



AwanBiru Technology Berhad
(Formerly known as Prestariang Berhad)

[Registration No. 201001038336]
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Quarter Ended 31 March 2021**

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 MARCH 2021

	Note	Individual Quarter		Cumulative Period	
		Current	Preceding	Current	Preceding
		Year Quarter	Year Quarter	Year To Date	Year To Date
		31/3/2021	31/3/2020	31/3/2021	31/3/2020
		RM'000	RM'000	RM'000	RM'000
CONTINUING OPERATIONS					
Revenue		28,507	25,175	102,101	91,636
Cost of sales		(21,604)	(19,918)	(81,480)	(75,949)
Gross profit		6,903	5,257	20,621	15,687
Other income		524	163	18,674	409
		7,427	5,420	39,295	16,096
Administrative expenses		(4,963)	(5,142)	(15,803)	(15,163)
Other expenses		(1,140)	(671)	(8,041)	(2,019)
Finance costs		(330)	(1,239)	(2,534)	(3,674)
Profit/(loss) before taxation	B5	994	(1,632)	12,917	(4,760)
Income tax expense	B6	(527)	(438)	(1,914)	(968)
Profit/(loss) after taxation from continuing operations		467	(2,070)	11,003	(5,728)
DISCONTINUED OPERATIONS					
Loss after taxation from discontinued operations		-	(1,376)	(1,271)	(4,615)
Loss after taxation		467	(3,446)	9,732	(10,343)
Other comprehensive expense		-	-	-	(550)
Total comprehensive income/(expenses) for the financial period		467	(3,446)	9,732	(10,893)
Profit/(loss) after taxation attributable to:-					
Owners of the Company:					
Continuing operations		762	(1,815)	11,696	(5,546)
Discontinued operations		-	(1,376)	(1,271)	(4,615)
		762	(3,191)	10,425	(10,161)
Non-controlling interest:		(295)	(255)	(693)	(182)
		467	(3,446)	9,732	(10,343)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company:					
Continuing operations		762	(1,815)	11,696	(6,096)
Discontinued operations		-	(1,376)	(1,271)	(4,615)
		762	(3,191)	10,425	(10,711)
Non-controlling interest:		(295)	(255)	(693)	(182)
		467	(3,446)	9,732	(10,893)
Earnings/(loss) Per Share attributable to owners of the Company (Sen)					
Basic:					
Continuing operations	B12	0.10	(0.38)	1.81	(1.15)
Discontinued operations		-	(0.28)	(0.20)	(0.95)

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 MARCH 2021

	Note	Unaudited As at 31/3/2021 RM'000	Audited As at 30/6/2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		8,881	23,194
Investment properties		11,430	27,510
Development cost		35	43
		20,346	50,747
CURRENT ASSETS			
Contract costs		2,217	4,297
Trade and other receivables		203,168	229,273
Short-term investment		108	40
Cash and bank balances		45,516	12,347
Current tax assets		89	69
		251,098	246,026
Assets of disposal group classified as held for sale		23,610	5,695
		274,708	251,721
TOTAL ASSETS		295,054	302,468
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		42,601	71,464
Borrowings	B8	12,100	39,884
Current tax liabilities		2,901	1,421
Contract liabilities		7,999	16,161
		65,601	128,930
Liabilities of disposal group classified as held for sale		-	13,422
		65,601	142,352
NON-CURRENT LIABILITIES			
Borrowings	B8	20,520	24,315
Deferred tax liabilities		16,869	16,869
		37,389	41,184
TOTAL LIABILITIES		102,990	183,536
NET ASSETS		192,064	118,932
EQUITY			
Share capital		197,203	133,803
Other reserve		(3,366)	(3,366)
Accumulated losses		(13,902)	(24,327)
Total equity attributable to owners of the Company		179,935	106,110
Non-controlling interest		12,129	12,822
TOTAL EQUITY		192,064	118,932
TOTAL LIABILITIES & EQUITY		295,054	302,468
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		22.80	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 MARCH 2021

	←----- Non-distributable ----->				Distributable (Accumulated Losses)/ Retained Profits	Attributable to owners of the Company	Non- controlling Interest	Total Equity
	Share Capital RM'000	Treasury shares RM'000	Fair Value Reserve RM'000	Merger Deficit RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	10,425	10,425	(693)	9,732
Transaction with owners of the Company:-								
- Issuance of ordinary shares	63,400	-	-	-	-	63,400	-	63,400
At 31 March 2021	197,203	(3,366)	-	-	(13,902)	179,935	12,129	192,064

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 MARCH 2021

	Current 9 months 31/3/2021 RM'000	Preceding 9 months 31/3/2020 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
Continuing operations	12,917	(4,760)
Discontinued operations	(1,271)	(4,615)
Adjustments for:		
Depreciation of property and equipment	1,887	1,825
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	-
Impairment loss of contract costs	300	-
Profit income received from deposits with licensed islamic banks	(236)	(56)
Interest expense	2,534	3,674
Operating profit/(loss) before working capital changes	4,046	(3,932)
Working capital changes:-		
Changes in contract costs	1,780	6,876
Changes in trade and other receivables	24,311	(5,929)
Changes in contract liabilities	(8,162)	8,692
Changes in trade and other payables	(19,169)	8,392
CASH FLOW FROM OPERATING ACTIVITIES	2,806	14,099
Interest paid	(2,534)	(3,674)
Income tax paid	(1,098)	(331)
NET CASH FLOW (FOR)/FROM OPERATING ACTIVITIES	(826)	10,094
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Proceed from disposal of equity interest in other investment	-	2,363
Purchase of property and equipment	(151)	(240)
Profit income received from deposits with licensed islamic banks	236	56
Proceed from disposal of a subsidiary company	2,153	-
Withdrawal of deposit	2,262	2,015
NET CASH FLOW FROM INVESTING ACTIVITIES	4,500	4,194
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Repayment of hire purchase obligations	-	(31)
Repayment of bank overdraft	(7,950)	-
Repayment of redeemable secured loan stock	(10,000)	-
Repayment of term loans	(1,828)	(2,509)
Repayment of revolving credits	(11,801)	(2,664)
Proceed from issuance of shares	63,400	-
NET CASH FLOW FROM/(FOR) FINANCING ACTIVITIES	31,821	(5,204)
Net increase in cash and cash equivalents	35,495	9,084
Cash and cash equivalents at beginning of the financial year	6,403	2,950
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	41,898	12,034
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	41,898	12,034
Deposits with licensed banks	3,618	2,000
	45,516	14,034
Less: Deposits pledged with licensed banks	(3,618)	(2,000)
	41,898	12,034

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 3: Definition of a Business	1 January 2022
• Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Join Venture	Deferred
• Amendment to MFRS 17 Insurance Contracts	1 January 2023
• Amendment to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
• Amendments MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
• Amendments to MFRS 116: Property, Plant and Equipment-Proceed before Intended Use	1 January 2022
• Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
• Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
• Annual Improvement to MFRS Standards 2018-2020	1 January 2022

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 March 2021 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 March 2021.

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.

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.

A10. 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.
- 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 and its inactive subsidiary companies.

AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

A10. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 31 MARCH 2021 (UNAUDITED)						RESULTS FOR 3 MONTHS ENDED 31 MARCH 2020 (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	Concession RM'000	Others RM'000	Total RM'000
Continuing Operations												
Revenue												
External revenue	28,453	-	54	-	-	28,507	24,068	-	1,107	-	-	25,175
Inter-segment revenue	-	-	-	-	1,250	1,250	-	-	-	-	-	-
Segment revenue	28,453	-	54	-	1,250	29,757	24,068	-	1,107	-	-	25,175
Consolidation adjustments						(1,250)						-
Consolidated revenue						28,507						25,175
Results												
Segment profit/(loss)						1,324						(393)
before interest and taxation	2,224	-	(63)	(499)	(338)	1,324	2,014	-	(163)	(581)	(1,663)	(393)
Finance costs						(330)						(1,239)
Consolidation adjustments						-						-
Consolidated profit before taxation						994						(1,632)
Discontinued Operations												
Segment loss						-						(1,376)
before interest and taxation	-	-	-	-	-	-	-	(1,376)	-	-	-	(1,376)
Consolidation adjustments						-						-
before interest and taxation	-	-	-	-	-	-	-	(1,376)	-	-	-	(1,376)
Total profit/(loss) before interest and taxation	2,224	-	(63)	(499)	(338)	1,324	2,014	(1,376)	(163)	(581)	(1,663)	(1,769)
Finance costs						(330)						(1,239)
Consolidation adjustments						-						-
Total Profit Before Taxation						994						(3,008)

AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

A10. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 9 MONTHS ENDED 31 MARCH 2021 (UNAUDITED)					RESULTS FOR 9 MONTHS ENDED 31 MARCH 2020 (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	Concession RM'000	Others RM'000	Total RM'000
<u>Continuing Operations</u>												
Revenue						Revenue						
External revenue	101,893	-	208	-	-	102,101	87,430	-	4,206	-	-	91,636
Inter-segment revenue	-	-	-	-	3,750	3,750	-	-	-	-	-	-
Segment revenue	101,893	-	208	-	3,750	105,851	87,430	-	4,206	-	-	91,636
Consolidation adjustments						(3,750)						-
Consolidated revenue						102,101						91,636
Results						Results						
Segment profit/(loss)												
before interest and taxation	7,998	-	(266)	(1,492)	10,287	16,527	5,540	-	122	(799)	(5,947)	(1,084)
Finance costs						(2,534)						(3,676)
Consolidation adjustments						(1,076)						-
Consolidated profit before taxation						12,917						(4,760)
<u>Discontinued Operations</u>												
Segment loss						Segment loss						
before interest and taxation	-	(2,347)	-	-	-	(2,347)	-	(4,615)	-	-	-	(4,615)
Consolidation adjustments						1,076						-
before interest and taxation	-	(2,347)	-	-	-	(1,271)	-	(4,615)	-	-	-	(4,615)
Total profit/(loss) before interest and taxation	7,998	(2,347)	(266)	(1,492)	10,287	14,180	5,540	(4,615)	122	(799)	(5,947)	(5,699)
Finance costs						(2,534)						(3,676)
Consolidation adjustments						-						-
Total Profit Before Taxation						11,646						(9,375)

A11. 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 March 2021 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 other 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 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>

A14. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property and equipment as at 31 March 2021 are as follows:

	<u>RM'000</u>
- Approved and contracted for	2,205
- Approved but not contracted for	866
	<u>3,071</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 31 March 2021.

AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

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 31/3/2021 RM'000	Preceding Year Quarter 31/3/2020 RM'000	Variance		9 MONTHS Current Year to Date 31/3/2021 RM'000	9 MONTHS Preceding Year to Date 31/3/2020 RM'000	Variance		
			RM'000	(%)			RM'000	(%)	
<u>Segmental Revenue:</u>									
<u>Continuing Operations</u>									
Software & Services and Talent									
- Software & Services	26,958	23,745	3,213	14%	98,503	84,750	13,753	16%	
- Talent	1,495	323	1,172	363%	3,390	2,680	710	26%	
	28,453	24,068	4,385	18%	101,893	87,430	14,463	17%	
Employment services	54	1,107	(1,053)	-95%	208	4,206	(3,998)	-95%	
Others	1,250	-	1,250	n/a	3,750	-	3,750	n/a	
	29,757	25,175	4,582	18%	105,851	91,636	14,215	16%	
Inter-segment Elimination	(1,250)	-			(3,750)	-			
Group	28,507	25,175	3,332	13%	102,101	91,636	10,465	11%	
<u>Profit/(Loss) Before Taxation</u>									
Software & Services and Talent	2,082	1,437	645	45%	7,181	4,267	2,914	68%	
Education	-	-	-		-	-	-		
Employment Services	(63)	(164)	101	62%	(266)	119	(385)	-324%	
Concession	(499)	(582)	83	14%	(1,492)	(800)	(692)	-87%	
Others	(526)	(2,323)	1,797	77%	8,570	(8,346)	16,916	203%	
	994	(1,632)	2,626	161%	13,993	(4,760)	18,753	394%	
Inter-segment Elimination	-	-			(1,076)	-			
	994	(1,632)	2,626	161%	12,917	(4,760)	17,677	371%	
<u>Discontinued Operations</u>									
Education	-	(1,376)	1,376	100%	(2,347)	(4,615)	2,268	49%	
Inter-segment Elimination	-	-			1,076	-	1,076	n/a	
	-	(1,376)	1,376	100%	(1,271)	(4,615)	3,344	72%	
Group	994	(3,008)	4,002	133%	11,646	(9,375)	21,021	224%	

B1. OPERATING SEGMENTS REVIEW (CONT'D)

The Group's revenue for the current quarter is RM28.5 million, which is RM3.3 million higher than the corresponding quarter of the preceding year of RM25.2 million. This is driven by higher revenue for Software & Services and Talent segment.

The Group recorded profit before tax of RM1.0 million or 133% higher than the preceding year loss of RM3.0 million. Factors affecting the results for this quarter were as follows:

- i. Software & Services and Talent recorded revenue of RM28.5 million, which was a growth of RM4.4 million or 18% from the corresponding quarter of the preceding year of RM24.1 million.

This resulted in the profit before tax for this segment to increase by 45% 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 RM1.1 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 has been completed. The segment recorded a loss before interest and tax of RM63,000 compared to a loss before interest and tax of RM164,000 in the previous year.
- 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. The cost attributable to this segment is mainly due to legal and professional services cost relating to the claim against The Government of Malaysia ("GOM") as well as statutory and compliance cost.
- iv. Others recorded a revenue of RM1.3 million from the holding company charging subsidiaries management fees for the Group shared services cost. The segment loss before tax has decreased to RM0.5 million in this quarter compared to the corresponding quarter of the preceding year loss before tax of RM2.3 million. This was mainly due to one-off cost incurred on professional services in the corresponding quarter of the previous year in respect of corporate proposal undertaken.

AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 31/3/2021 RM'000	Immediate Preceding Quarter 31/12/2020 RM'000	Variance RM'000	(%)
<u>Segmental Revenue:</u>				
<u>Continuing Operations</u>				
Software & Services and Talent				
- Software & Services	26,958	37,397	(10,439)	-28%
- Talent	1,495	625	870	139%
	<u>28,453</u>	<u>38,022</u>	<u>(9,569)</u>	<u>-25%</u>
Employment services	54	76	(22)	-29%
Others	1,250	1,250	-	0%
	<u>29,757</u>	<u>39,348</u>	<u>(9,591)</u>	<u>-24%</u>
Inter-segment Elimination	(1,250)	(1,250)		
Group	<u>28,507</u>	<u>38,098</u>	<u>(9,591)</u>	<u>-25%</u>
<u>(Loss)/Profit Before Taxation</u>				
Software & Services and Talent	2,082	2,351	(269)	-11%
Employment services	(63)	(34)	(29)	-85%
Concession	(499)	(620)	121	20%
Others	(526)	10,554	(11,080)	-105%
	<u>994</u>	<u>12,251</u>	<u>(11,257)</u>	<u>-92%</u>
Inter-segment Elimination	-	(536)		
	<u>994</u>	<u>11,715</u>	<u>(10,721)</u>	<u>-92%</u>
<u>Discontinued Operations</u>				
Education	-	(914)	914	100%
Inter-segment Elimination	-	536		
	<u>-</u>	<u>(378)</u>		
Group	<u>994</u>	<u>11,337</u>	<u>(10,343)</u>	<u>-91%</u>

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

The Group recorded profit before tax of RM1.0 million, which was RM10.3 million lower than the immediate preceding quarter profit before tax of RM11.3 mainly due to net effect on the following:

- i. Software & Services and Talent recorded revenue of RM28.5 million, which was RM9.6 million or 25% lower from the previous quarter of RM38.0 million. This segment's revenue was impacted due to the dual effect of the expiry of the Master Licensing Agreement ("MLA") with the Government of Malaysia and the discontinuation by Microsoft of our wholly owned subsidiary, Prestariang Systems Sdn Bhd ("PSSB")'s membership in the Microsoft Partner Network effective 31 January 2021. However, the Talent portion of this segment achieved a higher revenue for the current quarter of RM1.5 million, which was RM0.9 million more than the revenue for the preceding quarter of RM0.6 million, as more virtual instructor-led training classes were conducted, and online training platform gained acceptance from customers. Despite the lower revenue, this segment was able to maintain its profit before tax of RM2.1 million due to the higher margin contribution from the mix of product & services sold during the period.
- ii. Employment services recorded lower revenue of RM54,000 compared to RM76,000 in the immediate preceding quarter. This revenue is derived from vocational training and certification program at Prestariang Skills Training Institute. The segment recorded a higher loss before tax of RM63,000 as compared to a loss before tax of RM34,000 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 the financial period ended 30 June 2019. The cost attributable to this segment is mainly due to legal and professional services 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 is derived from management fees charged to subsidiaries for the Group shared services cost. The decrease in profit before tax from RM10.6 million in the immediate preceding quarter to a loss before tax of RM0.5 million in the current quarter is mainly due to one-off gain from the disposal of Prestariang Education Sdn Bhd ("PESB") of RM17.6 million offset with an impairment loss on property and equipment amounting to RM5.1 million.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021

Strong cash position

We have embarked on and made substantial progress in our rationalisation plan to monetize non-core assets and reduce operating cost since 2019. This is evidenced from disposals of non-core assets and loss-making operations which had improved our overall cashflow.

In November 2020, we concluded the disposal of our entire equity interest in loss making PESB. We have also 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 announced in February 2021 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.

We achieved positive operating cashflow of RM2.8 million for the nine (9) months ended 31 March 2021. This was achieved despite significant payments for trade payables made during the quarter as we managed our working capital by increasing collection from our customers.

The strong cash position from the fund-raising exercise, monetization of non-core assets and cash from operations 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

We have the necessary capital and buffer to remain resilient as we rebuild our business with new products and services. In February 2021, our wholly owned subsidiary PSSB, was appointed by Google as their exclusive Managed Service Provider (“MSP”) to the Government of Malaysia in relation to their empanelment by the Malaysian Administrative Modernisation and Management Planning Unit (“MAMPU”) to support government agencies with Google Cloud Platform and Google Workspace. The appointment is in respect of Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS) and Anything as a Service (XaaS) for the next three years from 2021 to 2023.

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 into their digital transformation journey. We have also expanded our talent business from training to include job placement and upskilling and reskilling.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2021 (CONT'D)

Outlook

For the year to date nine [9] months ended 31 March 2021, a substantial portion of the Profits reported relate to the exceptional gain arising from the disposal of UNIMY. In addition to that, revenue contributed from the sale of Microsoft products and services accounted for 94.6% of our Group's total revenue. As such, we expect that the expiry of the Master Licensing Agreement ("MLA") with the Government of Malaysia and the discontinuation by Microsoft of our wholly owned subsidiary, PSSB's membership in the Microsoft Partner Network effective 31 January 2021 will impact our Group's performance in the immediate term. We recently announced our appointment by GOOGLE as their exclusive MSP to the Government of Malaysia and having seen strong traction from our customers towards our new wider range of Cloud-based services, we expect to accelerate the transition and adoption of our offering by our clients as they pivot towards digitalization underpinned by the Cloud.

We have laid the groundwork in terms of our capability, financial reserves from the recent corporate exercise and partnerships with leading global technology players like Google, SAP, Adobe and others to access products and services to be a key player in tapping the vast opportunities in the digitalisation process in Malaysia. We will provide our customers with innovative and cost-effective solutions by leveraging the latest technology working together with our global technology partners as well as offering the 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:

AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
(Registration No. 201001038336)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	9 months Current Year To Date	9 months Preceding Year To Date
	31/3/2021 RM'000	31/3/2020 RM'000	31/3/2021 RM'000	31/3/2020 RM'000
Interest expense	330	1,239	2,534	3,676
Depreciation and amortisation	591	582	1,887	1,825
Foreign exchange loss/(gain)	(115)	(76)	364	(14)
Impairment losses:				
Trade and other receivables	-	-	489	-
Property and equipment	-	-	5,055	-
Gain from disposal of a subsidiary company	-	-	(17,629)	-

B6. INCOME TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	9 months Current Year To Date	9 months Preceding Year To Date
	31/3/2021 RM'000	31/3/2020 RM'000	31/3/2021 RM'000	31/3/2020 RM'000
Malaysia tax:				
- for the current year	527	188	1,529	448
- Under provision in prior year	-	250	385	520
	527	438	1,914	968

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.

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 March 2021 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	14,500	13,809
Business expansion for new product offering and services	Within 12 months	17,513	-	17,513
Full repayment of advances from Directors as well as redemption of the RSLs	Within 3 months	16,500	16,500	-
Estimated expenses in relation to the Corporate Exercises	Upon completion	900	900	-
Total Gross Proceed		63,222	31,900	31,322

- 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)

ii. Long term incentive plan (“LTIP”)(Cont’d)

To that end, the Company announced on 16 April 2021 that it had on 16 April 2021 made the first offer of 3,570,100 options to eligible directors and employees of the Awantec Group and its subsidiary companies (the “LTIP Options”) in accordance to the By-Laws of the LTIP at the purchase price of RM1.02. The vesting period of the LTIP Options offered is from 16 May 2021 to 15 May 2022.

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 Cyberjaya, 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.

B7. STATUS OF CORPORATE PROPOSALS (CONT'D)

4. Creditor's Voluntary Liquidation

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

- (i) Mr. Lim Tian Huat and Mr. Chiang Teng Guan of Messrs. Rodgers Reidy & Co. will be appointed as the Joint and Several Interim Liquidators on 2 April 2021 to commence the Creditors' Voluntary Winding Up proceedings pursuant to Section 440(1) of the Companies Act 2016; and
- (ii) the first meeting of PTSSB and its creditors (the "**First Creditor's Meeting**") is scheduled to be held within thirty (30) days from 2 April 2021.

Mr. Lim Tian Huat and Mr. Chiang Teng Guan of Messrs. Rodgers Reidy & Co. were appointed as the Joint and Several Interim Liquidators for the Creditors' Voluntary Winding Up of PTSSB by a resolution of the Company and its Creditors at the First Creditor's Meeting scheduled 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 Prestariang 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 2021 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>							
- Term Loan	20,368	-	20,368	4,740	-	4,740	25,108
- Revolving Credit	-	-	-	7,360	-	7,360	7,360
<u>Debts securities</u>							
- RPS "A"	152	-	152	-	-	-	152
Total	20,520	-	20,520	12,100	-	12,100	32,620

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 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.

During the hearing of the OS on 9 April 2021 and 20 May 2021, the Court scheduled additional hearing dates on 23 June 2021, 7 July 2021, 6 August 2021, 18 August 2021 and 19 August 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 March 2021.

B12. EARNINGS/(LOSS) PER SHARE

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2021	Preceding Year Quarter 31/3/2020	9 months Current Year To Date 31/3/2021	9 months Preceding Year To Date 31/3/2020
Profit/(loss) after taxation attributable to owners of the Company (RM'000)	762	(3,191)	10,425	(10,161)
Weighted average number of ordinary shares in issue ('000)	788,652	484,000	648,275	484,000
Basic earning/(loss) per share (sen):				
-Continuing operations	0.10	(0.38)	1.81	(1.15)
-Discontinued operations	-	(0.28)	(0.20)	(0.95)

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 27 May 2021.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No. 201908002648)

LIM LIH CHAU (SSM PC No. 201908001454)

Secretaries

Kuala Lumpur

27 May 2021