



AwanBiru Technology Berhad

[Registration No. 201001038336]
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Quarter Ended 30 September 2022**

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	Note	Individual Quarter		Cumulative Period	
		Current Year Quarter 30/9/2022 RM'000	Preceding Year Quarter 30/9/2021 RM'000	Current Year To Date 3 months 30/9/2022 RM'000	Preceding Year To Date 3 months 30/9/2021 RM'000
Revenue		18,105	11,759	18,105	11,759
Cost of sales		(12,489)	(8,761)	(12,489)	(8,761)
Gross profit		5,616	2,998	5,616	2,998
Other income		415	483	415	483
Administrative expenses		6,031	3,481	6,031	3,481
Other expenses		(5,798)	(4,038)	(5,798)	(4,038)
Finance costs		(964)	(694)	(964)	(694)
Loss before taxation	B5	(184)	(183)	(184)	(183)
Income tax expense	B6	(915)	(1,434)	(915)	(1,434)
Total comprehensive expenses for the financial period		(522)	(250)	(522)	(250)
Total comprehensive expenses for the financial period		(1,437)	(1,684)	(1,437)	(1,684)
Loss after taxation attributable to:-					
Owners of the Company:		(1,399)	(1,675)	(1,399)	(1,675)
Non-controlling interest		(38)	(9)	(38)	(9)
		(1,437)	(1,684)	(1,437)	(1,684)
Total comprehensive expenses attributable to:					
Owners of the Company:		(1,399)	(1,675)	(1,399)	(1,675)
Non-controlling interest		(38)	(9)	(38)	(9)
		(1,437)	(1,684)	(1,437)	(1,684)
Loss Per Share attributable to owners of the Company (Sen)					
Basic	B12	(0.18)	(0.21)	(0.18)	(0.21)

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 2021 to 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Unaudited As at 30/9/2022 RM'000	Audited As at 30/6/2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		21,968	22,433
Investment properties		24,180	24,180
Development cost		-	-
		46,148	46,613
CURRENT ASSETS			
Contract costs		2,688	382
Trade and other receivables		328,471	317,239
Contract assets		52,815	59,362
Short-term investment		5,313	15,313
Cash and cash equivalents		12,687	4,034
Current tax assets		41	46
		402,015	396,376
TOTAL ASSETS		448,163	442,989
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		215,342	208,554
Borrowings	B8	3,723	3,768
Current tax liabilities		683	425
Contract liabilities		4,499	3,960
		224,247	216,707
NON-CURRENT LIABILITIES			
Borrowings	B8	13,132	14,061
Redeemable Preference Shares "A"		152	152
Deferred tax liabilities		16,869	16,869
		30,153	31,082
TOTAL LIABILITIES		254,400	247,789
NET ASSETS		193,763	195,200
EQUITY			
Share capital		176,861	176,861
Treasury shares		(3,366)	(3,366)
Warrant reserve		19,812	19,812
LTIP reserve		94	94
Accumulated losses		(11,070)	(9,671)
Total equity attributable to owners of the Company		182,331	183,730
Non-controlling interest		11,432	11,470
TOTAL EQUITY		193,763	195,200
TOTAL LIABILITIES & EQUITY		448,163	442,989
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)		23.11	23.28

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 2021 to 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	←-----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 2021 /1 July 2021	176,672	19,812	919	(3,366)	(15,005)	179,032	11,867	190,899
Profit after taxation/Total comprehensive income for the year	-	-	-	-	4,415	4,415	(244)	4,171
Transaction with owners of the Company:-								
- ESOS lapsed	-	-	(919)	-	919	-	-	-
- Share options and LTIP shares granted	-	-	283	-	-	283	-	283
- Shares issued	189	-	(189)	-	-	-	-	-
- Disposal of a subsidiary	-	-	-	-	-	-	(153)	(153)
	189	-	(825)	-	919	283	(153)	130
At 30 June 2022	176,861	19,812	94	(3,366)	(9,671)	183,730	11,470	195,200
Loss after taxation/Total comprehensive expense for the year	-	-	-	-	(1,399)	(1,399)	(38)	(1,437)
At 30 September 2022	176,861	19,812	94	(3,366)	(11,070)	182,331	11,432	193,763

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 2021 to 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD
(Registration No.201001038336)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	Current 3 months 30/9/2022 RM'000	Preceding Year 3 months 30/9/2021 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before taxation	(915)	(1,434)
Adjustments for:		
Depreciation of property and equipment	453	503
Loss on disposal of a subsidiary company	-	34
Impairment loss on trade and other receivables	408	-
Interest income	(30)	(135)
Interest expense	184	183
Operating profit/(loss) before working capital changes	<u>100</u>	<u>(849)</u>
Working capital changes:-		
Changes in contract costs	(2,306)	(946)
Changes in contract assets	6,547	-
Changes in trade and other receivables	(11,591)	2,437
Changes in contract liabilities	539	2,409
Changes in trade and other payables	6,788	1,762
CASH FLOW FROM OPERATING ACTIVITIES	<u>77</u>	<u>4,813</u>
Interest paid	(184)	(183)
Income tax paid	(259)	(293)
NET CASH FLOW (FOR)/ FROM OPERATING ACTIVITIES	<u>(366)</u>	<u>4,337</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property and equipment	(37)	(541)
Interest received	30	135
Proceed from disposal of a subsidiary company	-	113
NET CASH FLOW FOR INVESTING ACTIVITIES	<u>(7)</u>	<u>(293)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(974)	(964)
Disposal of equity interest in a subsidiary by a Non-controlling interest	-	(153)
NET CASH FLOW FOR FINANCING ACTIVITIES	<u>(974)</u>	<u>(1,117)</u>
Net (decrease)/ increase in cash and cash equivalents	(1,347)	2,927
Cash and cash equivalents at beginning of the financial period	<u>17,256</u>	<u>36,469</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>15,909</u>	<u>39,396</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	10,596	29,347
Deposits with licensed banks	2,091	4,123
Short-term investments	5,313	10,049
	<u>18,000</u>	<u>43,519</u>
Less: Deposits pledged with licensed banks	(2,091)	(4,123)
	<u>15,909</u>	<u>39,396</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period from 1 July 2021 to 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 2022.

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 2022 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2022.

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

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

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

AWANBIRU TECHNOLOGY BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**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 17 Insurance Contracts	1 January 2023
• Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
• Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
• Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
• Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2022 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the quarter ended 30 September 2022 is not significantly affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

There were no material unusual items or events affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter ended 30 September 2022.

A6. CHANGES IN ESTIMATES

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

A7. CHANGES IN DEBT AND EQUITY SECURITIES

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

A8. VALUATION OF PROPERTY AND EQUIPMENT

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

A9. DIVIDENDS PAID

There was no dividend paid during the current financial quarter.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

A10. SEGMENTAL INFORMATION

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

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**A10. SEGMENTAL INFORMATION (CONT'D)**

	RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)					RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2021 (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	
<u>Continuing Operations</u>						<u>Continuing Operations</u>					
Revenue						Revenue					
External revenue	12,906	5,199	-	-	18,105	7,861	3,898	-	-	11,759	
Inter-segment revenue	-	127	-	500	627	-	-	-	250	250	
Segment revenue	12,906	5,326	-	500	18,732	7,861	3,898	-	250	12,009	
Consolidation adjustments					(627)					(250)	
Consolidated revenue					18,105					11,759	
Results						Results					
Segment profit/(loss) before interest and taxation	1,088	1,108	(122)	(2,805)	(730)	9	655	(30)	(1,885)	(1,251)	
Finance costs					(184)					(183)	
Consolidation adjustments					-					-	
Total Loss Before Taxation					(915)					(1,434)	

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM QUARTER

There were no items, transactions or events of a material and unusual nature that have arisen since 30 September 2022 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	5,350
- Dividend payable on Redeemable Preference Shares ("RPS")	<u>28,804</u>
	<u>34,154</u>

A14. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property and equipment as at 30 September 2022 are as follows:

	<u>RM'000</u>
- Approved but not contracted for	<u>822</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 30 September 2022.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

	INDIVIDUAL QUARTER		Variance RM'000
	Current Year Quarter 30/9/2022 RM'000	Preceding Year Quarter 30/9/2021 RM'000	
<u>Segmental Revenue:</u>			
<u>Continuing Operations</u>			
Software & Services	12,906	7,861	5,045
Talent	5,326	3,898	1,428
Concession	-	-	-
Others	500	250	250
	<hr/>	<hr/>	
	18,732	12,009	6,723
Inter-segment Elimination	(627)	(250)	
Group	<hr/>	<hr/>	
	18,105	11,759	6,346
<u>Profit/(Loss) Before Taxation</u>			
Software & Services	1,038	(31)	1,069
Talent	1,040	586	453
Concession	(122)	(30)	(92)
Others	(2,871)	(1,957)	(914)
	<hr/>	<hr/>	
	(915)	(1,434)	518
Inter-segment Elimination	-	-	
	<hr/>	<hr/>	
	(915)	(1,434)	518

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

B1. OPERATING SEGMENTS REVIEW (CONT'D)

THREE (3) MONTHS RESULTS (Q1 FY2023 vs Q1 FY2022)

The Group revenue for the three (3) months period under review increased from RM11.8 million in Q1 FY2022 to RM18.1 million in Q1 FY2023, which is RM6.2 million higher mainly attributable to the higher revenue from both Software & Services and Talent segments.

The Group recorded a narrower loss before taxation of RM0.9 million in Q1 FY2023 as compared to a loss before taxation of RM1.4 million in Q1 FY2022. Factors affecting the results for this quarter were as follows:

- i. Increase in Software & Services revenue from RM7.86 million in Q1 FY2022 to RM12.91 million in Q1 FY2023. This is attributed to our pivot-to-cloud business gaining traction . This has resulted in a profit before taxation for this segment of RM1.0 million as compared to a loss before tax of RM0.03 million in Q1 FY2022;
- ii. Talent segment recorded profit before taxation of RM1.0 million in Q1 FY2023 as compared to a profit before taxation of RM0.59 million in Q1 FY2022 due to an increase in revenue of RM3.7 million in Q1 FY2023 from RM1.5 million in Q1 FY2022 mainly from the higher number of placements under the Selangor Kerjaya Program;
- iii. Concession segment recorded a lower loss before taxation of RM0.1 million in Q1 FY2023 as compared to RM30,000 in Q1 FY2022 mainly due to legal and professional services cost relating to the claim against The Government of Malaysia ("GOM"); and
- iv. Others segment recorded a revenue of RM0.5 million from the holding company charging subsidiaries management fees for the Group shared service cost in Q1 FY2023. The segment recorded a higher loss before taxation of RM2.9 million in Q1 FY2023 as compared to RM2 million loss before taxation in Q1 FY2022 mainly due to higher operating expenses.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter 30/9/2022 RM'000	Immediate Preceding Quarter 30/06/2022 RM'000	Variance RM'000
<u>Segmental Revenue:</u>			
Software & Services	12,906	5,974	6,932
Talent	5,326	6,189	(863)
Concession	-	-	-
Others	500	4,831	(4,331)
	<u>18,732</u>	<u>16,994</u>	<u>1,738</u>
Inter-segment Elimination	(627)	(4,831)	
Group	<u>18,105</u>	<u>12,163</u>	5,942
<u>Profit/(loss) Before Taxation</u>			
Software & Services	1,038	2,168	(1,130)
Talent	1,040	605	435
Concession	(122)	(232)	110
Others	(2,871)	(2,275)	(596)
	<u>(915)</u>	<u>265</u>	<u>(1,180)</u>
Inter-segment Elimination	-	-	
Group	<u>(915)</u>	<u>265</u>	(1,180)

The Group recorded a loss before taxation of RM0.9 million in Q1 FY2023 as compared to a profit before taxation of RM0.3 million in Q4 FY2022 mainly due to higher margins in Q4 FY2022.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2023

The results for Q1 FY2023 compared to Q1 FY2022 has shown an increase in revenue for both Software & Services and Talent segments. Revenue in total grew by 48% from RM12.2 million in Q1FY2022 to RM18.1 million in Q1FY2023. Our pivot to the Cloud strategy has yielded positive results with significant wins in FY2022 and we will leverage on our recent success and inroads with customers to build our deal pipeline and focus on its conversion into our orderbook. We have also made inroads into GLCs and the private sector, offering a range of products and services with our new team and we are excited to explore regional business opportunities with our partners

We are forging ahead with our investment and acceleration phase following our pivot to the Cloud in 2021. Our continued investments into the 3Ps - People, Partners and Products & Services as we grow our orderbook may cause quarter-to-quarter fluctuations in the earnings trajectory. We however believe that in the medium to long term, it will stabilize on the back of recurring income from renewals and continuing managed services revenue as is typical for cloud-based business.

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With the global economy expected to slowdown in 2023, we are cautiously optimistic of the year ahead. Building from our momentum in FY2022, our Board is of the view that our Group is in a good position to meet our customer requirements by being their trusted partner for technology and talent services.

B4. VARIANCE ON PROFIT FORECAST/PROFIT ESTIMATE

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

AWANBIRU TECHNOLOGY BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**B5. LOSS BEFORE TAXATION**

Loss before taxation is derived after taking into consideration of the following:

	Individual Quarter	
	Current	Preceding
	Year Quarter	Year Quarter
	30/9/2022	30/9/2021
	RM'000	RM'000
Interest expense	184	183
Interest income	(30)	(135)
Depreciation and amortisation	453	503
Foreign exchange loss	-	13
Impairment losses on trade and other receivables	408	-
Loss from disposal of a subsidiary companies	-	34

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	
	Current	Preceding
	Year Quarter	Year Quarter
	30/9/2022	30/9/2021
	RM'000	RM'000
Malaysia tax:		
- for the current year	450	250
- under provision in prior year	72	-
	<u>522</u>	<u>250</u>

B7. STATUS OF CORPORATE PROPOSALS

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

1. Long term incentive plan ("LTIP")

The Company had, on 25 January 2021, announced that the effective date for the LTIP has been fixed to commence on 25 January 2021. The LTIP comprises the establishment of an employee share option scheme and share grant plan of up to 15% of the issued share capital of the Company at any point in time during the duration of the LTIP for eligible directors and employees of the Company and its subsidiaries.

The LTIP shall be in force for a period of five (5) years from the effective date and extendable for a period of up to another five (5) years immediately from the expiry of the five (5) years upon the recommendation of the LTIP Committee and shall not in aggregate exceed ten (10) years from the effective date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.

2. Proposed scheme of arrangement

On 24 August 2020, Prestariang SKIN Sdn. Bhd. ("PSKIN"), a subsidiary of the Company, made an application pursuant to Section 366 of the Companies Act 2016 (the "Act"), for a proposed scheme of arrangement between PSKIN and its scheme creditors pursuant to Section 366 of the Act, to be put forward to the creditors at court convened meetings (the "Proposed Scheme"). The Proposed Scheme is in relation to PSKIN only.

The purpose of the Proposed Scheme is to preserve the going concern of PSKIN while it carries on with negotiations and legal action to seek compensation from the Government of Malaysia for the termination of the SKIN contract. The application, if granted, is not expected to have any material impact on the financial and operational matters of the Company and its subsidiaries. Further, the Proposed Scheme does not involve any lenders of PSKIN or the Awanbiru Group.

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**B7. STATUS OF CORPORATE PROPOSALS (CONT'D)**

3. Creditor's Voluntary Liquidation

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

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

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

B8. BORROWINGS

The Group's borrowing and debts securities as at 30 September 2022 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	13,132	-	13,132	3,723	-	3,723	16,855
<u>Debt Securities</u>							
-RPS "A"	152	-	152	-	-	-	152
Total	13,284	-	13,284	3,723	-	3,723	17,007

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B9. MATERIAL LITIGATION

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

The OS was first heard before the High Court on 22 January 2021 and the hearing of the OS is currently still ongoing.

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

Separately, PSKIN and GOM have also agreed to refer the dispute in respect of PSKIN’s Originating Summons to court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre (“**Mediation Centre**”). On 30 October 2019, representatives from PSKIN and GOM (with Parties’ respective Counsel) attended the first mediation session. 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 which took place during the current quarter and the comparative period. There was also no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

B11. PROPOSED DIVIDEND

No interim dividend has been declared for the current quarter ended 30 September 2022.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**B12. LOSS PER SHARE**

	Current Year Quarter 30/9/2022	Preceding Year Quarter 30/9/2021
Loss after taxation to owners of the Company (RM'000)	(1,437)	(1,684)
Weighted average number of ordinary shares in issue ('000)	787,426	789,124
Basic loss per share (sen)	(0.18)	(0.21)

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 November 2022.

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

Secretaries

Kuala Lumpur**24 November 2022**