

**AWANBIRU TECHNOLOGY BERHAD**  
(formerly known as Prestariang Berhad) (“AWANTEC” OR “COMPANY”)

**DISPOSAL OF PROPERTY**

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**1. INTRODUCTION**

The Board of Directors of AWANTEC wishes to announce that its wholly-owned subsidiary, Prestariang Systems Sdn. Bhd. (the “**Vendor**”) had on 8 February 2021 entered into Sale and Purchase Agreements (the “**SPA**”) with Serba Dinamik Group Berhad (the “**Purchaser**”), for the disposal of one Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya erected on part of all that piece of freehold land held under Master Title Geran 339485 , Lot 111284 , Bandar Cyber Jaya, Daerah Sepang, Negeri Selangor Darul Ehsan (the “**Property**”) together with its attached fixtures and fittings as listed in the SPA for a total cash consideration of Ringgit Malaysia Twenty Four Million Two Hundred Thousand (RM24,200,000.00) only (the “**Purchase Price**”) (the “**Proposed Disposal**”).

**2. INFORMATION ON THE PROPOSED DISPOSAL**

**2.1 Details of the Property**

The Vendor is the beneficial owner of the Property.

Further information on the Property are as follows: -

Description	<p>Eight (8) Storey stratified office corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya erected on part of all that piece of freehold land held under Master Title Geran 339485 , Lot 111284 , Bandar Cyber Jaya Daerah Sepang, Negeri Selangor Darul Ehsan together with its attached fixtures and fittings as listed in the SPA. Strata titles for the Property have yet to be issued.</p> <p>The Property forms one of the office buildings within the Star Central Corporate Park @ Cyberjaya commercial development in Cyber 12, Cyberjaya. The entire development comprised 19 blocks of stratified eight-storey office buildings. Star Central Corporate Park @ Cyberjaya is about 35km from Kuala Lumpur city centre, about 25km to Kuala Lumpur International Airport (KLIA) and about 12km from Putrajaya and is easily accessible</p>
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	<p>via several expressways.</p> <p>The Property has a total built-up area of 40,375 square feet together with 68 car park bays.</p>
Postal Address	Star Central, Block 12, Jalan Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan
Existing Use	<p>Currently, 5 floors of the Property totalling 27,051 square feet together with 38 car park bays are rented to Prestariang Education Sdn Bhd, as the primary campus for UniMy</p> <p>The remaining 3 floors of the Property totalling 13,324 square feet are being used as corporate and operation office of AWANTEC Group.</p>
Age of the Building	3 years
Category of Land	Building
Express Condition	Commercial Building
Restriction in Interest in the Master Title	The Land may not be transferred, or charged or sold except with the consent of the Selangor State Authority
Term of Tenure	Freehold
Encumbrances	<p>1.The Master Title is presently not encumbered by any private caveat, prohibitors orders or any other form of encumbrances save and except to a charge in favour of Ambank (M) Berhad (Company No. 8515-D) of Level 18, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur (the "<b>Master Chargee</b>")</p> <p>2.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>
Net Book Value based on the Audited Financial Statement	RM23,781,000.00

as at 30 June 2020	
Valuation	<p>The Property was valued at RM25.26 million as appraised by Mohd Nor &amp; Partners (Kajang) Sdn. Bhd., an independent firm registered with the Board of Valuers, Appraisers and Estate Agents Malaysia in its valuation report dated 29 December 2020.</p> <p>The valuation is derived using the Market Value Approach. The valuation also considered the improvements including internal finishes made to the building.</p>

## 2.2 Information on the Purchaser

Serba Dinamik Group Berhad is a public limited company incorporated in Malaysia on 19 August 2004. The Purchaser is a wholly-owned subsidiary company of Serba Dinamik Holdings Berhad, a public company listed on Bursa Malaysia.

Established in 1993, Serba Dinamik Holdings Berhad, through its subsidiaries, is an international energy services group providing integrated engineering solutions to the Oil & Gas, petrochemical, power generation industries, water & wastewater and utilities. Its main business is in operations and maintenance (O&M), and engineering, procurement, construction and commissioning (EPCC), information technology solutions and education and training.

As at the date of the announcement, the total issued and paid-up share capital of the Purchaser is RM109,090,458.00.

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

### **Directors**

- i. Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah
- ii. Datuk Abdul Kadier Sahib
- iii. Dato' Awang Daud Bin Awang Putera

### **Shareholder**

	<b><u>Total no. of Shares</u></b>	<b><u>%</u></b>
Serba Dinamik Holdings Berhad	85,978,860	100

## 2.3 Basis of arriving and justification for the Purchase Price

The Purchase Price was arrived at on a willing-buyer willing-seller basis free from all encumbrances after taking into consideration the net book value of the Property totaling RM23.781 million based on the audited financial statements of the Group as at 30 June 2020 and the estimated market value of the Property as valued by independent professional valuer of RM25.26 million.

## 2.4 Salient Terms of the SPA

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

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

### 2.4.1 Consideration

The Purchase Price shall be payable in the following manner: -

- a. Within fourteen (14) days from the date of execution of the SPA, the Purchaser shall pay to the Vendor the sum of Ringgit Malaysia Two Million Four Hundred Twenty Thousand (RM2,420,000.00) as part payment towards the Purchase Price (the “**Deposit**”);
- b. The balance of the Purchase Price of Ringgit Malaysia Twenty One Million Seven Hundred Eighty Thousand (RM21,780,000.00) only (the “**Balance Purchase Price**”) shall be paid within the period of four (4) months from the date the Vendor is in receipt of the Developer’s Consent for the sale and assignment of the Property to the Purchaser (the “**Developer’s Consent**”);
- c. In the event that the Balance Purchase Price is not paid in full within the time frame prescribed above, the Vendor shall automatically grant to the Purchaser an extension of time of a further 1 month **PROVIDED THAT** the Purchaser shall pay late payment interest of eight per centum (8%) per annum to the Vendor calculated on a daily basis on the unpaid Balance Purchase Price.

### 2.4.2 Condition Precedent

- a. The SPA is conditional upon and subject to the the Purchaser obtaining the Developer’s Consent within three (3) months from the date of execution of the SPA or such other period as may be extended by the parties (the “**Conditional Period**”).
- b. In the event the Developer’s Consent is not or cannot be obtained

or is rejected for any reason whatsoever but due to no fault and/or delay on the part of both of the parties within the Conditional Period or the Extension Period, the Purchaser shall have the right to terminate this Agreement by giving notice in writing to the Vendor.

- c. If a notice terminating the SPA is duly given following an event as per item 2.4.2 (c) , the Vendor shall refund the Deposit free of interest to the Purchaser and Purchaser shall re-deliver vacant possession of the Property to the Vendor (if for any reason whatsoever vacant possession has been delivered to the Purchaser), thereupon neither party hereto shall have any further claims against the other and thereafter this Agreement shall terminate and be of no further effect.

## **2.5 Purchaser's Default**

In the event of the Purchaser failing and/or neglecting to satisfy the Purchase Price, the following consequences shall ensue: -

- (i) the Deposit shall be absolutely forfeited to the Vendor as agreed liquidated damages;
- (ii) the Vendor shall return and cause to be returned to the Purchaser the Balance Purchase Price (including the Redemption Sum save and except for the Deposit) and all other monies which has been received by the Vendor, its agent or the Purchaser's Solicitors, as the case may be, free of interest within fourteen (14) business days after receipt of the termination notice;
- (iii) the Purchaser shall return or cause to be returned the Deed of Assignment to the Property and/or the Discharge Documents received by him or the Purchaser's Solicitors to the Vendor provided that the Vendor has first complied with its obligations set out in items 2.5 (i) and (ii) above;
- (iv) the Purchaser shall re-deliver vacant possession to the Vendor if the same has been effectively delivered to the Purchaser.

## **2.6 Vendor's Default**

In the event of the Vendor failing to complete the sale and subject to the Purchaser complying with all the terms and conditions of this SPA, the Purchaser shall be entitled to terminate the SPA by notice in writing, whereupon the following events shall ensue: -

- (i) the Vendor shall refund of all monies paid towards the Total Purchase Price and additional amount equivalent to ten per cent (10%) of the Total Purchase Price by way of agreed liquidated damages which shall be

payable by the Vendor to the Purchaser within fourteen (14) days from the date of termination notice together with penalty thereon at the rate of eight (8%) per centum per annum from the fifteenth (15<sup>th</sup>) day until date of full refund;

- (ii) the Purchaser shall return or caused to be returned intact the Deed of Assignment and/or the Discharge Documents provided that the Vendor have first complied with his obligations under item 2.6 (i); and
- (iii) the Purchaser shall re-deliver vacant possession of the Property to the Vendor if the same has been effectively assigned been delivered to the Purchaser.

## 2.7 Legal Possession

Legal possession of the Property shall be deemed delivered to the Purchaser by the Vendor on the Completion Date.

## 3. UTILISATION OF PROCEEDS

The proceeds from the Proposed Disposal of RM24,200,000.00 is expected to be utilized in the following manner: -

Utilization of Proceeds	Proposed Utilization (RM'000)	Intended timeframe for the utilization from completion date (month)
Repayment of term loan	18,035	By completion date
Estimated transaction cost	100	Within 1 month
Working capital	<u>6,065</u>	Within 12 months
Total	<u>24,200</u>	

## 4. RATIONALE FOR THE PROPOSED DISPOSAL

The Property was originally acquired by the Group to meet the business operational and contractual requirements of the Sistem Kawalan Imigresen Nasional Contract which was awarded to a subsidiary company Prestariang SKIN Sdn Bhd (“PSKIN”) on 9 August 2017 (the “**SKIN Contract**”) for the purpose of revamping the entire core system of the Malaysian Immigration System. This Contract was terminated by the Government of Malaysia on 11 December 2018, following which PSKIN has ceased business operation.

The Proposed Disposal forms part of the Group’s rationalisation plan to divest its non-core assets to improve its financial position and cashflow. This will allow the Group to reduce its borrowing and provide additional cash derived from sales proceed and cashflow savings from the loan repayment, which will be channeled towards the Group’s business operations.

The settlement of bank loan for the Property will provide cashflow savings of approximately RM3.40 million a year. The Proposed Disposal will also enable the Company to have a yearly cost saving of approximately RM0.96 million arising from cost related to the bank loan, upkeep and maintenance in respect of the Property.

**5. COST OF INVESTMENT AND EXPECTED GAINS ON THE PROPOSED DISPOSAL**

The original cost and date of investment, and the latest audited net book value of the Property based on the latest audited consolidated financial statements of AWANTEC as at 30 June 2020 are as follows: -

Date of investment	27 January 2017
Original cost of investment	RM23,980,738.56
Net book value as at 30-6-2020	RM23,781,000.00

The Proposed Disposal is expected to result in a loss on disposal of approximately RM0.68 million derived as follows: -

	<b>RM ('000)</b>
Proceeds from the Proposed Disposal	24,200
Less:	
Net carrying value of the Property	(23,781)
Net book value of fixtures and fittings	(998)
Estimated cost of transaction	(100)
Estimated Real Property Gain Tax	0
Net loss	<u>(679)</u>

**6. RISK FACTORS**

The SPA is subject to the compliance of the timelines stipulated in the SPA and fulfilment of the Purchaser's and the Company's obligations pursuant to the terms and conditions of the SPA. The Company will endeavor to ensure full compliance in relation to the fulfilment of its obligations under the SPA.

Other than the above, the Board of Directors of AWANTEC does not foresee any specific risk/ risk factors arising from the Proposed Disposal which could materially or adversely affect the financial and operating condition of the Company.

**7. EFFECTS OF THE PROPOSED DISPOSAL**

**7.1 Share Capital and Substantial Shareholders' Shareholding**

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

## 7.2 Net Assets (“NA”) and NA per share

The pro forma effects of the Proposed Disposal on the consolidated NA and gearing of AWANTEC based on its audited consolidated financial statements as at 30 June 2020, assuming the Proposed Disposal is completed on that date, are as follows:

	<b>Audited as at 30 June 2020</b>	<b>After the Proposed Disposal</b>
	<b>RM'000</b>	<b>RM'000</b>
Share capital	133,803	133,803
Treasury shares	(3,366)	(3,366)
Accumulated losses	(24,327)	(25,006)
NA	106,110	105,431
No. of ordinary shares in issue (000)	530,532	530,532
NA per share (sen)	20.00	19.87

## 7.3 Earnings and Earnings Per Share (“EPS”)

The Proposed Disposal is not expected to have material effect on the earnings and EPS of AWANTEC in the immediate term for the financial year ending 30 June 2021. However, the Proposed Disposal is expected to improve future earnings of AWANTEC Group arising from savings from cost related to the Property loan, upkeep and maintenance and remobilization of net cashflow towards working capital for business operation.

For illustration purposes, based on the latest audited consolidated financial statements of AWANTEC Group for the financial year ended 30 June 2020, assuming that the Proposed Disposal had been effected on that date, the proforma effect of the Proposed Disposal on the earnings and EPS of AWANTEC are as follows:

	<b>Proforma Consolidated Loss</b>	<b>Proforma Consolidated LPS</b>
	<b>RM</b>	<b>Sen</b>
Audited loss attributable to owners of the Company for the financial year ended 30 June 2020	17,171	3.55
Proforma net loss from the Disposal	679	0.14
Adjusted loss attributable to the owners of the Company	17,850	3.69

**8. LIABILITIES TO BE ASSUMED**

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

**9. HIGHEST PERCENTAGE RATIO APPLICABLE TO THE DISPOSAL**

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 24.34% based on the latest Audited Financial Statements of AWANTEC Group for the financial year ended 30 June 2020.

**10. APPROVALS REQUIRED**

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

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

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

**12. STATEMENT BY DIRECTORS**

The Board of Directors of AWANTEC, after having considered all aspects is of the opinion that the Proposed Disposal is in the best interest of AWANTEC Group.

**13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the fulfilment of all the conditions as set out in the SPA, the Board of Directors expects the Proposed Disposal to be completed within 6 months from the date of the SPA.

**14. DOCUMENTS FOR INSPECTION**

The SPA is available for inspection at the Registered Office of AWANTEC at Level 7 Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, Damansara Heights 50250 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 8 February 2021.