

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

### SERVICE AGREEMENT BETWEEN AWANTEC SYSTEMS SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF AWANTEC AND SABAH NET SDN. BHD. FOR THE SUBSCRIPTION OF GOOGLE WORKSPACE ENTERPRISE STARTER LICENCE

---

#### 1. INTRODUCTION

The Company wishes to announce that its wholly-owned subsidiary, Awantec Systems Sdn. Bhd. ("ASSB") had on 1 August 2024 entered into a Service Agreement with Sabah Net Sdn. Bhd. ("SNSB") for the subscription of Google Workspace Enterprise Starter License ("Google License") ("Agreement").

Pursuant to the Agreement, ASSB is to provide Google Licences to SNSB for a period of five (5) years commencing on 1 August 2024 and expiring on 31 July 2029 ("Agreement Period"), unless otherwise earlier terminated following the provisions of the Agreement.

#### 2. INFORMATION ON SNSB

SNSB is a private limited company incorporated in Malaysia on 1 November 1996. It is wholly owned by the State Government of Sabah and is tasked with spearheading Sabah's digital transformation within the public sector of Sabah.

As at the date of this announcement, the total issued share capital of SNSB is RM5,000,000.00 comprising of 5,000,000 ordinary shares.

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

##### Directors

- i. Teo Geck Choo
- ii. Ernywati Dewi binti Abas
- iii. Mohd Hanafiah bin Mohd Kassim
- iv. Mohamed Razali bin Mohamed Razi
- v. Lawrence Guandi Kimkuan
- vi. Mohd Faizal bin Mohd Tahir
- vii. Azaman @Azman bin Ruslan

<u>Shareholders</u>	<u>Total No. of Shares</u>	<u>Shareholdings (%)</u>
i. K.K.I.P Sdn. Bhd.	1,500,000	30
ii. Smart Sabah Corporation Sdn. Bhd.	3,500,000	70
		<hr/>
		100

#### 3. SALIENT TERMS OF THE AGREEMENT

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

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

- SNSB shall purchase a minimum of 10,384 units of Google Licenses annually at the beginning of each year throughout the Agreement Period.
- In consideration of ASSB supplying and/or providing to SNSB the Google Licenses, SNSB shall pay ASSB the Agreement Price in the sum of Ringgit Malaysia: Nine Million Nine Hundred and Sixty-Eight Thousand and Sixty Hundred and Forty (RM9,968,640.00) only.

#### **4. RISKS OF THE AGREEMENT**

Unforeseen technical issues during integration with existing systems or infrastructure may lead to delays in project implementation.

ASSB is committed to taking proactive measures to mitigate these risks and ensure the successful fulfilment of its obligations under the Agreement, which includes implementing a comprehensive project plan with defined milestones and contingencies for potential challenges.

#### **5. FINANCIAL EFFECTS**

Barring unforeseen circumstances, ASSB's entry into the Agreement is expected to have a positive impact on the earnings per share and net tangible assets per share for the current financial year ending 30 June 2025.

#### **6. APPROVALS REQUIRED**

The Agreement is not subject to the approval of the shareholders of the Company.

#### **7. DIRECTORS' STATEMENT**

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

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

None of the Directors and/or major shareholders of AWANTEC and/or persons connected to them has any interest, direct or indirect, in the Agreement.

#### **9. DOCUMENTS FOR INSPECTION**

Due to confidentiality provisions, the Agreement is available for inspection subject to necessary consent from the relevant stakeholders 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.

This announcement is dated 2 August 2024.