

**AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD) (“AWANTEC” or the “Company”) – Memorandum of Understanding between AWANTEC and Huawei Technologies (Malaysia) Sdn Bhd**

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**1. INTRODUCTION**

The Board of Directors of AWANTEC is pleased to announce that the Company had on 6 January 2021 entered into a Memorandum of Understanding (“**MOU**”) with Huawei Technologies (Malaysia) Sdn Bhd (“**Huawei**”) to form a strategic joint collaboration to drive awareness demand and promote the adoption of Huawei Cloud Products and Services in Malaysia to the public sector at the Federal Level, State Level, Statutory Bodies and Government-Linked Companies (the “**Public Sector**”) and any other commercial organizations to be mutually agreed between the parties from time to time on a non-exclusive basis (the “**Project**”).

(AWANTEC and Huawei shall collectively be referred to as the “**Parties**” and individually referred to as “**Party**”).

**2. SALIENT TERMS OF THE MOU**

2.1 Background

Under this collaboration, Huawei will act as Cloud & AI Service Provider (“**CSP**”), offering Cloud native products and services like IaaS, PaaS, SaaS and XaaS whereas AWANTEC will act as Managed Services Partner (“**MSP**”) and drive awareness demand and adoption for Huawei Cloud Products and Services in Malaysia.

2.2 Objective

The objective of the MOU is to set out the following key terms and agreed parameters of the strategic joint collaboration pertaining to the Project: -

- (i) to leverage on each party’s respective key strengths based on each party’s diverse and complementary expertise, competencies and background in order to promote awareness and usage of Huawei Cloud Products and Services in Malaysia; and
- (ii) to set out the contribution of each Party in relation to the Project based on their respective expertise and capabilities.

2.3 Joint Collaboration

In this connection, the Parties agree to co-operate and work together: -

- (i) to understand the Malaysian cloud market landscape and customer needs and requirements in particular the Public Sector;
- (ii) to jointly develop market plans and strategies for the mutual benefit of the Parties in relation to the Project and the strategic joint collaboration.

2.4 Non-binding

The MOU shall be non-binding, save for specific provisions stipulated therein.

2.5 Value

The MOU does not specify any value.

**3. TERMINATION**

The MOU is effective from the date hereof for a period of 24 months and shall terminate immediately upon the Parties mutually agreeing to terminate the MOU.

**4. FINANCIAL EFFECTS**

The MOU signifies AWANTEC's innovative effort in exploring new business opportunities to raise value to its shareholders. AWANTEC's investment and expansion into Cloud based services will allow the Group to adapt and align itself to fulfil new customer's demand in the new market environment for long term and sustainable growth aligned with its existing core businesses and strengths.

The MOU is not expected to have any immediate material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of the Company.

The collaboration is expected to have a positive impact to the future earnings of the AWANTEC Group.

**5. INTERESTS OF BOARD OF DIRECTORS, MAJOR SHAREHOLDER AND PERSONS CONNECTED**

None of the Board of Directors and/or major shareholders of AWANTEC and/or persons connected to the Board of Directors and/or major shareholders of AWANTEC have any interest, either direct or indirect in the MOU.

**6. DIRECTORS' STATEMENT**

The Board of Directors of AWANTEC is of the opinion that the MOU will have a positive impact on the business of AWANTEC and is in the best interest of the AWANTEC Group.

This announcement is dated 6 January 2021.