



AwanBiru Technology Berhad
(Formerly known as Prestariang Berhad)

[Registration No. 201001038336]
(Incorporated in Malaysia)

Unaudited Interim Financial Report
For the Quarter Ended 31 December 2020

AWANBIRU TECHNOLOGY BERHAD(FORMERLY KNOWN AS PRESTARIANG BERHAD)

(Registration No.201001038336)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2020**

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date 6 months	Preceding Year To Date 6 months
Note	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
CONTINUING OPERATIONS				
Revenue	38,098	31,263	73,594	69,414
Cost of sales	(30,692)	(25,317)	(59,876)	(57,584)
Gross profit	7,406	5,946	13,718	11,830
Other income	17,963	170	18,150	246
	25,369	6,116	31,868	12,076
Administrative expenses	(6,230)	(7,376)	(10,840)	(14,585)
Other expenses	(6,280)	(746)	(6,901)	(1,420)
Finance costs	(1,144)	(1,495)	(2,204)	(2,437)
Profit/(loss) before taxation	B5 11,715	(3,501)	11,923	(6,366)
Income tax expense	B6 (909)	(394)	(1,387)	(530)
Profit/(loss) after taxation from continuing operations	10,806	(3,895)	10,536	(6,896)
DISCONTINUED OPERATIONS				
Loss after taxation from discontinued operations	(378)	-	(1,271)	-
Profit/(loss) after taxation	10,428	(3,895)	9,265	(6,896)
Other comprehensive expense	-	(550)	-	(550)
Total comprehensive income/(expenses) for the financial period	10,428	(4,445)	9,265	(7,446)
Profit/(loss) after taxation attributable to:-				
Owners of the Company:				
Continuing operations	11,204	(3,952)	10,934	(6,969)
Discontinued operations	(378)	-	(1,271)	-
	10,826	(3,952)	9,663	(6,969)
Non-controlling interest:	(398)	57	(398)	73
	10,428	(3,895)	9,265	(6,896)
Total comprehensive income/(expenses) attributable to:				
Owners of the Company:				
Continuing operations	11,204	(4,502)	10,934	(7,519)
Discontinued operations	(378)	-	(1,271)	-
	10,826	(4,502)	9,663	(7,519)
Non-controlling interest:	(398)	57	(398)	73
	10,428	(4,445)	9,265	(7,446)
Earnings/(loss) Per Share attributable to owners of the Company (Sen)				
Basic:	B12			
Continuing operations	1.80	(0.82)	1.90	(1.44)
Discontinued operations	(0.06)	N/A	(0.22)	N/A

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 2019 to 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD(FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Unaudited As at 31/12/2020 RM'000	Audited As at 30/6/2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		17,419	23,194
Investment properties		27,510	27,510
Development cost		38	43
		44,967	50,747
CURRENT ASSETS			
Contract costs		3,362	4,297
Trade and other receivables		215,014	229,273
Short-term investment		108	40
Cash and bank balances		69,131	12,347
Current tax assets		89	69
		287,704	246,026
Assets of disposal group classified as held for sale		-	5,695
		287,704	251,721
TOTAL ASSETS		332,671	302,468
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		51,932	71,464
Borrowings	BB	25,989	39,884
Current tax liabilities		2,808	1,421
Contract liabilities		19,754	16,161
		100,483	128,930
Liabilities of disposal group classified as held for sale		-	13,422
		100,483	142,352
NON-CURRENT LIABILITIES			
Borrowings	BB	23,722	24,315
Deferred tax liabilities		16,869	16,869
		40,591	41,184
TOTAL LIABILITIES		141,074	183,536
NET ASSETS		191,597	118,932
EQUITY			
Share capital		197,203	133,803
Other reserve		(3,366)	(3,366)
Accumulated losses		(14,664)	(24,327)
		179,173	106,110
Total equity attributable to owners of the Company		179,173	106,110
Non-controlling interest		12,424	12,822
TOTAL EQUITY		191,597	118,932
TOTAL LIABILITIES & EQUITY		332,671	302,468
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		22.71	21.92

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 2019 to 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD(FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2020

	←----- Non-distributable -----→				Distributable (Accumulated			
	Share Capital RM'000	Treasury shares RM'000	Fair Value Reserve RM'000	Merger Deficit RM'000	Losses)/ Retained Profits RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 30 June 2019 /1 July 2019								
- As previously reported	119,700	(3,366)	(7,630)	(10,800)	10,534	108,438	11,711	120,149
- Prior year adjustments	-	-	-	10,800	(9,366)	1,434	834	2,268
- As restated	119,700	(3,366)	(7,630)	-	1,168	109,872	12,545	122,417
Loss after taxation	-	-	-	-	(17,171)	(17,171)	277	(16,894)
Transaction with owners of the Company:-								
- Fair value changes of equity instrument	-	-	(694)	-	-	(694)	-	(694)
- Issuance of ordinary shares	14,103	-	-	-	-	14,103	-	14,103
- Disposal of other investment	-	-	8,324	-	(8,324)	-	-	-
Total transaction with owners of the Company	14,103	-	7,630	-	(8,324)	13,409	-	13,409
At 30 June 2020	133,803	(3,366)	-	-	(24,327)	106,110	12,822	118,932
Transaction with owners of the Company:-								
Profit/(loss) after taxation	-	-	-	-	9,663	9,663	(398)	9,265
Transaction with owners of the Company:-								
- Issuance of ordinary shares	63,400	-	-	-	-	63,400	-	63,400
At 31 December 2020	197,203	(3,366)	-	-	(14,664)	179,173	12,424	191,597

The unaudited Condensed Consolidated Statement of Change in Equity should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2019 to 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD(FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2020

	Current 6 months 31/12/2020 RM'000	Preceding 6 months 31/12/2019 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
Continuing operations	11,923	(6,366)
Discontinued operations	(1,271)	-
Adjustments for:		
Depreciation of property and equipment	1,296	1,243
Gain on disposal of a subsidiary company	(17,629)	-
Impairment loss of property and equipment	5,055	-
Impairment loss of trade and other receivables	489	-
Profit income received from deposits with licensed islamic banks	(42)	(34)
Interest expense	2,202	1,929
Operating profit/(loss) before working capital changes	2,023	(3,228)
Working capital changes:-		
Changes in contract costs	935	10,971
Changes in trade and other receivables	12,301	(4,987)
Changes in contract liabilities	3,593	15,294
Changes in trade and other payables	(10,092)	(5,900)
CASH FLOW FROM OPERATING ACTIVITIES	8,760	12,150
Interest paid	(2,202)	(1,929)
Income tax paid	(498)	(303)
NET CASH FLOW FROM OPERATING ACTIVITIES	6,060	9,918
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Proceed from disposal of equity interest in other investment	-	2,363
Purchase of property and equipment	(317)	(237)
Profit income received from deposits with licensed islamic banks	42	34
Proceed from disposal of a subsidiary company	2,153	-
Withdrawal of deposit	-	4,141
Placement of deposit pledged with licensed banks	(3,730)	-
NET CASH FLOW (FOR)/FROM INVESTING ACTIVITIES	(1,852)	6,301
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Repayment of hire purchase obligations	-	(20)
Repayment of bank overdraft	(1,936)	-
Repayment of redeemable secured loan stock	(10,000)	-
Repayment of term loans	(866)	(1,671)
Repayment of revolving credits	(1,685)	(6,092)
Proceed from issuance of shares	63,400	-
NET CASH FLOW FROM/(FOR) FINANCING ACTIVITIES	48,913	(7,783)
Net increase in cash and cash equivalents	53,121	8,436
Cash and cash equivalents at beginning of the financial year	6,403	2,950
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	59,524	11,386
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR COMPRISES THE FOLLOWING:-		
Cash and bank balances	59,524	11,386
Deposits with licensed banks	9,607	75
	69,131	11,461
Less: Deposits pledged with licensed banks	(9,607)	(75)
	59,524	11,386

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 2019 to 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.

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 and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. They do not include all of 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 2020.

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 2020 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2020.

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, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material Amendments to MFRS 11, Joint Arrangements
- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosure – Interest Rate Benchmark Reform
- Amendment to MFRS 16, Leases – Covid-19 – Related Rent Concessions

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.

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 2021
• Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2022
• Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 -2020)	1 January 2022
• Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
• Amendment to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 – 2020)	1 January 2022
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investment in Associate and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be Confirmed

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

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2020 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the quarter ended 31 December 2020 have not been 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 flow during the current financial quarter ended 31 December 2020.

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 and repayment of debt and equity securities during the current financial quarter except for the following:

- a) On 27 November 2020, the Company issued 79,579,740 new ordinary shares at an issue price of RM0.35 per share together with 79,579,740 warrants pursuant to private placement with warrants.
- b) On 27 November 2020, the Company issued 176,842,127 ordinary shares at an issue price of RM0.20 per share together with 176,842,127 warrants pursuant to the rights issue of rights with warrants on the basis of 1 rights share for every 3 existing shares held.
- c) On 31 December 2020, the Company issued 466,300 new ordinary shares at an issue price of RM0.385 per share pursuant to the exercise of 466,300 warrants.

A8. VALUATION OF PROPERTY AND EQUIPMENT

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

A9. CAPITAL COMMITMENT

There was no material capital commitment for the quarter ended 31 December 2020.

A10. DIVIDENDS PAID

There was no dividend paid during the current financial quarter.

A11. SEGMENTAL INFORMATION

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

- a) **Software & Services and Talent** - distribution and managing software licensing and providing ICT and O&G training and certification.
- b) **Education** - provide specialised computer science and engineering education. It offers computer studies ranging from foundation, diploma, degree, post graduate masters and PhD.
- c) **Employment services** - Human resource management services for foreign workers' recruitment and documentation services.

A11. SEGMENTAL INFORMATION (CONT'D)

- d) **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.
- e) **Others** – Comprise of the holding company which is involved in investment holding, property and related assets holding and its inactive subsidiary companies.

AWANBIRU TECHNOLOGY BERHAD (FORMALY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 December 2020

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)						RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2019 (UNAUDITED)					
	Software & Services and Talent RM'000	Education RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Total RM'000	Software & Services and Talent RM'000	Education RM'000	Employment Services RM'000	Concessio RM'000	Others RM'000	Total RM'000
Continuing Operations												
Revenue												
External revenue	38,022	-	76	-	-	38,098	28,432	1,194	1,637	-	-	31,263
Inter-segment revenue	-	-	-	-	1,250	1,250	-	-	-	-	-	-
Segment revenue	38,022	-	76	-	1,250	39,348	28,432	1,194	1,637	-	-	31,263
Consolidation adjustments						(1,250)						-
Consolidated revenue						38,098						31,263
Results												
Segment profit/(loss) before interest and taxation	2,721	-	(34)	(620)	11,328	13,395	2,022	(1,901)	210	(153)	(2,184)	(2,006)
Finance costs						(1,144)						(1,495)
Consolidation adjustments						(536)						-
Consolidated profit before taxation						11,715						(3,501)
Discontinued Operations												
Segment loss before interest and taxation	-	(914)	-	-	-	(914)	-	-	-	-	-	-
Consolidation adjustments before interest and taxation	-	(914)	-	-	-	(378)	-	-	-	-	-	-
Total profit/(loss) before interest and taxation	2,721	(914)	(34)	(620)	11,328	12,481	2,022	(1,901)	210	(153)	(2,184)	(2,006)
Finance costs						(1,144)						(1,495)
Consolidation adjustments						-						-
Total Profit Before Taxation						11,337						(3,501)

AWANBIRU TECHNOLOGY BERHAD (FORMALY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 December 2020

A11. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 6 MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)						RESULTS FOR 6 MONTHS ENDED 31 DECEMBER 2019 (UNAUDITED)					
	Software & Services and Talent RM'000	Education RM'000	Employment Services RM'000	Concession RM'000	Others RM'000	Total RM'000	Software & Services and Talent RM'000	Education RM'000	Employment Services RM'000	Concessio RM'000	Others RM'000	Total RM'000
Continuing Operations												
Revenue												
External revenue	73,440	-	154	-	-	73,594	63,362	2,953	3,099	-	-	69,414
Inter-segment revenue	-	-	-	-	2,500	2,500	-	-	-	-	-	-
Segment revenue	73,440	-	154	-	2,500	76,094	63,362	2,953	3,099	-	-	69,414
Consolidation adjustments						(2,500)						-
Consolidated revenue						73,594						69,414
Results												
Segment profit/(loss) before interest and taxation	5,774	-	(203)	(993)	10,625	15,203	3,527	(3,238)	285	(218)	(4,285)	(3,929)
Finance costs						(2,204)						(2,437)
Consolidation adjustments						(1,076)						-
Consolidated profit before taxation						11,923						(6,366)
Discontinued Operations												
Segment loss before interest and taxation	-	(2,347)	-	-	-	(2,347)	-	-	-	-	-	-
Consolidation adjustments before interest and taxation	-	(2,347)	-	-	-	(1,271)	-	-	-	-	-	-
Total profit/(loss) before interest and taxation	5,774	(2,347)	(203)	(993)	10,625	12,856	3,527	(3,238)	285	(218)	(4,285)	(3,929)
Finance costs						(2,204)						(2,437)
Consolidation adjustments						-						-
Total Profit Before Taxation						10,652						(6,366)

A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM QUARTER

Other than as disclosed under **Note [B7]**, there were no items, transactions or events of a material and unusual nature that have arisen since 31 December 2020 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.

A13. CHANGES IN COMPOSITION OF THE GROUP

Other than the disposal of 100% of PESB which was completed in 16 November 2020, there were no other changes in the composition of the Group during the current financial quarter.

A14. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent assets. Contingent liabilities during the financial year were as follow:-

	<u>RM'000</u>
- Performance guarantee extended by a subsidiary to third party	13,750
- Compensation to a vendor due to project termination	7,291
- Dividend payable on Redeemable Preference Shares ("RPS")	28,800
	<u>49,841</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 31 December 2020.

AWANBIRU TECHNOLOGY BERHAD (FORMALY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 December 2020

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 31/12/2020 RM'000	Preceding Year Quarter 31/12/2019 RM'000	Variance		6 MONTHS Current Year to Date 31/12/2020 RM'000	6 MONTHS Preceding Year to Date 31/12/2019 RM'000	Variance	
			RM'000	(%)			RM'000	(%)
<u>Segmental Revenue:</u>								
<u>Continuing Operations</u>								
Software & Services and Talent								
- Software & Services	37,397	27,393	10,004	37%	71,545	61,004	10,541	17%
- Talent	625	1,039	(414)	-40%	1,895	2,358	(463)	-20%
	38,022	28,432	9,590	34%	73,440	63,362	10,078	16%
Education	-	1,194	(1,194)	-100%	-	2,953	(2,953)	-100%
Employment services	76	1,637	(1,561)	-95%	154	3,099	(2,945)	-95%
Concession	-	-	-		-	-	-	
Others	1,250	-	n/a	n/a	2,500	-	n/a	n/a
	39,348	31,263	8,085	26%	76,094	69,414	n/a	n/a
Inter-segment Elimination	(1,250)	-			(2,500)	-		
Group	38,098	31,263	6,835	22%	73,594	69,414	n/a	n/a
<u>Profit/(Loss) Before Taxation</u>								
Software & Services and Talent	2,351	1,633	718	44%	5,099	2,831	2,268	80%
Education	-	(1,899)	1,899	100%	-	(3,239)	3,239	100%
Employment Services	(34)	210	(244)	-116%	(203)	283	(486)	-172%
Concession	(620)	(153)	(467)	-305%	(993)	(218)	(775)	-356%
Others	10,554	(3,292)	13,846	421%	9,096	(6,023)	15,119	251%
	12,251	(3,501)	15,752	450%	12,999	(6,366)	19,365	304%
Inter-segment Elimination	(536)	-			(1,076)	-		
	11,715	(3,501)	15,216	435%	11,923	(6,366)	18,289	287%
<u>Discontinued Operations</u>								
Education	(914)	-	n/a	n/a	(2,347)	-	n/a	n/a
Inter-segment Elimination	536	-	n/a	n/a	1,076	-	n/a	n/a
	(378)	-	n/a	n/a	(1,271)	-	n/a	n/a
Group	11,337	(3,501)	14,838	424%	10,652	(6,366)	17,018	267%

B1. OPERATING SEGMENTS REVIEW (CONT'D)

The Group's revenue for the current quarter is RM38.1 million, which was RM6.8 million higher than the corresponding quarter of the preceding year of RM31.3 million. This is driven by higher revenue for Software & Services and Talent segment. The current quarter revenue also excluded revenue from Education segment as the results of Prestariang Education Sdn Bhd ("PESB") up to its effective disposal date of 16 November 2020 is classified as results from discontinued operations.

The Group recorded profit before tax of RM11.3 million or 424% higher than preceding year loss of RM3.5 million mainly due to gain on completion of the disposal of PESB. Factors affecting the results for this quarter were as follows:

- i. Software & Services and Talent recorded revenue of RM38.0 million, which was a growth of RM9.6 million or 34% from the corresponding quarter of the preceding year of RM28.4 million.

This resulted in the profit before tax for this segment to increase by 44% as compared to the corresponding quarter of the preceding year on the back of higher revenue and profit margin.

- ii. Employment services recorded much lower revenue of RM0.1 million compared to RM1.6 million in the corresponding quarter of the preceding year. This is primarily linked to the discontinuation of its manpower management services for a project in Pengerang as the project reaches its completion. The segment recorded a loss before interest and tax of RM34,000 compared to a profit before interest and tax of RM210,000 in the previous year.
- iii. The Concession segment has ceased operation in January 2019 and has stopped incurring operational cost since the end the financial period ended 30 June 2019. Following which cost attributable to this segment is primarily for legal cost relating to the claim against The Government of Malaysia ("GOM") as well as statutory and compliance cost.
- iv. Others recorded a revenue of RM1.2 million from the holding company arising from management fees charged to subsidiaries for the Group shared services cost. The substantial profit before interest and tax of RM11.3 million for this segment compared to a loss of RM2.2 million in the corresponding quarter of the preceding year was mainly due to the net impact of a gain from disposal of PESB of RM17.6 million less one-off provision of impairment loss for property and equipment amounting to RM5.1 million.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31/12/2020 RM'000	Immediate Preceding Quarter 30/9/2020 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>				
<u>Continuing Operations</u>				
Software & Services and Talent				
- Software & Services	37,397	34,148	3,249	10%
- Talent	625	1,270	(645)	-51%
	<u>38,022</u>	<u>35,418</u>	2,604	7%
Employment services	76	78	(2)	-3%
Concession	-	-	-	n/a
Others	1,250	1,250	-	0%
	<u>39,348</u>	<u>36,746</u>	2,602	7%
Inter-segment Elimination	(1,250)	(1,250)		
Group	<u>38,098</u>	<u>35,496</u>	2,602	7%
<u>(Loss)/Profit Before Taxation</u>				
Software & Services and Talent	2,351	2,748	(397)	-14%
Employment services	(34)	(169)	135	-80%
Concession	(620)	(373)	(247)	66%
Others	10,554	(1,458)	12,012	-824%
	<u>12,251</u>	<u>748</u>	11,503	1538%
Inter-segment Elimination	(536)	(540)		
	<u>11,715</u>	<u>208</u>	11,507	5532%
<u>Discontinued Operations</u>				
Education	(914)	(1,433)	519	-36%
Inter-segment Elimination	536	540		
	<u>(378)</u>	<u>(893)</u>		
Group	<u>11,337</u>	<u>(685)</u>	12,022	-1755%

The Group's revenue for the current quarter is RM38.1 million, which was RM2.6 million or 7% higher than the immediate preceding quarter of RM35.5 million. The higher revenue for this quarter can be contributed to higher revenue from Software & Services and Talent which is explained in more details in the notes below:

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS (CONT'D)

The Group recorded profit before tax of RM11.3 million, in contrast to a loss of RM0.7 million in the immediate preceding quarter mainly due to net effect of the following:

- i. Software & Services and Talent recorded revenue of RM37.4 million, which was RM3.3 million or 10% higher from the previous quarter of RM34.1 million. However, Talent portion of the segment recorded revenue for the current quarter of RM0.6 million, which was RM0.7 million lower than the preceding quarter of RM1.3 million mainly due to many training programs scheduled for the period being deferred as cases of COVID-19 infection in the country continued to rise during this quarter.

Despite recording higher revenue, this segment's profit before interest and tax was lower at RM2.4 million for this quarter as compared to RM2.7 million for the immediate preceding quarter. This was mainly due to higher cost for contract fulfillment incurred in this quarter as well as lower activities for training programs which typically would have yielded higher profit margin.

- ii. Employment services recorded the same revenue as per previous quarter of RM80,000 mainly derived from the vocational training and certification program at Prestariang Skills Training Institute. The segment recorded a lower loss before interest and tax of RM34,000 as compared to a loss before interest and tax of RM169,000 in the previous quarter in line with the lower activities for the segment following the cessation of manpower management services project in Pengerang.
- iii. The Concession segment has ceased operation in January 2019 and has stopped incurring operational cost since the end of the financial period ended 30 June 2019. Following which cost attributable to this segment is primarily for legal cost relating to the claim against The Government of Malaysia ("GOM") as well as statutory and compliance cost.
- iv. Revenue for this segment for the quarter is consistent with the previous quarter as it was derived from management fees charged to subsidiaries for the Group shared services cost. The substantial profit before interest and tax of RM11.3 million for this segment in this quarter compared to a loss of RM0.7 million in the previous quarter was mainly due to the net impact of a gain from disposal of PESB of RM17.6 million less one-off provision of impairment loss for property and equipment amounting to RM5.1 million.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021

Strong cash position

We made substantial progress in our rationalisation plan to monetize non-core assets and reduce operating cost. This is evidenced from disposals of non-core assets and loss-making operations over the last 12 months which had improved our overall cashflow.

We have completed the fund-raising exercise from placement of shares and rights issue of shares in November 2020 where we raised gross proceeds of RM63.2 million. We have recently announced the disposal of our office building in Cyberjaya for RM24.2 million. When completed, the disposal is expected to result in annual cash saving of RM3.4 million plus surplus cash of approximately RM6.0 million to be channeled as working capital for operations.

From operations, we managed to record positive cashflow of RM6.1 million for the six (6) months ended 31 December 2020. This was achieved despite significant settlement and reduction of our trade creditors made during the quarter as we also managed at the same time to increase collection of payments from our customers.

With the fund-raising exercise, monetization of non-core assets and cash from operations, our cash raising will be in excess of RM70 million. The strong cash position will give us the resilience needed as we rebuild our business with new product lines and services in the coming quarters.

Rebuilding revenue base with more products and service offerings

The termination by Microsoft of our wholly owned subsidiary Prestariang Systems Sdn Bhd (“PSSB”)’s membership in the Microsoft Partner Network is expected to result in revenue contraction in the immediate term. Nevertheless, we have the necessary capital and buffer to remain resilient as we rebuild our business with new products and services.

Armed with a wider range of products and services from our principals, we are going deeper in our relationship with our customers from mostly managing software licenses into providing multiple Cloud products and services and change management to improve the customers’ operational process and drive innovations in their digital transformation journey. We have also expanded our talent business from training to include job placement and upskilling and reskilling.

Outlook

We have the capability, financial reserves from the recent corporate exercise and products and services offerings, to be a key player in tapping the vast opportunities in the digitalisation process in Malaysia. This includes providing the necessary ecosystem with latest technology working together with our global technology partners as well as offering right talent to drive digital adoption, which is aligned to the MyDigital Initiative and Malaysia Digital Economy Blueprint. 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.

B4. VARIANCE ON PROFIT FORECAST/PROFIT GUARANTEE

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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	6 months Current Year To Date	6 months Preceding Year To Date
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Interest expense	1,144	1,495	2,204	2,437
Depreciation and amortisation	561	618	1,296	1,243
Foreign exchange gain	304	33	479	62

B6. INCOME TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	6 months Current Year To Date	6 months Preceding Year To Date
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Malaysia tax:				
- for the current year	524	126	1,002	262
- Under provision in prior year	385	268	385	268
	909	394	1,387	530

The Group consolidated results reported tax expense despite the Group having consolidated loss before taxation for the quarter and year. This is because the income tax expense is computed based on the respective company's results separately. Certain companies within the Group reported profits before tax and therefore were taxable.

B7. STATUS OF CORPORATE PROPOSALS

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

1. Proposed multi proposals

- i. The Company had, on 30 November 2020, announced that it has completed the following corporate exercises:
- a) 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
 - b) 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 status of utilisation of the proceed from the Private Placement and Rights Issue as at 31 December 2020 is as follows:

Description	Estimated timeframe for utilisation upon listing	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance	
				(RM'000)	(%)
Working capital for expansion of existing business	Within 12 months	28,309	-	28,309	100%
Business expansion for new product offering and services	Within 24 months	17,513	-	17,513	100%
Full repayment of advances from Directors as well as redemption of the RSLs	Within 3 month	16,500	16,500	-	0%
Estimated expenses in relation to the Corporate Exercises	Upon completion	900	900	-	0%
Total Gross Proceed		63,222	17,400	45,822	

- ii. 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.

B7. STATUS OF CORPORATE PROPOSALS (CONT'D)

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 Prestariang Group.

On 2 December 2020, the High Court of Malaya has granted the approval of the Proposed Scheme today, pursuant to the application filed by PSKIN dated 11 November 2020.

3. Proposed disposal of a property

On 8 February 2021, the company announced that its wholly-owned subsidiary, Prestariang Systems Sdn Bhd, has entered into conditional sale and purchase agreements ("SPA's") with Serba Dinamik Group Berhad (the "Purchaser"), for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya erected on part of all that piece of freehold land held under Master Title Geran 339485 , Lot 111284 , Bandar Cyber Jaya, Daerah Sepang, Negeri Selangor Darul Ehsan together with its attached fixtures and fittings as listed in the SPA's for a total cash consideration of Ringgit Malaysia Twenty Four Million Two Hundred Thousand (RM24,200,000.00) only (the "Proposed Disposal").

Barring any unforeseen circumstances and subject to the fulfilment of all the conditions as set out in the SPA, the Board of Directors expects the Proposed Disposal to be completed within 6 months from the date of the SPA's.

B8. BORROWINGS

The Group's borrowing and debts securities as at 31 December 2020 are as follows:

	Long term borrowing			Short term borrowing			Total (RM'000)
	Secured	Unsecured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>							
- Bank overdraft	-	-	-	6,013	-	6,013	6,013
- Term Loan	23,570	-	23,570	2,500	-	2,500	26,070
- Revolving Credit	-	-	-	17,476	-	17,476	17,476
<u>Debts securities</u>							
- RPS "A"	152	-	152	-	-	-	152
Total	23,722	-	23,722	25,989	-	25,989	49,711

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.

On 30 October 2019, the High Court Judge dismissed GOM's application to convert PSKIN's OS to a Writ action and awarded costs to Prestariang SKIN Sdn. Bhd (“PSKIN”). In dismissing GOM's application, the Judge held, among others, that the termination of the Concession Agreement by expropriation is not in dispute. The only point for the determination of the Court is the amount to be paid by GOM as a consequence of the expropriation. The Concession Agreement provides for a contractual formula to determine the amount to be paid. As such, there are no disputes of fact to warrant a trial.

GOM appealed against the High Court Judge's decision dismissing its application. On 10 June 2020, the Court of Appeal found that there was no merit to GOM's appeal and awarded costs to PSKIN. In dismissing GOM's appeal, the Court of Appeal held that GOM would not suffer any prejudice with PSKIN's action continuing by way of OS in light of the directions given by the High Court Judge to allow for the cross-examination of the various deponents as well as for expert evidence to be tendered.

On 23 July 2020, PSKIN's Originating Summons (“OS”) has been transferred to a new High Court Judge and the hearing of PSKIN's OS and cross-examination of the deponents of affidavits has been fixed for 21 January 2021, 22 January 2021, 29 January 2021 and 26 February 2021. A case management has also been fixed for 30 November 2020.

On 7 January 2021, the High Court had directed the following: -

- (a) a further case management be scheduled on 18 January 2021 to update the High Court on the status of affidavits and conduct of proceedings; and
- (b) additional hearing dates in respect of the OS be fixed on 2 July 2021, 9 July 2021 and 1 September 2021.

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**”). 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

B10. FAIR VALUE HIERARCHY

There were no transfers between any levels of the fair value hierarchy 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 December 2020.

B12. EARNINGS/(LOSS) PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2020	Preceding Year Quarter 31/12/2019	6 months Current Year To Date 31/12/2020	6 months Preceding Year To Date 31/12/2019
Profit/(loss) after taxation attributable to owners of the Company (RM'000)	10,826	(3,968)	9,663	(6,969)
Weighted average number of ordinary shares in issue ('000)	621,420	484,000	576,825	484,000
Basic earning/(loss) per share (sen):				
-Continuing operations	1.80	(0.82)	1.90	(1.44)
-Discontinued operations	(0.06)	N/A	(0.22)	N/A

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 24 February 2021.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No. 201908002648)
LIM LIH CHAU (SSM PC No. 201908001454)
 Secretaries
Kuala Lumpur
24 February 2021