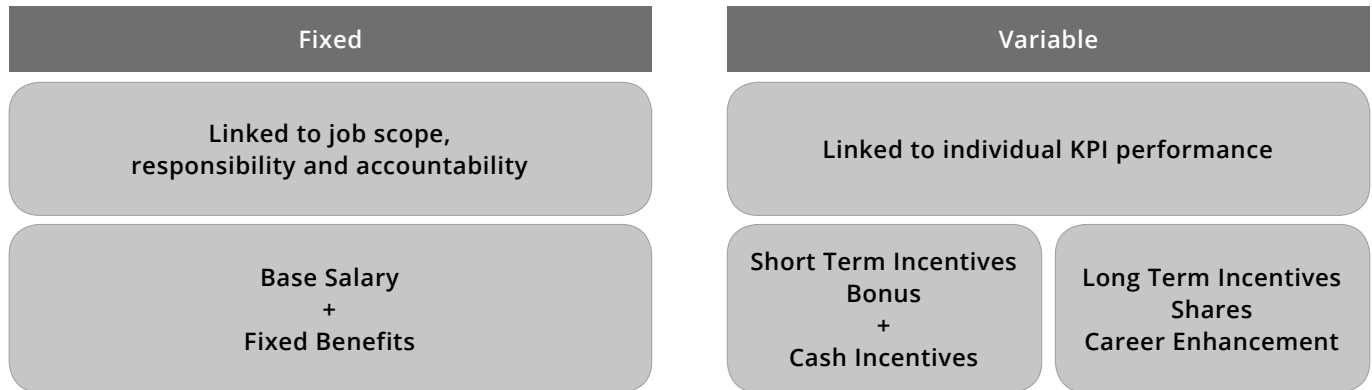
The Non-Executive Directors receive remuneration package consisting of the following components:-

| 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 |

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 another salaried employee of the Group. Components of the remuneration are structured to link rewards to corporate and individual performance.

The Executive Director and Senior Management receive a competitive remuneration package consisting of the following components:-



The performance of the Executive Directors and Senior Management is measured based on the achievements of his or her annual KPI as well as the performance of the Group towards the year.

Below is the summary of the procedures on the remuneration of Executive Directors and Senior Management:



The procedures relating to the remuneration of Executive Directors and Senior Management are also contained in the Remuneration Policy which includes “malus and clawback” provisions for bonus and/or cash incentives paid erroneously.

Awantec has adopted Practice 7.2 of MCCG with regard to disclosure of Senior Management’s remuneration and the details is further disclosed in the CG Report which is available on the Company’s website at <https://www.awantec.my>

Corporate Governance Overview Statement

Disclosure on Directors' Remuneration

Details of the remuneration received by the Directors for the FYE 30 June 2021 were as follows:-

A. Received from AWANTEC

| | Directors' Fee (RM) | Salary (RM) | Bonus (RM) | Statutory Contribution (RM) | Benefit-In-Kind (RM) | Other Emoluments (RM) | *ESOS Expenses (RM) | Total (RM) |
|---|---------------------|----------------|------------|-----------------------------|----------------------|-----------------------|---------------------|------------------|
| COMPANY | | | | | | | | |
| Non-Executive Directors | | | | | | | | |
| Syed Naqiz Shahabuddin bin Syed Abdul Jabbar <i>(Appointed w.e.f. 20 January 2021)</i> | 39,484 | - | - | - | - | 3,600 | - | 43,084 |
| Paul Chan Wan Siew | 87,000 | - | - | - | - | 45,600 | 24,849 | 157,449 |
| Ramanathan a/l Sathiamutty | 66,000 | - | - | - | - | 44,400 | - | 110,400 |
| Ginny Yeow Mei Ying | 66,000 | - | - | - | - | 19,200 | 4,609 | 89,809 |
| Professor Emeritus Dato' Dr. Hassan bin Said | 66,000 | - | - | - | - | 43,200 | 2,575 | 111,775 |
| Hafidah Aman binti Hashim | 66,000 | - | - | - | - | 38,400 | 2,575 | 106,975 |
| YM Tunku Abang Faisal Amir bin Abang Abu Bakar <i>(Appointed w.e.f. 20 January 2021)</i> | 26,323 | - | - | - | - | 3,600 | - | 29,923 |
| Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan <i>(Appointed w.e.f. 20 January 2021)</i> | 26,323 | - | - | - | - | 3,600 | - | 29,923 |
| Subtotal | 443,130 | - | - | - | - | 201,600 | 34,608 | 679,338 |
| Executive Directors | | | | | | | | |
| Dr. Abu Hasan bin Ismail | - | 480,000 | - | 72,593 | 50,000 | 120,000 | - | 722,593 |
| Baldesh Singh a/l Manmohan Singh | - | 360,000 | - | 51,317 | - | 59,400 | 64,452 | 535,169 |
| Subtotal | - | 840,000 | - | 123,910 | 50,000 | 179,400 | 64,452 | 1,257,762 |
| Grand Total | 443,130 | 840,000 | - | 123,910 | 50,000 | 381,000 | 99,060 | 1,937,100 |

* Note: The value of shares is based on valuation used for MFRS 2 Accounting. No actual payment(s) is incurred.

B. Received from the GROUP

| | Directors' Fee (RM) | Salary (RM) | Bonus (RM) | EPF Contribution (RM) | Benefit-In-Kind (RM) | Other Emoluments (RM) | Total (RM) |
|---|---------------------|-------------|------------|-----------------------|----------------------|-----------------------|---------------|
| Group | | | | | | | |
| Non-Executive Directors | | | | | | | |
| Professor Emeritus Dato' Dr. Hassan bin Said (Resigned as Director of PESB w.e.f. 16 November 2020) | 13,000 | - | - | - | - | - | 13,000 |
| Subtotal | 13,000 | - | - | - | - | - | 13,000 |
| Total | 13,000 | - | - | - | - | - | 13,000 |

Note: The above is in relation to Serba Dinamik Education Sdn. Bhd. (formerly known as Prestariang Education Sdn. Bhd.) ("PESB") in which the disposal was completed on 16 November 2020 pursuant to a Share Sale Agreement dated 25 February 2020.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**AUDIT COMMITTEE**

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

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**Internal Control**

The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.

The Board is of the view that the system of internal control and risk management in place during the year, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders. The Statement on Risk Management and Internal Control furnished on pages 115 to 119 of this Annual Report provides an overview of the internal control within the Group during the financial year under review.

Internal Audit

During the financial year under review, the internal audit activity continued to be outsourced to KPMG Management and Risk Consulting Sdn. Bhd. to provide internal audit services for greater independence in internal audit function.

A summary of the activities of the Audit Committee and the Internal Auditors during the financial year under review is set out in the Audit Committee Report on pages 103 to 106 of this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of communicating with its shareholders and other stakeholders as it is a key component to uphold the principles and best practices of corporate governance for the Group and the Company.

The Board has developed and adopted as part of its Investor Relations (“**IR**”) Policy guidelines on stakeholder engagement which stipulate the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders. The Company executes its IR programme following the framework as set out in the IR Policy. The Policy provides comprehensive guides, processes and procedures around for which the programme is structured including corporate disclosures. The approved IR Policy is published in the Company's website at <https://www.awantec.my>

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 Instagram, Facebook, Twitter and LinkedIn. Notable events or news of the Group are posted on these sites.

INVESTOR RELATIONS

The annual report is a main channel of communication between the Company and its shareholders and stakeholders. The annual report communicates comprehensive information of the financial results and activities undertaken by the Group and the Company during the year under review. As a public listed company, the contents and disclosure requirements of the annual report are also governed by Bursa Securities MMLR.

The Company disseminates its annual report, together with an executive summary, to its shareholders in hard copy or digital pdf copy. The executive summary provides highlights of the Group's and the Company's key financial and corporate information.

Along with good corporate governance practices, the Company adheres to corporate disclosure policies in providing greater disclosure and transparency through all its communications with its shareholders, investors, and the general public. The Company has a dedicated section on its website focusing on IR matters. This section sets out the information such as the Company's announcements to the regulators, financial results, press releases, 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 and the Company: <https://www.awantec.my>

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

Corporate Governance

Telephone : 03-8689 7000

Facsimile : 03-8689 7009

Email : inquiry@awantec.my

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 are given at least twenty-eight (28) days from the date of notice of AGM. The notice was given on 23 October 2020 whilst the AGM was held on 25 November 2020. 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 and the movement control order issued by the Government, the Company held its very first virtual AGM, via broadcasting from Menara Symphony, Petaling Jaya. The Company sought services from the share registrar to provide remote participation and voting facilities ("**RPV**") to conduct the meeting. Participants and proxies registered and 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 AGM and any unanswered questions were attended to via email.

The Company also held an Extraordinary General Meeting ("**EGM**") on 15 September 2021 for the purposes of seeking shareholders' approval for its fund-raising exercise via a proposed private placement and renounceable rights issue. The EGM was also held on a virtual basis via remote participation through live stream and online voting.

At the Company's AGM, the President/GCEO of the Company 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 are present during the AGM to answer any enquiries from the shareholders.

Corporate Governance Overview Statement

The holding of fully virtual general meetings has enabled remote participation by shareholders and complies with social distancing rules.

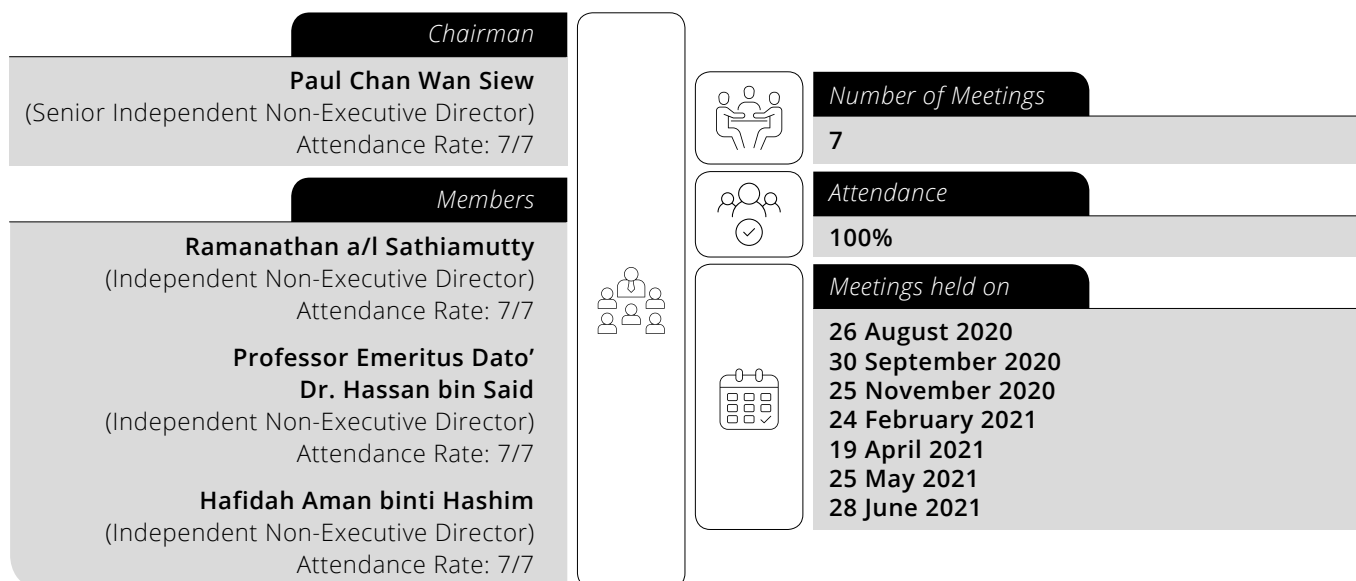
Both the Company's AGM and EGM were attended by all its board members and senior management.

POLL VOTING

During the Tenth AGM and the EGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. This is in line with Paragraph 8.29A of the Bursa Securities MMLR on the requirement for poll voting in which one share one 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 in a more efficient manner.

This CG Overview Statement was approved by the Board on 29 September 2021.

Audit Committee Report



1. ROLE

The Audit Committee was established on 30 November 2010 by the Company's Board of Directors (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 Audit Committee is formally constituted within the Audit Committee Terms of Reference, which is available on the Company's website at <https://www.awantec.my>

2. TERMS OF REFERENCE

Audit Committee Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. Amongst others, it provides that no former key audit partner of the Company shall be appointed as a member of the AC unless the said former partner has observed a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.

3. MEMBERSHIP

As of 30 June 2021, the Audit Committee comprises four (4) Independent Non-Executive Directors, with all members having a working familiarity with basic finance and accounting practices, to enable the proper discharge of responsibilities by the Audit Committee. The Chairman, Mr. Paul Chan Wan Siew, is a member of the Malaysian Institute of Accountants.

Audit Committee Report

4. MEETINGS

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

Audit Committee meeting notices, reports and papers are disseminated to Audit Committee members at least seven (7) days before meetings, providing the Audit Committee with relevant facts and analyses to facilitate effective discussion and decision-making processes. At the meetings, the Audit Committee reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

Over the course of FY2021, the Audit Committee undertook the following activities:-

Financial Reporting

- Reviewed and discussed the unaudited quarterly report on consolidated results on a quarterly basis, the annual audited financial statements, as well as the performance of the Group before recommending the same for approval by the Board.

In reviewing the financial reporting of the Group, the Audit Committee discussed and made enquiries on, amongst others:-

- Changes in or implementation of significant accounting policies;
 - Significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions, and how these matters be addressed; and
 - Compliance with accounting standards and other regulatory and legal requirements.
- Deliberated on significant matters raised by the External Auditors and received progress updates from Management on actions taken for improvements.

External Auditor

- Had Messrs. Crowe Malaysia PLT declared their independence and confirmed that they were not aware of any relationship between Messrs. Crowe Malaysia PLT and the Group that, in their professional judgement, might reasonably be thought to impair their independence.
- In consultation with the Management, reviewed and analysed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and its unlisted subsidiaries for recommendation to the Board for approval.
- Reviewed the overall performance of the External Auditor for the period from 1 July 2020 to 30 June 2021. For this purpose, a survey was coordinated by the Company Secretaries and assessments on the effectiveness of the External Auditor's (i) quality of service; (ii) sufficiency of resources; (iii) communication and interaction; and (iv) independence, objectivity and professional scepticism were assessed. Based on the evaluation, the Audit Committee recommended their re-appointment and remuneration to the Board for their submission to the shareholders for approval at the Company's Eleventh Annual General Meeting.

- Deliberated and recommended for the Board's approval, the External Auditor's Audit Review Memorandum and Audit Planning Memorandum encompassing the proposed audit approach, areas of audit emphasis, nature and scope for the year's audit.
- Conducted two (2) private discussions with the External Auditors on 26 August 2020 and 25 May 2021, without the presence of Executive Directors and Management to discuss any areas of concern to ensure that the External Auditors can freely discuss and express their opinions on any matter to the Audit Committee, and the Audit Committee can be sufficiently assured that Management has fully provided all relevant information and responded to all queries from the External Auditors.

Internal Audit

- Reviewed the 2020 Audit Plan to ensure adequacy of the scope and coverage of major risk areas of the Group.
- Deliberated on the internal audit reports for the Company and its subsidiaries issued by the Internal Auditors, which, among others, focused on the effectiveness and adequacy of governance, risk management, and internal controls, audit recommendations, and the Management's response towards the issues highlighted.
- Where appropriate, the Audit Committee directed the Management to rectify and improve internal controls and Standard Operating Procedures based on the Internal Auditor's recommendations and suggestions for improvement.
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all action plans were adequately implemented to address the key risks.

Related Party Transactions ("RPT")

- Reviewed the RPT of the Group to ensure compliance with Bursa Securities Main Market Listing Requirements 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 RPT of the Group were reviewed on a quarterly basis at its meetings held on 26 August 2020, 25 November 2020, 24 February 2021 and 25 May 2021.

Annual Report

- Reviewed and endorsed the Audit Committee Report and Statement on Risk and Internal Control of the Group prior to recommending the same for consideration and approval of the Board for inclusion in the Annual Report 2021.

Other matters

- Reviewed and deliberated the adequate procedures initiatives pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009;
- Reviewed and deliberated the proposed revision to the Limits of Authority; and
- Reviewed and revised the Audit Committee TOR.

Audit Committee Report

INTERNAL AUDIT FUNCTION

Internal auditing is an independent and objective assurance activity designed to add value and improve the Group's operations. It actively facilitates the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes within the Group.

The Group's Internal Audit function is carried out by KPMG Management and Risk Consulting Sdn. Bhd. ("**KPMG**") to assist the Board in maintaining a sound system of internal control. The Audit Committee is aware that an independent and adequately resourced Internal Audit function is essential to obtaining assurance on the effectiveness of the system of internal control.

The Internal Audit function assists the Audit Committee in its duties and responsibilities and is free from any relationships or conflicts of interest, thus retaining its objectivity and independence. To this end, the functions of the internal auditors are to:-

- (i) perform audit work in accordance with the pre-approved internal audit plan;
- (ii) carry out reviews on the systems of internal control of the Group and the Company;
- (iii) review and comment on the effectiveness and adequacy of the existing control policies and procedures; and
- (iv) provide recommendations, if any, for the improvement of the control policies and procedures.

The following internal audit activities were carried out in accordance with the approved internal audit plan for FY2021:-

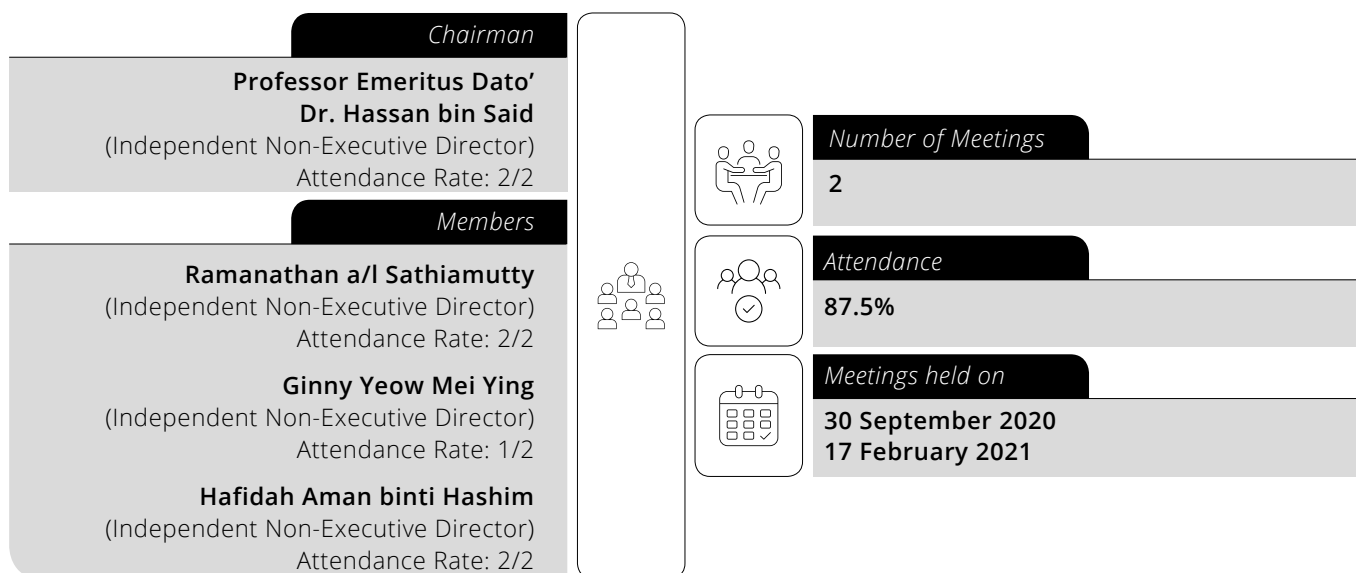
- (i) compliance review on policies and procedures, limits of authority and other statutory and regulatory requirements within the Group.
- (ii) reviewed the adequacy and effectiveness of policies and procedures, internal controls, risk management and governance activities and provide suitable recommendations to Senior Management for implementation within the Group.
- (iii) prepared audit reports and sought Senior Management's responses including action plan(s) with specific timeline in regard to rectification of deficiencies identified in the existing internal control systems and thereafter, incorporated the pertinent information into the final reports which were then circulated to the Audit Committee.
- (iv) a follow-up on the status of Senior Management action plans to address the outstanding internal audit observations raised in the last cycle of internal audit carried out by KPMG.

The Management is responsible for ensuring that corrective actions are taken within the required timeframe and all findings identified by the Internal Audit function were tracked and followed up on a quarterly basis with the status of the implementation reported to the Audit Committee accordingly.

The total cost incurred for maintaining the Internal Audit function for the year under review was approximately RM37,000.

This Report on Audit Committee was made in accordance with the approval of the Board on 29 September 2021.

Remuneration Committee Report



1. ROLE

The Remuneration Committee (“**RC**”) was established on 17 April 2012 by the Company’s Board of Directors (the “**Board**”) to ensure that the Company has a competitive remuneration package to attract, reward, retain and motivate the Directors and Senior Management needed to run the Company successfully and to achieve Company’s long-term business objective.

2. TERMS OF REFERENCE

Remuneration Committee Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. The Remuneration Committee not only sets the remuneration package but also reviews the key performance indicators for measuring the performance of the Executive Directors and Senior Management of the Company. The Remuneration Committee Terms of Reference, is available on the Company’s website at <https://www.awantec.my>

In formulating the recommended remuneration packages, the Remuneration Committee is guided by the Company’s Remuneration Policy and the information prepared by Management and independent consultants based on data of comparable companies.

A copy of the Remuneration Policy is available on the Company’s website at <https://www.awantec.my>

3. MEMBERSHIP

As of 30 June 2021, the RC comprises wholly of independent directors. It is chaired by Professor Emeritus Dato’ Dr. Hassan bin Said and supported by three (3) members.

Remuneration Committee Report

4. MEETINGS

By invitation of the RC, the Company Secretaries or other appropriate senior official shall act as Secretary of the RC, other directors and employees can attend the meeting where their attendance is required in relation to a specific meeting.

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

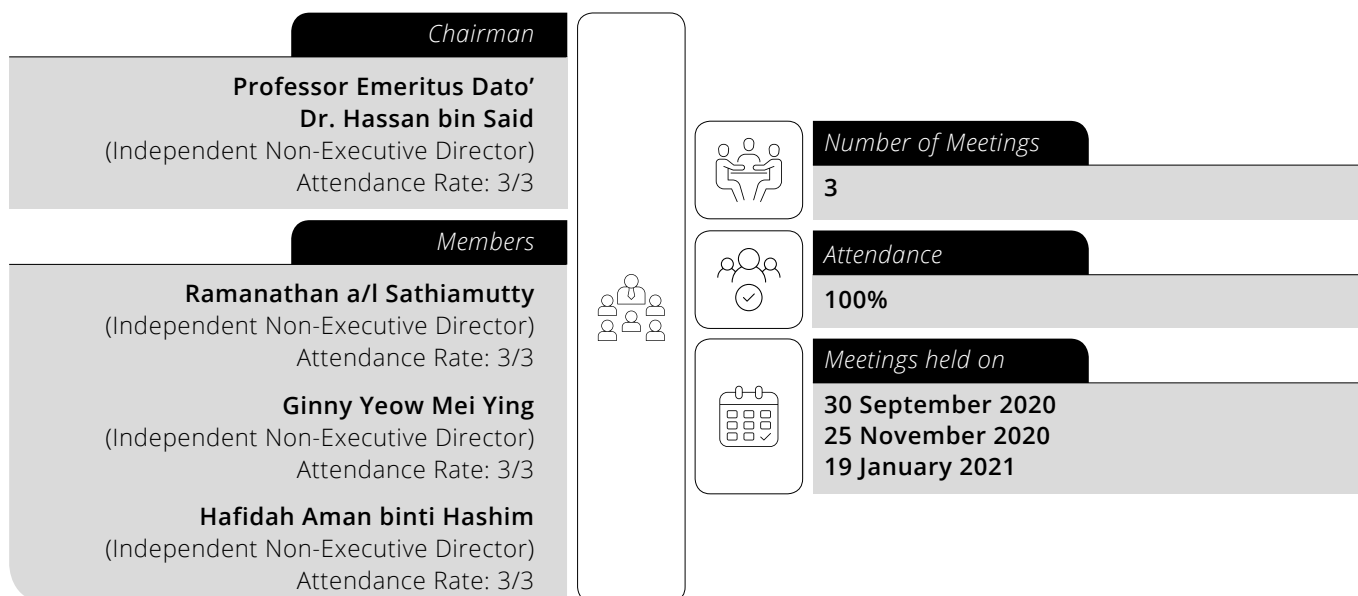
SUMMARY OF ACTIVITIES OF THE REMUNERATION COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

The Remuneration Committee's main activities in 2021 are as follows:-

- Reviewed and recommended to the Board on the proposed Directors' fees for the financial year ended 30 June 2020;
- Reviewed and recommended to the Board on the proposed Directors' fees for the financial year ended 30 June 2021;
- Reviewed and recommended to the Board on the proposed Directors' benefits from 26 November 2020 until the next AGM of the Company;
- Reviewed and recommended to the Board on the remuneration package for Puan Hafiza Anom binti Abdul Hamid as the Chief Business Officer for Technology Division of the Company;
- Reviewed and recommended to the Board on the remuneration package for Puan Ainun Mardziah binti Hashim as Group Financial Controller of the Company;
- Reviewed and recommended to the Board on the key performance indicators for the year 2021 of the President/ Group Chief Executive Officer and C-Suite level officers.

This Report on Remuneration Committee was made in accordance with the approval of the Board on 29 September 2021.

Nomination Committee Report



1. ROLE

The Nomination Committee (“**NC**”) was established on 17 April 2012 by the Company's Board of Directors (the “**Board**”) to assist the Board in ensuring that it has an effective composition of Board members to discharge its stewardship responsibilities in undertaking the principal responsibilities of the Board explicitly described in the Malaysian Code on Corporate Governance (“**MCCG**”).

2. TERMS OF REFERENCE

NC Terms of Reference sets out the composition, roles and responsibilities, authority and meeting requirements. Amongst others, it leads the annual evaluation of the Board, reviews the independence of the members of the Board and diversity of the Board.

The NC Terms of Reference, is available on the Company's website at <https://www.awantec.my>

3. MEMBERSHIP

As of 30 June 2021, the NC comprises wholly of Independent Directors. It is chaired by Professor Emeritus Dato' Dr. Hassan bin Said and supported by three (3) members.

4. MEETINGS

By invitation of the NC, the Company Secretaries or other appropriate senior official shall act as Secretary of the NC, and other directors and employees can attend the meeting where their attendance is required in relation to a specific meeting.

Nomination Committee meeting notices, reports and papers are disseminated to its members at least five (5) days before meetings.

Nomination Committee Report

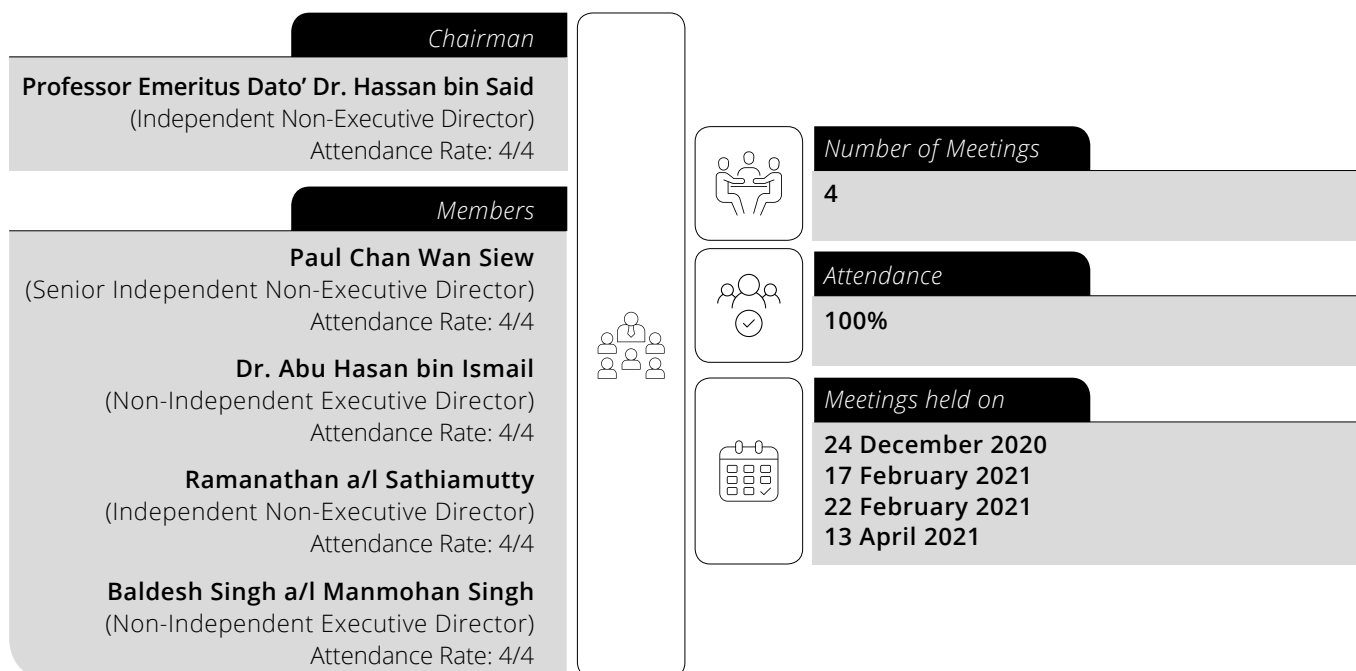
SUMMARY OF ACTIVITIES OF THE NOMINATION COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

The Nomination Committee's main activities in 2021 are as follows:-

- Reviewed the Directors who are subject to retirement by rotation pursuant to the Company's Constitution;
- Assessed the performance of the Board and Board Committees;
- Assessed the performance of each individual director;
- Assessed the performance of Audit Committee ("**AC**") and each individual AC member;
- Assessed the independence of the Independent Directors of the Company;
- Reviewed and recommended to the Board on the appointment of Professor Emeritus Dato' Dr. Hassan bin Said and Puan Hafidah Aman binti Hashim as the Independent Non-Executive Directors of the Company;
- Reviewed and assessed the tenure of Mr. Paul Chan Wan Siew, Independent Director who has reached and exceeded a cumulative term of nine (9) years and to recommend his retention as Independent Director of the Company at the Company's AGM in accordance with the MCCG;
- Reviewed and recommended to the Board on the appointment of Puan Hafiza Anom as the Chief Business Officer of the Company;
- Reviewed and recommended to the Board the appointment of Long-Term Incentive Plan Committee Members and its Terms of Reference;
- Reviewed and recommended to the Board the appointment of Independent Non-Executive Directors;
- Reviewed and recommended to the Board the re-designation of Mr. Paul Chan Wan Siew from Interim Chairman and appointment of Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar as Independent Non-Executive Chairman of the Company;
- Reviewed the composition of the Company's Board;
- Reviewed and recommended to the Board the appointment of Puan Ainun Mardziah binti Hashim as Group Financial Controller of the Company;
- Reviewed and recommended to the Board the revised terms of reference of the Nomination Committee;
- Reviewed and recommended to the Board the adoption of the Diversity Policy;

This Report on Nomination Committee was made in accordance with the approval of the Board on 29 September 2021.

Long Term Incentive Plan Committee Report



1. ROLE

The Long-Term Incentive Plan Committee ("**LTIPC**") 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 Long-Term Incentive Plan ("**LTIP**") of the Company in accordance with the LTIP By-Laws as approved by the shareholders.

The LTIPC is formally constituted within the LTIPC Terms of Reference, which is available on the Company's website at <https://www.awantec.my>

2. MEMBERSHIP

The LTIPC comprises of five (5) members; appointed by the Group's Board from amongst the Executive Directors and Senior Management personnel [defined as President/Group Chief Executive Officer ("**CEO**" or "**CEOs**"), (Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**") and Chief Business Officer ("**CBO**") of the Group.

3. RESPONSIBILITIES

The powers, duties and responsibilities of the LTIPC is governed by its own Terms of Reference. The LTIPC was set up to ensure that the implementation of the LTIP is administered fairly and in accordance with the Company's By-Laws of LTIP.

Long Term Incentive Plan Committee Report

4. SUMMARY OF ACTIVITIES OF THE LTIPC DURING THE FINANCIAL YEAR UNDER REVIEW

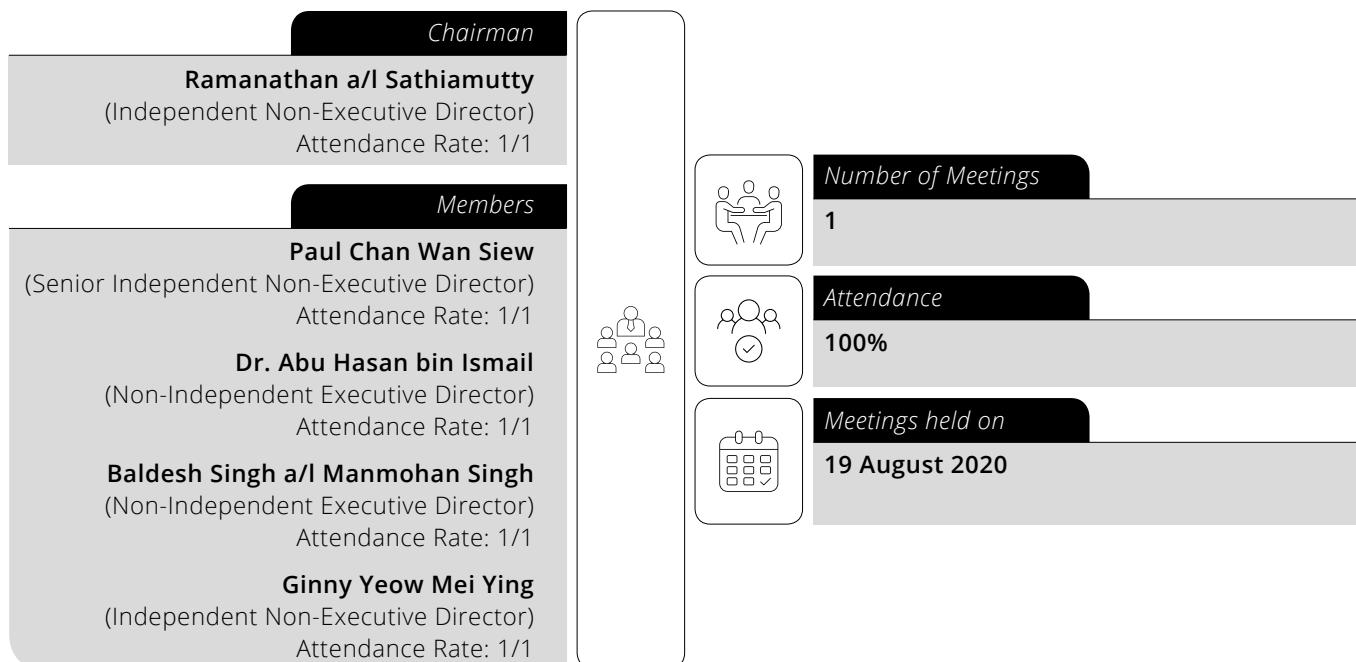
During the year in review, the LTIPC reviewed and deliberated on the allocation and the implementation of the Group's LTIP.

5. LTIPC EFFECTIVENESS REVIEW AND PERFORMANCE

The LTIPC 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 LTIPC was made in accordance with the approval of the Board on 29 September 2021.

Risk Management Committee Report



1. ROLE

The Risk Management Committee was established on 30 November 2010 by the Company's Board of Directors (the "Board") to assist the Board to fulfil its corporate governance, risk management, and statutory responsibilities through a review of the Group's risk management strategies, policies, framework and the internal control systems in order to manage the overall risk exposure.

2. TERMS OF REFERENCE

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

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

3. MEMBERSHIP

The Risk Management Committee, which is led by Mr. Ramanathan a/l Sathiamutty, consists of three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors.

The members of the Risk Management Committee bring with them a diverse set of expertise and experience and have a solid understanding of the sectors in which the Group operates. This enables them to carry out their role in identifying and monitoring new corporate and strategic and other emerging risks as well as closely engaging Management on managing, mitigating and eliminating the inherent risk issues that may have impact on the Group.

4. MEETINGS

The Chief Financial Officer and the Group Financial Controller were invited to Risk Management Committee meetings to provide input and clarity on the actions taken by the Group in respect of strategic and business risks affecting the Group. Other attendees, internal or external, were invited to deliberate on matters within their purview.

Risk Management Committee Report

5. OVERVIEW

As part of its functions, the Risk Management Committee oversees the following:-

- a. Acting as Primary Champion of risk management at strategic and operational levels.
- b. Reviewing the on-going adequacy and effectiveness of the risk management process.
- c. Undertaking reviews of the consolidated risk register of major subsidiaries and associates within the Group to identify significant risks and whether these are adequately managed.
- d. Ensuring that the Board and Audit Committee receive adequate and appropriate information (including the annual Risk Report) for decision-making and review respectively.
- e. Commissioning, where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company.

In discharging its responsibilities, the Risk Management Committee is assisted by the Chief Operating Officer and Group Financial Controller and cross refer information and issues to ensure better monitoring of risks within the Group.

The Risk Management Committee has assisted the Board to continuously review and improve the monitoring systems and processes. It continues to be proactive in highlighting corporate and strategic risk issues, and was open in discussing its views, concerns and/or reservations and provided guidance to Management on the risk controls to mitigate and/or pre-empt the risks.

SUMMARY OF ACTIVITIES OF THE RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR UNDER REVIEW

Main Activities of the Risk Management Committee during the financial year under review are as summarised below:-

Group Risk Management Framework

Reviewed the adequacy of the Risk Management Framework to monitor the risk exposure across the Group to ensure that the risks are monitored and mitigated to improve the risk movements.

Review of Group and Divisional Risks

- Reviewed and assessed the Group's and Divisional risk profiles and managed the significant financial and non-financial risks identified.
- Deliberated the Group's key operational risks and key controls taken to manage the risks. Additional mitigations to strengthen the management of existing and emerging risks were recommended for further action.
- Reviewed the Risk Management Committee Report for inclusion in the Annual Report 2021.

Risk Management Committee Effectiveness Review and Performance

The Risk Management Committee continues to diligently exercise its risk oversight responsibilities by ensuring that risk management is an integral part of strategic planning and decision making for the achievement of the Group's strategic outcomes and long-term objectives.

This Report on Risk Management Committee was made in accordance with the approval of the Board on 29 September 2021.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance (“**MCCG**”) recommends that the Board of Directors (the “**Board**”) of the listed companies should maintain a sound risk management and internal control framework in order to safeguard shareholders’ investments and the Group’s and the Company’s assets. Paragraph 15.26(b) of the Bursa Securities Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements as well as Practices 10.1 and 10.2 of the MCCG also require the Board of the listed companies to include a statement on the state of their internal controls in their annual reports.

In view of the above, the Board is pleased to present the following statement that has been prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“**SORMIC**”) issued by Bursa Securities.

RESPONSIBILITY

The Board recognizes its responsibility in upholding an effective and adequate risk management and internal control system, which is a material part of good corporate governance. In line with that, the Board acknowledges its main responsibility in ensuring the principal and significant risks of the Group and the Company are identified and properly managed by the risk management and internal control system of the Group and the Company.

The Board has also established an on-going process for identifying, evaluating, and managing significant risks faced by the Group and the Company and to regularly review this process.

Management is assigned with the role of assisting the Board on the implementation of the Group’s policies and procedures on risk management and control by identifying and assessing the various risks that could affect the operation of the Group and the Company, and ensuring appropriate and suitable controls are taken to mitigate and control the risks.

From time to time, the Board received assurance from the President/Group Chief Executive Officer (“**GCEO**”), Chief Operating Officer (“**COO**”) and Group Financial Controller (“**GFC**”) that the risk management and internal control system in place is operating in an adequate and effective manner, and that it is sufficient to safeguard the interest of the Group and the Company.

The Board acknowledges that a sound risk management and internal control system provides reasonable but not absolute assurance, that the Group and the Company will not be hindered in achieving its business objectives and sustainable operations.

COVID-19 Pandemic

The Board firmly believes that risk management is critical to the Group’s continued business sustainability and the accretion of value creation. This is exemplified by the unforeseen events brought about by the debilitating COVID-19 pandemic which has forced the Group to heighten its risk management efforts as means to sustain its businesses amid a global economic distress. Given its unprecedented nature, the COVID-19 pandemic resulted in stark changes in the conduct of business and current work practices adopted by the Group such as working remotely from home and harnessing on technology to facilitate social distancing practices through virtual meetings. The Board is of the view that the Group’s risk management and internal control system is adequate and effective to safeguard the interests of stakeholders and the Group’s assets, despite the impediments brought about by the COVID-19 pandemic.

Statement on Risk Management and Internal Control

CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The day to day operations of the Group and the Company is overseen by the President/GCEO with the assistance of the COO. This control is exercised through Senior Management in respect of commercial, financial, and operational aspects of the Group and the Company. The President/GCEO, COO 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 and the Company. It is designed to provide reasonable assurance regarding the achievement of the Group's objectives and to safeguard shareholders' investment and assets. Although it is impossible to provide complete assurance through any control system, the control systems must be designed and applied to manage the likelihood and impact of risk to acceptable levels. The Group adopts Risks Management Framework with an internal control system that is principally aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) "Internal Control - Integrated Framework model".

Risks identified are evaluated by examining the potential impact on the Group if a risk crystallized as well as the likelihood of occurrence. The risk level is rated as low, medium or high accordingly.

The Board fully supports the contents of the SORMIC and through the Audit Committee continually reviews the adequacy and effectiveness of the risk management processes in place within the various operating units with the aim of strengthening the risk management functions across the Group and the Company.

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. Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Group and the Company, the decision was taken to outsource the Internal Audit activities to a third-party service provider.

INTERNAL AUDIT FUNCTION

In desiring to maintain total independence in the management of the risk and internal control environment, the Company appointed KPMG Management & Risk Consulting Sdn. Bhd. ("**KPMG MRC**") to manage the Company's internal audit function on an outsourced basis. The fees incurred for the outsourced internal audit function for the financial year ended 30 June 2021 were RM37,000 excluding Sales and Service Tax and out-of-pocket expenses.

The internal audit engagement by KPMG MRC is headed by an Executive Director, namely Mr. Mohd Khaidzir Shahari ("**Mr. Khaidzir**"). Mr. Khaidzir is a Chartered Accountant with professional membership in the Association of Certified Management Accountant, The Institute of Internal Audit of Malaysia and Malaysian Institute of Accountants. Mr. Khaidzir has accumulated over twenty-five (25) years of experience in a wide range of governance advisory, risk, and internal audit services.

There were a total of three (3) personnel deployed by KPMG MRC for the internal audit work of financial year ended 30 June 2021. All the personnel deployed by KPMG MRC are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.

The internal audit work was conducted and satisfactorily concluded in compliance with the International Professional Practice Framework of the Institute of Internal Auditors. The final communication of the internal audit plan, processes and results of the internal audit assessment are sufficiently supported by reliable and relevant information.

KPMG MRC reports independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with KPMG MRC agree on the scope and planned internal audit activities annually and all audit findings arising therefrom are reported to the Audit Committee.

KPMG MRC is allowed unrestricted access to all the documents and records of the Group and the Company which are deemed necessary for the performance of its function and independently reviews the control processes implemented by Management. It also reviews the internal controls in the key activities of the Group's and the Company's business based on the discussion with Management as well as with the Audit Committee. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group and as part of the internal audit engagement, KPMG MRC also provides business improvement recommendations for the consideration of Management and the Board to assist in the continuous development for a more efficient and comprehensive internal control environment.

Summary of the activities of the internal audit function can be found in the Audit Committee Report at page 106 of this Annual Report.

ASSESSMENT ON THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROLS

The Audit Committee reviews the effectiveness of the system of risk management and internal controls of the Group and the Company on behalf of the Board. The Audit Committee comprises solely of Independent Non-Executive Directors and is not restricted in any way in the conduct of its duties. The Audit Committee also has unrestricted access to the internal and external auditors of the Company as well as all employees of the Group and the Company. The Audit Committee is also entitled to seek such other third party independent professional advice deemed necessary in the performance of its responsibility.

The assessment of the adequacy and effectiveness of the internal control system is on a periodic basis. From time to time the following are taken into considerations and changes are made to improve the internal control system:

- Ensuring an appropriate organizational structure for planning, executing, controlling and monitoring business operations with appropriate authorization limits.
- Reviewing the consolidated risk register of the 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.
- Reviewing periodically the long-term financial objectives and business strategies of the Group.
- Reviewing variance reports from major operating subsidiaries and associates against business objectives.
- 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

Following from the internal audit report and the recommendations, the following policies were revised during the financial year: -

- Board Charter;
- Corporate Disclosure Policy and Procedures;
- Directors' Code of Conduct and Ethics;
- Diversity Policy;
- Remuneration Policy;
- Whistleblowing Policy
- Sustainability Policy
- Audit Committee Terms of Reference ("**TOR**");
- Long Term Incentive Plan TOR;
- Nomination Committee TOR; and
- Remuneration Committee TOR.

OTHER KEY ELEMENTS RELEVANT TO RISK MANAGEMENT AND INTERNAL CONTROL

- Clearly defined TORs, authorities and responsibilities of the various committees which include the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee.
- Well-defined organizational structure with clear lines for the segregation of duties, accountability, and the delegation of responsibilities to Senior Management and the respective division heads including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the Business/Operating units and approved by the Board. The budgets include operational and financial requirements and performance monitored on a quarterly basis.
- Regular Board meetings are held and Board papers are distributed in advance to all Board Members who are entitled to receive and access all necessary and relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group and the Company.
- Review by the Audit Committee of risk management internal control issues identified by the external and internal auditors and action taken by the Management in respect of the findings arising therefrom. The internal audit function reports directly to the Audit Committee. Such findings are communicated to the Management and the Audit Committee with recommendations for improvements and follow up to confirm all agreed recommendations are implemented. The internal audit plan is structured on a risk-based approach and is reviewed and approved by the Audit Committee.
- The Risk Management Committee was established by the Board to assist the Board in overseeing the overall management of the principal areas of risk of the Group and the Company including capital management and operational process.
- Review all proposals for material capital and investment opportunities by the Audit Committee and approval of the same by the Board prior to committing the expenses.

- Management Accounts are prepared in a timely manner and on a monthly basis and are reviewed by the President/GCEO, COO, GFC together with the heads of the respective business divisions.
- The Whistleblowing Policy was established to facilitate the disclosure of any improper conduct within the Group. The Whistleblowing Policy provides clarity on the oversight and responsibilities of the whistleblowing process, the reporting process, protection of whistleblowers and the confidentiality afforded to whistleblowers.

NO SIGNIFICANT WEAKNESS IN RISK MANAGEMENT AND INTERNAL CONTROL RESULTING IN MATERIAL LOSS

The Board is of the opinion that there is no significant weakness in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Group and the Company. The Board is also of the opinion that the Company's risk management system and internal control is in place for the financial year under review and is up to date as at the date of this statement.

The Board has received assurances from the President/GCEO, COO and the GFC that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. Taking into consideration on its review and the assurance from the Management team, the Board is of the view that the system of risk management and internal control is satisfactory and adequate to safeguard shareholder's investment and the Group's assets.

The Group will continue to identify, evaluate and monitor all major risks and take measures to strengthen the internal control and risk management environment.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants.

Based on the limited assurance procedures and review, the external auditors have informed the Board that nothing has come to their attention that has caused them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control was made in accordance with the approval of the Board on 29 September 2021.

Additional Compliance Information

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

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The Company had, on 30 November 2020, completed the following corporate exercises:

- Private placement of 79,579,740 new ordinary shares at an issue price of RM0.35 per share together with 79,579,740 warrants ("**Private Placement**"); and
- Rights issue of 176,842,127 new ordinary shares at an issue price of RM0.20 per share together with 176,842,127 warrants ("**Rights Issue**").

The gross proceeds raised from the Private Placement and Rights Issue exercise were RM63,222,000.00 and the utilisation status as at 30 June 2021 is set out below:

| Description | Estimated timeframe for utilisation upon listing | Proposed utilisation (RM'000) | Actual utilisation (RM'000) | Balance (RM'000) |
|---|--|-------------------------------|-----------------------------|------------------|
| Working capital for expansion of existing business | Within 12 months | 28,309 | 14,500 | 13,809 |
| Business expansion for new product offering and services | Within 12 months | 17,513 | - | 17,513 |
| Full repayment of advances from Directors as well as redemption of the RSLs | Within 3 months | 16,500 | 16,500 | - |
| Estimated expenses in relation to the Corporate Exercises | Upon completion | 900 | 900 | - |
| Total Gross Proceed | | 63,222 | 31,900 | 31,322 |

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit (inclusive of assurance related services) fees paid or payable to Messrs. Crowe Malaysia PLT, the auditors of the Company and Group, for work performed during the financial year are as follows:

| | Group (RM) | Company (RM) |
|----------------|------------|--------------|
| Audit Fees | 174,000 | 64,000 |
| Non-Audit Fees | 6,000 | 6,000 |

Note:

The Group engaged the external auditors, and its local affiliated companies for the non-audit works for the preparation, review and submission of tax returns and tax advisory services on businesses.

3. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving interests of Directors and major shareholders during the financial year.

4. MATERIAL LITIGATION

Prestariang Skin Sdn Bhd ("**PSKIN**"), a wholly owned subsidiary of Awantec Services Sdn. Bhd. (formerly known as Prestariang Services Sdn. Bhd.), which is a subsidiary of the Group has filed and served an Originating Summons ("**OS**") dated 15 April 2019 against the Government of Malaysia ("**GOM**") claiming the amount of RM733 million in relation to the termination of the Sistem Kawalan Imigresen Nasional ("**SKIN**") by expropriation. The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement.

On 23 July 2020, PSKIN's OS was transferred to a new High Court Judge. The OS was heard before the Court on 22 January 2021, 29 January 2021, 26 February 2021, 9 April 2021 and 20 May 2021. Further hearing dates for the OS have been fixed on 2, 3, 29 and 30 November 2021 and 7, 8 and 10 December 2021.

PSKIN's solicitors are of the view that PSKIN has reasonable prospects of success in its claims against the GOM.

PSKIN and the GOM have also agreed to refer the dispute in respect of PSKIN's Originating Summons to a court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre. The parties agreed that the mediation process shall proceed concurrently with the court proceedings. On 30 October 2019, representatives from PSKIN and the GOM (with parties' respective Counsel) attended the first mediation session.

A further mediation session between the parties has yet to be fixed.

5. SHARE BUY-BACK

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

6. LONG TERM INCENTIVE PLAN ("LTIP")

In the year under review, the shareholders of Awantec approved the LTIP on 15 September 2020 and implemented the same on 25 January 2021. The LTIP comprises the establishment of an employee share option scheme and share grant plan of up to 15% of the issued share capital of the Company at any point in time during the duration of the LTIP for eligible directors and employees of the Company and its subsidiaries.

The LTIP is governed by its By-Laws and under the administration of LTIP Committee of the Board. The LTIP shall 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 Bursa Securities or any other relevant authorities.

The information in relation to the LTIP are as set out in the table below:-

| Total Number of Options as at 30 June 2021 | | |
|---|---------------------|--------------------------------|
| Description | Total Number | Directors and Group CEO |
| Options granted | 2,413,800 | 384,700 |
| Options exercised | - | - |
| Options outstanding | 2,413,800 | 384,700 |

In accordance with the Company's By-Laws, not more than fifty per centum (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. The percentage of 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 2021 |
|---|----------------------------------|--|
| Aggregate maximum allocation in percentage | 2.1% | 2.1% |
| Actual percentage granted | 2.0% | 2.0% |

The breakdown of the options vested in Non-Executive Directors during the financial year under review was as follows:-

| Non-Executive Directors | Amount of options granted | Amount of options exercised |
|--|----------------------------------|------------------------------------|
| Paul Chan Wan Siew | 96,500 | - |
| Ginny Yeow Mei Ying | 17,900 | - |
| Professor Emeritus Dato' Dr. Hassan bin Said | 10,000 | - |
| Hafidah Aman binti Hashim | 10,000 | - |

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 (“**Act**”) and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the financial statements for the financial year ended 30 June 2021, as presented on pages 137 to 238, have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In preparing the audited financial statements, the Board is satisfied that the applicable approved accounting standards in Malaysia have been complied with and reasonable and prudent judgements and estimates have been made. The audited financial statements are also prepared on a going concern basis as the Board has a reasonable expectation, after having made enquiries, that the Group has adequate resources to continue its operational existence for the foreseeable future.

Board Approval of Financial Statements

The annual financial statements for the financial year ended 30 June 2021 are set out on pages 137 to 238. The preparation thereof was supervised by the Group Financial Controller and approved by the Board on 29 September 2021.

Financial Review

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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 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for those disclosed to the financial statements.

CHANGE OF NAME

On 16 December 2020, the Company changed its name from Prestariang Berhad to AwanBiru Technology Berhad.

RESULTS

| | The Group RM'000 | The Company RM'000 |
|---|---------------------|-----------------------|
| Profit/(Loss) after taxation for the financial year | 9,349 | (4,691) |
| Attributable to:- | | |
| Owners of the Company | 9,985 | (4,691) |
| Non-controlling interests | (636) | - |
| | 9,349 | (4,691) |

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 RM133,802,983 to RM176,672,151 by way of:
 - (i) a private placement of 79,579,740 new ordinary shares at an issue price of RM0.35 each, together with 79,579,740 free warrants for a cash consideration of RM18,874,510 (after net of transaction costs of RM137,090 and allocation of RM8,841,309 to warrant reserve);

- (ii) an issuance of 176,842,127 new ordinary shares pursuant to the right issues with warrants at RM0.20 each, together with 79,579,740 free warrants for a total cash consideration RM23,783,571 (after net of transaction costs of RM355,379 and with allocation of RM11,229,475 to warrant reserve); and
- (iii) an issuance of 471,633 new ordinary shares for a total cash consideration of RM181,579 at an issue price of RM0.385 each from warrants conversion, with transfer of RM29,508 from warrant reserve.

The new ordinary shares issued rank pari passu 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 2021, the Company held as treasury shares a total of 1,698,500 of its 532,230,100 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,366,346. The details on the treasury shares are disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted pursuant to the Company's Employees' Share Option Scheme below.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 15 September 2020. The ESOS is to be in force for a period of 5 years effective from 25 January 2021. The details of the ESOS are disclosed in Note 23 to the financial statements.

WARRANTS

The movement in Warrants ("Warrants") of the Company during the financial year is as follows:-

| | 2021 '000 |
|-------------------------------------|----------------------|
| As at 1 July 2020 | – |
| Issued during the financial year | 256,422 |
| Exercised during the financial year | (472) |
| As at 30 June | 255,950 |

At the end of the financial year, there were 255,950,234 outstanding warrants with the exercise price of RM0.385 which will be expiring on 24 November 2025.

Directors' Report

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.

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 50 to the financial statements. As at the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which the report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dr. Abu Hasan bin Ismail
Chan Wan Siew
Ramanathan a/l Sathiamutty
Baldesh Singh a/l Manmohan Singh
Ginny Yeow Mei Ying
Professor Emeritus Dato' Dr. Hassan bin Said
Hafidah Aman binti Hashim
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (Appointed on 20.1.2021)
Tunku Abang Faisal Amir bin Abang Abu Bakar (Appointed on 20.1.2021)
Dato' Tharuma Rajah @ K.T. a/l R. Krishnan (Appointed on 20.1.2021)

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:-

Abdul Razak bin Bakrun
Khairuddin bin Othman
Chok Joon Heng (Appointed on 9.3.2021)
Chong Shaw Hoing (Appointed on 23.7.2021)
Sim Kian Guan (Resigned on 23.7.2021)
Siti Afiza binti Ahmad (Resigned on 2.12.2020)
Raja Azmi bin Adam Nadarajan (Resigned on 2.12.2020)

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 1.7.2020 | Bought | Sold | At 30.6.2021 |
| The Company | | | | |
| <i>Direct Interest</i> | | | | |
| Chan Wan Siew | 950,000 | 912,400 | - | 1,862,400 |
| <i>Indirect Interest</i> | | | | |
| Dr. Abu Hasan bin Ismail # | - | 79,579,740 | - | 79,579,740 |
| Chan Wan Siew ^ | 50,000 | 220,200 | - | 270,200 |

| | ← Number of Warrants → | | | |
|----------------------------|------------------------|------------|--------------------|-----------------|
| | At 1.7.2020 | Bought | Converted/ Sold | At 30.6.2021 |
| The Company | | | | |
| <i>Direct Interest</i> | | | | |
| Chan Wan Siew | - | 406,200 | (406,200) | - |
| <i>Indirect Interest</i> | | | | |
| Dr. Abu Hasan bin Ismail # | - | 79,579,740 | (79,579,740) | - |
| Chan Wan Siew ^ | - | 60,100 | (60,100) | - |

| | ← Number of Options under ESOS → | | | |
|--|----------------------------------|---------|-----------|-----------------|
| | At 1.7.2020 | Granted | Exercised | At 30.6.2021 |
| The Company | | | | |
| <i>Direct Interests</i> | | | | |
| Chan Wan Siew | - | 96,500 | - | 96,500 |
| Baldesh Singh a/l Manmohan Singh | - | 250,300 | - | 250,300 |
| Ginny Yeow Mei Ying | - | 17,900 | - | 17,900 |
| Professor Emeritus Dato' Dr. Hassan bin Said | - | 10,000 | - | 10,000 |
| Hafidah Aman binti Hashim | - | 10,000 | - | 10,000 |

DIRECTORS' INTERESTS (CONT'D)

| | ← Number of Ordinary Shares → | | | |
|--|-------------------------------|--------|------|-----------------|
| | At 1.7.2020 | Bought | Sold | At 30.6.2021 |
| Prestariang 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 1.7.2020 | Bought | Sold | At 30.6.2021 |
| Prestariang 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 his spouse, Ms. Lee Oi Lin's shareholdings in the Company pursuant to Section 59(1)(c) of the Companies Act 2016.
- * - Deemed interested by virtue of director's interest in Halaman Kapital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares or options over unissued shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) 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 other than the share options granted to certain directors pursuant to the ESOS of the Company.

Directors' Report

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 disclosed in Note 41(a) to the financial statements.

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 RM15,960 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 52 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD


The significant event occurring after the reporting period is disclosed in Note 53 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 39 to the financial statements.

Signed in accordance with a resolution of the directors dated 29 September 2021.



Dr. Abu Hasan bin Ismail



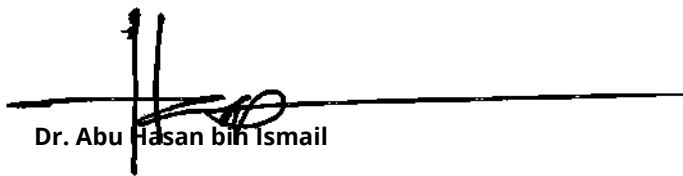
Chan Wan Siew

Statement by Directors

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

We, Dr. Abu Hasan bin Ismail and Chan Wan Siew, being two of the directors of AwanBiru Technology Berhad (formerly known as Prestariang Berhad), state that, in the opinion of the directors, the financial statements set out on pages 137 to 238 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 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 29 September 2021.



Dr. Abu Hasan bin Ismail



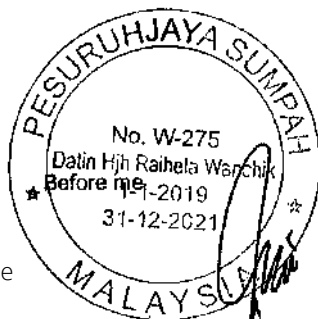
Chan Wan Siew

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ainun Mardziah binti Hashim (MIA Membership Number: 24445), being the officer primarily responsible for the financial management of AwanBiru Technology Berhad (formerly known as Prestariang Berhad), do solemnly and sincerely declare that the financial statements set out on pages 137 to 238 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Ainun Mardziah binti Hashim,
at Kuala Lumpur
in the Federal Territory
on this 29 September 2021



Before me

B-1-2, Blok B, Tingkat 1, Unit 2
Megan Avenue II
No 12, Jalan Yap Kwan Seng,
50450, Kuala Lumpur



Ainun Mardziah binti Hashim

Independent Auditors' Report

To the Members of AwanBiru Technology Berhad (Formerly known as Prestariang Berhad)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AwanBiru Technology Berhad (formerly known as Prestariang Berhad), which comprise the statements of financial position as at 30 June 2021 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 137 to 238.

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 2021, 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 the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and International Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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.

Key Audit Matters (Cont'd)

| Impairment assessment of trade receivables | |
|--|--|
| Refer to Notes 13 and 51.1(b)(iii) to the financial statements | |
| Key Audit Matter | How our audit addressed the key audit matter |
| <p>As at 30 June 2021, trade receivables amounted to approximately RM187.62 million (included an amount of RM182.798 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 51.1(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; • Examined other evidence including customers' correspondences, proposed or existing settlement plans, repayment schedules, etc; and • Evaluating the reasonableness and adequacy of the allowance for impairment loss recognised. |

Independent Auditors' Report

To the Members of AwanBiru Technology Berhad (Formerly known as Prestariang Berhad) (Cont'd)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

| Revenue recognition from contracts with customers | |
|--|--|
| Refer to Notes 5.23, 30 and 35 to the financial statements | |
| Key Audit Matter | How our audit addressed the key audit matter |
| <p>During the financial year ended 30 June 2021, the Group recognised revenue amounting to RM104.9 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. Allocation of transaction price to the identified performance obligations 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 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 2021, the Group had recognised contract liabilities amounting to RM9.6 million.</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. |

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.

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

To the Members of AwanBiru Technology Berhad (Formerly known as Prestariang Berhad) (Cont'd)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

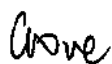
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

29 September 2021



Onn Kien Hoe

01772/11/2022 J

Chartered Accountant

Statements of Financial Position

At 30 June 2021

| | Note | The Group | | | The Company | |
|---|------|---------------------|-----------------------------------|----------------------------------|---------------------|---------------------|
| | | 30.6.2021 RM'000 | 30.6.2020 RM'000 (Restated) | 1.7.2019 RM'000 (Restated) | 30.6.2021 RM'000 | 30.6.2020 RM'000 |
| ASSETS | | | | | | |
| NON-CURRENT ASSETS | | | | | | |
| Investments in subsidiaries | 6 | - | - | - | 20,516 | 20,847 |
| Property and equipment | 7 | 10,684 | 23,194 | 17,813 | - | - |
| Investment properties | 8 | 11,430 | 27,510 | 35,089 | - | - |
| Right-of-use assets | 9 | - | - | 111 | - | - |
| Other investment | 10 | - | - | 8,427 | - | - |
| Development costs | 11 | 32 | 43 | 54 | - | - |
| | | 22,146 | 50,747 | 61,494 | 20,516 | 20,847 |
| CURRENT ASSETS | | | | | | |
| Contract costs | 12 | 356 | 4,297 | 19,217 | - | - |
| Trade receivables | 13 | 187,622 | 225,558 | 212,028 | - | - |
| Other receivables, deposits and prepayments | 14 | 126,738 | 3,715 | 5,752 | 95 | 28 |
| Amount owing by subsidiaries | 15 | - | - | - | 67,788 | 62,087 |
| Short-term investments | 16 | 10,041 | 40 | 40 | 10,041 | 40 |
| Current tax assets | | 91 | 69 | 23 | 12 | 12 |
| Cash and bank balances | 17 | 30,552 | 12,347 | 7,166 | 21,425 | 74 |
| | | 355,400 | 246,026 | 244,226 | 99,361 | 62,241 |
| Assets of disposal group classified as held for sale | 18 | 25,000 | 5,695 | - | - | - |
| | | 380,400 | 251,721 | 244,226 | 99,361 | 62,241 |
| TOTAL ASSETS | | 402,546 | 302,468 | 305,720 | 119,877 | 83,088 |
| EQUITY AND LIABILITIES | | | | | | |
| EQUITY | | | | | | |
| Share capital | 19 | 176,672 | 133,803 | 119,700 | 176,672 | 133,803 |
| Treasury shares | 20 | (3,366) | (3,366) | (3,366) | (3,366) | (3,366) |
| Fair value reserve | 21 | - | - | (7,630) | - | - |
| Warrant reserve | 22 | 19,812 | - | - | 19,812 | - |
| Employee share option reserve | 23 | 919 | - | - | 919 | - |
| (Accumulated losses)/ Retained profits | | (15,005) | (24,990) | 1,638 | (74,837) | (70,147) |
| Equity attributable to owners of the Company | | 179,032 | 105,447 | 110,342 | 119,200 | 60,290 |
| Non-controlling interests | 6 | 11,867 | 12,822 | 12,545 | - | - |
| TOTAL EQUITY | | 190,899 | 118,269 | 122,887 | 119,200 | 60,290 |

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

Statements of Financial Position

At 30 June 2021 (Cont'd)

| | Note | The Group | | | The Company | |
|--|------|---------------------|-----------------------------------|----------------------------------|---------------------|---------------------|
| | | 30.6.2021 RM'000 | 30.6.2020 RM'000 (Restated) | 1.7.2019 RM'000 (Restated) | 30.6.2021 RM'000 | 30.6.2020 RM'000 |
| NON-CURRENT LIABILITIES | | | | | | |
| Lease liabilities | 24 | - | - | 54 | - | - |
| Term loans | 25 | 20,275 | 24,163 | 26,240 | - | - |
| Redeemable secured loan stocks | 26 | - | - | 10,000 | - | - |
| Redeemable preference shares "A" | 27 | 152 | 152 | 152 | - | - |
| Deferred tax liabilities | 28 | 16,869 | 16,869 | 16,922 | - | - |
| | | 37,296 | 41,184 | 53,368 | - | - |
| CURRENT LIABILITIES | | | | | | |
| Trade payables | 29 | 154,057 | 54,875 | 59,253 | - | - |
| Contract liabilities | 30 | 9,646 | 16,824 | 19,995 | - | - |
| Other payables and accruals | 31 | 6,468 | 14,112 | 19,809 | 677 | 1,768 |
| Amount owing to directors | 32 | - | 2,477 | 2,133 | - | 595 |
| Amount owing to subsidiaries | 15 | - | - | - | - | 20,435 |
| Lease liabilities | 24 | - | - | 42 | - | - |
| Term loans | 25 | 3,874 | 2,773 | 3,346 | - | - |
| Redeemable secured loan stocks | 26 | - | 10,000 | - | - | - |
| Revolving credits | 33 | - | 19,161 | 17,661 | - | - |
| Bank overdrafts | 34 | - | 7,950 | 6,026 | - | - |
| Current tax liabilities | | 306 | 1,421 | 1,200 | - | - |
| | | 174,351 | 129,593 | 129,465 | 677 | 22,798 |
| Liabilities of disposal group classified as held for sale | 18 | - | 13,422 | - | - | - |
| | | 174,351 | 143,015 | 129,465 | 677 | 22,798 |
| TOTAL LIABILITIES | | 211,647 | 184,199 | 182,833 | 677 | 22,798 |
| TOTAL EQUITY AND LIABILITIES | | 402,546 | 302,468 | 305,720 | 119,877 | 83,088 |

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 2021

| | Note | The Group | | The Company | |
|--|------|-----------------|------------------------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 (Restated) | 2021 RM'000 | 2020 RM'000 |
| REVENUE | 35 | 104,909 | 152,905 | 1,000 | 1,000 |
| COST OF SALES | | (85,123) | (131,139) | - | - |
| GROSS PROFIT | | 19,786 | 21,766 | 1,000 | 1,000 |
| OTHER INCOME | 36 | 7,731 | 545 | 2,828 | - |
| | | 27,517 | 22,311 | 3,828 | 1,000 |
| ADMINISTRATIVE EXPENSES | | (21,646) | (21,690) | (8,276) | (8,708) |
| OTHER EXPENSES | | (8,895) | (3,182) | (242) | (71) |
| FINANCE COSTS | 37 | (2,995) | (4,863) | (1) | - |
| NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS | 38 | (464) | (530) | - | (842) |
| LOSS BEFORE TAXATION | 39 | (6,483) | (7,954) | (4,691) | (8,621) |
| INCOME TAX EXPENSE | 42 | (500) | (1,215) | - | - |
| LOSS AFTER TAXATION FROM CONTINUING OPERATIONS | | (6,983) | (9,169) | (4,691) | (8,621) |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | 43 | 16,332 | (8,858) | - | - |
| PROFIT/(LOSS) AFTER TAXATION | | 9,349 | (18,027) | (4,691) | (8,621) |
| OTHER COMPREHENSIVE EXPENSES | | | | | |
| <u>Item that Will Not be Reclassified Subsequently to Profit or Loss</u> | | | | | |
| Fair value changes of equity instrument | | - | (694) | - | - |
| TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR | | 9,349 | (18,721) | (4,691) | (8,621) |

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 2021 (Cont'd)

| | Note | The Group | | The Company | |
|---|------|----------------|------------------------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 (Restated) | 2021 RM'000 | 2020 RM'000 |
| PROFIT/(LOSS) AFTER TAXATION | | | | | |
| ATTRIBUTABLE TO:- | | | | | |
| Owners of the Company: | | | | | |
| - continuing operations | | (6,347) | (9,446) | (4,691) | (8,621) |
| - discontinued operations | | 16,332 | (8,858) | - | - |
| | | 9,985 | (18,304) | (4,691) | (8,621) |
| Non-controlling interests | | (636) | 277 | - | - |
| | | 9,349 | (18,027) | (4,691) | (8,621) |
| TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:- | | | | | |
| Owners of the Company: | | | | | |
| - continuing operations | | (6,347) | (10,140) | (4,691) | (8,621) |
| - discontinued operations | | 16,332 | (8,858) | - | - |
| | | 9,985 | (18,998) | (4,691) | (8,621) |
| Non-controlling interests | | (636) | 277 | - | - |
| | | 9,349 | (18,721) | (4,691) | (8,621) |
| EARNINGS/(LOSS) PER SHARE (SEN) | 44 | | | | |
| Basic: | | | | | |
| - continuing operations | | (0.93) | (1.95) | | |
| - discontinued operations | | 2.39 | (1.83) | | |
| Diluted: | | | | | |
| - continuing operations | | (0.90) | (1.95) | | |
| - discontinued operations | | 2.30 | (1.83) | | |

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

Statements of Changes in Equity

For The Financial Year Ended 30 June 2021

| Note | Share Capital RM'000 | Treasury Shares RM'000 | Non-Distributable | | Distributable | | Attributable to Owners of the Company RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|--|-------------------------|---------------------------|------------------------------|---------------------------|---|-----------------------------------|---|-------------------------------------|------------------------|
| | | | Fair Value Reserve RM'000 | Warrant Reserve RM'000 | Employee Share Option Reserve RM'000 | Retained Profits/Losses RM'000 | | | |
| The Group | | | | | | | | | |
| Balance at 1.7.2019: | | | | | | | | | |
| - As previously reported | 119,700 | (3,366) | (7,630) | - | - | 1,168 | 109,872 | 12,545 | 122,417 |
| - Prior year adjustments | 55 | - | - | - | - | 470 | 470 | - | 470 |
| - As restated | 119,700 | (3,366) | (7,630) | - | - | 1,638 | 110,342 | 12,545 | 122,887 |
| Loss after taxation for the financial year: | | | | | | | | | |
| - As previously reported | | - | - | - | - | (17,171) | (17,171) | 277 | (16,894) |
| - Prior year adjustments | 55 | - | - | - | - | (1,133) | (1,133) | - | (1,133) |
| - As restated | | - | - | - | - | (18,304) | (18,304) | 277 | (18,027) |
| Other comprehensive expenses for the financial year: | | | | | | | | | |
| - Fair value changes of equity instruments | | - | (694) | - | - | - | (694) | - | (694) |
| Total comprehensive expenses for the financial year | | - | (694) | - | - | (18,304) | (18,998) | 277 | (18,721) |
| Balance carried forward | 119,700 | (3,366) | (8,324) | - | - | (16,666) | 91,344 | 12,822 | 104,166 |
| Distributions to the owners of the Company: | | | | | | | | | |
| - Issuance of ordinary shares | 19 | 14,103 | - | - | - | - | 14,103 | - | 14,103 |
| Disposal of other investment | 21 | - | 8,324 | - | - | (8,324) | - | - | - |
| Balance at 30.6.2020 | 133,803 | (3,366) | - | - | - | (24,990) | 105,447 | 12,822 | 118,269 |

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

Statements of Changes in Equity

For The Financial Year Ended 30 June 2021 (Cont'd)

| Note | Share Capital RM'000 | Treasury Shares RM'000 | Non-Distributable | | Distributable | | Attributable to Owners of the Company RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|--|-------------------------|---------------------------|------------------------------|---------------------------|---|-----------------------------------|--|-------------------------------------|------------------------|
| | | | Fair Value Reserve RM'000 | Warrant Reserve RM'000 | Employee Share Option Reserve RM'000 | Retained Profits/Losses RM'000 | | | |
| The Group | | | | | | | | | |
| Balance at 1.7.2020 | | | | | | | | | |
| - As previously reported | 133,803 | (3,366) | - | - | - | (24,327) | 106,110 | 12,822 | 118,932 |
| - Prior year adjustments | 55 | - | - | - | - | (663) | (663) | - | (663) |
| - As restated | 133,803 | (3,366) | - | - | - | (24,990) | 105,447 | 12,822 | 118,269 |
| Profit after taxation/ Total comprehensive income for the financial year | - | - | - | - | - | 9,985 | 9,985 | (636) | 9,349 |
| Contributions by and distributions to owners of the Company: | | | | | | | | | |
| - Issuance of ordinary shares | 42,869 | - | - | 19,812 | - | - | 62,681 | - | 62,681 |
| - Share options to employees | - | - | - | - | 919 | - | 919 | - | 919 |
| - Capital reduction in a subsidiary | - | - | - | - | - | - | - | (319) | (319) |
| Total transactions with owners | 42,869 | - | - | 19,812 | 919 | - | 63,600 | (319) | 63,281 |
| Balance at 30.6.2021 | 176,672 | (3,366) | - | 19,812 | 919 | (15,005) | 179,032 | 11,867 | 190,899 |

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

| | | | | Non-Distributable Employee Share | Distributable | | |
|---|------|----------------------------|------------------------------|--|-----------------------------|---------------------------------|---------------------------|
| | Note | Share Capital RM'000 | Treasury Shares RM'000 | Warrant Reserve RM'000 | Option Reserve RM'000 | Accumulated Losses RM'000 | Total Equity RM'000 |
| The Company | | | | | | | |
| Balance at 1.7.2019 | | 119,700 | (3,366) | - | - | (61,525) | 54,809 |
| Contributions by owners of the Company: | | | | | | | |
| - Issuance of ordinary shares | 19 | 14,103 | - | - | - | - | 14,103 |
| Loss after taxation/Total comprehensive expenses for the financial year | | - | - | - | - | (8,621) | (8,621) |
| Balance at 30.6.2020/1.7.2020 | | 133,803 | (3,366) | - | - | (70,146) | 60,291 |
| Contributions by owners of the Company: | | | | | | | |
| - Issuance of ordinary shares | | 42,869 | - | 19,812 | - | - | 62,681 |
| - Share options to employees | | - | - | - | 919 | - | 919 |
| | | 42,869 | - | 19,812 | 919 | - | 63,600 |
| Loss after taxation/Total comprehensive expenses for the financial year | | - | - | - | - | (4,691) | (4,691) |
| Balance at 30.6.2021 | | 176,672 | (3,366) | 19,812 | 919 | (74,837) | 119,200 |

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

Statements of Cash Flows

For The Financial Year Ended 30 June 2021

| | Note | The Group | | The Company | |
|---|------|-----------------|------------------------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 (Restated) | 2021 RM'000 | 2020 RM'000 |
| CASH FLOWS FROM/(FOR) | | | | | |
| OPERATING ACTIVITIES | | | | | |
| (Loss)/Profit before taxation: | | | | | |
| - continuing operations | | (6,483) | (7,954) | (4,691) | (8,621) |
| - discontinued operations | 43 | 16,332 | (8,858) | - | - |
| | | 9,849 | (16,812) | (4,691) | (8,621) |
| Adjustments for:- | | | | | |
| Amortisation of development costs | | 11 | 11 | - | - |
| Bad debts written off | | 981 | - | 110 | - |
| Depreciation of property and equipment | | 2,367 | 2,600 | - | - |
| Depreciation of right-of-use assets | | - | 41 | - | - |
| Impairment loss on: | | | | | |
| - property and equipment | | - | 288 | - | - |
| - non-current asset held for sale | | 3,041 | - | - | - |
| - contract costs | | 1,628 | - | - | - |
| - trade receivables | | 464 | 3,771 | - | - |
| - other receivables | | - | 20 | - | - |
| - amount owing by subsidiaries | | - | - | - | 842 |
| Interest expense | | 2,908 | 4,640 | - | - |
| ESOS expenses | | 919 | - | 919 | - |
| Unrealised loss on foreign exchange | | - | 616 | - | - |
| Fair value gain on investment properties | | (981) | (191) | - | - |
| Gain on disposal of subsidiaries | | (22,031) | - | (2,500) | - |
| Loss/(Gain) on disposal of property and equipment | 45 | 180 | (20) | - | - |
| Interest income | | (546) | - | (328) | - |
| Profit from deposits with licensed Islamic banks | | - | (84) | - | - |
| Reversal of impairment loss on trade receivables | | - | (265) | - | - |
| Unrealised gain on foreign exchange | | - | (238) | - | - |
| Operating loss before working capital changes carried forward | | (1,210) | (5,623) | (6,490) | (7,779) |
| Decrease in contract costs | | 2,331 | 14,902 | - | - |
| (Increase)/Decrease in trade and other receivables | | 40,227 | (20,338) | (177) | (7) |
| (Decrease)/Increase in contract liabilities | | (5,715) | (866) | - | - |
| Increase in trade and other payables | | (25,264) | 664 | (1,090) | 1,094 |

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

| | Note | The Group | | The Company | |
|--|-------|-----------------|------------------------------|-----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 (Restated) | 2021 RM'000 | 2020 RM'000 |
| CASH FLOW FROM/(FOR) OPERATIONS | | 10,369 | (11,261) | (7,757) | (6,692) |
| Interest paid | | (2,908) | (4,640) | - | - |
| Income tax paid | | (1,143) | (1,093) | - | - |
| NET CASH FROM/(FOR) OPERATING ACTIVITIES | | 6,318 | (16,994) | (7,757) | (6,692) |
| CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES | | | | | |
| Net cash inflow from the disposal of subsidiaries | 45 | 2,134 | - | 2,500 | - |
| Interest income received | | 546 | 84 | 328 | - |
| Withdrawal/(Placement) of deposit pledged with a licensed bank | | 1,820 | (1,728) | - | - |
| Proceeds from disposal of: | | | | | |
| - other investment | | - | 7,733 | - | - |
| - property and equipment | | 337 | 90 | - | - |
| Purchase of property and equipment | | (1,793) | (499) | - | - |
| (Advances to)/Repayment from subsidiaries | | - | - | (5,370) | 1,348 |
| NET CASH FLOW FROM/(FOR) INVESTING ACTIVITIES | | 3,044 | 5,680 | (2,542) | 1,348 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| (Repayment to)/Advances from directors | 46(a) | (2,477) | 344 | (595) | 90 |
| (Repayment)/Drawdown of revolving credits | 46(a) | (19,161) | 1,500 | - | - |
| Proceeds from issuance of ordinary shares | | 62,681 | 14,103 | 62,681 | 14,103 |
| Repayment of lease obligations | 46(a) | - | (96) | - | - |
| Repayment of term loans | 46(a) | (2,787) | (2,650) | - | - |
| Repayment of redeemable secure loan stock | 46(a) | (10,000) | - | - | - |
| Repayment to subsidiaries | 46(a) | - | - | (20,435) | (8,779) |
| NET CASH FROM FINANCING ACTIVITIES | | 28,256 | 13,201 | 41,651 | 5,414 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 37,618 | 1,887 | 31,352 | 70 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | (1,149) | (3,036) | 114 | 44 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 46(b) | 36,469 | (1,149) | 31,466 | 114 |

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

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

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 12,
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 29 September 2021.

2. CHANGE OF NAME

On 16 December 2020, the Company changed its name from Prestariang Berhad to AwanBiru Technology Berhad.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

4. 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.

4.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: COVID-19-Related Rent Concessions

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 3: Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2 | 1 January 2021 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendment to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| Amendments to MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendment to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108: Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018 – 2020 | 1 January 2022 |

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property and Equipment and Development Cost

The Group determines whether its property and equipment and development cost 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.

(c) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables.

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. 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 as well as forward-looking information incorporating the impact of COVID-19 pandemic.

(e) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 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 an 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 is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

(c) Share-based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

5.2 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

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.

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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

(ii) Acquisition Method of Accounting for Non-common Control Business Combinations (Cont'd)

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.

(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 on 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 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.

5.4 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 - Revenue from Contracts with Customers 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

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 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).

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 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.

(iii) Redeemable Convertible Preference Shares

Redeemable convertible preference shares are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary.

Redeemable convertible preference shares are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on Redeemable convertible preference shares are recognised as distributions within equity.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 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 specific 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.

5.5 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 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 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 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 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.

5.8 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:-

- (i) its ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible;
- (iii) its future economic benefits are probable;
- (iv) its intention to complete and the ability to use or sell the developed asset; and
- (v) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.10 CONTRACT COSTS

(a) Incremental Costs of Obtaining A Contract

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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 CONTRACT COSTS (CONT'D)

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.

5.11 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 - Financial Instruments.

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.

5.12 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.

5.13 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 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 and trade receivables.

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 statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets 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 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 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.

5.15 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.

5.16 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16 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.

5.17 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 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 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.

5.18 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.

5.19 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.20 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.

5.21 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.

5.22 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.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.23 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.

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.

(a) Sale of Hardware and Software Licences

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 may be 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 because only the passage of time is required before the payment is due.

(b) Rendering of ICT training and certification

Revenue for ICT training and certification is recognised as the services are delivered.

(c) Educational Services

Tuition, registration fees and resource fees are recognised over a period of time when the services are rendered.

Fee received in advance is not recognised as revenue as the performance obligation is not satisfied and therefore a contract liability is recognised over the period in which the conduct of classes representing the Group's obligation to the student to-date.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(d) Employment Services

Revenue from providing employment services is recognised over time in the period in which the services are rendered. This is determined based on the actual labour hours spent.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

5.24 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.

6. INVESTMENTS IN SUBSIDIARIES

| | The Company | |
|---|--------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Unquoted shares, at cost:- | | |
| At 1 July 2020/2019 | 21,347 | 41,347 |
| Capital reduction in a subsidiary | (331) | - |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | - | (20,000) |
| | 21,016 | 21,347 |
| Less: Accumulated impairment losses | (500) | (500) |
| At 30 June | 20,516 | 20,847 |
| Accumulated impairment losses:- | | |
| At 1 July 2020/2019 | (500) | (20,500) |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | - | 20,000 |
| At 30 June | (500) | (500) |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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 |
|--|---|--------|---|
| | 2021 % | 2020 % | |
| <i>Subsidiaries of the Company</i> | | | |
| Prestariang Systems Sdn. Bhd. ("PSSB") | 100 | 100 | Providing Information and Communication Technology ("ICT") training and certification, and software license distribution and management. |
| Prestariang Education Sdn. Bhd. ("PESB") | - | 100 | Providing personalised ICT education in a diverse and vibrant community. |
| Agensi Pekerjaan Prestariang Talentxchange Sdn. Bhd. ("PTXSB") | 100 | 100 | Professional recruitment and job placement services, including human resources and management consulting and career transition services. |
| Prestariang O&G Sdn. Bhd. ("POGSB") | 51 | 51 | Providing training and placement services as well as employment and documentation services for foreign workers. |
| 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. ("PDSB") | 100 | 100 | Dormant. |
| Prestariang Capital Sdn. Bhd. ("PCSB") | 100 | 100 | Investment holding. |
| Awantec Services Sdn. Bhd. (formerly known as Prestariang Services Sdn. Bhd.) ("ASV") | 70 | 70 | Investment holding. |

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

| Name of Subsidiary | Percentage of Issued Share Capital Held by Parent | | Principal Activities |
|---|---|--------|--|
| | 2021 % | 2020 % | |
| <i>Subsidiary of PTSB</i> | | | |
| Total Leap Sdn. Bhd. ("TLSB") | 100 | 100 | Other services activities as general traders and provide advisory, consultancy and management services for relevant industries. The company has not commenced its business operations during the financial year. |
| <i>Subsidiaries of PSSB</i> | | | |
| Logisys Sdn. Bhd. ("LSB") | 100 | 100 | Other information technology service activities. The company has not commenced its business operations during the financial year. |
| Prestariang R&D Sdn. Bhd. ("PR&D") | 100 | 100 | Other services activities n.e.c. The company has not commenced its business operations during the financial year. |
| <i>Subsidiaries of ASV</i> | | | |
| Prestariang Skin Sdn. Bhd. ("PSKIN") | 100 | 100 | Providing a special purpose vehicle solely for the purpose to study, design, develop, customise, supply, deliver, install, configure, integrate, interface, test, commission, support and maintain the immigration system known as Sistem Kawalan Imigresen Nasional ("SKIN"). |
| Prestariang Tech Services Sdn. Bhd. ("PTSSB") | * | 100 | Commenced Creditors' Voluntary Winding Up proceedings liquidation on 1 April 2021. |

- * The Group held 70% indirect equity interests in PTSSB. PTSSB has been deconsolidated from the Group during the financial year as the Group is deemed to have lost control over the subsidiary as a results of the liquidation of PTSSB, as disclosed in Note 45(b) to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) During the current financial year, the Company has disposed of its entire equity interest in PESB. The details of the disposal are disclosed in Note 45(a) to the financial statements.
- (b) The non-controlling interests at the end of the reporting period comprise the following:-

| | Effective Equity Interest | | The Group | |
|--|---------------------------|-----------|----------------|----------------|
| | 2021 % | 2020 % | 2021 RM'000 | 2020 RM'000 |
| ASV | 30 | 30 | 11,689 | 12,145 |
| Other individually immaterial subsidiary | 49 | 49 | 178 | 677 |
| | | | 11,867 | 12,822 |

- (c) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

| | ASV and its subsidiaries | |
|--|--------------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| <u>At 30 June</u> | | |
| Non-current assets | - | 561 |
| Current assets | 303,752 | 183,246 |
| Non-current liabilities | (17,020) | (17,020) |
| Current liabilities | (247,767) | (129,227) |
| Net assets | 38,965 | 37,560 |
| <u>Financial Year Ended 30 June</u> | | |
| Revenue | - | - |
| Profit/(loss) for the financial year | 1,404 | (1,581) |
| Total comprehensive income/(expenses) | 1,404 | (1,581) |
| Net cash flows for operating activities | (13,504) | (2,196) |
| Net cash flows for investing activities | - | - |
| Net cash flows from financing activities | 13,488 | 2,079 |

7. 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 | | | | | | | | |
| 2021 | | | | | | | | |
| Cost | | | | | | | | |
| At 1 July 2020 | 13,024 | 7,224 | 4,114 | 4,159 | 5,885 | 330 | 77 | 34,813 |
| Additions | - | 111 | - | 290 | 80 | - | 1,056 | 1,537 |
| Disposal | - | (348) | - | (215) | - | - | - | (563) |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | (7,770) | (165) | (1,113) | (222) | (2,538) | - | (460) | (12,268) |
| Disposal of a subsidiary | - | (387) | - | - | - | - | - | (387) |
| At 30 June | 5,254 | 6,435 | 3,001 | 4,012 | 3,427 | 330 | 673 | 23,132 |
| Accumulated Depreciation | | | | | | | | |
| At 1 July 2020 | 1,127 | 3,957 | 1,472 | 1,624 | 3,142 | 297 | - | 11,619 |
| Charge for the financial year (Note 39, 43) | 242 | 959 | 360 | 368 | 409 | 27 | - | 2,365 |
| Disposal during the financial year | - | (46) | - | - | - | - | - | (46) |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | (206) | (85) | (306) | (52) | (639) | - | - | (1,288) |
| Disposal of a subsidiary | - | (202) | - | - | - | - | - | (202) |
| At 30 June | 1,163 | 4,583 | 1,526 | 1,940 | 2,912 | 324 | - | 12,448 |
| Net Carrying Amount | | | | | | | | |
| At 30 June | 4,091 | 1,852 | 1,475 | 2,072 | 515 | 6 | 673 | 10,684 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

7. 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 | | | | | | | | |
| 2020 | | | | | | | | |
| Cost | | | | | | | | |
| At 1 July 2019 | 5,254 | 8,435 | 4,914 | 5,351 | 5,943 | 435 | 76 | 30,408 |
| Additions | - | 360 | 5 | 133 | - | - | 1 | 499 |
| Transfer from investment properties (Note 8) | 7,770 | - | - | - | - | - | - | 7,770 |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | - | (1,571) | (805) | (1,325) | (58) | (105) | - | (3,864) |
| At 30 June | 13,024 | 7,224 | 4,114 | 4,159 | 5,885 | 330 | 77 | 34,813 |
| Accumulated Depreciation | | | | | | | | |
| At 1 July 2019 | 954 | 3,886 | 1,486 | 1,722 | 2,677 | 370 | - | 11,095 |
| Charge for the financial year (Note 39, 43) | 173 | 1,132 | 366 | 375 | 522 | 32 | - | 2,600 |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | - | (1,061) | (380) | (473) | (57) | (105) | - | (2,076) |
| At 30 June | 1,127 | 3,957 | 1,472 | 1,624 | 3,142 | 297 | - | 11,619 |
| Accumulated Impairment Losses | | | | | | | | |
| At 1 July 2019 | - | 331 | 425 | 744 | - | - | - | 1,500 |
| Impairment losses for the year (Note 43) | - | 180 | - | 108 | - | - | - | 288 |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | - | (511) | (425) | (852) | - | - | - | (1,788) |
| At 30 June | - | - | - | - | - | - | - | - |
| Net Carrying Amount | | | | | | | | |
| At 30 June | 11,897 | 3,267 | 2,642 | 2,535 | 2,743 | 33 | 77 | 23,194 |

7. PROPERTY AND EQUIPMENT (CONT'D)

- (a) In the previous financial year, the freehold buildings of the Group amounted to RM7,692,000 have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25(b) to the financial statements.
- (b) In the previous financial year, the freehold buildings of the Group amounted to RM4,205,000 have been pledged to a licensed bank as security for redeemable secured loan stocks as disclosed in Note 26 to the financial statements.
- (c) The titles of the freehold buildings are in the process of being issued to the Group by the relevant authority.
- (d) In the previous financial year, the Group has carried out a review of the recoverable amount of certain equipment in a subsidiary which had been persistently making losses. An impairment loss of RM288,000, represented the write-down of the equipment to the recoverable amount was recognised in profit or loss under the "Loss After Taxation From Discontinued Operations" line item of the statements of profit or loss and other comprehensive income as disclosed in Note 43 to the financial statements.

8. INVESTMENT PROPERTIES

| | The Group | |
|---|-----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| <i>Carrying Amount</i> | | |
| Freehold commercial buildings, at fair value | | |
| At 1 July 2020/2019 | 27,510 | 35,089 |
| Gain on changes in fair value (Note 36) | 981 | 191 |
| Transfer to property and equipment (Note 7) | - | (7,770) |
| Reclassified to assets of disposal group classified as held for sales (Note 18) | (17,061) | - |
| At 30 June | 11,430 | 27,510 |

- (a) The freehold buildings amounting to RM11,430,000 (2020 - RM11,430,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25(c) to the financial statements.
- (b) In the previous financial year, the freehold buildings amounted to RM16,080,000 have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25(b) to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

8. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales 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 levels of fair value hierarchy during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

- (d) The title of the freehold buildings are in the process of being issued to the Group by the relevant authority.

9. RIGHT-OF-USE ASSETS

| | The Group | |
|---------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| <i>Motor Vehicles</i> | | |
| Cost | | |
| At 1 July 2020/2019 | - | 234 |
| Disposal | - | (234) |
| At 30 June | - | - |
| Accumulated Depreciation | | |
| At 1 July 2020/2019 | - | 123 |
| Depreciation charges | - | 41 |
| Disposal | - | (164) |
| At 30 June | - | - |
| Net Carrying Amount | | |
| At 30 June | - | - |

10. OTHER INVESTMENT

| | The Group | |
|------------------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| At 1 July 2020/2019 | - | 8,427 |
| Disposal during the financial year | - | (7,733) |
| Changes in fair value | - | (694) |
| At 30 June | - | - |

In the previous financial year, the Group has disposed of its investments in Entity A as this investment no longer suited the Group's investment strategy. The shares sold had a fair value of RM7,733,000 at the time of sale and the Group realised a cumulative loss of RM8,324,000 by transferring the associated fair value reserve to accumulated losses.

11. DEVELOPMENT COSTS

| | The Group | |
|--|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Cost | | |
| At 1 July 2020/2019 | 14,591 | 14,591 |
| Write-off during the financial year | (500) | - |
| At 30 June | 14,091 | 14,591 |
| Accumulated Amortisation | | |
| At 1 July 2020/2019 | (1,401) | (1,390) |
| Addition during the financial year (Note 39) | (11) | (11) |
| At 30 June | (1,412) | (1,401) |
| Accumulated Impairment Losses | | |
| At 1 July 2020/2019 | (13,147) | (13,147) |
| Write-off during the financial year | 500 | - |
| At 30 June | (12,647) | (13,147) |
| Net Carrying Amount | 32 | 43 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

11. DEVELOPMENT COSTS (CONT'D)

- (a) Development costs at the end of the reporting period comprised:-

| | The Group | |
|---|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Development of Accredited Prestariang Skill Training Institute, a development in accredited training centre at Pengerang Johor for Technical and Vocational Education and Training (TVET) program | 32 | 43 |

- (b) The Group has assessed the recoverable amounts of development costs and determined that no impairment losses is required. The recoverable amounts of the development costs are determined using the value in use approach, and this is derived from the present value of the future cash flows from each development costs unit computed based on the projections of financial budgets approved by management covering a period of 3 years.

12. CONTRACT COSTS

| | The Group | |
|---------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Costs to fulfil a contract: | | |
| - customer's order in future | 1,984 | 4,297 |
| Allowance for impairment losses | (1,628) | - |
| | 356 | 4,297 |

- (a) The costs incurred are to be recognised to the profit or loss based on the specific contract it relates to, consistent with the pattern of recognition of the revenue.
- (b) During the financial year, an impairment loss of RM1,628,000 (2020 - Nil) has been recognised as the management does not expect contract costs to be fully recovered due to the termination of a major contract during the current financial year.

13. TRADE RECEIVABLES

| | The Group | |
|---|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Trade receivables | 197,908 | 235,380 |
| Allowance for impairment losses | (10,286) | (9,822) |
| | 187,622 | 225,558 |
| Allowance for impairment losses:- | | |
| At 1 July | (9,822) | (15,336) |
| Addition during the financial year (Note 38, 43) | (464) | (3,771) |
| Reclassified to assets of disposal group classified as held for sales | - | 9,020 |
| Reversal during the financial year (Note 38) | - | 265 |
| At 30 June | (10,286) | (9,822) |

- (a) Trade receivables are non-interest bearing and are generally on 30 to 60 (2020 - 30 to 60) days credit terms. They are recognised at their original invoiced amounts less trade discounts which represent their fair values on initial recognition.
- (b) Included in the trade receivables of the Group is an amount of RM182,798,000 (2020 - RM182,798,000) owing by the Government of Malaysia ("GOM") in relation to the development of SKIN Solution.

As disclosed in Note 54 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 2021

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Other receivables:- | | | | |
| Third parties | 128,433 | 3,817 | 2,671 | 2,599 |
| Goods and services tax receivables | 50 | 135 | - | - |
| | 128,483 | 3,952 | 2,671 | 2,599 |
| Allowance for impairment losses | (2,607) | (2,607) | (2,599) | (2,599) |
| | 125,876 | 1,345 | 72 | - |
| Other deposits | 666 | 977 | - | - |
| Prepayments | 196 | 1,393 | 23 | 28 |
| | 126,738 | 3,715 | 95 | 28 |
| Allowance for impairment losses:- | | | | |
| At 1 July 2020/2019 | (2,607) | (3,156) | (2,599) | (2,599) |
| Addition during the financial year (Note 43) | - | (20) | - | - |
| Reclassified to assets of disposal group classified as held for sales | - | 569 | - | - |
| At 30 June | (2,607) | (2,607) | (2,599) | (2,599) |

Included in other receivables of the Group is an amount RM124,542,000 (2020 - Nil) owing by PTSSB, a subsidiary which has been deconsolidated as explained in Note 6 to the financial statements. The Group, via PSKIN, in turn owes PTSSB a total of RM149,416,000. The debt owed by PSKIN to PTSSB shall be settled in accordance with the scheme of arrangement as explained in Note 52(c) 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.

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

| | The Company | |
|--|--------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Amount Owing by Subsidiaries | | |
| <u>Current</u> | | |
| Non-trade balances | 76,218 | 70,517 |
| Allowance for impairment losses | (8,430) | (8,430) |
| | 67,788 | 62,087 |
| Allowance for impairment losses:- | | |
| At 1 July 2020/2019 | (8,430) | (32,189) |
| Addition during the financial year (Note 38) | - | (842) |
| Written off | - | 24,601 |
| At 30 June | (8,430) | (8,430) |
| Amount Owing to Subsidiaries | | |
| <u>Current</u> | | |
| Non-trade balances | - | (20,435) |

(a) The following table provides information on the amounts owing by subsidiaries prior to their offsetting:-

| | Gross Amount RM'000 | Amount Offset RM'000 | Net Carrying Amount RM'000 |
|--------------------|------------------------------------|-------------------------------------|---|
| The Company | | | |
| 2021 | | | |
| Amount owing by | 127,013 | (50,795) | 76,218 |
| Amount owing to | (50,795) | 50,795 | - |
| 2020 | | | |
| Amount owing by | 124,880 | (54,363) | 70,517 |
| Amount owing to | (74,798) | 54,363 | (20,435) |

(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 2021

16. SHORT-TERM INVESTMENTS

| | The Group/The Company | |
|-----------------------------------|-----------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Money market funds, at fair value | 10,041 | 40 |

17. CASH AND BANK BALANCES

| | The Group | | The Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Fixed deposits with licensed banks | 25,251 | 5,944 | 21,127 | - |
| Cash and bank balances | 5,301 | 6,403 | 298 | 74 |
| | 30,552 | 12,347 | 21,425 | 74 |

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.50% to 1.80% (2020 - 1.50% to 3.05%) per annum. The fixed deposits have maturity periods ranging from 2 to 365 (2020 - 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 RM4,124,000 (2020 - RM5,944,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 33, 34 and 50 to the financial statements.

18. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The assets and liabilities of the disposal group are as follows:-

| | The Group | | The Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Assets | | | | |
| Investments in subsidiaries (Note 6) | - | - | - | - |
| Property and equipment: | | | | |
| <i>Freehold building</i> | | | | |
| - Cost RM12,268,000, accumulated depreciation RM1,288,000 (Note 7) | 10,980 | - | - | - |
| - Accumulated impairment loss | (3,041) | - | - | - |
| Net carrying amount | 7,939 | - | - | - |
| Investment properties, at fair value (Note 8) | 17,061 | - | - | - |
| Contract costs | - | 18 | - | - |
| Trade receivables | - | 3,670 | - | - |
| Other receivables | - | 1,649 | - | - |
| Cash and bank balances | - | 358 | - | - |
| Assets of disposal group classified as held for sale | 25,000 | 5,695 | - | - |
| Liabilities | | | | |
| Trade payables | - | (1,166) | - | - |
| Other payables and accruals | - | (9,951) | - | - |
| Contract liabilities (Note 30(b)) | - | (2,305) | - | - |
| Liabilities of disposal group classified as held for sale | - | (13,422) | - | - |

- (a) On 8 February 2021, Prestariang Systems Sdn Bhd ("PSSB") has entered into Sale and Purchase Agreements ("SPA") with Serba Dinamik Group Berhad ("SDGB") for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central at Cyberjaya (the "Property") for a total cash consideration of RM24.2 million. SDGB had on 11 January 2021 issued a separate purchase order for the purchase of facilities and fixture at the Property for a total cash consideration of RM0.8 million. As such, total purchase consideration for the Property is valued at RM25 million. The disposal is expected to be completed in the next financial year as disclosed in Note 52(h) to the financial statements. Accordingly, the Property has been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" or "Non-current assets held for sale", measured at its carrying value before it was reclassified as held for sale.

The carrying amount of the non-current asset (excluding the investment property accounted for in accordance with the fair value model) is measured at the lower of its carrying amount and fair value less costs to sell. During the financial year, total impairment loss upon the remeasurement to fair value less costs to sell of RM3.04 million (2020 - Nil) is recognised in profit or loss as disclosed in Note 39 to the financial statements.

The Property of the Group have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25(b) to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

18. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

- (b) On 25 February 2020, the Company announced the disposal of one of its subsidiaries which has been underperforming for the past few financial years. This decision is consistent with the Group's strategy to focus on its core business - software license distribution and ICT training and certification.

In the previous financial year, the assets and liabilities of the subsidiary have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results have also been presented separately on the consolidated statement of profit or loss and other comprehensive income as "Loss after taxation from discontinued operations". The disposal has been completed during the financial year as disclosed in Note 45 to the financial statements.

19. SHARE CAPITAL

| | The Group/The Company | | | |
|--|-----------------------|--------------|----------------|----------------|
| | 2021 '000 | 2020 '000 | 2021 RM'000 | 2020 RM'000 |
| | Number Of Shares | | Amount | |
| Issued and Fully Paid-Up | | | | |
| Ordinary Shares | | | | |
| At 1 July 2020/2019 | 532,230 | 484,000 | 133,803 | 119,700 |
| Issuance of shares through: | | | | |
| - Cash consideration | - | 48,230 | - | 14,103 |
| - Private placement with free warrants | 79,580 | - | 18,874 | - |
| - Right issue with free warrants | 176,842 | - | 23,784 | - |
| - Conversion of warrants | 472 | - | 211 | - |
| At 30 June | 789,124 | 532,230 | 176,672 | 133,803 |

- (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 RM133,802,983 to RM176,672,151 by way of:-
- a private placement of 79,579,740 new ordinary shares at an issue price of RM0.35 each, together with 79,579,740 free warrants for a cash consideration of RM18,874,510 (after net of transaction costs of RM137,090 and allocation of RM8,841,309 to warrant reserve);
 - an issuance of 176,842,127 new ordinary shares pursuant to the right issues with warrants at RM0.20 each, together with 79,579,740 free warrants for a total cash consideration RM23,783,571 (after net of transaction costs of RM355,379 and with allocation of RM11,229,475 to warrant reserve); and
 - an issuance of 471,633 new ordinary shares for a total cash consideration of RM181,579 at an issue price of RM0.385 each from warrants conversion, with transfer of RM29,508 from warrant reserve.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

20. 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 (2020 - 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.

21. FAIR VALUE RESERVE

The fair value reserve represented the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

In the previous financial year, the Group has disposed of its investments designated at fair value through other comprehensive income and realised a cumulative loss of RM8,324,000 by transferred the associated fair value reserve to accumulated losses.

22. 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.

23. EMPLOYEE SHARE OPTION RESERVE

The employee share option reserve represents the equity-settled share options 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 is reduced by the expiry or exercise of the share options.

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 15 September 2020. The ESOS is to be in force for a period of 5 years effective from 25 January 2021.

The main features of the ESOS are as follows:-

- (i) Eligible persons are employees and/or directors of the Group, save for companies which are dormant, who have been confirmed in the employment of the Group.
- (ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (iii) The option price shall be determined by the Option 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%.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

23. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

- (iv) 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.
- (v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu 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.

The option price and the details in the movement of the options granted are as follows:-

| Date of Offer | Exercise Price | Remaining Contractual Life of Options | Number of Options over Ordinary Shares | | | At 30 June 2021 |
|---------------|----------------|---------------------------------------|--|-----------|-----------|-----------------|
| | | | At 1 July 2020 | Granted | Exercised | |
| 16 April 2021 | RM1.02 | 1 year | – | 3,570,100 | – | 3,570,100 |

During the financial year, the Company has granted 3,570,100 (2020 - Nil) share options under the ESOS to eligible directors and employees of the Group. The exercise period of this share options offered is from 16 May 2021 to 15 May 2022.

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 2021 |
|--|-----------------------------------|
| Fair value of share options at the grant date (RM) | 0.2575 |
| Weighted average ordinary share price (RM) | 1.10 |
| Exercise price of share option (RM) | 1.02 |
| Expected volatility (%) | 49.41 |
| Expected life (years) | 1 |
| Risk free rate (%) | 1.82 |
| Expected dividend yield | Nil |

24. LEASE LIABILITIES

| | The Group | |
|---|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| At 1 July 2020/2019 | - | 96 |
| Interest expense recognised in profit or loss (Note 37) | - | 4 |
| Repayment of principal | - | (96) |
| Repayment of interest expense | - | (4) |
| At 30 June | - | - |

25. TERM LOANS

| | The Group | |
|-------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Current liabilities | 3,874 | 2,773 |
| Non-current liabilities | 20,275 | 24,163 |
| | 24,149 | 26,936 |

(a) The interest rate profile of the term loans is summarised below:-

| | Effective Interest Rate | | The Group | |
|--------------------------|--------------------------------|-------------|------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | % | % | RM'000 | RM'000 |
| Floating rate term loans | | | | |
| I | 2.98 | 3.32 | 16,685 | 18,710 |
| II | 3.05 | 3.30 | 7,464 | 8,226 |
| | | | 24,149 | 26,936 |

(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 Notes 7(a), 8(b) and 18(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 Notes 7(a), 8(b) and 18(a) to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

25. TERM LOANS (CONT'D)

- (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 8(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.

26. REDEEMABLE SECURED LOAN STOCKS (“RSLs”)

| | The Group | |
|-------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Current liabilities | - | 10,000 |
| Non-current liabilities | - | - |
| | - | 10,000 |

On 27 May 2019, PSSB, a wholly-owned subsidiary of the Company issued 10,000,000 RSLs at a subscription price of RM1 each to Affin Hwang Asset Management Bhd.

The salient terms, rights and privileges of RSLs are set out below:-

| Terms | Details |
|---------------|--|
| Coupon rate | <p>(a) <u>Preferential Coupon</u></p> <p>(i) a base coupon of 10% per annum from each Issue Date payable annually in arrears; and</p> <p>(ii) an additional “extension premium” coupon (over and above the base coupon) of 2% per annum payable for the Extended Period where applicable; calculated on the subscription price of RM1 per RSLs, payable on the subscription RSLs on each coupon payment date (including the maturity date or the extended maturity date).</p> <p>(b) <u>Special Coupon</u></p> <p>An additional one-off special coupon (over and above Preferential Coupon) which shall be payable within 30 days after occurrence of either one or both of the following events:-</p> <p>(i) 5% of the Aggregate Subscription Price (RM10,000,000) if the Compensation Sum received by PSKIN under the Concession Agreement is between RM150,000,000 and RM174,900,000; or</p> <p>(ii) 10% of the Aggregate Subscription Price (RM10,000,000) if the Compensation Sum received by PSKIN under the Concession Agreement is more than RM174,900,000.</p> <p>The coupon shall constitute direct, unconditional and secured obligations of PSSB and PSSB's payment obligation in respect of the coupon shall rank in priority to all PSSB's present and future unsecured and unsubordinated obligations from time to time (excepts liabilities which preferred solely by the laws of Malaysia) and any payment obligations in respect of all classes of shares of PSSB.</p> |
| Maturity Date | <p>Means the date falling upon the earlier of the following events, or if such date is not a business day, the immediately preceding business day:-</p> <p>(a) 24 calendar months from the Issue Date of the subscription RSLs; or</p> <p>(b) 60 days following occurrence of any of the Acceleration Events.</p> |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

26. REDEEMABLE SECURED LOAN STOCKS ("RSLs") (CONT'D)

The salient terms, rights and privileges of RSLs are set out below (Cont'd):-

| Terms | Details |
|------------------------|---|
| Extended Maturity Date | The date of expiry of extension period. |
| Extended Period | The extension of maturity date for a period of 6 months as may be mutually agreed by the parties. |
| Redemption Price | RM1 per RSLs, together with all coupon accrued and due up until the Maturity Date or the Extended Maturity Date, and any liquidated damages payable if a Termination Event shall occur. |

- (a) In the previous financial year, special coupon amounted to RM1,000,000 has been disclosed as a contingent liability in Note 50 to the financial statements.
- (b) In the previous financial year, the RSLs was secured by:-
- (i) an assignment of receivable executed by a subsidiary;
 - (ii) corporate guarantee executed by the Company; and
 - (iii) assignment of all the rights, benefits, title and interest in respect of the buildings as disclosed in Note 7(b) to the financial statements.

On 14 December 2020, the Company has decided to accelerate the redemption of 10,000,000 RSLs at a redemption price of RM1 each. The Company has obliged to pay the following:-

- (a) any preferential coupon which remains outstanding and payable from the last coupon payment date to the date of redemption of the RSLs;
- (b) special one-off early redemption premium coupon of 1% of the aggregate subscription; and
- (c) any special coupon payable as at the date of redemption.

27. REDEEMABLE PREFERENCE SHARES "A"

| | The Group | | | |
|----------------|-------------------------|-------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | Number Of Shares | | Amount | |
| | '000 | '000 | RM'000 | RM'000 |
| RPS "A" | | | | |
| At 30 June | 152 | 152 | 152 | 152 |

The salient features of RPS "A" 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 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 2021 (Cont'd)

27. REDEEMABLE PREFERENCE SHARES "A" (CONT'D)

The salient features of RPS "A" are as follows (Cont'd):-

On 23 April 2019, ASV declared the payment of a single-tier dividend amounting to RM28,804,190 (Note 50) for RPS "A" which is a 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.

28. DEFERRED TAX LIABILITIES

| | The Group | |
|--|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| At 1 July 2020/2019 | 16,869 | 16,922 |
| Recognised in profit or loss (Note 42) | - | (53) |
| At 30 June | 16,869 | 16,869 |

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

| | The Group | |
|------------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Deferred tax liabilities:- | | |
| Temporary difference on concession | 16,869 | 16,869 |

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

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Unutilised tax losses | 13,585 | 6,444 | 12,796 | 6,444 |
| Unabsorbed capital allowances | 879 | - | - | - |
| Advances from customers | 9,646 | 16,824 | - | - |
| Provisions | 22,721 | 22,090 | - | - |
| Excess of capital allowance over property and equipment | (5,787) | (7,035) | - | - |
| Temporary difference on development costs | (10,983) | (10,983) | - | - |
| | 30,061 | 27,340 | 12,796 | 6,444 |

28. DEFERRED TAX LIABILITIES (CONT'D)

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 unused tax losses expire at end of the year of assessment 2025 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

With effect from year of assessment 2019, unused tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment immediately following that year of assessment.

29. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 (2020 - 60) days.

Included in trade payables is an amount of RM149,416,000 (2020 - Nil) owing by PSKIN to PTSSB, the repayment of which is subject to the proposed scheme of arrangement as disclosed in the Note 52(c) to the financial statements.

30. CONTRACT LIABILITIES

| | The Group | |
|---|------------------|-------------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| | | (Restated) |
| Contract liabilities relating to:- | | |
| - Software license distribution and management and ICT training and certification | 9,646 | 16,824 |

The contract liabilities at the end of reporting period primarily relate to:-

- (a) advance considerations received from a few customers for software license distribution and management and ICT training and certification 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 2021

30. CONTRACT LIABILITIES (CONT'D)

(b) The changes to contract liabilities balances during the financial year are summarised below:-

| | The Group | |
|---|----------------|------------------------------|
| | 2021 RM'000 | 2020 RM'000 (Restated) |
| At 1 July 2020/2019 | 16,161 | 20,465 |
| Billings to customer during the financial year | 6,895 | 9,882 |
| Revenue recognised in profit or loss during the financial year | (12,043) | (11,218) |
| Cash refunded to customer | (1,367) | - |
| Reclassified to liabilities of disposal group classified as held for sale (Note 18) | - | (2,305) |
| At 30 June | 9,646 | 16,824 |

31. OTHER PAYABLES AND ACCRUALS

| | The Group | | The Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Other payables:- | | | | |
| Third parties | 5,231 | 11,779 | 348 | 775 |
| Sales and services tax payable | - | 201 | - | - |
| | 5,231 | 11,980 | 348 | 775 |
| Deposits received | - | 750 | - | 750 |
| Accruals | 1,237 | 1,382 | 329 | 243 |
| | 6,468 | 14,112 | 677 | 1,768 |

(a) Included in other payables of the Group are the following:-

| | The Group | |
|-----------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Interest bearing: | | |
| - Principal component | - | 5,000 |
| - Interest component | - | 392 |
| | - | 5,392 |

In the previous financial year, the amount owing represented advances from a former director of the Company and bore interest rate of 1.5% per month at the end of the reporting period. The amount owing was unsecured, repayable on demand and to be settled in cash.

32. AMOUNT OWING TO DIRECTORS

| | The Group | | The Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Interest bearing:- | | | | |
| - Principal component | - | 1,500 | - | - |
| - Interest component | - | 382 | - | - |
| Non-interest bearing | - | 1,882 | - | - |
| | - | 595 | - | 595 |
| | - | 2,477 | - | 595 |

In the previous financial year:-

- (a) The amount owing was non-trade in nature.
- (b) The non-interest bearing was unsecured, repayable on demand and to be settled in cash.
- (c) The interest-bearing amount at the end of the reporting period bore interest rate of 1.5% per month.

33. REVOLVING CREDITS

In the previous financial year:-

- (a) The revolving credits of the Group bore effective interest rates ranged from 4.13% to 5.00% per annum.
- (b) The revolving credits of the Group were secured by:-
 - (i) a general facility agreement;
 - (ii) fixed deposits of RM2,333,331 of a subsidiary as disclosed in Note 17 to the financial statements; and
 - (iii) a corporate guarantee of the Company.

34. BANK OVERDRAFTS

In the previous financial year, the bank overdrafts of the Group at the end of the reporting period bore effective interest rates ranged from 6.2% to 6.9% per annum and was secured in the same manner as the revolving credits disclosed in Note 33 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

35. REVENUE

| | The Group | | The Company | |
|--|----------------|------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 (Restated) | 2021 RM'000 | 2020 RM'000 |
| Revenue from Contracts with Customers | | | | |
| <u>Continuing Operations</u> | | | | |
| ICT training and certification | 5,085 | 3,240 | - | - |
| Software licence distribution and management | 99,594 | 145,225 | - | - |
| Employment services | 230 | 4,440 | - | - |
| Management fees | - | - | 1,000 | 1,000 |
| | 104,909 | 152,905 | 1,000 | 1,000 |

The information on the disaggregation of revenue is disclosed in Note 48 to the financial statements.

36. OTHER INCOME

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Revenue from other sources | | | | |
| <u>Continuing Operations</u> | | | | |
| Interest income | 546 | - | 328 | - |
| Fair value gain on investment properties (Note 8) | 981 | 191 | - | - |
| Rental income | 861 | - | - | - |
| Gain on disposal of right-of-use asset | - | 20 | - | - |
| Profit from deposits with licensed Islamic banks | - | 83 | - | - |
| Gain on foreign exchange: | | | | |
| - unrealised | - | 238 | - | - |
| - realised | 751 | - | - | - |
| Gain on disposal of subsidiaries | 4,312 | - | 2,500 | - |
| Others | 280 | 13 | - | - |
| | 7,731 | 545 | 2,828 | - |

37. FINANCE COSTS

| | The Group | | The Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| <u>Continuing Operations</u> | | | | |
| Bank charges | 10 | 95 | 1 | - |
| Commission charges | 77 | 128 | - | - |
| Interest expense:- | | | | |
| - advances from other payables | 349 | 919 | - | - |
| - advances from a director | 114 | 269 | - | - |
| - bank overdrafts | 323 | 409 | - | - |
| - lease liabilities | - | 4 | - | - |
| - term loans | 788 | 1,189 | - | - |
| - RSLs | 653 | 1,000 | - | - |
| - revolving credits | 680 | 850 | - | - |
| - others | 1 | - | - | - |
| | 2,908 | 4,640 | - | - |
| | 2,995 | 4,863 | 1 | - |

38. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| <u>Continuing Operations</u> | | | | |
| Impairment losses during the financial year:- | | | | |
| - Additions: | | | | |
| - trade receivables (Note 13) | 464 | 795 | - | - |
| - amount owing by subsidiaries (Note 15) | - | - | - | 842 |
| Reversal of impairment losses: | | | | |
| - trade receivables (Note 13) | - | (265) | - | - |
| | 464 | 530 | - | 842 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

39. LOSS BEFORE TAXATION

In addition to those disclosed in Notes 36, 37 and 38 to the financial statements, loss before taxation is arrived at after charging:-

| | The Group | | The Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| <u>Continuing Operations</u> | | | | |
| Auditors' remuneration: | | | | |
| - audit fee: | | | | |
| - for the financial year | 174 | 169 | 64 | 44 |
| - (over)/underprovision in the previous financial year | - | (10) | - | 10 |
| - non-audit fee | | | | |
| - for the financial year | 6 | 6 | 6 | 6 |
| Amortisation of development costs (Note 11) | 11 | 11 | - | - |
| Bad debts written-off | 981 | - | 110 | - |
| Depreciation of property and equipment (Note 7) | 2,365 | 2,523 | - | - |
| Depreciation of right of use assets (Note 9) | - | 41 | - | - |
| Donation | - | 8 | 149 | 8 |
| Direct operating expenses on investment properties | 70 | 46 | - | - |
| Impairment losses on: | | | | |
| - non-current assets held for sale (Note 18) | 3,041 | - | - | - |
| - contract costs | 1,628 | - | - | - |
| Loss on disposal of property and equipment | 180 | - | - | - |
| Loss on foreign exchange: | | | | |
| - realised | 631 | 376 | - | - |
| - unrealised | - | 616 | - | - |
| Penalty | 124 | 612 | - | 71 |
| Rental expense on: | | | | |
| - equipment | 293 | 463 | - | - |
| - office | 40 | 62 | - | - |
| Staff costs (including directors' remuneration and other key management personnel as disclosed in Note 40) | 12,970 | 17,223 | 7,297 | 6,730 |

40. STAFF COSTS

| | The Group | | The Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| <u>Continuing Operations</u> | | | | |
| Salaries, bonuses and other benefits | 9,846 | 14,604 | 5,227 | 5,192 |
| Defined contribution plans | 1,055 | 1,125 | 590 | 598 |
| Social security costs | 77 | 77 | 33 | 35 |
| ESOS expenses | 919 | - | 919 | - |
| Other staff related expenses | 1,073 | 1,417 | 528 | 905 |
| | 12,970 | 17,223 | 7,297 | 6,730 |

40. STAFF COSTS (CONT'D)

Included in the staff costs of the Group and of the Company are:-

- (a) directors' remuneration amounting to RM1,937,000 and RM1,937,000 (2020 - RM1,700,000 and RM1,700,000) respectively, as further disclosed in Note 41(a) to the financial statements.
- (b) termination costs incurred on the Voluntary Separation Scheme paid to staff amounting to RM302,000 (2020 - RM497,000).

41. 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 | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| (a) Directors | | | | |
| <u>Continuing Operations</u> | | | | |
| <u>Directors of the Company</u> | | | | |
| <i>Executive Directors</i> | | | | |
| Short-term employee benefits: | | | | |
| - salaries, bonuses and other benefits | 1,021 | 1,087 | 1,021 | 1,087 |
| Defined contribution benefits | 172 | 130 | 172 | 130 |
| ESOS expenses | 64 | - | 64 | - |
| | 1,257 | 1,217 | 1,257 | 1,217 |
| <i>Non-Executive Directors</i> | | | | |
| Short-term employee benefits: | | | | |
| - fee | 443 | 330 | 443 | 330 |
| - allowances | 202 | 153 | 202 | 153 |
| ESOS expenses | 35 | - | 35 | - |
| | 680 | 483 | 680 | 483 |
| Total directors' remuneration for continuing operations (Note 40(a)) | 1,937 | 1,700 | 1,937 | 1,700 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

41. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| (a) Directors (Cont'd) | | | | |
| <u>Discontinued Operations</u> | | | | |
| <i>Directors of the Subsidiaries</i> | | | | |
| <i>Executive Directors</i> | | | | |
| Short-term employee benefits: | | | | |
| - salaries, bonuses and other benefits | 13 | 22 | - | - |
| Total directors' remuneration for discontinued operations | 13 | 22 | - | - |

The estimated monetary value of benefits-in-kind provided by the Group to its executive director is RM50,000 (2020 - Nil).

(b) Other Key Management Personnel

Continuing Operations

| | | | | |
|---|-------|-----|---|---|
| Short-term employee benefits | 1,699 | 743 | - | - |
| Defined contribution benefits | 204 | 72 | - | - |
| Total compensation for other key management personnel for continuing operations | 1,903 | 815 | - | - |

Discontinued Operations

| | | | | |
|---|-----|-----|---|---|
| Short-term employee benefits | 167 | 446 | - | - |
| Defined contribution benefits | 11 | 30 | - | - |
| Total compensation for other key management personnel for discontinued operations | 178 | 476 | - | - |

42. INCOME TAX EXPENSE

| | The Group | | The Company | |
|---|------------------|---------------|--------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax:- | | | | |
| - for the financial year | 6 | 971 | - | - |
| - underprovision in the previous financial year | 494 | 297 | - | - |
| | 500 | 1,268 | - | - |
| Deferred tax (Note 28): | | | | |
| - overprovision in the previous financial year | - | (53) | - | - |
| | 500 | 1,215 | - | - |

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

| | The Group | | The Company | |
|---|------------------|-------------------|--------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | |
| Profit/(Loss) after taxation | 9,349 | (18,027) | (4,691) | (8,621) |
| Total income tax expense | 500 | 1,215 | - | - |
| Results from continuing and discontinued operations before income tax expense | 9,849 | (16,812) | (4,691) | (8,621) |
| Tax at the statutory rate of 24% (2020 - 24%) | 2,364 | (4,035) | (1,126) | (2,069) |
| Tax effects of:- | | | | |
| Non-taxable income | (5,271) | (46) | (600) | - |
| Non-deductible expenses | 2,259 | 3,384 | 202 | 2,069 |
| Deferred tax assets not recognised during the financial year | 1,606 | 2,155 | 1,524 | - |
| Utilisation of deferred tax assets not recognised in the previous financial years | (952) | (487) | - | - |
| Under/(Over)provision in the previous financial year: | | | | |
| - current tax | 494 | 297 | - | - |
| - deferred tax | - | (53) | - | - |
| Income tax expense for the financial year | 500 | 1,215 | - | - |

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year.

PSSB, a wholly-owned subsidiary of the Company was granted the Pioneer Status incentive under the Promotion of Investments Act 1986. PSSB will enjoy 30% exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 27 March 2017 until 26 March 2022.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

43. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS

As disclosed in Note 18 to the financial statements, the Group was in the process of disposing of one of its subsidiaries in the previous financial year. The disposal was completed during the financial year as disclosed in Note 45 to the financial statements.

An analysis of the results of the discontinued operations is as follows:-

| | The Group | |
|---|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Revenue | 1,658 | 4,707 |
| Cost of sales | (1,082) | (2,852) |
| Gross profit | 576 | 1,855 |
| Other income | 17,729 | 232 |
| Administrative expenses | 18,305 | 2,087 |
| Other expenses | (1,969) | (7,407) |
| Finance costs | (3) | (432) |
| Impairment losses on financial assets | (1) | (2) |
| | - | (3,104) |
| Profit/(Loss) before taxation | 16,332 | (8,858) |
| Income tax expense | - | - |
| Profit/(Loss) after taxation from discontinued operations | 16,332 | (8,858) |

(a) Included in the profit/(loss) before taxation are the following:-

| | | |
|--|-----------------|-------|
| Depreciation of equipment | 2 | 77 |
| Impairment losses on financial assets: | | |
| - trade receivables (Note 13) | - | 2,976 |
| - other receivables (Note 14) | - | 20 |
| Impairment loss on equipment (Note 7) | - | 288 |
| Gain on disposal of a subsidiary (Note 45) | (17,719) | - |
| Rental expenses on: | | |
| - equipment | 72 | 169 |
| - office | 863 | 1,865 |
| - student accommodation | - | 126 |
| Staff costs | 1,145 | 1,219 |

43. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(b) The cash flows attributable to the discontinued operations are the following:-

| | The Group | |
|--------------------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Net cash for operating activities | - | (4,764) |
| Net cash for investing activities | - | (7) |
| Net cash from financing activities | - | 5,039 |
| Net cash for discontinued operations | - | (268) |

44. EARNINGS/(LOSS) PER SHARE

| | The Group | |
|---|------------------|-------------------|
| | 2021 | 2020 |
| | | (Restated) |
| Basic earnings/(loss) per share | | |
| Profit/(Loss) after taxation attributable to owners of the Company (RM'000) | | |
| - Continuing operations | (6,347) | (9,446) |
| - Discontinued operations | 16,332 | (8,858) |
| | 9,985 | (18,304) |
| Weighted average number of ordinary shares ('000):- | | |
| Ordinary shares at 1 July 2020/2019 | 532,230 | 484,000 |
| Effect of treasury shares held | (1,699) | (1,699) |
| Effect of new ordinary shares issued | 153,395 | 1,186 |
| Weighted average number of ordinary shares at 30 June ('000) | 683,926 | 483,487 |
| Basic earnings/(loss) per share (Sen): | | |
| - Continuing operations | (0.93) | (1.95) |
| - Discontinued operations | 2.39 | (1.83) |

The basic earnings/(loss) per share of the Group is calculated by dividing the Group's profit/(loss) after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares of the Company.

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For The Financial Year Ended 30 June 2021

44. EARNINGS/(LOSS) PER SHARE (CONT'D)

| | The Group | |
|---|------------------|--------------------|
| | 2021 | 2020 (Restated) |
| Dilutive earnings/(loss) per share | | |
| Profit/(Loss) after taxation attributable to owners of the Company (RM'000) | | |
| - Continuing operations | (6,347) | (9,446) |
| - Discontinued operations | 16,332 | (8,858) |
| | 9,985 | (18,304) |
| Weighted average number of ordinary shares at 30 June ('000) | 683,926 | 483,487 |
| Weighted average number of shares under warrants * ('000) | 152,869 | - |
| Weighted average number of shares that would have been issued at average market price ('000) | (128,094) | - |
| Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000) | 708,701 | 483,487 |
| Diluted earnings/(loss) per share (Sen): | | |
| - Continuing operations | (0.90) | (1.95) |
| - Discontinued operations | 2.30 | (1.83) |

* The potential conversion of ESOS option are anti-dilutive as its exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS option has been ignored in the calculation of dilutive earnings per share.

45. DISPOSAL OF SUBSIDIARIES

- (a) On 25 February 2020, the Company announced the disposal of 100% equity interest held in Prestariang Education Sdn. Bhd. ("PESB"), one of its subsidiaries which has been underperforming for the past few financial years. The Company has entered into a conditional Share Sale Agreement ("SSA") in relation to the disposal of PESB shares for a total cash consideration of RM2.5 million.

The disposal of PESB was completed on 16 November 2020 upon the receipt of the balance purchase consideration of RM1.75 million from Serba Dinamik Group Berhad. All conditions precedent for the SSA with Serba Dinamik Group Berhad were fulfilled as of 27 October 2020.

45. DISPOSAL OF SUBSIDIARIES (CONT'D)

- (b) Prestariang Tech Services Sdn. Bhd. ("PTSSB"), an indirect subsidiary of the Company is undergoing Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016. The Company lost control of PTSSB upon the appointment of two Joint and Several Interim Liquidators on 2 April 2021.

The financial effects of the above disposals at the date of disposal are summarised below:-

| | The Group 2021 RM'000 | The Company 2021 RM'000 |
|---|--|--|
| Investment in subsidiaries | - | - |
| Equipment | 439 | - |
| Trade and other receivables | 7,153 | - |
| Amount owing by related companies | 149,416 | - |
| Cash and bank balances | 366 | - |
| Trade and other payables | (44,050) | - |
| Amount owing to holding company | (5,066) | - |
| Amount owing to related companies | (54,257) | - |
| Current tax liabilities | (494) | - |
| Contract liabilities | (73,038) | - |
| Carrying amount of net liabilities disposed/derecognised of | (19,531) | - |
| Gain on disposal of subsidiaries (Notes 36 and 43) | 22,031 | 2,500 |
| Consideration received, satisfied in cash | 2,500 | 2,500 |
| Less: Cash and bank balances of subsidiaries disposed of | (366) | - |
| Net cash inflow from the disposal of subsidiaries | 2,134 | 2,500 |

There were no disposals of subsidiaries in the previous financial year.

Notes to the Financial Statements

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46. CASH FLOW INFORMATION

(a) The reconciliation of liabilities arising from financing activities are as follows:-

| The Group | Term Loans RM'000 | Revolving Credits RM'000 | RSLs RM'000 | Amount Owing To Directors RM'000 | Other Payables RM'000 | Total RM'000 |
|--|-------------------------|--------------------------------|----------------|---|-----------------------------|-----------------|
| 2021 | | | | | | |
| At 1 July 2020 | 26,936 | 19,161 | 10,000 | 2,477 | 5,392 | 63,966 |
| <u>Changes in Financing Cash Flows</u> | | | | | | |
| Repayment of borrowing principal | (2,787) | (19,161) | (10,000) | (2,477) | (5,392) | (39,817) |
| Repayment of borrowing interest | (788) | (680) | (653) | (114) | (349) | (2,584) |
| | (3,575) | (19,841) | (10,653) | (2,591) | (5,741) | (42,401) |
| <u>Non-cash Changes</u> | | | | | | |
| Finance charges recognised in profit or loss (Note 37) | 788 | 680 | 653 | 114 | 349 | 2,584 |
| At 30 June | 24,149 | - | - | - | - | 24,149 |

| The Group | Term Loans RM'000 | Lease Liabilities RM'000 | Revolving Credits RM'000 | RSLs RM'000 | Amount Owing To Directors RM'000 | Other Payables RM'000 | Total RM'000 |
|--|-------------------------|--------------------------------|--------------------------------|----------------|---|-----------------------------|-----------------|
| 2020 | | | | | | | |
| At 1 July 2019 | 29,586 | 96 | 17,661 | 10,000 | 2,133 | 5,173 | 64,649 |
| <u>Changes in Financing Cash Flows</u> | | | | | | | |
| Advances from | - | - | - | - | 344 | - | 344 |
| Proceeds from drawdown | - | - | 1,500 | - | - | - | 1,500 |
| Repayment of borrowing principal | (2,650) | (96) | - | - | - | (700) | (3,446) |
| Repayment of borrowing interest | (1,189) | (4) | (850) | (1,000) | (269) | - | (3,312) |
| | (3,839) | (100) | 650 | (1,000) | 75 | (700) | (4,914) |
| <u>Non-cash Changes</u> | | | | | | | |
| Finance charges recognised in profit or loss (Note 37) | 1,189 | 4 | 850 | 1,000 | 269 | 919 | 4,231 |
| At 30 June | 26,936 | - | 19,161 | 10,000 | 2,477 | 5,392 | 63,966 |

46. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

| | Amount Owing To Subsidiaries RM'000 | Amount Owing To Directors RM'000 | Total RM'000 |
|--|--|---|-------------------------|
| The Company | | | |
| 2021 | | | |
| At 1 July 2020 | 20,435 | 595 | 21,030 |
| <u>Changes in Financing Cash Flows</u> Repayment to | (20,435) | (595) | (21,030) |
| At 30 June | - | - | - |
| 2020 | | | |
| At 1 July 2019 | 29,214 | 505 | 29,719 |
| <u>Changes in Financing Cash Flows</u> (Repayment to)/Advances from | (8,779) | 90 | (8,689) |
| At 30 June | 20,435 | 595 | 21,030 |

(b) The cash and cash equivalents comprise the following:-

| | The Group | | The Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Cash and bank balances (Note 17) | 5,301 | 6,403 | 298 | 74 |
| Fixed deposits with licensed banks (Note 17) | 25,251 | 5,944 | 21,127 | - |
| Short-term investments (Note 16) | 10,041 | 40 | 10,041 | 40 |
| Bank overdrafts (Note 34) | - | (7,950) | - | - |
| | 40,593 | 4,437 | 31,466 | 114 |
| Less: Fixed deposits pledged with licensed banks (Note 17) | (4,124) | (5,944) | - | - |
| Cash and cash equivalents from continuing operations | 36,469 | (1,507) | 31,466 | 114 |
| Cash and cash equivalents from discontinued operations (Note 18) | - | 358 | - | - |
| | 36,469 | (1,149) | 31,466 | 114 |

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47. 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 | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Subsidiaries | | | | |
| Advances to | - | - | 1,485 | 7,065 |
| Advances from | - | - | 8,254 | 12,922 |
| Payment on behalf for | - | - | 2,048 | 686 |
| Payment on behalf from | - | - | 137 | 517 |
| Bad debts written-off | - | - | 110 | - |
| A director | | | | |
| Advances from | - | - | - | - |
| Interest expense | 114 | 269 | - | - |
| A former director | | | | |
| Advances from | - | - | - | - |
| Interest expense | 349 | 919 | - | - |

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.

48. 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.

48. OPERATING SEGMENTS (CONT'D)

The Group is organised into 5 main business segments as follows:-

- Information and Communications Technology (“ICT”) training and certification and software licence distribution and management (collectively referred to as the “ICT services and distribution”) - provision of both basic and professional ICT training and certification encompassing instructor-led courses and certification examination at the end of the course, at the same time distributing and managing the software licences.
- Concession - delivery of total solution for the integrated and comprehensive core immigration system includes design, customise, install, configure, test, commission and maintain throughout the concession period.
- Education (Discontinued) - University Malaysia of Computer Science and Engineering (“UniMy”) is designed to develop talented market-ready computing professionals to meet the challenge of advancing Malaysia’s economic success in the next decade. To enhance human knowledge in computer science and engineering and explore the challenge of integrating it with emerging technology in an interdisciplinary environment, while educating outstanding students to become creative, innovative and responsible members of society.
- Employment Services - Human resource management services is to provide facilities for foreign workers’ recruitment and document services.
- Others - The holding company involved in the activity of investment holding.

- (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 is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

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48. OPERATING SEGMENTS (CONT'D)

48.1 BUSINESS SEGMENTS

| | ICT Services and Distribution RM'000 | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 |
|--|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-----------------|
| The Group | | | | | | | |
| 2021 | | | | | | | |
| Revenue | | | | | | | |
| External revenue | 104,679 | 1,658 | 230 | - | - | - | 106,567 |
| Inter-segment revenue | - | - | - | - | 1,336 | (1,336) | - |
| Consolidated revenue | 104,679 | 1,658 | 230 | - | 1,336 | (1,336) | 106,567 |
| Represented by:- <u>Revenue recognised at a point of time</u> | | | | | | | |
| - Sales of software distribution and ICT Training | 104,679 | - | - | - | - | - | 104,679 |
| - Management fees | - | - | - | - | 1,336 | (1,336) | - |
| <u>Revenue recognised over time</u> | | | | | | | |
| - Education services | - | 1,658 | - | - | - | - | 1,658 |
| - Employment services | - | - | 230 | - | - | - | 230 |
| | 104,679 | 1,658 | 230 | - | 1,336 | (1,336) | 106,567 |
| Segment profit/(loss) before interest and taxation | 3,371 | 16,333 | (372) | 1,789 | (7,222) | (1,054) | 12,845 |
| Finance costs | (2,994) | (1) | - | - | (1) | - | (2,996) |
| Profit/(loss) before taxation | 377 | 16,332 | (372) | 1,789 | (7,223) | (1,054) | 9,849 |

48. OPERATING SEGMENTS (CONT'D)

48.1 BUSINESS SEGMENTS (CONT'D)

| | ICT Services and Distribution RM'000 | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 |
|---|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-----------------|
| The Group | | | | | | | |
| 2021 | | | | | | | |
| Segment profit/(loss) includes the followings:- | | | | | | | |
| Interest expense | 2,994 | 1 | - | - | 1 | - | 2,996 |
| Amortisation of development costs | - | - | 11 | - | - | - | 11 |
| Depreciation of property and equipment | 2,214 | 2 | 76 | 75 | - | - | 2,367 |
| Impairment losses on: | | | | | | | |
| - trade receivables | 450 | - | 14 | - | - | - | 464 |
| - non-current assets held for sale | 3,041 | - | - | - | - | - | 3,041 |
| - contract costs | 1,628 | - | - | - | - | - | 1,628 |
| Loss on disposal of property and equipment | 78 | - | - | 102 | - | - | 180 |
| Loss on foreign exchange - realised | 631 | - | - | - | - | - | 631 |
| Penalty | 2 | - | 4 | 118 | - | - | 124 |
| Fair value gain on investment properties | (981) | - | - | - | - | - | (981) |
| Gain on foreign exchange - realised | (751) | - | - | - | - | - | (751) |
| Gain on disposal of subsidiaries | - | (17,719) | - | (4,312) | - | - | (22,031) |
| Interest income | (215) | - | - | - | (331) | - | (546) |
| Assets | | | | | | | |
| Segment assets | 105,562 | - | 371 | 303,752 | 120,102 | (127,241) | 402,546 |
| Unallocated asset: | | | | | | | - |
| Consolidated total assets | | | | | | | 402,546 |
| Additions to non-current assets other than financial instruments are: | | | | | | | |
| - property and equipment | 1,535 | 256 | 2 | - | - | - | 1,793 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

48. OPERATING SEGMENTS (CONT'D)

48.1 BUSINESS SEGMENTS (CONT'D)

| | ICT Services and Distribution RM'000 | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 |
|--------------------------------|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-----------------|
| The Group | | | | | | | |
| 2021 | | | | | | | |
| Liabilities | | | | | | | |
| Segment liabilities | 27,564 | - | 8 | 247,919 | 11,761 | (116,929) | 170,323 |
| Unallocated liabilities: | | | | | | | |
| - term loans | | | | | | | 24,149 |
| - deferred tax liabilities | | | | | | | 16,869 |
| - current tax liabilities | | | | | | | 306 |
| Consolidated total liabilities | | | | | | | 211,647 |

| | ICT Services and Distribution RM'000 (Restated) | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 (Restated) |
|-----------------------|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-------------------------------|
| The Group | | | | | | | |
| 2020 | | | | | | | |
| Revenue | | | | | | | |
| External revenue | 148,465 | 4,707 | 4,440 | - | - | - | 157,612 |
| Inter-segment revenue | - | - | - | - | 1,000 | (1,000) | - |
| Consolidated revenue | 148,465 | 4,707 | 4,440 | - | 1,000 | (1,000) | 157,612 |

Represented by:-

Revenue recognised at a point of time

| | | | | | | | |
|---|---------|---|---|---|-------|---------|---------|
| - Sales of software distribution and ICT Training | 148,465 | - | - | - | - | - | 148,465 |
| - Management fees | - | - | - | - | 1,000 | (1,000) | - |

Revenue recognised over time

| | | | | | | | |
|-----------------------|---------|-------|-------|---|-------|---------|---------|
| - Education services | - | 4,707 | - | - | - | - | 4,707 |
| - Employment services | - | - | 4,440 | - | - | - | 4,440 |
| | 148,465 | 4,707 | 4,440 | - | 1,000 | (1,000) | 157,612 |

48. OPERATING SEGMENTS (CONT'D)

48.1 BUSINESS SEGMENTS (CONT'D)

| | ICT Services and Distribution RM'000 (Restated) | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 (Restated) |
|---|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-------------------------------|
| The Group | | | | | | | |
| 2020 | | | | | | | |
| Segment profit/(loss) before interest and taxation | 7,931 | (8,856) | (143) | (2,177) | (8,700) | (2) | (11,947) |
| Finance costs | (4,860) | (2) | (3) | - | - | - | (4,865) |
| Profit/(loss) before taxation | 3,071 | (8,858) | (146) | (2,177) | (8,700) | (2) | (16,812) |
| Segment profit/(loss) includes the followings:- | | | | | | | |
| Interest expense | 4,729 | - | - | - | - | - | 4,729 |
| Amortisation of development costs | - | - | 11 | - | - | - | 11 |
| Depreciation of property and equipment | 2,342 | 77 | 78 | 103 | - | - | 2,600 |
| Depreciation of right-of-use assets | 41 | - | - | - | - | - | 41 |
| Impairment losses on: | | | | | | | |
| - trade receivables | 707 | 2,976 | 88 | - | - | - | 3,771 |
| - other receivables | - | 20 | - | - | - | - | 20 |
| - amount owing by subsidiaries | - | - | - | - | 842 | (842) | - |
| - property and equipment | - | 288 | - | - | - | - | 288 |
| Penalty | 518 | - | - | 23 | 71 | - | 612 |
| Fair value gain on investment properties | (191) | - | - | - | - | - | (191) |
| Gain on disposal of right-of-use assets | (20) | - | - | - | - | - | (20) |
| Gain on foreign exchange | | | | | | | |
| - unrealised | (238) | - | - | - | - | - | (238) |
| Interest income | (83) | (1) | - | - | - | - | (84) |
| Reversal of impairment loss: | | | | | | | |
| - trade receivables | (265) | - | - | - | - | - | (265) |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

48. OPERATING SEGMENTS (CONT'D)

48.1 BUSINESS SEGMENTS (CONT'D)

| | ICT Services and Distribution RM'000 (Restated) | Education (Discontinued) RM'000 | Employment Services RM'000 | Concession RM'000 | Other RM'000 | Consolidation Adjustments and Eliminations RM'000 | Total RM'000 (Restated) |
|---|---|---------------------------------------|----------------------------------|----------------------|-----------------|---|-------------------------------|
| The Group | | | | | | | |
| 2020 | | | | | | | |
| Assets | | | | | | | |
| Segment assets | 173,979 | 5,695 | 1,477 | 183,807 | 83,238 | (145,728) | 302,468 |
| Unallocated asset: | | | | | | | - |
| Consolidated total assets | | | | | | | <u>302,468</u> |
| Additions to non-current assets other than financial instruments are: | | | | | | | |
| - property and equipment | 239 | 365 | 28 | - | - | - | 632 |
| Liabilities | | | | | | | |
| Segment liabilities | 65,228 | 13,422 | 94 | 129,269 | 33,774 | (129,925) | 111,862 |
| Unallocated liabilities: | | | | | | | |
| - term loans | | | | | | | 26,936 |
| - revolving credits | | | | | | | 19,161 |
| - bank overdrafts | | | | | | | 7,950 |
| - deferred tax liabilities | | | | | | | 16,869 |
| - current tax liabilities | | | | | | | 1,421 |
| Consolidated total liabilities | | | | | | | <u>184,199</u> |

48.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly all business segments in Malaysia. Accordingly, the information by geographical segments is not presented.

48. OPERATING SEGMENTS (CONT'D)

48.3 MAJOR CUSTOMERS

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

| | Revenue | | Business Segment |
|------------|----------------|----------------|-------------------------------|
| | 2021 RM'000 | 2020 RM'000 | |
| Customer A | 13,252 | 40,457 | ICT services and distribution |

49. CAPITAL COMMITMENTS

| | The Group | |
|------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Work-in-progress | 1,678 | - |

50. 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 | |
|---|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Performance guarantee extended by a subsidiary to third parties | 7,417 | 15,099 |
| Compensation to a vendor due to project termination | - | 7,440 |
| Dividend payable on RPS "A" (Note 27) | 28,804 | 28,804 |
| Special coupon on RSLs | - | 1,000 |
| | 36,221 | 52,343 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. 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.

51.1 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"), Australian Dollar ("AUD") and Euro ("EUR"). 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:-

Foreign Currency Exposure

| | 2021 | | | 2020 | | |
|------------------------------|--------------------------------|-----------------------------|----------------|--------------------------------|-----------------------------|-----------------|
| | United States Dollar RM'000 | Australian Dollar RM'000 | Euro RM'000 | United States Dollar RM'000 | Australian Dollar RM'000 | Euro RM'000 |
| The Group | | | | | | |
| <u>Financial Asset</u> | | | | | | |
| Cash and bank balances | 1 | - | - | 1 | - | - |
| <u>Financial Liabilities</u> | | | | | | |
| Trade payables | (732) | - | - | (16,829) | - | (23,562) |
| Other payables | (2) | - | - | - | - | - |
| | (734) | - | - | (16,829) | - | (23,562) |
| Currency exposure | (733) | - | - | (16,828) | - | (23,562) |

The Company does not have any foreign currency exposure and hence, is not exposed to foreign currency risk.

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 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 | |
|---------------------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Effects on Loss After Taxation | | |
| USD/RM - strengthened by 5% | (28) | (639) |
| - weakened by 5% | 28 | 639 |
| EUR/RM - strengthened by 5% | - | (895) |
| - weakened by 5% | - | 895 |

(ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:-

| | The Group | |
|----------------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| <u>Floating Rate Instruments</u> | | |
| Term loans | 24,149 | 26,936 |
| Bank overdrafts | - | 7,950 |
| | 24,149 | 34,886 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 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 | |
|---------------------------------------|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Effects on Loss After Taxation | | |
| Increase of 100 basis points | (184) | (265) |
| Decrease of 100 basis points | 184 | 265 |

(iii) Equity Price Risk

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

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

| | The Group/The Company | |
|---------------------------------------|------------------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| <u>Short-term investments</u> | | |
| Investments placed with fund managers | 10,041 | 40 |

Equity Price Risk Sensitivity Analysis

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

| | The Group/The Company | |
|---------------------------------------|------------------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| Effects on Loss After Taxation | | |
| Increase of 5% | 382 | 2 |
| Decrease of 5% | (382) | (2) |

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

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

The 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 amounts owing by 1 (2020 - 1) customer which constituted approximately 97% (2020 - 88%) of its total trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group 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 as disclosed under the 'Maturity Analysis' of item (c) below, 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

At each reporting date, the Group assesses whether any of the financial assets at amortised cost is credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 120 days from the measurement 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 customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for the trade receivables is summarised below:-

| | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Amount RM'000 |
|----------------------------|------------------------------------|---|---|---------------------------------------|
| The Group | | | | |
| 2021 | | | | |
| Current (not past due) | 194 | - | (186) | 8 |
| 1 to 30 days past due | 68 | - | (60) | 8 |
| 31 to 60 days past due | 319 | - | (38) | 281 |
| 61 to 90 days past due | 68 | - | (38) | 30 |
| Past due more than 90 days | 187,492 | - | (197) | 187,295 |
| Credit impaired | 9,767 | (9,767) | - | - |
| | 197,908 | (9,767) | (519) | 187,622 |

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

| | Gross Amount RM'000 (Restated) | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Amount RM'000 (Restated) |
|----------------------------|---|---|---|--|
| The Group | | | | |
| 2020 | | | | |
| Current (not past due) | 218,098 | - | (257) | 217,841 |
| 1 to 30 days past due | 1,353 | - | (66) | 1,287 |
| 31 to 60 days past due | 64 | - | (32) | 32 |
| 61 to 90 days past due | 2,895 | - | (38) | 2,857 |
| Past due more than 90 days | 3,667 | - | (126) | 3,541 |
| Credit impaired | 9,303 | (9,303) | - | - |
| | 235,380 | (9,303) | (519) | 225,558 |

The movements in the loss allowances in respect of trade receivables is disclosed in Note 13 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for the other receivables. Generally, the Group considers amount owing by other receivables have low credit risks. The Group considers other receivables to be credit impaired when the other receivable is unlikely to repay its loan or advance in full.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for other receivables are summarised below:-

| | Gross Amount RM'000 | Lifetime Loss Allowance RM'000 | Carrying Amount RM'000 |
|------------------|------------------------------------|---|---------------------------------------|
| The Group | | | |
| 2021 | | | |
| Low credit risk | 125,876 | - | 125,876 |
| Credit impaired | 2,607 | (2,607) | - |
| | 128,483 | (2,607) | 125,876 |
| 2020 | | | |
| Low credit risk | 1,345 | - | 1,345 |
| Credit impaired | 2,607 | (2,607) | - |
| | 3,952 | (2,607) | 1,345 |

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 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. Generally, 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. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amount owing by subsidiaries are summarised below:-

| | Gross Amount RM'000 | Lifetime Loss Allowance RM'000 | Carrying Amount RM'000 |
|--------------------|------------------------------------|---|---------------------------------------|
| The Company | | | |
| 2021 | | | |
| Low credit risk | 67,788 | - | 67,788 |
| Credit impaired | 8,430 | (8,430) | - |
| | 76,218 | (8,430) | 67,788 |
| 2020 | | | |
| Low credit risk | 62,087 | - | 62,087 |
| Credit impaired | 33,031 | (33,031) | - |
| | 95,118 | (33,031) | 62,087 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

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 practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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):-

| | Effective 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 | | | | | | |
| 2021 | | | | | | |
| <u>Non-derivative</u> | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| RPS "A" | 4.60 | 152 | 152 | - | 152 | - |
| Term loans | 2.98 - 3.05 | 24,149 | 26,831 | 4,543 | 16,599 | 5,689 |
| Trade payables | - | 154,057 | 154,057 | 154,057 | - | - |
| Other payables and accruals | - | 6,468 | 6,468 | 6,468 | - | - |
| | | 184,826 | 187,508 | 165,068 | 16,751 | 5,689 |

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)*Maturity Analysis (Cont'd)*

| | Effective 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 | | | | | | |
| 2020 | | | | | | |
| <u>Non-derivative</u> | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| RPS "A" | 4.60 | 152 | 152 | - | 152 | - |
| RSLs | 10.00 | 10,000 | 10,000 | 10,000 | - | - |
| Term loans | 3.30 - 3.32 | 26,936 | 34,262 | 3,636 | 20,903 | 9,723 |
| Revolving credits | 4.13 - 5.00 | 19,161 | 19,161 | 19,161 | - | - |
| Trade payables | - | 54,875 | 54,875 | 54,875 | - | - |
| Other payables and accruals | 18.00 | 13,362 | 14,272 | 14,272 | - | - |
| Amount owing to directors | 18.00 | 2,477 | 2,751 | 2,751 | - | - |
| Bank overdrafts | 6.20 - 6.90 | 7,950 | 7,950 | 7,950 | - | - |
| | | 134,913 | 143,423 | 112,645 | 21,055 | 9,723 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

| | Effective 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 | | | | | | |
| 2021 | | | | | | |
| <u>Non-derivatives</u> | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| Other payables and accruals | - | 677 | 677 | 677 | - | - |
| Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries # | - | - | 30,700 | 30,700 | - | - |
| | | 677 | 31,377 | 31,377 | - | - |
| 2020 | | | | | | |
| <u>Non-derivatives</u> | | | | | | |
| <u>Financial Liabilities</u> | | | | | | |
| Other payables and accruals | - | 1,018 | 1,018 | 1,018 | - | - |
| Amount owing to directors | - | 595 | 595 | 595 | - | - |
| Amount owing to a subsidiary | - | 20,435 | 20,435 | 20,435 | - | - |
| Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries # | - | - | 68,360 | 68,360 | - | - |
| | | 22,048 | 90,408 | 90,408 | - | - |

- 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.

51. FINANCIAL INSTRUMENTS (CONT'D)

51.2 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 | |
|--|------------------|---------------|
| | 2021 | 2020 |
| | RM'000 | RM'000 |
| RSLs (Note 26) | - | 10,000 |
| RPS "A" (Note 27) | 152 | 152 |
| Term loans (Note 25) | 24,149 | 26,936 |
| Revolving credits (Note 33) | - | 19,161 |
| Bank overdrafts (Note 34) | - | 7,950 |
| | 24,301 | 64,199 |
| Less: Short-term investments (Note 16) | (10,041) | (40) |
| Less: Fixed deposits with licensed banks (Note 17) | (25,251) | (5,944) |
| Less: Cash and bank balances (Note 17) | (5,301) | (6,403) |
| Net debt | (16,292) | 51,812 |
| Total equity | 190,899 | 118,269 |
| Debt-to-equity ratio | N/A | 0.44 |

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 25 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 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

| | 2021 | |
|---|------------------------|--------------------------|
| | The Group RM'000 | The Company RM'000 |
| Financial Assets | | |
| <u>Mandatorily at Fair Value Through Profit or Loss</u> | | |
| Short-term investments (Note 16) | 10,041 | 10,041 |
| <u>Amortised Cost</u> | | |
| Trade receivables (Note 13) | 187,622 | - |
| Other receivables (Note 14) | 125,876 | 72 |
| Amount owing by subsidiaries (Note 15) | - | 67,788 |
| Cash and bank balances (Note 17) | 30,552 | 21,425 |
| | 344,050 | 89,285 |
| Financial Liability | | |
| <u>Amortised Cost</u> | | |
| RPS "A" (Note 27) | 152 | - |
| Term loans (Note 25) | 24,149 | - |
| Trade payables (Note 29) | 154,057 | - |
| Other payables and accruals (Note 31) | 6,468 | 677 |
| | 184,826 | 677 |

51. FINANCIAL INSTRUMENTS (CONT'D)

51.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

| | 2020 | |
|---|------------------------|--------------------------|
| | The Group RM'000 | The Company RM'000 |
| Financial Assets | | |
| <u>Mandatorily at Fair Value Through Profit or Loss</u> | | |
| Short-term investments (Note 16) | 40 | 40 |
| <u>Amortised Cost</u> | | |
| Trade receivables (Note 13) | 225,558 | - |
| Other receivables (Note 14) | 1,345 | - |
| Amount owing by subsidiaries (Note 15) | - | 62,087 |
| Cash and bank balances (Note 17) | 12,347 | 74 |
| | 239,250 | 62,161 |
| Financial Liability | | |
| <u>Amortised Cost</u> | | |
| RPS "A" (Note 27) | 152 | - |
| RSLs (Note 26) | 10,000 | - |
| Term loans (Note 25) | 26,936 | - |
| Revolving credits (Note 33) | 19,161 | - |
| Trade payables (Note 29) | 54,875 | - |
| Other payables and accruals (Note 31) | 13,362 | 1,018 |
| Amount owing to a subsidiary (Note 15) | - | 20,435 |
| Amount owing to directors (Note 32) | 2,477 | 595 |
| Bank overdrafts (Note 34) | 7,950 | - |
| | 134,913 | 22,048 |

51. FINANCIAL INSTRUMENTS (CONT'D)

51.5 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 | | | | | | | | |
| 2021 | | | | | | | | |
| <u>Financial Asset</u> | | | | | | | | |
| Short-term investments | - | 10,041 | - | - | - | - | 10,041 | 10,041 |
| <u>Financial Liabilities</u> | | | | | | | | |
| RPS "A" | - | - | - | - | 152 | - | 152 | 152 |
| Term loans | - | - | - | - | 24,149 | - | 24,149 | 24,149 |
| 2020 | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | |
| Short-term investments | - | 40 | - | - | - | - | 40 | 40 |
| <u>Financial Liabilities</u> | | | | | | | | |
| RPS "A" | - | - | - | - | 152 | - | 152 | 152 |
| RSLs | - | - | - | - | 10,000 | - | 10,000 | 10,000 |
| Term loans | - | - | - | - | 26,937 | - | 26,937 | 26,937 |

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

51. FINANCIAL INSTRUMENTS (CONT'D)

51.5 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 RM'000 | Carrying Amount RM'000 |
|---------------------------|--|---------|---------|--|---------|---------|----------------------------------|------------------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| The Company | | | | | | | | |
| 2021 | | | | | | | | |
| <u>Financial Asset</u> | | | | | | | | |
| Short-term investments | - | 10,041 | - | - | - | - | 10,041 | 10,041 |
| 2020 | | | | | | | | |
| <u>Financial Asset</u> | | | | | | | | |
| Short-term investments | - | 40 | - | - | - | - | 40 | 40 |

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

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.

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 values of RPS "A" and RSLs that carry fixed interest rate are determined by discounting the relevant future contractual cash flow using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

| | The Group | |
|------------|--------------|--------------|
| | 2021 % | 2020 % |
| RPS "A" | 4.60 | 4.60 |
| RSLs | - | 10.00 |
| Term loans | 2.98 to 3.05 | 3.30 to 3.32 |

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Proposed corporate exercises

On 23 July 2020, the Company made an announcement proposing to undertake the following:-

- (i) a private placement of 79,579,740 new ordinary shares in the Company ("Prestariang Share(s)" or "Share(s)") ("Placement Share(s)") at an issue price of RM0.350 per Placement Share together with 79,579,740 free detachable warrants ("Warrant(s)") on the basis of 1 Warrant for every 1 Placement Share issued ("Proposed Private Placement with Warrants");
- (ii) a renounceable rights issue of up to 176,843,866 new Shares ("Rights Share(s)") at an issue price of RM 0.200 per Rights Share, on the basis of 1 Rights Share for every 3 existing Shares held, together with up to 176,843,866 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Rights Issue with Warrants"); and
- (iii) the establishment of a long term incentive plan, which comprises the proposed Employees' Share Option Scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP"), of up to 15% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the long term incentive plan, for the eligible employees and Directors of the Company and its subsidiaries ("Prestariang Group" or the "Group"), which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the long term incentive plan ("Proposed LTIP").

The Proposed Private Placement with Warrants, the Proposed Rights Issue with Warrants and the Proposed LTIP are collectively referred to as the "Proposals".

The listing application pursuant to the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 14 August 2020.

Bursa Securities had, vide its letter dated 19 August 2020, resolved to approve the following:-

- (i) admission to the Official List and the initial listing and quotation of up to 256,423,606 Warrants to be issued pursuant to the Proposed Private Placement with Warrants and Proposed Rights Issue with Warrants; and
- (ii) listing of:-
 - (aa) up to 79,579,740 Placement Shares to be issued pursuant to the Proposed Private Placement;
 - (bb) up to 176,843,866 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
 - (cc) up to 256,423,606 new Prestariang Shares to be issued pursuant to the exercise of the Warrants; and
 - (dd) such number of additional new ordinary shares in the Company representing up to 15% of the total number of issued shares (excluding treasury shares, if any) of the Company to be issued pursuant to the exercise of options under the Proposed LTIP.

At the Extraordinary General Meeting held on 15 September 2020, the shareholders of the Company have approved and passed the resolutions in relation to the Proposals.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Proposed corporate exercises (Cont'd)

The following were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad with effect from 9am on Monday, 30 November 2020, hence marking the completion of the proposed corporate exercises:-

- (i) 79,579,740 Placement Shares issued pursuant to the Private Placement with Warrants;
- (ii) 176,842,127 Rights Shares issued pursuant to the Rights Issue with Warrants; and
- (iii) 256,421,867 Warrants.

(b) Proposed private placement

On 21 July 2020, the Company entered into a Heads of Agreement with Dr. Abu Hasan bin Ismail ("Dr. Abu"), for the subscription by Dr. Abu of 79,579,740 new Prestariang Shares at an agreed subscription price of RM0.350 per Share ("HOA").

Further to the HOA, the Company had on 23 July 2020, entered into a subscription agreement with Dr. Abu ("Subscription Agreement"), for the proposed private placement of:-

- (i) 79,579,740 Placement Shares, representing approximately 15% of the total issued share capital of 530,531,600 Shares (excluding 1,698,500 treasury shares) as at 20 July 2020, at an issue price of RM0.350 per Placement Share; with
- (ii) 79,579,740 Warrants on the basis of 1 Warrant for every 1 Placement Share issued.

The subscription of the Placement Shares are to be satisfied in full by way of cash, in accordance with the terms and conditions of the Subscription Agreement. The Warrants will be issued at no cost to Dr. Abu. For the avoidance of doubt, the Placement Shares are not entitled to the Proposed Rights Issue with Warrants. The allotment, listing of and the quotation for the new Placement Shares and Warrants will be implemented concurrently with the Rights Shares with Warrants.

On 8 September 2020, the Company executed a Novation Letter with Dr. Abu and ECO Cloud Assets Sdn Bhd ("ECO Cloud Assets") pursuant to which Dr. Abu novated and transferred the benefit of all and any of its obligations under the Subscription Agreement to ECO Cloud Assets. For information purposes, the ultimate shareholder of ECO Cloud Assets is Dr. Abu.

(c) Proposed scheme of arrangement

On 24 August 2020, PSKIN, a subsidiary of the Company, made an application pursuant to Section 366 of the Companies Act 2016 (the "Act"), for a proposed scheme of arrangement between PSKIN and its scheme creditors pursuant to Section 366 of the Act, to be put forward to the creditors at court convened meetings.

The purpose of the application is to preserve the going concern of PSKIN while it carries on with negotiations and legal action to seek compensation from the Government of Malaysia for the termination of the SKIN contract. The application, if granted, is not expected to have any material impact on the financial and operational matters of the Company and its subsidiaries.

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(c) Proposed scheme of arrangement (Cont'd)

On 30 September 2020, the High Court of Malaya has granted, among others, leave to PSKIN ("Court Order") to summon meetings of creditors of PSKIN or any class of them to be held within three (3) months of the date of the Court Order for the purpose of considering and, if thought fit, approving with or without modification the proposed scheme of arrangement, pursuant to Section 366 of the Act. The details of the abovementioned proposed scheme of arrangement are in the process of being finalised by the Company.

Pursuant to the Court Order dated 30 September 2020, PSKIN has given notice to the Scheme Creditors of the meeting of the Scheme Creditors to be convened on 9 November 2020.

On 2 December 2020, the High Court of Malaya has granted the approval of the Proposed Scheme, pursuant to the application filed by PSKIN dated 11 November 2020.

(d) Status of Prestariang Systems Sdn. Bhd. ("PSSB") as Channel Partner of Microsoft Regional Sales Pte. Ltd. ("Microsoft")

On 22 December 2020, PSSB, a wholly-owned subsidiary of the Company, had received a letter from Microsoft, informing that it has terminated PSSB's membership in the Microsoft Partner Network ("MPN") and that effective 31 January 2021 ("Effective Date of Termination"), PSSB is no longer an affiliate or a Microsoft "partner".

(e) Letter of Award from Menteri Besar Selangor (Pemerbadanan) ("MBS") to Develop and Implement the Selangor Kerjaya Program

On 3 November 2020, PSSB has received and accepted a Letter of Award from MBS to develop and implement the Selangor Kerjaya Program ("Contract"). The Contract comprises provision of skills training and job placement for 10,000 Malaysians having residence in Selangor or having graduated from learning institutions in Selangor. The scope to be undertaken by PSSB includes, among others, to recruit, train and organise job placements for job seekers residing in Selangor and graduates from learning institutions in Selangor. The Selangor Kerjaya Program is a key state program where PSSB will not only provide training and job placements for job seekers but also provide Selangor state government with analytics and intelligence that will give the State a strategic advantage over its peers and will improve employment opportunities of its residence in future.

On 31 May 2021, PSSB and MBS had signed the Service Agreement in relation to the Contract.

(f) Obligations Pursuant to Paragraph 8.03A of the Listing Requirements

On 29 January 2021, the Company announced that following the Effective Date of Termination of PSSB's membership in the MPN, the Company is an Affected Listed Corporation pursuant to Paragraph 8.03A 2(a)(aa) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") whereby a listed corporation may not have a level of operations that is adequate to warrant continued trading or listing on the Official List as a result of cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities. The above termination by Microsoft will result in the loss of business that contributes or generates 70% or more of the revenue on a consolidated basis based on the Company's latest audited financial statements as at 30 June 2020 or its unaudited financial statements as at 30 September 2020.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(f) Obligations Pursuant to Paragraph 8.03A of the Listing Requirements (Cont'd)

Pursuant to Paragraph 8.03A (3) of the Listing Requirements, the Company as an Affected Listed Corporation must comply with the following:-

- (i) immediately announce to Bursa Securities of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Practice Note 17, with the necessary modifications;
- (ii) regularise its condition by complying with the requirements set out in paragraph 8.04(3) and paragraph 5.0 of Practice Note 17, with the necessary modifications; and
- (iii) comply with such other requirements or do such other acts or things as may be prescribed or required by Bursa Securities.

As an Affected Listed Issuer, the Company is required to comply with the following:-

- (i) Regularise its condition within 12 months from the date of the First Announcement in the following manner:-
 - (aa) Submit a regularisation plan to the Securities Commission Malaysia ("SC") if the regularisation plan will result in a significant change in the business direction or policy of the Company; or
 - (bb) Submit a regularisation plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of the Company, and to obtain Bursa Securities' approval to implement the regularisation plan;
- (ii) Provide such information as may be prescribed by Bursa Securities from time to time for public release;
- (iii) Do such other acts of things as may be required by Bursa Securities;
- (iv) Implement the plan within the timeframe stipulated by the SC or Bursa Securities, as the case may be;
- (v) Announce within 3 months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company;
- (vi) Announce the status of the regularisation plan and the number of months to the end of the relevant timeframes on a monthly basis until further notice from Bursa Securities;
- (vii) Announce the Company's compliance or non-compliance with a particular obligation imposed pursuant to Practice Note 17 on an immediate basis;
- (viii) Announce the details of the regularisation plan; and
- (ix) Where the Company fails to regularise its condition, announce the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Securities.

Bursa Securities may suspend the trading of the listed securities of the Company and de-list the Company in the event:-

- (i) The Company fails to submit a regularisation plan to the regulatory authorities within 12 months from the date of the First Announcement;
- (ii) The Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and
- (iii) The Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(f) Obligations Pursuant to Paragraph 8.03A of the Listing Requirements (Cont'd)

On 1 March 2021, the Company further announced that pursuant to the Main Market Circular dated 17 February 2021 issued by Bursa Securities on the additional relief measures to listed issuer amid the evolving COVID-19 situation, the requisite time for submission of a regularisation plan by listed issuer which triggers the criteria under Paragraph 8.03A (2)(a) of the Listing Requirements has been extended from 12 months to 24 months from the date it first announces that it triggers the criteria.

In compliance with the Company's obligations under the Listing Requirements, the Company is still in the midst of formulating a regularisation plan to address its affected listed corporation status.

(g) Proposed Disposal of Property

On 8 February 2021, the Company announced that its wholly-owned subsidiary, Prestariang Systems Sdn Bhd ("PSSB"), has entered into conditional sale and purchase agreements ("SPAs") with Serba Dinamik Group Berhad (the "SDGB"), for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya for a total cash consideration of Ringgit Malaysia Twenty Four Million Two Hundred Thousand (RM24,200,000.00) only (the "Proposed Disposal").

The SPA is conditional upon PSSB to obtain the written consent from the developer within 3 months from the date of SPA ("Unconditional Date") and the balance of the purchase price is payable by SDGB within 4 months from the Unconditional Date ("Completion Period"). SDGB had on 15 July 2021 wrote to PSSB to request for extension of time to pay the balance of purchase price (the "Request"). PSSB, having considered the Request, agreed to SDGB's request for the extension to 31 October 2021.

(h) Letter of Appointment from Malaysian Administrative Modernisation And Management Planning Unit ("MAMPU")

On 19 February 2021, PSSB received a Letter of Appointment from MAMPU as part of a panel of Managed Service Providers (MSP) for the provision of Cloud Services to Malaysia's public sector agencies to support Malaysia's public sector digital transformation initiatives in alignment to the Government Economic Transformation Plan] ("Contract").

The scope of the Cloud Services covers Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS) and anything as a Service (XaaS). PSSB is the local partner to Google Cloud for the fulfilment of the above services to Malaysia's public sector. The Contract shall be for a period of 3 years commencing on 1 March 2021 and subject to parties' execution of a Framework Agreement.

Notes to the Financial Statements

For The Financial Year Ended 30 June 2021

53. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Surat Setuju Terima (Letter Of Acceptance) for “Perolehan Langganan Perisian G Suite Enterprise For Education Bagi Sekolah-Sekolah Di Bawah Kementerian Pendidikan Malaysia”

PSSB has successfully procured the contract for the supply of *Perisian G Suite Enterprise For Education Bagi Sekolah-Sekolah Di Bawah Kementerian Pendidikan Malaysia* (“the Contract”) with the Ministry of Education (“MOE”). The Contract is for a term of three (3) years, effective from 9 July 2021 with a value of RM22,777,509 (inclusive of 6% Sales and Service Tax). MOE had on 8 July 2021 issued the Surat Setuju Terima to PSSB and the terms of the transaction will be embodied in a formal contract to be executed between both parties.

54. MATERIAL LITIGATION

On 15 April 2019, PSKIN, a wholly-owned subsidiary of ASV, which in turn is a subsidiary of the Company, filed an Originating Summons (No. WA-21NCvC-20-04/2020) at the Kuala Lumpur High Court (“OS”) as “Plaintiff” against the GOM as “Defendant”, in relation to the termination of the Concession Agreement dated 9 August 2017 (“CA”) by GOM, by way of expropriation pursuant to Clause 31.1 of the CA.

Details of Circumstances leading to the Filing of the OS against GOM

Following the letter from GOM dated 11 December 2018, confirming the decision of the Cabinet to terminate the SKIN project, PSKIN and GOM had met several times to discuss among others, the payment obligation of GOM and the quantum to be paid by GOM, but both parties were unable to reach an agreement. Hence, PSKIN has filed the OS seeking the following orders:-

- (a) A declaration that GOM is under an obligation to pay to PSKIN a sum representing the present value of the Availability Charges for the remaining unexpired Concession Period discounted at Weighted Average Cost of Capital of PSKIN as at the effective date of termination of the CA i.e. 22 January 2019, in accordance with Clause 28.3.1(b)(iii) read together with Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement dated 11 April 2019 (“Supplemental Agreement”);
- (b) A declaration that the sum payable by GOM to PSKIN pursuant to Clauses 28.3.1(b)(iii), 31 and Appendix 14 of the CA and Schedule 1 of the Supplemental Agreement is RM732,860,194.00, or any such amount as ordered by the Court;
- (c) An order that GOM makes payment to PSKIN of the sums declared and ordered in respect of paragraph (b) above, not later than six (6) months after the termination date i.e. on or before 22 July 2019, in compliance with Clause 28.3.1(b)(iii) of the CA;
- (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;

54. MATERIAL LITIGATION (CONT'D)

Details of Circumstances leading to the Filing of the OS against GOM (Cont'd)

- (e) Interest on the judgement sum in respect of paragraph (c) above at the rate of 5% per annum calculated from the date of judgement to the date of full satisfaction of the judgement sum;
- (f) Costs; and/or
- (g) Such further and/or other relief as the Court deems fit.

PSKIN filed the OS on 15 April 2019 and the sealed copy of the OS was served on GOM on 25 April 2020. Following this, PSKIN filed an application for a Protective Order, which was granted on 19 June 2019. Upon obtaining the Protective Order, PSKIN filed its Affidavit in Support in respect of the OS on 19 June 2019 and served the said Affidavit in Support on GOM on 24 June 2019. GOM was to file its Affidavit in Reply in respect of the OS by 12 July 2019.

On 23 August 2019, GOM served its Affidavit in Reply in respect of the OS on PSKIN. On 6 September 2019, PSKIN filed and served its Affidavit in Reply on GOM.

GOM has filed an application for conversion of the OS to a writ action, but the application has been dismissed by the High Court on 30 October 2019.

GOM appealed to the Court of Appeal. On 10 June 2020, the Court of Appeal found that there was no merit to GOM's appeal and dismissed the appeal with costs to PSKIN. In dismissing GOM's appeal, the Court of Appeal held that GOM would not suffer prejudice with PSKIN's action continuing by way of OS in light of the directions given by the High Court Judge to allow for the cross-examination of the various deponents as well as for expert evidence to be tendered.

The hearing of the OS and cross-examination of the deponents of affidavits is currently ongoing at the High Court and during the case management of the OS on 6 August 2021 before the High Court (initially fixed for hearing but was converted to a Case Management by the High Court), the High Court directed as follows:-

- (i) vacated the upcoming hearings previously fixed on 18 and 19 August 2021;
- (ii) fixed Case Management on 21 October 2021; and
- (iii) fixed new hearing dates on 2, 3, 29 and 30 November 2021 and 7, 8 and 10 December 2021.

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

Notes to the Financial Statements

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55. PRIOR YEAR ADJUSTMENTS

During the current financial year, prior year adjustments were made in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Accordingly, certain comparatives have been restated as set out below.

Statements of Financial Position (Extract):-

| | As Previously Reported RM'000 | Prior Year Adjustments RM'000 | As Restated RM'000 |
|----------------------------|--|-------------------------------------|--------------------------|
| The Group | | | |
| <u>Current liabilities</u> | | | |
| Contract liabilities | 16,161 | 663 | 16,824 |
| <u>Equity</u> | | | |
| Accumulated losses | (24,327) | (663) | (24,990) |

Statements of Profit Or Loss and Other Comprehensive Income (Extract):-

| | As Previously Reported RM'000 | Prior Year Adjustments RM'000 | As Restated RM'000 |
|---------------------------------------|--|-------------------------------------|--------------------------|
| The Group | | | |
| Revenue | 154,038 | (1,133) | 152,905 |
| Gross profit | 22,899 | (1,133) | 21,766 |
| Loss before taxation | (6,821) | (1,133) | (7,954) |
| Loss after taxation attributable to:- | | | |
| Owners of the Company | (17,171) | (1,133) | (18,304) |

Statements of Cash Flows (Extract):-

| | As Previously Reported RM'000 | Prior Year Adjustments RM'000 | As Restated RM'000 |
|--|--|-------------------------------------|--------------------------|
| The Group | | | |
| Loss before taxation - continuing operations | (6,821) | (1,133) | (7,954) |
| Decrease in contract liabilities | (1,999) | 1,133 | (866) |

The prior year adjustments relates to adjustments on revenue recognition upon the allocation of transaction price in accordance to MFRS 15 Revenue from Contracts with Customers.

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 30/6/2021 (RM) | Date of Acquisition |
|-----|---|------------------|----------|-----------------------|---------------------------|-------------------------------------|-------------------------------------|---------------------|
| 1 | Unit No. 70-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,710 | Office Building | 12.5 | 205,000 | 4 Sept 2007 |
| 2 | Unit No. 71-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,710 | Office Building | 12.5 | 205,000 | 4 Sept 2007 |
| 3 | Unit No. 72-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,710 | Office Building | 12.5 | 205,000 | 4 Sept 2007 |
| 4 | Unit No. 73-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,847 | Office Building | 12.5 | 246,000 | 4 Sept 2007 |
| 5 | Unit No. 72-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,446 | Office Building | 12.5 | 389,000 | 4 Sept 2007 |
| 6 | Unit No. 73-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 2,440 | Office Building | 12.5 | 615,000 | 15 Sept 2007 |
| 7 | Unit No. 71-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,446 | Office Building | 12.5 | 400,000 | 1 July 2009 |
| 8 | Unit No. 70-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,446 | Office Building | 12.5 | 400,000 | 1 July 2009 |
| 9 | Unit No. 73A-G, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 2,440 | Office Building | 12.5 | 811,000 | 3 Sept 2010 |
| 10 | Unit No. 73A-1, Lingkaran Cyber Point Barat, NeoCyber, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 1,847 | Office Building | 12.5 | 614,000 | 3 Sept 2010 |
| 11 | Block 12 Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 40,375 | Office Building | 3.5 | 24,200,000 | 27 Jan 2017 |
| 12 | Block 11-2 (11B) Corporate Park Star Central @ Cyberjaya, 63000 Cyberjaya, Selangor Darul Ehsan | PSSB | Freehold | 17,999 | Office Building | 2.92 | 11,430,000 | 19 Oct 2017 |

Analysis of Shareholdings

As at 30 September 2021

SHARE CAPITAL

| | | |
|-------------------------------|---|---|
| Total number of issued shares | : | 789,123,600 Ordinary Shares (including 1,698,500 treasury shares) |
| Class of shares | : | Ordinary Shares |
| Voting rights | : | One (1) vote per Ordinary Share |
| Number of shareholders | : | 7,584 |

DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF HOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|-------------------------|---------------------|---------------|--------------------|---------------|
| 1 - 99 | 120 | 1.58 | 3,961 | 0.00 |
| 100 - 1,000 | 1,037 | 13.67 | 686,341 | 0.09 |
| 1,001 - 10,000 | 3,869 | 51.02 | 20,513,305 | 2.61 |
| 10,001 - 100,000 | 2,105 | 27.76 | 70,099,523 | 8.90 |
| 100,001 - 39,371,254* | 449 | 5.92 | 415,224,330 | 52.73 |
| 39,371,255 and above ** | 4 | 0.05 | 280,897,640 | 35.67 |
| Total | 7,584 | 100.00 | 787,425,100 | 100.00 |

Notes:-

(*) Less than 5% of issued holdings

(**) 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2021

| NO. | NAME OF SUBSTANTIAL SHAREHOLDER | DIRECT | | INDIRECT | |
|-----|---|--------------------|-------|---------------------------|-------|
| | | NO. OF SHARES HELD | % | NO. OF SHARES HELD | % |
| 1. | Maybank Trustees Berhad Areca Dynamic Growth Fund | 102,929,400 | 13.07 | - | - |
| 2. | Eco Cloud Assets Sdn Bhd | 79,579,740 | 10.11 | - | - |
| 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) | 10.11 |
| 6. | Eco Cloud Ventures Sdn. Bhd. | - | - | 79,579,740 ^(a) | 10.11 |

Notes:-

^(a) Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2021

| 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) | 10.11 |
| 3. | Chan Wan Siew | 1,862,400 | 0.24 | 270,200 ^(b) | 0.03 |
| 4. | Baldesh Singh a/l Manmohan Singh | - | - | - | - |
| 5. | Ramanathan a/l Sathiamutty | - | - | - | - |
| 6. | Professor Emeritus Dato' Dr. Hassan bin Said | - | - | - | - |
| 7. | Hafidah Aman binti Hashim | - | - | - | - |
| 8. | Ginny Yeow Mei Ying | - | - | - | - |
| 9. | Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan | - | - | - | - |
| 10. | YM Tunku Abang Faisal Amir bin Abang Abu Bakar | - | - | - | - |

Note:-

^(a) Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^(b) Deemed interested by virtue of his spouse, Lee Oi Lin's shareholdings in the Company.

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021

| NO. | NAME | NO. OF SHARES | % |
|-----|---|---------------|-------|
| 1. | MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND (411901) | 102,929,400 | 13.07 |
| 2. | ECO CLOUD ASSETS SDN BHD | 79,579,740 | 10.11 |
| 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 PLEGDED SECURITIES ACCOUNT FOR YEOH POH CHOO | 25,800,000 | 3.28 |
| 6. | LIM HAN WENG | 18,500,000 | 2.35 |
| 7. | MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF) | 18,032,641 | 2.29 |
| 8. | MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E) | 16,388,000 | 2.08 |

Analysis of Shareholdings

As at 30 September 2021 (Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021 (CONT'D)

| NO. | NAME | NO. OF SHARES | % |
|-----|---|---------------|------|
| 9. | CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YEOH ENG HUA (PB) | 14,386,000 | 1.83 |
| 10. | MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD | 14,083,941 | 1.79 |
| 11. | HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA | 13,241,900 | 1.68 |
| 12. | CHIN CHIN SEONG | 9,622,566 | 1.22 |
| 13. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN (7000778) | 8,686,000 | 1.10 |
| 14. | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDV | 8,280,833 | 1.05 |
| 15. | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA | 7,990,000 | 1.01 |
| 16. | LIANNEX CORPORATION (S) PTE.LTD. | 7,800,000 | 0.99 |
| 17. | MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0 | 6,666,000 | 0.85 |
| 18. | AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH AGGRESSIVE FUND | 6,294,300 | 0.80 |
| 19. | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/CLNT-T) | 5,507,332 | 0.70 |
| 20. | KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN | 5,398,300 | 0.69 |
| 21. | CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG (M55015) | 5,071,600 | 0.64 |
| 22. | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 2 | 5,000,000 | 0.63 |
| 23. | MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG | 5,000,000 | 0.63 |

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021 (CONT'D)

| NO. | NAME | NO. OF SHARES | % |
|--------------|--|----------------------|--------------|
| 24. | CHIN CHIN SEONG | 4,600,000 | 0.58 |
| 25. | LAI HOONG WYE | 4,568,000 | 0.58 |
| 26. | HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO | 4,450,000 | 0.57 |
| 27. | LIM SOO KIOW | 4,230,000 | 0.54 |
| 28. | MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD | 4,094,990 | 0.52 |
| 29. | MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD | 3,629,000 | 0.46 |
| 30. | DATO' MAZNAH BINTI ABDUL JALIL | 3,247,000 | 0.41 |
| TOTAL | | 511,466,043 | 64.94 |

Analysis of Warrant A Holdings

As at 30 September 2021

Total Number of Outstanding Warrant A Issued : 255,950,234 Warrants

Number of Warrant A holders : 1,814

DISTRIBUTION OF WARRANT A HOLDINGS

| SIZE OF HOLDINGS | NO. OF WARRANT HOLDERS | % | NO. OF WARRANTS | % |
|-------------------------|------------------------------|---------------|--------------------|---------------|
| 1 - 99 | 105 | 5.79 | 4,712 | 0.00 |
| 100 - 1,000 | 174 | 9.59 | 103,325 | 0.04 |
| 1,001 - 10,000 | 793 | 43.72 | 4,284,311 | 1.67 |
| 10,001 - 100,000 | 588 | 32.41 | 20,669,258 | 8.08 |
| 100,001 - 12,797,510* | 152 | 8.38 | 120,155,628 | 46.95 |
| 12,797,511 and above ** | 2 | 0.11 | 110,733,000 | 43.26 |
| Total | 1,814 | 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 30 SEPTEMBER 2021

| NO. | NAME OF DIRECTORS | DIRECT | | INDIRECT | |
|-----|--|--------------------|---|--------------------|---|
| | | NO. OF WARRANTS | % | NO. OF WARRANTS | % |
| 1. | Syed Naqiz Shahabuddin bin Syed Abdul Jabbar | - | - | - | - |
| 2. | Dr. Abu Hasan bin Ismail | - | - | - | - |
| 3. | Chan Wan Siew | - | - | - | - |
| 4. | Baldesh Singh a/l Manmohan Singh | - | - | - | - |
| 5. | Ramanathan a/l Sathiamutty | - | - | - | - |
| 6. | Professor Emeritus Dato' Dr. Hassan bin Said | - | - | - | - |
| 7. | Hafidah Aman binti Hashim | - | - | - | - |
| 8. | Ginny Yeow Mei Ying | - | - | - | - |
| 9. | Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan | - | - | - | - |
| 10. | YM Tunku Abang Faisal Amir bin Abang Abu Bakar | - | - | - | - |

THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 30 SEPTEMBER 2021

| NO. | NAME | NO. OF WARRANTS | % |
|------------|---|------------------------|----------|
| 1. | MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-C) | 85,000,000 | 33.21 |
| 2. | MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA DYNAMIC GROWTH FUND (411901) | 25,733,000 | 10.05 |
| 3. | HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO | 12,270,000 | 4.79 |
| 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. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO | 4,220,000 | 1.65 |
| 8. | MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENSINGTON TRUST LABUAN (AMAT CLASS-E) | 4,097,000 | 1.60 |
| 9. | MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD | 4,031,300 | 1.58 |
| 10. | CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YEOH ENG HUA (PB) | 3,600,000 | 1.41 |
| 11. | MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF) | 3,269,200 | 1.28 |
| 12. | MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD | 3,217,000 | 1.26 |
| 13. | CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG (M55015) | 3,130,000 | 1.22 |
| 14. | CHIN CHIN SEONG | 2,816,666 | 1.10 |
| 15. | HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO | 2,446,500 | 0.96 |

Analysis of Warrant A Holdings

As at 30 September 2021 (Cont'd)

THIRTY (30) LARGEST WARRANT A HOLDERS AS AT 30 SEPTEMBER 2021 (CONT'D)

| NO. | NAME | NO. OF WARRANTS | % |
|--------------|---|--------------------|--------------|
| 16. | TAMILSELVI A/P SUPPIAH | 2,088,000 | 0.82 |
| 17. | HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA | 1,900,000 | 0.74 |
| 18. | MAYBANK NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR ARECA PROGRESSIVE INCOME FUND 2.0 | 1,860,000 | 0.73 |
| 19. | AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN CHIN SEONG | 1,800,000 | 0.70 |
| 20. | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDV | 1,710,433 | 0.67 |
| 21. | LOW CHU MOOI | 1,450,000 | 0.57 |
| 22. | WONG KANG YEOW | 1,200,000 | 0.47 |
| 23. | LIEW KUO AUN | 1,083,500 | 0.42 |
| 24. | KONG PAK LIM | 1,061,000 | 0.41 |
| 25. | SIMON SURESH A/L V. VARUNAMEGAM | 959,200 | 0.37 |
| 26. | MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG | 901,500 | 0.35 |
| 27. | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/CLNT-T) | 837,332 | 0.33 |
| 28. | JUSTIN ONG SENG BENG | 833,333 | 0.33 |
| 29. | DATO' MAZNAH BINTI ABDUL JALIL | 816,000 | 0.32 |
| 30. | MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR NG GIAK PIN | 805,900 | 0.31 |
| TOTAL | | 198,054,404 | 77.39 |

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting (“**11th AGM**”) of AwanBiru Technology Berhad (“**the Company**”) will be held on a virtual basis through online meeting platform hosted at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. at the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 24 November 2021 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note No. 7)**
2. To approve the additional payment of Directors’ fees amounting to RM44,129.00 which was in excess of the earlier approved amount of RM450,000.00 for the financial year ended 30 June 2021. **(Resolution 1)**
3. To approve the additional payment of Directors’ benefits up to an amount of RM50,000.00 which was in excess of the earlier approved amount of RM153,000.00 from 26 November 2020 until the conclusion of the next Annual General Meeting of the Company to be held in year 2021. **(Resolution 2)**
4. To approve the payment of Directors’ fees up to an amount of RM996,000.00 for the period from 1 July 2021 until the next Annual General Meeting of the Company to be held in year 2022. **(Resolution 3)**
5. To approve the payment of Directors’ benefits up to an amount of RM242,200.00 from 25 November 2021 until the next Annual General Meeting of the Company to be held in year 2022. **(Resolution 4)**
6. To re-elect the following Directors who are retiring pursuant to Clause 119 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Mr. Ramanathan a/l Sathiamutty; and **(Resolution 5)**
 - (b) Mr. Baldesh Singh a/l Manmohan Singh. **(Resolution 6)**
7. To re-elect the following Directors who are retiring pursuant to Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (a) Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar; **(Resolution 7)**
 - (b) YM Tunku Abang Faisal Amir bin Abang Abu Bakar; and **(Resolution 8)**
 - (c) Dato’ Tharuma Rajah @ K.T. Rajan a/l R. Krishnan. **(Resolution 9)**
8. 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 10)**

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolutions:-

9. **ORDINARY RESOLUTION NO. 1**
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 **(Resolution 11)**

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

Notice of Annual General Meeting

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."

10. **ORDINARY RESOLUTION NO. 2**

(Resolution 12)

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

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

- (i) the aggregate number of shares purchased does not exceed ten percent (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any);
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

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

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

whichever occurs first;

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

11. **ORDINARY RESOLUTION NO. 3** (Resolution 13)
RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

“THAT Mr. Chan Wan Siew who has served as an Independent Non- Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as an Independent Non-Executive Director of the Company.”

12. **ORDINARY RESOLUTION NO. 4** (Resolution 14)
PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN (“LTIP”) AWARDS TO ENCIK SYED NAQIZ SHAHABUDDIN BIN SYED ABDUL JABBAR

“THAT pursuant to the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP as approved by the shareholders at the Extraordinary General Meeting held on 15 September 2020 and subject to the approval of all the relevant regulatory authorities (where applicable), the Directors of the Company be and are hereby empowered to authorise the LTIP Committee, from time to time throughout the duration of the LTIP, to offer and grant Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar, the Independent Non-Executive Chairman of the Company, Employees Share Option Scheme (“**ESOS**”) Options and/ or ordinary shares of the Company pursuant to the Share Grant Plan (“**SGP**”) under the LTIP.

Provided always that:-

- i. he does not participate in the deliberation or discussion of his own allocation;
- ii. not more than 10% of the new ordinary shares of the Company which may be made available under the LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the issued shares of the Company; and
- iii. subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

AND THAT authority be and is hereby given to the Directors of the Company to issue and/or transfer via treasury shares the corresponding number of ordinary shares of the Company arising from the exercise of the ESOS Options and/ or pursuant to the SGP Award that may be awarded to him under the LTIP.”

Notice of Annual General Meeting

13. **ORDINARY RESOLUTION NO. 5** **(Resolution 15)**
PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN ("LTIP") AWARDS TO YM TUNKU ABANG FAISAL AMIR BIN ABANG ABU BAKAR

"**THAT** pursuant to the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP as approved by the shareholders at the Extraordinary General Meeting held on 15 September 2020 and subject to the approval of all the relevant regulatory authorities (where applicable), the Directors of the Company be and are hereby empowered to authorise the LTIP Committee, from time to time throughout the duration of the LTIP, to offer and grant YM Tunku Abang Faisal Amir bin Abang Abu Bakar, the Independent Non-Executive Director of the Company, Employees Share Option Scheme ("**ESOS**") Options and/ or ordinary shares of the Company pursuant to the Share Grant Plan ("**SGP**") under the LTIP.

Provided always that:-

- i. he does not participate in the deliberation or discussion of his own allocation;
- ii. not more than 10% of the new ordinary shares of the Company which may be made available under the LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the issued shares of the Company; and
- iii. subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

AND THAT authority be and is hereby given to the Directors of the Company to issue and/ or transfer via treasury shares the corresponding number of ordinary shares of the Company arising from the exercise of the ESOS Options and/ or pursuant to the SGP Award that may be awarded to him under the LTIP."

14. **ORDINARY RESOLUTION NO. 6** **(Resolution 16)**
PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN ("LTIP") AWARDS TO DATO' THARUMA RAJAH @ K.T. RAJAN A/L R. KRISHNAN

"**THAT** pursuant to the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP as approved by the shareholders at the Extraordinary General Meeting held on 15 September 2020 and subject to the approval of all the relevant regulatory authorities (where applicable), the Directors of the Company be and are hereby empowered to authorise the LTIP Committee, from time to time throughout the duration of the LTIP, to offer and grant Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan, the Independent Non-Executive Director of the Company, Employees Share Option Scheme ("**ESOS**") Options and/ or ordinary shares of the Company pursuant to the Share Grant Plan ("**SGP**") under the LTIP.

Provided always that:-

- i. he does not participate in the deliberation or discussion of his own allocation;
- ii. not more than 10% of the new ordinary shares of the Company which may be made available under the LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the issued shares of the Company; and
- iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

AND THAT authority be and is hereby given to the Directors of the Company to issue and/or transfer via treasury shares the corresponding number of ordinary shares of the Company arising from the exercise of the ESOS Options and/ or pursuant to the SGP Award that may be awarded to him under the LTIP."

15. 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: 22 October 2021

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 2021 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 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 Ground Floor or 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. Monday, 22 November 2021 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 11th 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. Monday, 22 November 2021 at 10:00 a.m.

Please refer to the Administrative Guide for the 11th AGM of the Company, which is available for download at https://awantec.listedcompany.com/shareholders_meeting.html for further details.

7. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

8. Explanatory Note on Special Business :-

(i) Additional payment of Directors' fees

The Company had at the Tenth Annual General Meeting ("**10th AGM**") held on 25 November 2020 sought the shareholders' approval on Directors' fees of RM450,000.00 for the financial year ended 30 June 2021. However, the proposed amount was insufficient due to the change in the Board of Directors members with additional Directors appointed during the financial year. This resolution is to facilitate the shortfall payment of the Directors' fees of RM44,129.00 for the financial year ended 30 June 2021.

(ii) Additional payment of Directors' benefits

The Company had at the 10th AGM held on 25 November 2020 sought the shareholders' approval on Directors' benefits up to an amount of RM153,000.00 from 26 November 2020 until the next Annual General Meeting of the Company. However, the proposed amount was insufficient due to the change in the Board of Directors members with additional Directors appointed during the financial year. This resolution is to facilitate the shortfall payment of the Directors' benefits of RM50,000.00.

(iii) Approval for the payment of Directors' benefits

The proposed Directors' benefits payable comprises allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the period from 25 November 2021 until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(iv) 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 11th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted an increase in general mandate to not more than 20% ("**20% General Mandate**") by its shareholders at the 10th AGM of the Company held on 25 November 2020 (hereinafter referred to as the "**Previous Mandate**").

Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 16 April 2020 granted several additional relief measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of the Bursa Securities Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

The Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will enable the Directors to take swift action for allotment of shares for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

Notice of Annual General Meeting

(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 10th AGM of the Company held on 25 November 2020. 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 22 October 2021 for further information.

(vi) Retention of the Independent Non-Executive Director

Mr. Chan Wan Siew was appointed as an Independent Non-Executive Director of the Company on 18 November 2010, and has, therefore served as Independent Non-Executive Director for more than nine (9) years as at the date of this Notice. The Nomination Committee of the Company has assessed the independence of Mr. Chan Wan Siew and recommended to retain him as Independent Non-Executive Director of the Company. The Board of Directors endorsed the Nomination Committee's recommendation and is of the view that his retention as Independent Non-Executive Director of the Company is in the best interest of the Company.

(vii) Proposed Allocation of Long Term Incentive Plan ("LTIP") Awards to Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar

The shareholders of the Company had at the Extraordinary General Meeting on 15 September 2020 approved the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP.

The proposed Resolution 14, if passed, will enable Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar to participate in the LTIP with the offer and grant of Employee Share Option Scheme Options and/or ordinary shares of the Company, from time to time throughout the duration of the LTIP.

Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar being the interested director, will abstain and has also undertaken to ensure that persons connected to him will abstain from voting on this resolution. He has also abstained himself from all deliberations and voting on this resolution at the Board of Directors' Meeting.

(viii) Proposed Allocation of LTIP Awards to YM Tunku Abang Faisal Amir bin Abang Abu Bakar

The shareholders of the Company had at the Extraordinary General Meeting on 15 September 2020 approved the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP.

The proposed Resolution 15, if passed, will enable YM Tunku Abang Faisal Amir bin Abang Abu Bakar to participate in the LTIP with the offer and grant of Employee Share Option Scheme Options and/or ordinary shares of the Company, from time to time throughout the duration of the LTIP.

YM Tunku Abang Faisal Amir bin Abang Abu Bakar being the interested director, will abstain and has also undertaken to ensure that persons connected to him will abstain from voting on this resolution. He has also abstained himself from all deliberations and voting on this resolution at the Board of Directors' Meeting.

(ix) Proposed Allocation of LTIP Awards to Dato' Tharuma Rajah @ K.T. Rajan a/I R. Krishnan

The shareholders of the Company had at the Extraordinary General Meeting on 15 September 2020 approved the establishment of the LTIP for the eligible Directors and employees of the Company and its subsidiaries companies, which are not dormant, who fulfil the conditions of eligibility for participation in the LTIP.

The proposed Resolution 16, if passed, will enable Dato' Tharuma Rajah @ K.T. Rajan a/I R. Krishnan to participate in the LTIP with the offer and grant of Employee Share Option Scheme Options and/or ordinary shares of the Company, from time to time throughout the duration of the LTIP.

Dato' Tharuma Rajah @ K.T. Rajan a/I R. Krishnan being the interested director, will abstain and has also undertaken to ensure that persons connected to him will abstain from voting on this resolution. He has also abstained himself from all deliberations and voting on this resolution at the Board of Directors' Meeting.

| | |
|---------------------------|--|
| 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 (formerly known as Prestariang Berhad) ("**the Company**") hereby appoint:-

First Proxy "A"

| | | | |
|----------------|---------------------|---|---|
| Full Name: | NRIC/ Passport No.: | Proportion of Shareholdings Represented | |
| | | No. of Shares | % |
| Full Address: | | | |
| Telephone No.: | | | |
| Email Address: | | | |

and/or failing *him/her,

Second Proxy "B"

| | | | |
|----------------|---------------------|---|---|
| Full Name: | NRIC/ Passport No.: | Proportion of Shareholdings Represented | |
| | | No. of Shares | % |
| Full Address: | | | |
| Telephone No.: | | | |
| Email Address: | | | |

100%

or failing *him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting ("**11th AGM**") of the Company to be held on a virtual basis through online meeting platform hosted at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd., at the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 24 November 2021 at 10:00 a.m. and at any adjournment thereof.

* to put on a separate sheet where there are more than two (2) proxies.

(Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.)

| Item | Agenda | Resolution | For | Against |
|-------------------------|--|------------|-----|---------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon. | | | |
| 2. | To approve the additional payment of Directors' fees amounting to RM44,129.00 which was in excess of the earlier approved amount of RM450,000.00 for the financial year ended 30 June 2021. | 1 | | |
| 3. | To approve the additional payment of Directors' benefits up to an amount of RM50,000.00 which was in excess of the earlier approved amount of RM153,000.00 from 26 November 2020 until the conclusion of the next Annual General Meeting of the Company to be held in year 2021. | 2 | | |
| 4. | To approve the payment of Directors' fees up to an amount of RM996,000.00 for the period from 1 July 2021 until the next Annual General Meeting of the Company to be held in year 2022. | 3 | | |
| 5. | To approve the payment of Directors' benefits up to an amount of RM242,200.00 from 25 November 2021 until the next Annual General Meeting of the Company to be held in year 2022. | 4 | | |
| 6(a). | To re-elect Mr. Ramanathan a/l Sathiamutty as Director. | 5 | | |
| 6(b). | To re-elect Mr. Baldesh Singh a/l Manmohan Singh as Director. | 6 | | |
| 7(a). | To re-elect Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar as Director. | 7 | | |
| 7(b). | To re-elect YM Tunku Abang Faisal Amir bin Abang Abu Bakar as Director. | 8 | | |
| 7(c). | To re-elect Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan as Director. | 9 | | |
| 8. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | 10 | | |
| Special Business | | | | |
| 9. | Authority to issue shares pursuant to the Companies Act 2016. | 11 | | |
| 10. | Proposed Renewal of Share buy-back authority. | 12 | | |
| 11. | Retention of Mr. Chan Wan Siew as Independent Non-Executive Director. | 13 | | |
| 12. | Proposed allocation of Long Term Incentive Plan Awards to Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar. | 14 | | |
| 13. | Proposed allocation of Long Term Incentive Plan Awards to YM Tunku Abang Faisal Amir bin Abang Abu Bakar. | 15 | | |
| 14. | Proposed allocation of Long Term Incentive Plan Awards to Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan. | 16 | | |

As witness my/our hand(s) this day _____ of _____, 2021.

* 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 2021 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.
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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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Stamp

To:

Boardroom Share Registrars Sdn. Bhd.

Level 11, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13

46200 Petaling Jaya, Selangor Darul Ehsan

Fold here

5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one 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 Ground Floor or 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. Monday, 22 November 2021 at 10:00 a.m. All resolutions set out in this notice of meeting are to be voted by poll.

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Please refer to the Administrative Guide for the 11th AGM of the Company, which is available for download at https://awantec.listedcompany.com/shareholders_meeting.html for further details.

FTSE4Good Content Index

CLIMATE CHANGE

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|---|---|------------------------|
| ECC01 | Climate change impact including CO2/GHG emissions - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency | - Doing Well by Minimising Carbon Footprint | 61 |
| ECC05 | Initiatives in place include measures to address climate change through adaptation: a) Company mentions addressing adaptation b) Company explains specific actions taken | - Pivoting on Digitalisation to Reduce Carbon Intensity | 62 |
| ECC08 | Board oversight of climate change: a) Evidence of board or board committee oversight of the management of climate change risks b) Named position responsible at Board level | - Governance Structure | 43 |
| ECC12 | Intensity of operational GHG emissions is: a) Measured and disclosed b) Reduced | - Reporting Scope, Boundaries and Period - About This Report - Environment Performance Indicators | Front Endpaper, 40, 65 |
| ECC14 | Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed | - Reporting Scope, Boundaries and Period - About This Report - Environment Performance Indicators | Front Endpaper, 40, 65 |
| ECC15 | Three years of total energy consumption data is disclosed | - Reporting Scope, Boundaries and Period - About This Report - Environment Performance Indicators | Front Endpaper, 40, 65 |
| ECC31 | Energy use - Policy or commitment statement to: a) Address the issue b) Reduce or avoid the impact or improve efficiency | - Sustainability Goals - Doing Well by Minimising Carbon Footprint | 44, 61 |
| ECC38 | Short term (up to 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets | - Sustainability Goals | 44 |
| ECC39 | Long term (more than 5 years) GHG emissions reduction targets - this could include scope 1 and/or scope 2 and/or scope 3: a) Unquantified, process targets b) Quantified targets | - Sustainability Goals | 44 |
| ECC40 | Disclosure of results measured against previously set and disclosed targets to reduce operational GHG emissions: a) Unquantified progress b) Quantified progress | - Sustainability Goals - Environment Performance Indicators | 44, 65 |
| ECC41 | Independent verification of operational GHG emissions data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared | - About This Report | 40 |
| ECC42 | Independent verification of operational energy consumption data: a) Independent Verification by third party b) International assurance standard used and level of assurance declared | - About This Report | 40 |
| ECC43 | Recognition of climate change: a) As a relevant risk and/or opportunity to the business b) Discloses time horizon (short/medium/long term) of risk and/or opportunity | - Sustainability Risks and Opportunities | 47 |
| ECC44 | Impact of climate-related risks and opportunities. The company: a) Details how they incorporate climate change risks and opportunities in their strategy (mitigation, new products, R&D, etc.) b) Discloses the impact of climate change risks and opportunities on financial planning (OPEX, CAPEX, M&A, debt) | - Sustainability Risks and Opportunities | 47 |

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| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|--|--|---------|
| ECC49 | Scope 3 emissions | - Environment Performance Indicators | 65 |
| ECC50 | Climate-related risk management procedures: a) Integrated into multi-disciplinary company-wide risk management b) Specific climate-related risk management process | Governance Structure - Sustainability Risks and Opportunities | 43,47 |
| ECC51 | Internal carbon price: a) Company has an internal price of carbon b) Company discloses the price of carbon | - Environment Performance Indicators | 65 |
| ECC75 | Does the company's remuneration for senior executives incorporate climate change performance? a) CEO b) At least one other senior executive | - Governance Structure | 43 |

CORPORATE GOVERNANCE

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|---|--|-----------------------------|
| GCG01 | Separate Non-Executive Chair and CEO: a) Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared b) Separate Non-Executive Chair and CEO, where Chair is independent | - Board of Directors' Profile - Board Composition - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85 |
| GCG02 | Disclosure of details about Directors: a) Expertise b) Other Directorships | - Board of Directors' Profile - Board Composition - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85 |
| GCG03 | Number of Board Directors | - Board of Directors' Profile - Board Composition - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85 |
| GCG04 | Number of independent Directors on the board | - Board of Directors' Profile - Board Composition - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85 |
| GCG05 | Number of women on the board | - Board of Directors' Profile - Board Composition - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85 |
| GCG06 | Commitment to gender diversity on the board: a) Statement of support b) Targets in place to improve gender ratio | - Board Diversity | 89 |
| GCG07 | Board addresses: a) Conflicts of interest b) Related party transactions | - Board Charter (https://www.awantec.my) - Related Party Transaction Policy (https://www.awantec.my) | |
| GCG08 | Periodic evaluation of board effectiveness: a) Review (can have no clear timeframe) b) Evaluation with a clear timeframe (e.g. annually or other set period) | - Board Effectiveness Evaluation | 91 |
| GCG09 | Disclosure of: a) Board Committee(s) b) Their Charters, terms of reference or equivalent | - Governance Framework - Audit Committee Report - Remuneration Committee Report - Nomination Committee Report - Long Term Incentive Plan Committee Report - Risk Management Committee Report - Board Charter (https://www.awantec.my) | 80, 103, 107, 109, 111, 113 |

CORPORATE GOVERNANCE (CONT'D)

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|--|--|-----------------------------|
| GCG10 | Disclosure of number of times the board/each committee have/has met per annum: | - Board Composition - Audit Committee Report - Remuneration Committee Report - Nomination Committee Report - Long Term Incentive Plan Committee Report - Risk Management Committee Report | 80, 103, 107, 109, 111, 113 |
| GCG11 | Disclosure of the attendance rate: a) For some individual board/committee members, or average attendance rates b) Of all individual directors at both board and committee level | - Board Composition - Audit Committee Report - Remuneration Committee Report - Nomination Committee Report - Long Term Incentive Plan Committee Report - Risk Management Committee Report | 80, 103, 107, 109, 111, 113 |
| GCG14 | Disclosure of fixed and variable remuneration for: a) Senior executives included in the company's remuneration disclosures b) Non-executive board members | - Disclosure on Directors' Remuneration | 98 |
| GCG19 | Annual General Meeting: Number of days between the date of notice and date of meeting | - Notice of Annual General Meeting (https://www.awantec.my) | 247 |
| GCG21 | Shareholders have the right to vote on executive remuneration: a) Evidence of shareholders voting in the AGM b) The right to vote annually is explicitly covered in a company policy | - Notice of Annual General Meeting (https://www.awantec.my) - Remuneration Policy (https://www.awantec.my) | 247 |
| GCG22 | Shareholders have the right to vote on Director appointments and dismissals: a) Evidence of shareholders voting in the AGM b) The right to vote annually for election/re-election of all directors is explicitly covered in a company policy | - Remuneration Policy (https://www.awantec.my) - Notice of Annual General Meeting (https://www.awantec.my) | 96, 247 |
| GCG26 | Disclosure of voting results: a) In at least a limited manner b) In a detailed manner | - Shareholders' Meeting: Minutes of Meeting (https://www.awantec.my) | |
| GCG27 | Remuneration for senior executives included in the company's remuneration disclosures: a) Includes long-term incentives or mechanisms b) Incorporates ESG performance | - Governance Structure - Remuneration Policy (https://www.awantec.my) | 43 |
| GCG40 | Claw-back or malus provision exists for remuneration: a) Applies to CEO b) Applies to CEO and to one or more senior executives included in the company's remuneration disclosures | - Directors and Senior Management Remuneration | 97 |
| GCG42 | Does the company provide for one share one vote for all company meeting resolutions? | - Analysis of Shareholdings | 240 |
| GCG44 | Financial expertise on the audit committee: a) At least one independent financial expert on the audit committee b) A majority of independent financial experts on the audit committee | - Board of Directors' Profile - Board Composition - Audit Committee Report - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85, 103 |
| GCG46 | There is a fully non-executive Audit Committee or Audit Board with: a) At least half independent members b) All independent members | - Board of Directors' Profile - Board Composition - Audit Committee Report - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85, 103 |
| GCG47 | There is a fully non-executive Remuneration Committee with: a) At least half independent members b) All independent members | - Board of Directors' Profile - Board Composition - Remuneration Committee Report - Corporate Website: Company Leadership (https://www.awantec.my) | 30, 85, 107 |

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CORPORATE GOVERNANCE (CONT'D)

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|--|--|---------|
| GCG48 | In relation to executive remuneration, the company discloses: a) High level principles b) A detailed process for setting remuneration | - Directors and Senior Management Remuneration - Remuneration Committee Report - Remuneration Policy (https://www.awantec.my) | 97, 107 |
| GCG49 | Disclosure and Nature of fees paid to the auditor: a) Audit and non-audit fees are separately disclosed b) Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year | - Audit and Non-Audit Fees | 120 |
| GCG50 | Percentage of women on the Executive committee or equivalent: a) Year b) Percentage of women on the Executive committee or equivalent | - Senior Management Profile - Corporate Website: Company Leadership (https://www.awantec.my) | 35 |

HUMAN RIGHTS AND COMMUNITY

| | | | |
|-------|---|--|------------|
| SHR03 | Statement of principles or process by which community investments are made: a) Covering defined focus areas b) Community investment focus area(s) linked to the company's business strategy | - Doing Well by Empowering Communities | 63 |
| SHR04 | Policy addresses children's rights, other than child labour through: a) Evidence of support for children's rights in company operations or through programmes b) Policy or commitment statement on children's rights, such as commitment to the Children's Rights and Business Principles | - Compliance with Regulations and Laws | 71 |
| SHR05 | Commitment to local employment and/or sourcing: a) Comment on local employment/sourcing b) Clear commitment | - Employee Demographics - Looking Forward - Keeping Our Supply Chain Sustainable | 73, 74, 77 |
| SHR06 | Addresses freedom of expression through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative | - Advocate Freedom of Expression and Association | 72 |
| SHR07 | Addresses data privacy through: a) Having a statement/policy b) Being a member of a relevant industry initiative such as the Global Network Initiative | - Keeping Our Data Safe | 77 |
| SHR15 | Output/outcome of specific results, achievements or benefits of community investments: a) Details of output/outcome including non-quantified b) Quantification of output/outcome | - Doing Well by Empowering Communities | 63 |
| SHR16 | Mechanisms to facilitate employee engagement and involvement with charitable partners: a) Evidence of recognising volunteering b) Specific targets or structures set up to facilitate employee engagement | - Looking Forward | 73 |
| SHR17 | Total Amount of corporate or group donations/community investments made to registered not-for-profit organisations: | - Empowering PWDs | 63 |
| SHR21 | Public commitment to respect and support the protection of internationally proclaimed human rights: a) The company's commitment includes reference to international human rights instruments, including those contained within the International Bill of Human Rights b) The company has made a specific commitment to apply either the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises | - Compliance with Regulations and Laws (https://www.awantec.my) | 71 |

LABOUR STANDARDS

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|----------------------------|---|--|----------------|
| SLS03 | In relation to non-discrimination, company: a) Addresses non-discrimination/equal opportunity in general disclosures b) Has a separate policy, covering race, religion, gender, age, sexual orientation, disabilities, and nationality | - Equal Opportunity Employer | 71 |
| SLS05 | Policy or statement supporting the right to freedom of association that: a) Refers only to compliance with local law on freedom of association b) Covers the respect for or support of the right to freedom of association | - Advocate Freedom of Expression and Association | 72 |
| SLS06 | Policy or statement supporting the right to collective bargaining that: a) Refers only to compliance with local law on collective bargaining b) Covers the respect for or support of the right to collective bargaining | - Support the Rights to Trade Union and Collective Bargaining | 72 |
| SLS07 | Policy/Principles/Code addressing the elimination of excessive working hours, which: a) Focuses on compliance with local law on working hours/overtime b) Focuses on specifically reducing excessive working hours | - Discourage Excessive Working Hours | 72 |
| SLS08 | Policy or statement supporting the right to a minimum or living wage, which: a) Focuses on compliance with minimum wage b) Commits to exceed minimum wage/meet living wage | - Commitment to Exceed Minimum Wage | 72 |
| SLS11 | Policy supporting the community addressing: a) The employment of under-privileged groups, including those from deprived backgrounds, having poor social status and with no formal education or qualifications b) Youth unemployment initiatives, apprenticeships or graduate placements | - Turning Unemployed, Employed - Empowering Youths | 54, 64 |
| SLS12 | Company policy on labour standards is: a) Communicated globally to employees b) Translated into relevant languages | - Keeping Our Workplace Inclusive and Diversified | 72 |
| SLS21 | In relation to instances of labour standards non-compliance, the company: a) Discloses the number of incidents but not how they dealt with them, or states there were no incidents b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents, or states there were no incidents | - Keeping Our Workplace Inclusive and Diversified | 72 |
| SLS24 | Full time staff voluntary turnover rates: a) Current Year b) Turnover Rate | - Employee Demographics - People Performance Indicators | 73, 74 |
| SLS25 | Percentage of employees that are contractors or temporary staff | - People Performance Indicators | 74 |
| SLS26 | Amount of time spent on employee development training to enhance knowledge or individual skills | - Training and Development - People Performance Indicators | 69, 74 |
| SLS29 | Employee personal development training to enhance abilities or individual skills, including: a) Policy or commitment statement to provide employee personal development training b) Detailed description of the personal development training that is provided | - Keeping Our Employees Well Primed - Training and Development | 69, 70 |
| SLS30 | The company addresses bullying and/or harassment: a) Providing a confidential reporting channel or whistle blowing system b) Manager training on handling of reports or instances of bullying or harassment | - Zero Tolerance Conduct and Grievance Mechanism | 72 |
| SLS33 | Percentage of women in the global workforce | - Keeping Our Workplace Inclusive and Diversified - People Performance Indicators | 72, 74 |

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GOVERNANCE: ANTI-CORRUPTION

| Reference Indicator | Indicator Description | Reference Section | Page(s) |
|---------------------|--|---|---------|
| GAC01 | Policy or commitment statement: a) Addresses countering bribery b) Specifies countering at least 2 different forms of bribery related activities | - Keeping Our Operations Free from Bribe and Corruption - Anti-Bribery and Corruption Manual (https://www.awantec.my) | 75 |
| GAC02 | Policy or commitment statement: a) Addresses anti-corruption a) Specifies countering relevant forms of corruption (e.g. money laundering, embezzlement, obstruction of justice, etc.) | - Keeping Our Operations Free from Bribe and Corruption - Anti-Bribery and Corruption Manual (https://www.awantec.my) | 75 |
| GAC03 | Board has oversight of anti-corruption policy: a) Covers elements/types of corruption including bribery b) Covers anti corruption comprehensively | - Keeping Our Operations Free from Bribe and Corruption - Anti-Bribery and Corruption Manual (https://www.awantec.my) | 75 |
| GAC05 | Confidential or anonymous whistle-blowing mechanism for staff covers: a) Elements/types of corruption including bribery b) Anti-corruption comprehensively | - Keeping Our Operations Free from Bribe and Corruption - Anti-Bribery and Corruption Manual (https://www.awantec.my) | 75 |
| GAC06 | Communication of anti-corruption policy to all employees covers: a) Elements/types of corruption including bribery b) Anti-corruption comprehensively | - Keeping Our Operations Free from Bribe and Corruption - Anti-Bribery and Corruption Manual (https://www.awantec.my) | 75 |
| GAC11 | Process for intermediaries (including contractors or agents): a) Corruption risk assessment or procedures to address corruption for intermediaries b) Anti-corruption policy is communicated to intermediaries | - Keeping Our Operations Free from Bribe and Corruption | 75, 76 |
| GAC12 | Disclosure of total amount of political contributions made | - Keeping Our Operations Free from Bribe and Corruption | 76 |
| GAC13 | Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies (No. of staff disciplined) | - Keeping Our Operations Free from Bribe and Corruption | 76 |
| GAC14 | Disclosure of cost of fines, penalties or settlements in relation to corruption | - Keeping Our Operations Free from Bribe and Corruption | 76 |



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