



AwanBiru Technology Berhad

[Registration No. 201001038336]
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Quarter Ended 31 March 2024**

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**AWANBIRU TECHNOLOGY BERHAD**

(Registration No.201001038336)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2024**

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter	Preceding Year Quarter	Current Year To Date 9 months	Preceding Year To Date 9 months
		31/3/2024 RM'000	31/3/2023 RM'000	31/3/2024 RM'000	31/3/2023 RM'000
Revenue		55,765	8,509	84,390	34,602
Cost of sales		(44,689)	(4,077)	(60,321)	(20,722)
Gross profit		11,076	4,432	24,069	13,880
Other income		605	764	1,551	1,621
Administrative expenses		11,681	5,196	25,620	15,501
Other expenses		(8,730)	(5,588)	(20,144)	(17,468)
Finance costs		(399)	(884)	(1,198)	(2,705)
Profit/(Loss) before taxation	B5	(247)	(205)	(601)	(573)
Income tax expense	B6	2,305	(1,481)	3,677	(5,245)
Total comprehensive income/(expenses) for the financial period		(281)	(560)	(586)	(1,182)
Profit/(Loss) after taxation attributable to:-					
Owners of the Company:		2,138	(1,988)	3,326	(6,296)
Non-controlling interest		(114)	(53)	(235)	(131)
		2,024	(2,041)	3,091	(6,427)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company:		2,138	(1,988)	3,326	(6,296)
Non-controlling interest		(114)	(53)	(235)	(131)
		2,024	(2,041)	3,091	(6,427)
Earnings/(Loss) Per Share attributable to owners of the Company (Sen)					
Basic	B12	0.27	(0.25)	0.42	(0.80)

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 31 MARCH 2024

	Note	Unaudited As at 31/3/2024 RM'000	Audited As at 30/6/2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		20,261	21,222
Investment properties		24,180	24,180
Development cost		-	-
		44,441	45,402
CURRENT ASSETS			
Contract costs		336	6,267
Trade and other receivables		338,061	324,446
Contract assets		53,873	29,608
Short-term investment		343	5,529
Cash and cash equivalents		13,509	7,876
Current tax assets		1,928	1,582
		408,050	375,308
TOTAL ASSETS		452,491	420,710
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		225,012	198,197
Bank Overdraft		5,000	-
Borrowings	B8	3,700	3,663
Contract liabilities		2,253	2,635
		235,965	204,495
NON-CURRENT LIABILITIES			
Borrowings	B8	7,709	10,489
Redeemable Preference Shares "A"		152	152
Deferred tax liabilities		16,869	16,869
		24,730	27,510
TOTAL LIABILITIES		260,695	232,005
NET ASSETS		191,796	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		(12,851)	(16,177)
Total equity attributable to owners of the Company		180,617	177,291
Non-controlling interest		11,179	11,414
TOTAL EQUITY		191,796	188,705
TOTAL LIABILITIES & EQUITY		452,491	420,710
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		22.87	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 31 MARCH 2024

	←-----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
Profit after taxation/Total comprehensive income for the year	-	-	-	-	3,326	3,326	(235)	3,091
At 31 March 2024	176,997	19,812	25	(3,366)	(12,851)	180,617	11,179	191,796

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2024

	Current 9 months 31/3/2024 RM'000	Preceding Year 9 months 31/3/2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	3,677	(5,245)
Adjustments for:		
Depreciation of property and equipment	1,198	1,381
Impairment loss on trade and other receivables	-	1,219
Interest income	(92)	(139)
Interest expense	601	573
Reversal of impairment on trade and other receivables	(268)	(325)
Operating profit before working capital changes	<u>5,116</u>	<u>(2,536)</u>
Working capital changes:-		
Changes in contract costs	5,931	(866)
Changes in contract assets	(24,265)	5,256
Changes in trade and other receivables	(13,347)	(2,210)
Changes in contract liabilities	(382)	(2,466)
Changes in trade and other payables	26,815	14,213
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES	<u>(132)</u>	<u>11,391</u>
Interest paid	(601)	(573)
Income tax paid	(932)	(714)
NET CASH FLOW (FOR)/FROM OPERATING ACTIVITIES	<u>(1,665)</u>	<u>10,104</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property and equipment	(237)	(744)
Interest received	92	139
NET CASH FLOW FOR INVESTING ACTIVITIES	<u>(145)</u>	<u>(605)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(2,743)	(2,773)
Proceed from bank overdraft	5,000	-
Proceed from issuance of ordinary shares via exercise of ESOS	-	51
Withdrawal of deposit pledged with a licensed bank	115	-
NET CASH FLOW FROM/(FOR) FINANCING ACTIVITIES	<u>2,372</u>	<u>(2,722)</u>
Net increase in cash and cash equivalents	562	6,777
Cash and cash equivalents at beginning of the financial period	11,872	17,256
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>12,434</u>	<u>24,033</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	12,091	9,148
Deposits with licensed banks	1,418	2,091
Short-term investments	343	14,885
	<u>13,852</u>	<u>26,124</u>
Less: Deposits pledged with licensed banks	(1,418)	(2,091)
	<u>12,434</u>	<u>24,033</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**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 31 MARCH 2024

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 31 March 2024 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 31 March 2024.

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 31 MARCH 2024

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 31 MARCH 2024**A10. SEGMENTAL INFORMATION (CONT'D)**

	RESULTS FOR 3 MONTHS ENDED 31 MARCH 2024 (UNAUDITED)					RESULTS FOR 3 MONTHS ENDED 31 MARCH 2023 (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										
External revenue	55,665	100	-	-	55,765	3,353	5,156	-	-	8,509
Inter-segment revenue	-	400	-	1,425	1,825	-	123	-	500	623
Segment revenue	55,665	500	-	1,425	57,590	3,353	5,279	-	500	9,132
Consolidation adjustments					(1,825)					(623)
Consolidated revenue					55,765					8,509
Results										
Segment profit/(loss)										
before interest and taxation	7,004	(1,428)	(402)	(2,622)	2,552	(52)	885	(176)	(1,933)	(1,276)
Finance costs					(247)					(205)
Consolidation adjustments					-					-
Total Profit Before Taxation					2,305					(1,481)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

A10. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 9 MONTHS ENDED 31 MARCH 2024 (UNAUDITED)					RESULTS FOR 9 MONTHS ENDED 31 MARCH 2023(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	
Continuing Operations						Continuing Operations					
Revenue						Revenue					
External revenue	67,298	17,092	-	-	84,390	20,822	13,780	-	-	34,602	
Inter-segment revenue	-	660	-	4,275	4,935	-	405	-	1,500	1,905	
Segment revenue	67,298	17,752	-	4,275	89,325	20,822	14,185	-	1,500	36,507	
Consolidation adjustments					(4,935)					(1,905)	
Consolidated revenue					84,390					34,602	
Results						Results					
Segment profit/(loss) before interest and taxation	7,428	3,134	(783)	(5,501)	4,278	1,427	1,853	(437)	(7,515)	(4,672)	
Finance costs					(601)					(573)	
Consolidation adjustments					-					-	
Total Profit Before Taxation					3,677					(5,245)	

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**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 31 March 2024 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	965
- Dividend payable on Redeemable Preference Shares ("RPS")	28,804
	<u>29,769</u>

A14. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property and equipment as at 31 March 2024 are as follows:

	<u>RM'000</u>
- Approved but not contracted for	<u>183</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 31 March 2024.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**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				CUMULATIVE QUARTER			
	Current Quarter 31/3/2024 RM'000	Preceding Year Quarter 31/3/2023 RM'000	Variance		Current Year to Date 31/3/2024 RM'000	Preceding Year to Date 31/3/2023 RM'000	Variance	
<u>Segmental Revenue:</u>			RM'000	(%)			RM'000	(%)
Software & Services	55,665	3,353	52,312	1560%	67,298	20,822	46,476	223%
Talent	500	5,279	(4,779)	-91%	17,752	14,185	3,567	25%
Others	1,425	500	925	185%	4,275	1,500	2,775	185%
	57,590	9,132	48,458	531%	89,325	36,507	52,818	145%
Inter-segment Elimination	(1,825)	(623)	(1,202)	-193%	(4,935)	(1,905)	(3,030)	-159%
Group	55,765	8,509	47,256	555%	84,390	34,602	49,788	144%
<u>Profit/(Loss) Before Taxation</u>								
Software & Services	6,914	(96)	7,010	7302%	7,209	1,427	5,782	405%
Talent	(1,525)	829	(2,355)	-284%	2,899	1,853	1,046	56%
Concession	(402)	(176)	(226)	-128%	(783)	(437)	(346)	-79%
Others	(2,682)	(2,038)	(644)	-32%	(5,648)	(8,088)	2,440	30%
	2,305	(1,481)	3,786	256%	3,677	(5,245)	8,922	170%
Inter-segment Elimination	-	-	-	-	-	-	-	-
Group	2,305	(1,481)	3,786	256%	3,677	(5,245)	8,922	170%

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

B1. OPERATING SEGMENTS REVIEW (CONT'D)

THREE (3) MONTHS RESULTS (Q3 FY2024 vs Q3 FY2023)

The Group revenue for the three (3) months period under review increased from RM8.5 million in Q3 FY2023 to RM55.8 million in Q3 FY2024, mainly on the back of higher Software and Services revenue.

The Group recorded a profit before taxation of RM2.3 million in Q3 FY2024 as compared to a loss before taxation of RM1.5 million in Q3 FY2023. Factors affecting the results for this quarter were as follows:

- i. Software & Services recorded a profit before taxation of RM6.9 million in Q3 FY24 as compared to a loss before taxation of RM0.1 million in Q3 FY23 mainly due to the higher revenue in the current quarter; and
- ii. Talent segment recorded a loss before taxation of RM1.5 million in Q3 FY2024 as compared to a profit before taxation of RM0.8 million in Q3 FY2023 mainly due to the lower revenue as Selangor Kerjaya program ended in Q2 FY2024.

NINE (9) MONTHS RESULTS (YTD Q3 FY2024 vs YTD Q3 FY2023)

The Group revenue for the nine (9) months period under review increased from RM34.6 million in YTD Q3 FY2023 to RM84.4 million in YTD Q3 FY2024, by about RM50 million mainly due to higher revenue from Software & Services segment.

The Group turnaround for a loss before taxation of RM5.2 million in YTD Q3 FY2023 to a profit before taxation of RM3.7 million in YTD Q3 FY2024. Factors contributing to the results for this quarter were as follows:

- i. Software & Services recorded a profit before taxation of RM7.2 million in YTD Q3 FY2024, which 405% higher as compared to the profit before taxation of RM1.4 million in YTD Q3 FY2023. The higher profit before tax is due to an increase in revenue;
- ii. Talent segment recorded a higher profit before taxation of RM2.9 million in YTD Q3 FY2024 as compared to the profit before taxation of RM1.9 million in YTD Q3 FY2023 due to a higher revenue in YTD Q3 FY2024;
- iii. Revenue for others segment relates to management fee income from subsidiaries.

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B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31/3/2024 RM'000	Immediate Preceding Quarter 31/12/2023 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services	55,665	1,840	53,825	2925%
Talent	500	10,460	(9,960)	-95%
Others	1,425	1,425	-	0%
	<u>57,590</u>	<u>13,725</u>	43,865	320%
Inter-segment Elimination	(1,825)	(1,571)	(254)	-16%
Group	<u>55,765</u>	<u>12,154</u>	43,611	359%
<u>Profit/(Loss) Before Taxation</u>				
Software & Services	6,914	571	6,343	1111%
Talent	(1,525)	2,837	(4,362)	-154%
Concession	(402)	(373)	(29)	-8%
Others	(2,682)	(2,164)	(518)	-24%
	<u>2,305</u>	<u>871</u>	1,434	165%
Inter-segment Elimination	-	-	-	-
Group	<u>2,305</u>	<u>871</u>	1,434	165%

The Group recorded a profit before taxation of RM2.3 million in Q3 FY2024 as compared to a profit before taxation of RM0.9 million in Q2 FY2024. This was primarily attributed to Software and Services segment securing major contracts with higher revenue in the current quarter.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

For YTD Q3 FY2024, the Group achieved a profit after taxation of RM3.1 million, marking a notable turnaround from the RM6.4 million loss in the corresponding period last year. This marks the fourth consecutive quarterly profits attained, building from the previous results of Q4 FY2023, Q1 FY2024 and Q2 FY2024. 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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B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024 (CONT'D)

Our Software & Services segment has established a strong presence and position as the premier partner with MSP status for Google Cloud in Malaysia under the government's Cloud Framework Agreement (CFA) to bolster the government's digital transformation plan. To provide a wider spectrum of Cloud solutions and services, we have developed our capabilities in analytics, cloud migration, big data, artificial intelligence and business transformation via ERP to drive future growth.

The Group has recorded a strong growth in revenue for both Software & Services and Talent segments in YTD Q3 FY24. The Board and Management are confident and optimistic of the Group's FY2024 performance and its ongoing viability and sustainability. We remain focused on strengthening our synergistic offerings in 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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

B5. PROFIT/(LOSS) BEFORE TAXATION

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/3/2024 RM'000	Preceding Year Quarter 31/3/2023 RM'000	9 months Current Year to date 31/3/2024 RM'000	9 months Preceding Year to date 31/3/2023 RM'000
Interest expense	247	205	601	573
Interest income	(59)	(50)	(92)	(139)
Depreciation and amortisation	399	471	1,198	1,381
Foreign exchange loss	32	1	174	2
Impairment losses on trade and other receivables	-	411	-	1,219
Reversal of impairment losses on trade and other receivables	-	(325)	(268)	(325)

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.

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/3/2024 RM'000	Preceding Year Quarter 31/3/2023 RM'000	9 months Current Year to date 31/3/2024 RM'000	9 months Preceding Year to date 31/3/2023 RM'000
Malaysia tax:				
- for the current year	250	560	500	1,110
- under provision in prior year	31	-	86	72
	<u>281</u>	<u>560</u>	<u>586</u>	<u>1,182</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

Prestariang SKIN Sdn. Bhd. ("PSKIN") filed an Originating Summons on 15 November 2023 with the KLHC to convene a creditors' meeting under section 366 of the Companies Act 2016 for a scheme of arrangement ("SOA 2") and a restraining order against all legal proceedings during the restructuring process until the conclusion of the negotiations and legal proceedings by PSKIN to seek compensation from the Government of Malaysia ("GOM") for the termination of the SKIN contract ("GOM Proceedings").

Following the leave granted by the KLHC pertaining to the SOA 2 on 30 November 2023, a court-convened meeting took place on 22 December 2023 and was approved by the scheme creditors.

The objectives of the SOA 2 are, amongst others, to preserve the going concern of PSKIN while it engages in negotiations and legal proceedings to seek compensation from the GOM for the termination of the SKIN contract and to allow PSKIN to obtain the payment from GOM pursuant to the outcome of the GOM Proceedings and any appeals therefrom and consequently provide payment of its debts owing to the scheme creditors as compared to a liquidation scenario. The application 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.

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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 31 March 2024 are as follows:

	Long term borrowing		Short term borrowing			Total (RM'000)
	Secured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>						
- Term loan	7,709	7,709	3,700	-	3,700	11,409
- Bank overdraft	-	-	-	5,000	-	5,000
<u>Debt Securities</u>						
- RPS "A"	152	152	-	-	-	152
Total	7,861	7,861	3,700	5,000	3,700	16,561

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B9. MATERIAL LITIGATION

The Group initiated legal action by filing an Originating Summons (“OS”) dated 15 April 2019 against the Government of Malaysia (“GOM”) as Defendant seeking RM733 million in connection with the termination of the Sistem Kawalan Imigresen Nasional (“SKIN”) due to expropriation.

On 14 March 2024, the Kuala Lumpur High Court (“**KLHC**”) delivered its decision, ordering the following:

- I. The GOM is ordered to compensate PSKIN with the judgment sum of RM231,549,002.90 (“Judgment Sum”) for the termination of the Concession Agreement through expropriation;
- II. The GOM is ordered to pay the interest on the Judgement Sum at the rate of 5% per annum calculated from the date of judgement to the date of full satisfaction of the judgement to PSKIN; and
- III. The GOM is to ordered to pay the costs of RM80,000 (subject to allocator fees) to PSKIN.⁽¹⁾

Note:

1. Subsequent to the case management held on 4 April 2024, the KLHC has clarified that the payment of costs of RM80,000 is not subject to allocator fees as the GOM is not obliged to pay allocator fees pursuant to the Chief Justice’s Practice Directions No.1 Year 2018.

Both the GOM and PSKIN have filed their respective Notices of Appeal to the Court of Appeal against the KLHC’s decision on 8 April 2024. Both appeals are awaiting further instructions from the Court of Appeal.

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 31 March 2024.

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	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/3/2024	Preceding Year Quarter 31/3/2023	9 months Current Year to date 31/3/2024	9 months Preceding Year to date 31/3/2023
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	2,138	(1,988)	3,326	(6,296)
Weighted average number of ordinary shares in issue ('000)	789,892	788,016	789,892	788,016
Basic earnings/(loss) per share (sen)	0.27	(0.25)	0.42	(0.80)

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 7 May 2024.

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

Secretaries

Kuala Lumpur**7 May 2024**