



AwanBiru Technology Berhad

[Registration No. 201001038336]
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Quarter Ended 30 September 2023**

AWANBIRU TECHNOLOGY BERHAD

(Registration No.201001038336)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30/9/2023 RM'000	Preceding Year Quarter 30/9/2022 RM'000	Current Year To Date 3 months 30/9/2023 RM'000	Preceding Year To Date 3 months 30/9/2022 RM'000
Revenue		16,471	18,105	16,471	18,105
Cost of sales		(10,573)	(12,489)	(10,573)	(12,489)
Gross profit		5,898	5,616	5,898	5,616
Other income		454	415	454	415
Administrative expenses		6,352	6,031	6,352	6,031
Other expenses		(5,268)	(5,798)	(5,268)	(5,798)
Finance costs		(399)	(964)	(399)	(964)
Profit/(Loss) before taxation	B5	(184)	(184)	(184)	(184)
Income tax expense	B6	501	(915)	501	(915)
Total comprehensive income/(expenses) for the financial period		(100)	(522)	(100)	(522)
Profit/(Loss) after taxation attributable to:-					
Owners of the Company:		401	(1,437)	401	(1,437)
Non-controlling interest		404	(1,399)	404	(1,399)
		(3)	(38)	(3)	(38)
		401	(1,437)	401	(1,437)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company:		404	(1,399)	404	(1,399)
Non-controlling interest		(3)	(38)	(3)	(38)
		401	(1,437)	401	(1,437)
Earnings/(Loss) Per Share attributable to owners of the Company (Sen)					
Basic	B12	0.05	(0.18)	0.05	(0.18)

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2022 to 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	Unaudited As at 30/9/2023 RM'000	Audited As at 30/6/2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		20,997	21,222
Investment properties		24,180	24,180
Development cost		-	-
		45,177	45,402
CURRENT ASSETS			
Contract costs		659	6,267
Trade and other receivables		341,396	324,446
Contract assets		18,459	29,608
Short-term investment		336	5,529
Cash and cash equivalents		5,245	7,876
Current tax assets		1,874	1,582
		367,969	375,308
		413,146	420,710
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		191,991	198,197
Borrowings	B8	3,646	3,663
Contract liabilities		1,787	2,635
		197,424	204,495
NON-CURRENT LIABILITIES			
Borrowings	B8	9,595	10,489
Redeemable Preference Shares "A"		152	152
Deferred tax liabilities		16,869	16,869
		26,616	27,510
		224,040	232,005
TOTAL LIABILITIES			
NET ASSETS			
		189,106	188,705
EQUITY			
Share capital		176,997	176,997
Treasury shares		(3,366)	(3,366)
Warrant reserve		19,812	19,812
LTIP reserve		25	25
Accumulated losses		(15,773)	(16,177)
Total equity attributable to owners of the Company		177,695	177,291
Non-controlling interest		11,411	11,414
		189,106	188,705
TOTAL EQUITY			
TOTAL LIABILITIES & EQUITY			
		413,146	420,710
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)			
		22.50	22.44

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2022 to 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	←-----Non-distributable-----→					Distributable		
	Share Capital RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 30 June 2022 /1 July 2022	176,861	19,812	94	(3,366)	(9,671)	183,730	11,470	195,200
Profit after taxation/Total comprehensive income for the year	-	-	-	-	(6,506)	(6,506)	(56)	(6,562)
Transaction with owners of the Company:-								
- ESOS exercised	64	-	(12)	-	-	52	-	52
- Share options and LTIP shares granted	-	-	15	-	-	15	-	15
- Shares issued	72	-	(72)	-	-	-	-	-
	136	-	(69)	-	-	67	-	67
At 30 June 2023	176,997	19,812	25	(3,366)	(16,177)	177,291	11,414	188,705
Loss after taxation/Total comprehensive expense for the year	-	-	-	-	404	404	(3)	401
At 30 September 2023	176,997	19,812	25	(3,366)	(15,773)	177,695	11,411	189,106

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2022 to 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Current 3 months 30/9/2023 RM'000	Preceding Year 3 months 30/9/2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	501	(915)
Adjustments for:		
Depreciation of property and equipment	399	453
Impairment loss on trade and other receivables	-	408
Interest income	(3)	(30)
Interest expense	184	184
Reversal of impairment on trade and other receivables	(268)	-
Operating profit before working capital changes	<u>813</u>	<u>100</u>
Working capital changes:-		
Changes in contract costs	5,608	(2,306)
Changes in contract assets	11,149	6,547
Changes in trade and other receivables	(16,682)	(11,591)
Changes in contract liabilities	(848)	539
Changes in trade and other payables	(6,206)	6,788
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES	<u>(6,166)</u>	<u>77</u>
Interest paid	(184)	(184)
Income tax paid	(392)	(259)
NET CASH FLOW FOR OPERATING ACTIVITIES	<u>(6,742)</u>	<u>(366)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property and equipment	(174)	(37)
Interest received	3	30
NET CASH FLOW FOR INVESTING ACTIVITIES	<u>(171)</u>	<u>(7)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(911)	(974)
NET CASH FLOW FOR FINANCING ACTIVITIES	<u>(911)</u>	<u>(974)</u>
Net decrease in cash and cash equivalents	(7,824)	(1,347)
Cash and cash equivalents at beginning of the financial period	<u>11,872</u>	<u>17,256</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>4,048</u>	<u>15,909</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	3,712	10,596
Deposits with licensed banks	1,533	2,091
Short-term investments	336	5,313
	<u>5,581</u>	<u>18,000</u>
Less: Deposits pledged with licensed banks	(1,533)	(2,091)
	<u>4,048</u>	<u>15,909</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2022 to 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (“MFRS 134”)

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the requirement of Malaysian Financial Reporting Standards (“MFRSs”) 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2023.

The accounting policies and methods of computation by the Group in this interim financial statement are consistent with those adopted in the financial statements for the period ended 30 June 2023 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2023.

At the beginning of the current financial year, the Group adopted new MFRSs, Amendments to MFRSs and an IC Interpretation (collectively referred to as “pronouncements”) that have been issued by the MASB and are applicable as listed below: -

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

The Group expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application.

AWANBIRU TECHNOLOGY BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023**A2. CHANGES IN ACCOUNTING POLICIES**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2023 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the quarter ended 30 September 2023 is not significantly affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

There were no material unusual items or events affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter ended 30 September 2023.

A6. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect to this interim financial report.

A7. CHANGES IN DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter.

A8. VALUATION OF PROPERTY AND EQUIPMENT

There was no revaluation of the property and equipment in the current financial quarter.

A9. DIVIDENDS PAID

There was no dividend paid during the current financial quarter.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

A10. SEGMENTAL INFORMATION

The Group's business segments reflect the internal reporting structure as follows:

- a) **Software & Services** – license distribution, implementation, system integration, managed services, application development, other cloud related solutions and services (IaaS, SaaS, PaaS, XaaS).
- b) **Talent** – provision of career placement, talent upskilling, reskilling, training and certification.
- c) **Concession** – delivery of total solution for the integrated and comprehensive core immigration system which includes design, customise, install, configure, test, commission and maintenance throughout the concession period.
- d) **Others** – investment holding and other inactive subsidiaries.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

A10. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 3 SEPTEMBER 2023 (UNAUDITED)					RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)				
	Software & Services RM'000	Talent RM'000	Concession RM'000	Others RM'000	Total RM'000	Software & Services RM'000	Talent RM'000	Concession RM'000	Others RM'000	Total RM'000
Revenue						Revenue				
External revenue	9,793	6,678	-	-	16,471	12,906	5,199	-	-	18,105
Inter-segment revenue	-	114	-	1,425	1,539	-	127	-	500	627
Segment revenue	9,793	6,792	-	1,425	18,010	12,906	5,326	-	500	18,732
Consolidation adjustments					(1,539)					(627)
Consolidated revenue					16,471					18,105
Results						Results				
Segment profit/(loss) before interest and taxation	596	1,569	(8)	(1,472)	685	1,088	1,108	(122)	(2,805)	(731)
Finance costs					(184)					(184)
Consolidation adjustments					-					-
Total Profit Before Taxation					501					(915)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023**A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM QUARTER**

There were no items, transactions or events of a material and unusual nature that have arisen since 30 September 2023 to the date of this announcement which would substantially affect the financial results of the Group for the current financial quarter that have not been reflected in the condensed financial statements.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter.

A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets. Contingent liabilities during the financial period were as follows: -

	RM '000
- Performance guarantee extended by a subsidiary to third party	491
- Dividend payable on Redeemable Preference Shares ("RPS")	28,804
	<u>29,295</u>

A14. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property and equipment as at 30 September 2023 are as follows:

	RM'000
- Approved but not contracted for	<u>255</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 30 September 2023.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023**NOTES TO THE INTERIM FINANCIAL REPORT****PART B – ADDITIONAL INFORMATION AS REQUIRED BY MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B1. OPERATING SEGMENTS REVIEW**

	INDIVIDUAL QUARTER		Variance	
	Current Quarter 30/9/2023 RM'000	Preceding Year Quarter 30/9/2022 RM'000	RM'000	(%)
<u>Segmental Revenue:</u>				
Software & Services	9,793	12,906	(3,113)	-24%
Talent	6,792	5,326	1,466	28%
Others	1,425	500	925	185%
	18,010	18,732	(722)	-4%
Inter-segment Elimination	(1,539)	(627)	(912)	145%
Group	16,471	18,105	(1,634)	-9%
<u>Profit/(Loss) Before Taxation</u>				
Software & Services	529	1,038	(509)	-49%
Talent	1,497	1,040	456	44%
Concession	(8)	(122)	114	93%
Others	(1,517)	(2,871)	1,354	47%
	501	(915)	1,416	-155%
Inter-segment Elimination	-	-	-	.
Group	501	(915)	1,416	-155%

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

B1. OPERATING SEGMENTS REVIEW (CONT'D)

THREE (3) MONTHS RESULTS (Q1 FY2024 vs Q1 FY2023)

The Group revenue for the three (3) months period under review decreased from RM18.1 million in Q1 FY2023 to RM16.5 million in Q1 FY2024, mainly attributable to the lower revenue from Software & Services.

The Group recorded a profit before taxation of RM0.5 million in Q1 FY2024 as compared to a loss before taxation of RM0.9 million in Q1 FY2023. Factors affecting the results for this quarter were as follows:

- i. Talent segment recorded a profit before taxation of RM1.5 million in Q1 FY2024 as compared to a profit before taxation of RM1.0 million in Q1 FY2023 due to a higher revenue in Q1 FY2024 mainly due to higher sales from online learning platform;
- ii. Decrease in Software & Services revenue from RM12.9 million in Q1 FY2023 to RM9.8 million in Q1 FY2024 due to lower revenue from software in Q1 FY2024. This has resulted in a lower profit before taxation of RM0.5 million as compared to a profit before taxation of RM1.0 million in Q1 FY2023;
- iii. Others segment recorded a lower loss before taxation of RM1.5 million in Q1 FY2024 as compared to RM2.9 million loss before taxation in Q1 FY2023 mainly due to lower operating expenses in Q1 FY2024.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 30/9/2023 RM'000	Immediate Preceding Quarter 30/6/2023 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>				
Software & Services	9,793	2,948	6,845	232%
Talent	6,792	2,444	4,348	178%
Concession	-	-	-	0%
Others	1,425	500	925	185%
	18,010	5,892	12,118	206%
Inter-segment Elimination	(1,539)	(689)	(850)	123%
Group	16,471	5,203	11,268	217%
<u>Profit/(Loss) Before Taxation</u>				
Software & Services	529	1,077	(548)	-51%
Talent	1,497	26	1,471	5657%
Concession	(8)	264	(272)	103%
Others	(1,517)	(2,168)	651	30%
	501	(801)	1,302	163%
Inter-segment Elimination	-	-	-	-
Group	501	(801)	1,302	163%

The Group recorded a profit before taxation of RM0.5 million in Q1 FY2024 as compared to a loss before taxation of RM0.8 million in Q4 FY2023 primarily attributed to improved gross profit and lower operating expenses in Q1 FY2024.

Profit after tax improved to RM0.4 million in Q1 FY2024, building from the RM0.1 million profit after tax in the immediate preceding Q4 FY2023.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

In Q1 FY2024, the Group recorded a profit after taxation of RM0.4 million, marking a notable turnaround from the RM1.4 million loss in the corresponding period last year. This is the second consecutive quarter of profit attained, building from the RM0.1 million profit after taxation registered in the preceding Q4 FY2023. This achievement underscores the continuous advancements from our ongoing transformation plan formulated in 2021, centered around our key offerings of Cloud-Based Software Solutions, Platform as a Service, Infrastructure as a Service, Talent as a Service, and System Integration.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024 (CONT'D)

The Group's profitability was heavily contributed by the Talent segment through our strategic partnership with Human Resource Development Corporation (HRDC). Meanwhile, our Technology segment has made significant strides in the implementation of Cloud migration, dashboard and analytics during the quarter under review, growing our services business.

The Board and Management are confident that performance in FY2024 will improve as we remain focused on strengthening our synergistic offerings to continue driving growth for the Group.

B4. VARIANCE ON PROFIT FORECAST/PROFIT ESTIMATE

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. PROFIT /(LOSS) BEFORE TAXATION

Profit /(Loss) before taxation is derived after taking into consideration of the following:

	<u>Individual Quarter</u>	
	Current Quarter 30/9/2023 RM'000	Preceding Year Quarter 30/9/2022 RM'000
Interest expense	184	184
Interest income	(3)	(30)
Depreciation and amortisation	399	453
(Reversal)/Impairment losses:		
Trade and other receivables	(268)	408

B6. INCOME TAX EXPENSE

The Group consolidated tax expense was computed based on the respective company's results separately. Certain companies within the Group reported profits before tax and therefore were taxable.

	<u>Individual Quarter</u>	
	Current Quarter 30/9/2023 RM'000	Preceding Year Quarter 30/9/2022 RM'000
Malaysia tax:		
- for the current year	100	450
- under provision in prior year	-	72
	<u>100</u>	<u>522</u>

B7. STATUS OF CORPORATE PROPOSALS

The Company is implementing the following proposals that form part of the Group's rationalisation plan:

1. Long term incentive plan ("LTIP")

The Company had, on 25 January 2021, announced that the effective date for the LTIP has been fixed to commence 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 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.

2. Proposed scheme of arrangement

On 24 August 2020, Prestariang SKIN Sdn. Bhd. ("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 "Proposed Scheme"). The Proposed Scheme is in relation to PSKIN only.

The purpose of the Proposed Scheme 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. Further, the Proposed Scheme does not involve any lenders of PSKIN or the Group.

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023**B7. STATUS OF CORPORATE PROPOSALS (CONT'D)**

3. Creditor's Voluntary Liquidation

On 2 April 2021, the Company announced that Prestariang Tech Services Sdn. Bhd. ("PTSSB"), a wholly owned subsidiary of Awantec Services Sdn. Bhd., which in turn is a subsidiary of the Company, was undergoing a Creditors' Voluntary Winding Up.

Mr. Lim Tian Huat and Mr. Chiang Teng Guan of Messrs. Rodgers Reidy & Co. were appointed as the Joint and Several Liquidators for the Creditors' Voluntary Winding Up of PTSSB by a resolution of the Company and its Creditors at the First Creditor's Meeting held on 3 May 2021.

The Creditors' Voluntary Winding Up is part of an overall debt management exercise undertaken by the Company for the wholly owned subsidiaries of Awantec Services Sdn. Bhd. (namely PSKIN and PTSSB) following the termination of the SKIN Project. Further, PTSSB cannot by reason of its liabilities continue its business as usual.

B8. BORROWINGS

The Group's borrowing and debts securities as at 30 September 2023 are as follows:

	Long term borrowing			Short term borrowing		Total (RM'000)
	Secured	Unsecured	Total	Secured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>						
- Term loan	9,595	-	9,595	3,646	3,646	13,241
<u>Debt Securities</u>						
- RPS "A"	152	-	152	-	-	152
Total	9,747	-	9,747	3,646	3,646	13,393

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B9. MATERIAL LITIGATION

The Group has filed and served its Originating Summons (“OS”) dated 15 April 2019 against the Government of Malaysia (“GOM”) as Defendant claiming the amount of RM733 million in relation to the termination of the Sistem Kawalan Imigresen Nasional (“SKIN”) by expropriation.

The OS was heard before the High Court on 22 January 2021, 29 January 2021, 26 February 2021, 9 April 2021, 20 May 2021, 2 November 2021, 30 November 2021, 11 March 2022, 25 July 2023, 26 July 2023 and 27 October 2023. The Oral Closing Submission has been fixed on 8 March 2024 by the High Court for the conclusion of the OS.

The Group remains positive on the compensation amount based on the formula stipulated under the Concession Agreement. Based on the above, the management is confident that there is no impairment necessary for the period under review.

Separately, PSKIN and GOM have also agreed to refer the dispute in respect of PSKIN’s Originating Summons to court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre (“**Mediation Centre**”). On 30 October 2019, representatives from PSKIN and GOM (with Parties’ respective Counsel) attended the first mediation session and the Group will continue to pursue mediation in parallel with the OS.

B10. FAIR VALUE HIERARCHY

There were no transfers between any levels of the fair value hierarchy which took place during the current quarter and the comparative period. There was also no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

B11. PROPOSED DIVIDEND

No interim dividend has been declared for the current quarter ended 30 September 2023.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023**B12. EARNINGS/(LOSS) PER SHARE**

	<u>Individual Quarter</u>	
	Current Quarter 30/9/2023	Preceding Year Quarter 30/9/2022
Profit/(loss) after taxation attributable to owners of the Company (RM'000)	401	(1,437)
Weighted average number of ordinary shares in issue ('000)	789,892	787,426
Basic earnings/(loss) per share (sen)	0.05	(0.18)

B13. AUTHORISED FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 November 2023.

BY ORDER OF THE BOARD**CHUA SIEW CHUAN (SSM PC No. 201908002648)****LIM LIH CHAU (SSM PC No. 201908001454)**

Secretaries

Kuala Lumpur**23 November 2023**