

**AWANBIRU TECHNOLOGY BERHAD (FORMERLY KNOWN AS PRESTARIANG BERHAD)
("AWANTEC" OR "THE COMPANY")**

PROPOSED DISPOSAL OF 51% EQUITY INTEREST HELD IN PRESTARIANG O&G SDN. BHD.

1. Introduction

The Company is pleased to announce that the Company had on 23 August 2021 entered into a Sale and Purchase Agreement ("**SPA**") with MIE Corporate Holdings Sdn. Bhd. ("**MIE**") for the proposed disposal of 178,500 ordinary shares ("**Sale Shares**"), representing 51% of the Company's equity interest held in Prestariang O&G Sdn. Bhd. ("**POGSB**"), for a cash consideration of RM113,213.00 ("**Proposed Disposal**").

2. Salient terms of the Proposed Disposal

The Proposed Disposal entails the disposal by the Company of its 51% equity interest held in POGSB to MIE, comprising 178,500 ordinary shares.

The payment of the total consideration of the Proposed Disposal of RM113,213.00 by MIE to the Company constitutes the completion of MIE's obligations in respect of all payments due by MIE to the Company in respect of the Sale Shares ("**Completion**"). On Completion, MIE shall forthwith take over and assume the management and operations of the Company from the date of the SPA.

Further, the Company and MIE agree that upon the Completion, the SPA shall supersede the Joint Venture Agreement made between the Companies and MIE dated 31 December 2014.

3. Information on POGSB

POGSB was incorporated on 20 June 2013 and is a joint venture between the Company (51%) and MIE (49%) to carry-out the following businesses: -

- To jointly undertake the setting-up, operation and management of a business entity to source, train and supply skilled workers (Malaysian or foreign) in Malaysia particularly for Refinery and Petrochemicals Integrated Development (RAPID) in Pengerang Johor and related industries in general.
- To provide international and industry recognized and certified training programs in line with the business's and industries' requirement.

4. Information on MIE

MIE was incorporated on 14 October 2008 and is an investment holding company that actively manages the rental of commercial property and the development of renewable energy. It also provides group-level management consultancy to its subsidiaries and associated companies from a wide range of industries, including oil & gas, manufacturing, short term accommodation and integrated property developments.

5. Basis of the sale consideration

The sale consideration of RM113,213.00 was arrived at based on the net assets of POGSB as at 30 September 2020 in the management account and after adjusting for realizable value of the assets.

	RM
Net assets (less capital repayment)	563,458
Less adjustment for estimated realizable value	(341,472)
Adjusted net assets value	221,986
51% of adjusted net assets value	113,213

6. Cost of investment and financial information

Following the capital repayment by POGSB, the cost of investment in POGSB by the Company can be summarised as follows: -

	Number of ordinary shares held in POGSB by the Company	Cost of investment (RM)
15 July 2013	2	2
12 January 2015	509,998	509,998
Sub total	510,000	510,000
Less capital repayment	331,500	331,500
Total	178,500	178,500

The audited financial results of POGSB for the past three (3) years are as follows: -

	FYE 2017	FPE 2019	FYE 2020
	RM'000	RM'000	RM'000
Revenue	5,262	17,403	4,440
Earnings before interest, taxes, depreciation and amortization	(19)	1,019	(58)
Net Profit/(Loss)	(96)	700	(154)
Net Assets	836	1,536	1,383

There are no contingent liabilities, guarantee and other liabilities to be assumed by AWANTEC arising from the Proposed Disposal.

7. Rationale

The Proposed Disposal forms part of the Group's rationalization plan to discontinue non-profitable operations and will enable the reallocation of the Group's resources into its more profitable business segments that could yield positive results in the immediate term. The disposal is also in line with the Group's intention to focus on providing competency and professional development in the digital space.

8. Risk factors

There are no risk factors identified in relation to the Proposed Disposal.

9. Proposed utilisation of proceeds

The proceeds from the Proposed Disposal will be allocated to meet the Group's working capital requirement.

10. Effects of the Proposed Disposal

10.1 Net Assets, Net Assets per share, and Gearing

The Proposed Disposal is not expected to have any material effect on the net assets, net assets per share and gearing of the Group for the FYE 30 June 2022.

10.2 Earnings and earnings per share

The Proposed Disposal is not expected to have a material effect to the earnings per share of the Group for the FYE 30 June 2022. However, the Proposed Disposal will allow the Group to discontinue a loss-making operation that has negatively impacted the Group's results and allow the Group to reallocate the Group's resources into more profitable operations. This is expected to yield a positive effect on the earnings per share of the Group in subsequent financial years.

10.3 Expected gain/(loss) from the Proposed Disposal

The completion of the Proposed Disposal is expected to result in a loss on disposal of RM73,627.00 at the Group level.

11. Approvals required

The Proposed Disposal is not subject to the approval of the shareholders of the Company.

Based on the audited consolidated financial statements of POGSB and the Group for financial year ended 30 June 2020, the highest percentage ratio applicable for the Proposed Disposal pursuant to Chapter 10.02(g) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements is 0.91%.

12. Interest of Directors, Major Shareholder and Persons Connected

None of the Directors, major shareholder and/or persons connected with the directors and/or major shareholder of AWANTEC has any direct or indirect interest in the Proposed Disposal.

13. Statement by the Board of Directors

The Board of Directors of the Company, having considered the rationale of the Proposed Disposal and the expected positive effect to the Group's net assets per share and future earnings per share, is of the view that the Proposed Disposal is in the best interest of the Company and its shareholders.

14. Estimated timeline for completion

The Proposed Disposal has been completed on 23 August 2021.

15. Documents available for inspection

The SPA will be available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Mondays to Fridays (except public holiday) for a period of three (3) months from the date of this announcement.

In adherence to the standard operating procedures imposed by the regulatory authority(ies), all inspection of documents at the registered office of the Company can only be conducted by prior appointment only. Please contact 03-2084 9000 for appointment request(s).

This announcement is dated 23 August 2021.