

## AWANBIRU TECHNOLOGY BERHAD ("AWANTEC" OR THE "COMPANY")

### - DISPOSAL OF PROPERTIES BY AWANTEC SYSTEMS SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF AWANTEC

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#### 1. INTRODUCTION

The Board of Directors of AWANTEC wishes to announce that its wholly-owned subsidiary, Awantec Systems Sdn. Bhd. ("**ASSB**" or the "**Vendor**") had on 31 January 2025 entered into eight (8) separate Sale and Purchase Agreements (the "**SPAs**") with Puncak Hartanah Intelek Sdn. Bhd. (the "**Purchaser**"), for the disposal of one (1) eight (8)-storey office semi-detached signature corporate office/retail known as Block 12, Corporate Park, Star Central @ Cyberjaya, erected on the part of all that piece of freehold land held under GRN 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor (previously under HS(D) 36937, PT 51149, Mukim Dengkil, Daerah Sepang, Negeri Selangor) (the "**Master Title**") (the "**Property**") together with its attached fixtures and fittings, as listed in the SPAs for a total cash consideration of Ringgit Malaysia Twenty-Five Million (RM25,000,000.00) only (the "**Purchase Price**") (the "**Disposal**").

#### 2. INFORMATION ON THE DISPOSAL

##### 2.1 Details of the Property

The Vendor is the beneficial owner of the Property.

Further information on the Property is as follows: -

<b>Description</b>	Eight (8)-storey office semi-detached signature corporate office/retail known as Block 12, Corporate Park, Star Central @ Cyberjaya, erected on the part of all that piece of freehold land held under GRN 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor (previously under HS(D) 36937, PT 51149, Mukim Dengkil, Daerah Sepang, Negeri Selangor) together with its attached fixtures and fittings, as listed in the SPAs.  (The SPAs are designated for the disposal of each floor in the eight (8)-storey building.)
<b>Postal Address</b>	Star Central, Block 12, Jalan Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan.
<b>Existing Use</b>	Currently, seven (7) floors of the Property, totalling 35,904 square feet are rented to Commerce Dot Com Sdn. Bhd. for use as their business office.

	The remaining floor of the Property, encompassing 4,471 square feet, serves as the operational office for AWANTEC and its subsidiaries (the " <b>Group</b> ").
<b>Age of the Building</b>	Seven (7) years
<b>Category of Land</b>	Building
<b>Express Condition</b>	Commercial Building
<b>Restriction in Interest</b>	The Master Title shall not be transferred, leased or charged without the consent of the State Authority.
<b>Term of Tenure</b>	Freehold
<b>Encumbrances</b>	<p>(i) The Master Title is presently not encumbered by any private caveat, prohibitory orders or any other form of encumbrances save and except to a charge in favour of Ambank (M) Berhad (Registration No. 196901000166 (8515-D)) of Level 18, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur (the "<b>Master Charge</b>").</p> <p>(ii) The Vendor had assigned all its rights, benefits, interest, and title of the Property to CIMB Islamic Bank Berhad (the "<b>Existing Assignment</b>").</p>
<b>Original cost of investment</b>	RM23,980,738.56
<b>Date of investment</b>	27 January 2017
<b>Carrying Value based on the Audited Financial Statement as at 30 June 2024</b>	RM24,180,000.00
<b>Valuation</b>	<p>The Property was appraised at RM24,180,000.00 by Mohd Nor &amp; Partners (Kajang) Sdn. Bhd., an independent firm registered with the Board of Valuers, Appraisers, and Estate Agents Malaysia.</p> <p>This valuation, documented in their report dated 30 June 2024, was determined using the Market Value Approach.</p>

## 2.2 Information on the Vendor

ASSB is a wholly-owned subsidiary of the Company having its registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan and business address at Block 11B, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan. It is principally involved in providing information and communication technology (ICT) training and certification, software license distribution, and management.

As at the date of this announcement, ASSB has share capital of RM9,000,000.00 comprising a total number of 5,588,465 ordinary shares.

### **Directors**

- i. Dr. Abu Hasan bin Ismail
- ii. Ainun Mardziah binti Hashim
- iii. Azlan bin Zainal Abidin

## 2.3 Information on the Purchaser

Puncak Hartanah Intelek Sdn. Bhd., a private limited company incorporated in Malaysia on 18 February 2003, is a subsidiary of Commerce Dot Com Sdn. Bhd.

As at the date of this announcement, the total issued and paid-up share capital of the Purchaser is RM40,000,000.00 comprising a total number of 40,000,000 ordinary shares.

The directors and shareholders of the Purchaser as at the date of this announcement are as follows: -

### **Directors**

- i. Putri Nurul Ida binti Yahya
- ii. Syed Azmin bin Mohd. Nursin @Syed Nor

### **Shareholder**

### **Total of Shares**

Commerce Dot Com Sdn. Bhd.	40,000,000
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## 2.4 Basis of arriving and justification for the Purchase Price

The purchase price was determined on a willing-buyer, willing-seller basis, free from all encumbrances. This was calculated after taking into account the carrying value of the Disposal, amounting to RM24,180,000.00, as reflected in the Company's audited financial statements as of 30 June 2024.

## 2.5 Salient Terms of the SPAs

*The words and abbreviations used throughout this section of the Announcement shall have the same meaning as defined in the SPAs unless the context otherwise requires or is defined herein.*

The salient terms and conditions of the SPAs include *inter alia*, the following: -

### **2.5.1 Consideration**

The Purchase Price of RM25,000,000.00 shall be paid in the following manner: -

- **Deposit**

10% of the Purchase Price, equivalent to Ringgit Malaysia Two Million Five Hundred Thousand (RM2,500,000.00) only.

- **Balance Purchase Price**

The Balance Purchase Price of RM22,500,000.00 shall be paid within the Completion Period.

Once the Notice of Assignment has been served on the Developer, the Purchaser's Solicitors shall release the final Balance Purchase Price to the Vendor, the final payment must be made within five (5) days upon fulfillment of this aforesaid condition. Provided always that such payment of the final Balance Purchase Price shall be made, within the Completion Period (or Extended Completion Period, as the case may be applicable).

Upon release of the Final Balance Purchase Price to the Vendor, the Agreement shall be considered completed.

### **2.5.2 Condition Precedent**

(i) The SPAs are subject to the fulfillment of the following Conditions Precedent by the Purchaser and/or Vendor within ninety (90) days from the date of the SPAs ("**Conditional Period**") or such extended period as mutually agreed in writing ("**Extended Conditional Period**"): -

(a) **Developer's Confirmation**

The Purchaser or their Solicitors must receive written confirmation from the Developer regarding the ownership and status of the Property ("**Developer's Confirmation**").

(b) **State Authority's Consent**

The Developer must provide a written undertaking to secure the State Authorities' consent for the transfer of the Property to the Purchaser and execute a valid memorandum of transfer upon the issuance of the strata title or separate document of title.

(ii) **Fulfilment and Non-fulfilment of Conditions Precedent**

(a) **Vendor Obligations**

Upon receiving the Developer's Confirmation, the Vendor must fulfil all conditions imposed, including settling outstanding charges, within fourteen (14) days and provide proof to the Purchaser's Solicitors.

(b) **Automatic Extension**

If the Vendor fails to comply with the Developer's conditions, including settling outstanding charges, within fourteen (14) days of receiving the Developer's Confirmation, the Completion Date or Extended Completion Date will automatically be extended by the elapsed period from the expiry of the fourteen (14)-day period to the date the Purchaser's Solicitors receive proof of the Vendor's compliance. During this extension, the Purchaser is not obligated to pay the interest specified in Clause 3.2.

(c) **Non-fulfilment**

If any Condition Precedent is not met within the Conditional or Extended Conditional Period, the SPAs will become null and void unless mutually agreed otherwise. The Vendor must refund all payments, including the Balance Deposit, to the Purchaser within fourteen (14) days, failing which an 8% per annum interest will apply.

**2.5.3 Unconditional Date**

The Agreement shall become unconditional on the date the Purchaser's Solicitors receive the Developer's Undertaking (referred to as the "Unconditional Date"). The Purchaser shall have 90 days from the Unconditional Date ("Completion Period"), with an additional 30-day extension if required ("Extended Completion Period"), to settle the Balance Purchase Price to the Vendor.

**3. UTILISATION OF PROCEEDS**

The proceeds from the Disposal of RM25,000,000.00 is expected to be utilized in the following manner: -

Utilization of Proceeds	Proposed Utilization (RM'000)	Intended timeframe for the utilization (month)
Repayment of term loan	4,600	By completion date
Estimated transaction cost	200	Within 1 month
Working capital	<u>20,200</u>	Within 24 months
Total	<u><u>25,000</u></u>	

**4. RATIONALE AND BENEFITS FOR THE DISPOSAL**

The Property was originally acquired by the Group to support the business and contractual requirements of the Sistem Kawalan Imigresen Nasional Contract ("**SKIN Contract**"), awarded to its subsidiary, Prestariang SKIN Sdn. Bhd. ("**PSKIN**"), on 9 August 2017. The SKIN Contract, aimed at revamping the Malaysian Immigration System's core framework, was terminated by the Government of Malaysia on 11 December 2018, resulting in PSKIN ceasing operations.

The Disposal is part of the Group's rationalisation plan to divest non-core assets, improving its financial position and cash flow. The sale will reduce borrowing, generate additional proceeds, and create cash flow savings from loan repayments, which can be redirected to the Group's business operations.

The settlement of the bank loan tied to the Property will result in annual cash flow savings of approximately RM 2.7 million. Additionally, the Disposal is expected to yield yearly cost savings of about RM 0.7 million related to loan expenses, upkeep, and maintenance.

## **5. RISK OF THE DISPOSAL**

The SPAs are subject to adherence to the timelines stipulated within their terms and the fulfilment of all obligations by both the Purchaser and the Company. The Company is committed to ensuring full compliance with its obligations under the SPAs and will diligently monitor the progress to facilitate smooth execution.

Other than the conditions outlined above, the Board of Directors is of the view that the Disposal does not present any material risk factors that could significantly or adversely impact the financial or operational stability of the Company. The Board remains confident that the Disposal aligns with the Company's strategic objectives and will contribute positively to its financial position.

## **6. EFFECTS OF THE DISPOSAL**

### **6.1 Share Capital and Substantial Shareholders' Shareholding**

The Disposal will not have any effect on the issued and paid-up capital and substantial shareholdings of the Company as the consideration will be fully satisfied in cash.

### **6.2 Net Assets ("NA") and NA per share**

The Disposal is not expected to have a material effect on the NA and NA per share attributable to equity holders of the Company for the financial year ending 30 June 2025.

### **6.3 Earnings and Earnings Per Share ("EPS")**

The Disposal is not expected to result in a material impact on the Group's consolidated earnings or EPS for the financial year ending 30 June 2025.

### **6.4 Expected Gains or Losses to the Group**

The Disposal is expected to result in a loss on disposal of approximately RM0.8 million.

## **7. LIABILITIES TO BE ASSUMED**

There are no contingent liabilities, guarantees and other liabilities to be assumed by the Group arising from the Disposal.

## **8. PERCENTAGE RATIO**

The highest percentage ratio applicable for the Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 13%

based on the latest Audited Financial Statements of the Group for the financial year ended 30 June 2024.

**9. APPROVAL/CONSENT REQUIRED**

The Disposal is not subject to the approval of the shareholders of the Company. However, the sale and assignment of the Property to the Purchaser is subject to the Developer's consent.

**10. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM**

None of the Directors and Major Shareholders of the Company and persons connected to them have any interest, direct or indirect in the Disposal.

**11. STATEMENT BY DIRECTORS**

After carefully considering all relevant factors, the Board of Directors is of the view that the Disposal is in the best interests of the Group.

**12. ESTIMATED TIMEFRAME FOR COMPLETION**

Subject to the fulfillment of all conditions outlined in the SPAs and barring any unforeseen circumstances, the Board of Directors anticipates that the Disposal will be completed within six (6) months from the date of the SPAs.

**13. DOCUMENTS FOR INSPECTION**

The SPAs are 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 during normal business hours on Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

Please be informed that 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 31 January 2025.