



AwanBiru Technology Berhad

[Registration No. 201001038336]
(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Quarter Ended 30 September 2024**

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**AWANBIRU TECHNOLOGY BERHAD**

(Registration No.201001038336)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2024**

	Individual Quarter		Cumulative Period	
	Current	Preceding	Current	Preceding
	Year Quarter	Year Quarter	Year To Date	Year To Date
Note	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	6,541	16,471	6,541	16,471
Cost of sales	(3,191)	(10,573)	(3,191)	(10,573)
Gross profit	3,350	5,898	3,350	5,898
Other income	2,646	454	2,646	454
	5,996	6,352	5,996	6,352
Administrative expenses	(4,719)	(5,268)	(4,719)	(5,268)
Other expenses	(375)	(399)	(375)	(399)
Finance costs	(170)	(184)	(170)	(184)
Profit before taxation	B5 732	501	732	501
Income tax expense	B6 (150)	(100)	(150)	(100)
Total comprehensive income for the financial period	582	401	582	401
Profit/(Loss) after taxation attributable to:-				
Owners of the Company:	594	404	594	404
Non-controlling interest	(12)	(3)	(12)	(3)
	582	401	582	401
Total comprehensive income/(expenses) attributable to:				
Owners of the Company:	594	404	594	404
Non-controlling interest	(12)	(3)	(12)	(3)
	582	401	582	401
Earnings Per Share attributable to owners of the Company (Sen)				
Basic	B12 0.08	0.05	0.08	0.05

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 2023 to 30 June 2024 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 2024

	Note	Unaudited As at 30/9/2024 RM'000	Audited As at 30/6/2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		22,136	22,439
Investment properties		21,630	21,630
Development cost		-	-
		<u>43,766</u>	<u>44,069</u>
CURRENT ASSETS			
Contract costs		148	65
Trade and other receivables		327,148	322,846
Contract assets		32,012	45,633
Short-term investment		303	300
Cash and cash equivalents		16,424	19,147
Current tax assets		1,232	1,162
		<u>377,267</u>	<u>389,153</u>
		<u>421,033</u>	<u>433,222</u>
TOTAL ASSETS			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		202,745	213,227
Borrowings	B8	3,787	3,707
Current tax liabilities		6	6
Contract liabilities		819	2,185
		<u>207,357</u>	<u>219,125</u>
NON-CURRENT LIABILITIES			
Borrowings	B8	5,781	6,784
Redeemable Preference Shares "A"		152	152
Deferred tax liabilities		16,869	16,869
		<u>22,802</u>	<u>23,805</u>
		<u>230,159</u>	<u>242,930</u>
TOTAL LIABILITIES			
NET ASSETS			
		<u>190,874</u>	<u>190,292</u>
EQUITY			
Share capital		177,036	177,036
Treasury shares		(3,366)	(3,366)
Warrant reserve		19,812	19,812
LTIP reserve		-	-
Accumulated losses		(13,729)	(14,323)
Total equity attributable to owners of the Company		<u>179,753</u>	<u>179,159</u>
Non-controlling interest		11,121	11,133
		<u>190,874</u>	<u>190,292</u>
TOTAL EQUITY			
TOTAL LIABILITIES & EQUITY			
		<u>421,033</u>	<u>433,222</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (SEN)			
		22.75	22.68

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 2023 to 30 June 2024 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 2024

	←-----Non-distributable----->					Distributable		
	Share Capital RM'000	Warrant Reserve RM'000	LTIP Reserve RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 30 June 2022 /1 July 2023	176,997	19,812	25	(3,366)	(17,029)	176,439	11,414	187,853
Profit after taxation/Total comprehensive income for the year	-	-	-	-	2,706	2,706	(281)	2,425
Transaction with owners of the Company:-								
- Share options and LTIP shares granted	-	-	14	-	-	14	-	14
- Shares issued	39	-	(39)	-	-	-	-	-
	39	-	(25)	-	-	14	-	14
At 30 June 2024	177,036	19,812	-	(3,366)	(14,323)	179,159	11,133	190,292
Profit after taxation/Total comprehensive income for the year	-	-	-	-	594	594	(12)	582
At 30 September 2024	177,036	19,812	-	(3,366)	(13,729)	179,753	11,121	190,874

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 2023 to 30 June 2024 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 2024

	Current 3 months 30/9/2024 RM'000	Preceding Year 3 months 30/9/2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	732	501
Adjustments for:		
Depreciation of property and equipment	372	399
Interest income	(72)	(3)
Interest expense	170	184
Reversal of impairment on trade and other receivables	(1,648)	(268)
Operating (loss)/profit before working capital changes	<u>(446)</u>	<u>813</u>
Working capital changes:-		
Changes in contract costs	(83)	5,608
Changes in contract assets	13,621	11,149
Changes in trade and other receivables	(2,654)	(16,682)
Changes in contract liabilities	(1,366)	(848)
Changes in trade and other payables	(10,482)	(6,206)
CASH FLOW FOR OPERATING ACTIVITIES	<u>(1,410)</u>	<u>(6,166)</u>
Interest paid	(170)	(184)
Income tax paid	(220)	(392)
NET CASH FLOW FOR OPERATING ACTIVITIES	<u>(1,800)</u>	<u>(6,742)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property and equipment	(69)	(174)
Interest received	72	3
NET CASH FLOW FROM/(FOR) INVESTING ACTIVITIES	<u>3</u>	<u>(171)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(923)	(911)
NET CASH FLOW FOR FINANCING ACTIVITIES	<u>(923)</u>	<u>(911)</u>
Net decrease in cash and cash equivalents	(2,720)	(7,824)
Cash and cash equivalents at beginning of the financial period	<u>18,149</u>	<u>11,872</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>15,429</u>	<u>4,048</u>
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD COMPRISES THE FOLLOWING:-		
Cash and bank balances	15,126	3,712
Deposits with licensed banks	1,298	1,533
Short-term investments	303	336
	<u>16,727</u>	<u>5,581</u>
Less: Deposits pledged with licensed banks	(1,298)	(1,533)
	<u>15,429</u>	<u>4,048</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 2023 to 30 June 2024 and the accompanying explanatory notes attached to these interim financial statements.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL REPORT

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

A1. BASIS OF PREPARATION

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

The accounting policies and methods of computation by the Group in this interim financial statement are consistent with those adopted in the financial statements for the period ended 30 June 2023 excepts for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2024.

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: -

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a

Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statement of the Group and of the Company except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 ‘Disclosure of Accounting Policies’ did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

A2. CHANGES IN ACCOUNTING POLICIES

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

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

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 ‘Presentation and Disclosure in Financial Statements’ will replace MFRS 101 ‘Presentation of Financial Statements’ upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: “operating”, “investing” and “financing” and introduces 2 new subtotals: “operating profit or loss” and “profit or loss before financing and income tax”. In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group has yet to be assessed.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2024 was not qualified.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group for the quarter ended 30 September 2024 is not significantly affected by any seasonal or cyclical factors.

A5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENT

There were no material unusual items or events affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter ended 30 September 2024.

A6. CHANGES IN ESTIMATES

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

A7. CHANGES IN DEBT AND EQUITY SECURITIES

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

A8. VALUATION OF PROPERTY AND EQUIPMENT

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

A9. DIVIDENDS PAID

There was no dividend paid during the current financial quarter.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

A10. SEGMENTAL INFORMATION

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

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

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

A10. SEGMENTAL INFORMATION (CONT'D)

	RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)					RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)				
	Software & Services RM'000	Talent RM'000	Concession RM'000	Others RM'000	Total RM'000	Software & Services RM'000	Talent RM'000	Concession RM'000	Others RM'000	Total RM'000
Revenue										
External revenue	5,504	1,037	-	-	6,541	9,793	6,678	-	-	16,471
Inter-segment revenue	-	-	-	1,425	1,425	-	114	-	1,425	1,539
Segment revenue	5,504	1,037	-	1,425	7,966	9,793	6,792	-	1,425	18,010
Consolidation adjustments					(1,425)					(1,539)
Consolidated revenue					6,541					16,471
Results										
Segment profit/(loss) before interest and taxation	1,445	(1,057)	(26)	540	902	596	1,569	(8)	(1,472)	685
Finance costs					(170)					(184)
Consolidation adjustments					-					-
Total Profit Before Taxation					732					501

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM QUARTER**

There were no items, transactions or events of a material and unusual nature that have arisen since 30 September 2024 to the date of this announcement which would substantially affect the financial results of the Group for the current financial quarter that have not been reflected in the condensed financial statements.

A12. CHANGES IN COMPOSITION OF THE GROUP

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

A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

	RM '000
- Performance guarantee extended by a subsidiary to third party	1,456
- Dividend payable on Redeemable Preference Shares ("RPS")	28,804
	<u>30,260</u>

A14. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property and equipment as at 30 September 2024 are as follows:

	<u>RM'000</u>
- Approved but not contracted for	<u>295</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions for the quarter ended 30 September 2024.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**NOTES TO THE INTERIM FINANCIAL REPORT****PART B – ADDITIONAL INFORMATION AS REQUIRED BY MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****B1. OPERATING SEGMENTS REVIEW**

	INDIVIDUAL QUARTER		Variance	
	Current Quarter 30/9/2024	Preceding Year Quarter 30/9/2023		
<u>Segmental Revenue:</u>				
Software & Services	5,504	9,793	(4,289)	-44%
Talent	1,037	6,792	(5,755)	-85%
Others	1,425	1,425	-	0%
	7,966	18,010	(10,044)	-56%
Inter-segment Elimination	(1,425)	(1,539)	114	7%
Group	6,541	16,471	(9,930)	-60%
<u>Profit/(Loss) Before Taxation</u>				
Software & Services	1,383	529	854	161%
Talent	(1,124)	1,497	(2,622)	-175%
Concession	(26)	(8)	(18)	-225%
Others	499	(1,517)	2,016	133%
	732	501	231	46%
Inter-segment Elimination	-	-	-	-
Group	732	501	231	46%

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

B1. OPERATING SEGMENTS REVIEW (CONT'D)

THREE (3) MONTHS RESULTS (Q1 FY2025 vs Q1 FY2024)

The Group revenue for the three (3) months period under review decreased from RM16.5 million in Q1 FY2024 to RM6.5 million in Q1 FY2025, mainly due to lower revenue from Talent segment.

The Group recorded a higher profit before taxation of RM0.7 million in Q1 FY2025 as compared to Q1 FY2024. Factors affecting the results for this quarter were as follows:

- i. Software and services segment recorded a higher profit before taxation of RM1.4 million in Q1 FY2025 as compared to the profit before taxation of RM0.5 million in Q1 FY2024 due to incentives earned in Q1 FY2025.
- ii. Others segment recorded a profit before taxation of 0.5 million in Q1 FY2025 as compared to a loss before taxation of RM1.5 million in Q1 FY2024 mainly due to the lower operating expenses coupled with higher other income in the current quarter, offset with
- iii. Talent segment recorded a loss before taxation of RM1.1 million in Q1 FY2025 as compared to the profit before taxation of RM1.5 million in Q1 FY2024 due to a lower revenue in Q1 FY2025, mainly from Selangor Kerjaya program that has ended in December 2023.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

	Current Quarter 30/9/2024 RM'000	Immediate Preceding Quarter 30/6/2024 RM'000	Variance RM'000 (%)	
<u>Segmental Revenue:</u>				
Software & Services	5,504	9,394	(3,890)	-41%
Talent	1,037	446	591	133%
Others	1,425	3,187	(1,762)	-55%
	7,966	13,027	(5,061)	-39%
Inter-segment Elimination	(1,425)	(3,187)	1,762	55%
Group	6,541	9,840	(3,299)	-34%
<u>Profit/(Loss) Before Taxation</u>				
Software & Services	1,383	2,864	(1,481)	-52%
Talent	(1,124)	(332)	(792)	-238%
Concession	(26)	(143)	117	82%
Others	499	(2,343)	2,842	121%
	732	46	686	1492%
Inter-segment Elimination	-	-	-	-
Group	732	46	686	1492%

The Group recorded a profit before taxation of RM0.7 million in Q1 FY2025 as compared to a profit before taxation of RM0.05 million in Q4 FY2024 due to lower operating expenses and incentives earned in the current quarter.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

The Group demonstrated consistent performance in Q1 FY2025, achieving a profit after taxation of RM0.6 million, building on the strong results from FY2024. This achievement underscores the continuous advancements resulting from our ongoing transformation plan formulated in 2021, centered around our key offerings of Cloud-Based Software Solutions, Platform as a Service, Infrastructure as a Service, Talent as a Service, and System Integration.

Our Software & Services segment has established a strong presence in Malaysia as Google Cloud's premier partner. This partnership enables us to play a key role in supporting the Government's digital transformation agenda. To further accelerate our growth, we are expanding our Cloud capabilities by deepening our expertise in areas such as artificial intelligence, advanced analytics, cloud migration, big data, learning management platform and business transformation solutions via E-invoicing and ERP.

Building on our recent successes in FY2024, the Board and Management are confident and optimistic about the Group's FY2025 outlook. We remain dedicated to enhancing our synergistic offerings to drive value and foster growth for the Group.

B4. VARIANCE ON PROFIT FORECAST/PROFIT ESTIMATE

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

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

B5. PROFIT BEFORE TAXATION

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

	Individual Quarter	
	Current Quarter 30/9/2024 RM'000	Preceding Year Quarter 30/9/2023 RM'000
Interest expense	170	184
Interest income	(72)	(3)
Depreciation and amortisation	372	399
Foreign exchange gain	(51)	-
Reversal of impairment losses on trade and other receivables	(1,648)	(268)

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 Quarter 30/9/2024 RM'000	Preceding Year Quarter 30/9/2023 RM'000
Malaysia tax:		
- for the current year	150	100
- under provision in prior year	-	-
	<u>150</u>	<u>100</u>

B7. STATUS OF CORPORATE PROPOSALS

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

1. Long term incentive plan ("LTIP")

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

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

2. Proposed scheme of arrangement

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

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

The objectives of the SOA 2 are, amongst others, to preserve the going concern of PSKIN while it engages in negotiations and legal proceedings to seek compensation from the GOM for the termination of the SKIN contract and to allow PSKIN to obtain the payment from GOM pursuant to the outcome of the GOM Proceedings and any appeals therefrom and consequently provide payment of its debts owing to the scheme creditors as compared to a liquidation scenario. The application is not expected to have any material impact on the financial and operational matters of the Company and its subsidiaries. Further, the Proposed Scheme does not involve any lenders of PSKIN or the Group.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**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 2024 are as follows:

	Long term borrowing		Short term borrowing			Total (RM'000)
	Secured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Borrowings</u>						
- Term loan	5,781	5,781	3,787	-	3,787	9,568
<u>Debt Securities</u>						
- RPS "A"	152	152	-	-	-	152
Total	5,933	5,933	3,787	-	3,787	9,720

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024

B9. MATERIAL LITIGATION

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

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

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

Note:

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

Both the GOM and PSKIN have filed their respective Notices of Appeal to the Court of Appeal against the KLHC’s decision on 8 April 2024. The hearing for both appeals is now scheduled for 22 July 2025.

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 2024.

AWANBIRU TECHNOLOGY BERHAD

(Registration No. 201001038336)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2024**B12. EARNINGS PER SHARE**

	Individual Quarter	
	Current Quarter 30/9/2024	Preceding Year Quarter 30/9/2023
Profit after taxation attributable to owners of the Company (RM'000)	582	401
Weighted average number of ordinary shares in issue ('000)	789,987	789,892
Basic earnings per share (sen)	0.08	0.05

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 November 2024.

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

Secretaries

Kuala Lumpur**27 November 2024**