

# STRATEGIC REVIEW

## MATERIAL MATTERS

Awantec identifies our material matters by evaluating various factors that shape our value creation. Following the process, we address pertinent risks while leveraging opportunities within our operations, ensuring active engagement with stakeholders, and delivering value aligned with our stakeholders’ needs. We conducted our first comprehensive materiality assessment in FY2019, and subsequently reviewed our material matters annually to ensure alignment with our business operations and stakeholder interests.

Through prioritisation and alignment exercise to Bursa Malaysia’s common sustainability matters, we maintained the 17 material matters from FY2023. These matters, which have been approved by our Sustainability Committee and Board of Directors, continue to be aligned with Bursa Malaysia’s Sustainability Reporting Guideline (3rd Edition), Bursa Malaysia’s Materiality Toolkit, Global Reporting Initiative (“GRI”) standards, United Nations’ Sustainable Development Goals (“UNSDGs”), and Task Force on Climate-related Financial Disclosures (“TCFD”).

**FY2019**

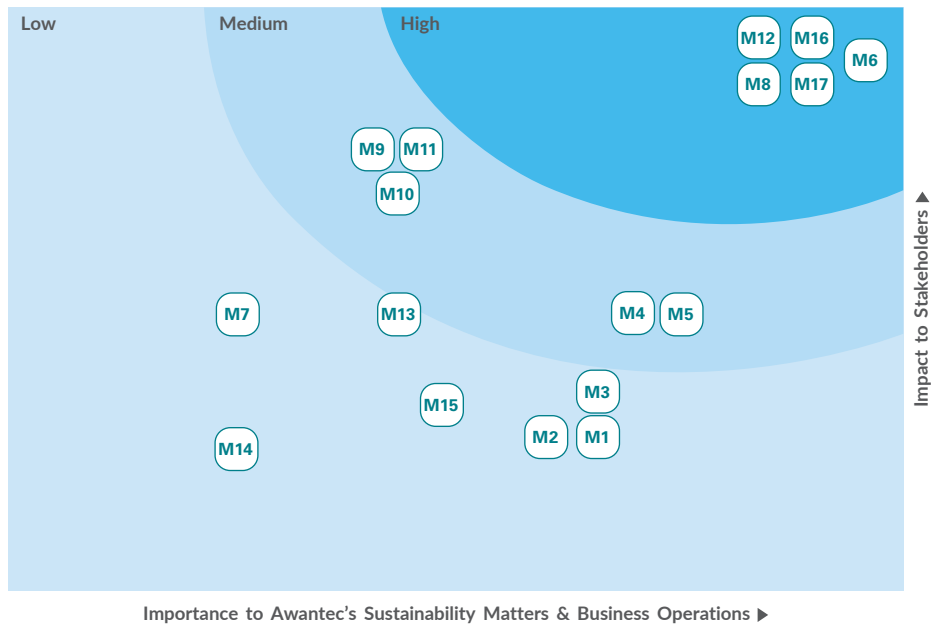
We undertook a materiality assessment involving internal and external stakeholders, identifying 24 matters considered significant for the Group. This process adhered to the GRI Sustainability Reporting Standards Guidelines: Core Option. Results of three surveys conducted over four weeks were meticulously sorted and prioritised. From this, we distilled five key materiality matters that are most relevant to our value creation.

**FY2022**

Subsequent annual reviews helped to refine and consolidate our material issues into 17 topics. This strategic refinement has served to heighten effectiveness, ensuring greater alignment with our evolving business strategy, sustainability approach and priorities within a dynamic business landscape.

**FY2024**

Since FY2022 we have made nuanced adjustments to our materiality matters in reflection of our integration to incorporate Bursa Malaysia’s common sustainability matters and other relevant sustainability toolkits. This strategic refinement reflects our commitment to meeting and exceeding industry standards in our sustainability reporting and practices.



Environmental	Social	Governance & Economic
M1 Water Management	M7 Occupational Health & Safety	M14 Local Sourcing
M2 Waste Management	M8 Talent Attraction, Growth and Retention	M15 Supply Chain Management
M3 Energy Management	M9 Equal Opportunity	M16 Data Privacy & Security
M4 Greenhouse Gas Emissions	M10 Diversity and Inclusion	M17 Anti-Corruption
M5 Climate Change	M11 Human Rights & Labour Standard	
M6 Digital Transformation	M12 Customer Satisfaction	
	M13 Community & Society Investment	



**M1 — WATER MANAGEMENT**

Water management in a company refers to the systematic planning, monitoring and control of water resources to ensure sustainable use, efficiency, and compliance with regulations.

**Why It Is Important**

Water is becoming increasingly scarce globally. Even in water-rich countries such as Malaysia, water security is an issue given the impact of climate change, which could result in unpredictable rainfall patterns and increased flooding.

**Risks**

Inefficient water management could contribute to operational disruptions, negative environmental impact, regulatory issues, and damaged reputation.

**Opportunities**

- Effective water management will improve our operational resilience and enhance our business continuity and sustainability.
- Enhance our own operational efficiencies and reduce costs by minimising water waste.
- Strengthen our reputation as an environmentally responsible company.

**Our Approach**

- We consume water efficiently, using water meters on every floor to measure and monitor usage and facilitate early leakage detection.
- Further reduction in water consumption is achieved by incorporating water usage targets as part of our ESG KPIs.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



**M2 — WASTE MANAGEMENT**

Waste management involves implementing systems and processes to monitor and reduce general waste, ensuring it is disposed of responsibly and promoting recycling efforts.

**Why It Is Important**

Effective waste management is critical to environmental sustainability as it demonstrates environmental responsibility, ensures compliance, reduces costs, enhances brand reputation, and aligns with our sustainability values.

**Risks**

Inefficient waste management could be hazardous to people and the environment, increase our health and safety risks, and result in fines from regulatory non-compliance.

**Opportunities**

- Continually review and enhance our waste management systems.
- Explore opportunities for recycling and repurposing as possible revenue generating sustainable initiatives.

**Our Approach**

- We practise the 3Rs of reduce, reuse and recycle to minimise consumption as well as disposal.
- We place recycling bins on every floor and monitor the volume of waste disposed.
- Training on proper recycling practices is part of our onboarding for new employees.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# STRATEGIC REVIEW

## MATERIAL MATTERS

### M3 ENERGY MANAGEMENT

Energy management is about optimising energy use and switching to green/renewable energy to contribute towards the global transition to a low-carbon environment.

#### Why It Is Important

Energy derived from fossil fuels emits greenhouse gases (“GHGs”), which contribute significantly to global warming. In order to avert irreversible damage to the environment, it is imperative to reduce GHG emissions and manage climate change.

#### Risks

Poor energy management can lead to increased costs, environmental harm, regulatory non-compliance, resource depletion, operational disruptions, reputational damage, and missed innovation opportunities.

#### Opportunities

- Explore possible digital solutions that can be marketed to enhance energy management.
- Reduce our own operational costs through energy efficiency.
- Support the government’s carbon neutral goals.
- Gain a competitive advantage from reputation as a green tech company.

#### Our Approach

- Guided by our Green ICT policy, we have installed electric meters on every floor to monitor and measure our energy usage.
- We reduce our fossil-based energy consumption via green fixtures such as energy efficient lightings, refrigerator and etc.
- Company-wide energy management KPIs.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



### M4 GREENHOUSE GAS EMISSIONS

Greenhouse gases (“GHGs”) trap heat in the atmosphere and contribute to climate change. Managing GHG emissions involves tracking, reducing, and controlling them, setting reduction targets, and ensuring regulatory compliance to enhance sustainability.

#### Why It Is Important

To comply with regulatory requirements and prevent irreversible damage to the environment caused by global warming, it is imperative to reduce GHG emissions.

#### Risks

Investors and financiers are becoming more supportive of green businesses that successfully manage their GHG emissions. Failure to invest in initiatives that reduce our emissions, including those produced along our supply chain, could expose us to risks of regulatory non-compliance and reputational damage.

#### Opportunities

- Explore digital solutions aimed at enhancing GHG emissions management.
- Benefit from reduced operational costs through improved energy efficiencies.
- Gain a competitive advantage from reputation as a green tech company.

#### Our Approach

- We monitor our GHG emissions and have set targets for reduction.
- We have integrated GHG management into our broader sustainability strategy to enhance environmental performance and align with climate goals.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:





**M5** — CLIMATE CHANGE

Climate change, in the context of the Paris Agreement, involves global efforts to limit the rise in temperature to well below 2°C above pre-industrial levels, and ideally to 1.5°C.

**Why It Is Important**

Experts predict that, if the world’s temperature increases by more than 2°C above pre-industrial levels, we would face cataclysmic climate events from rising sea levels as well as extreme rains and floods.

**Risks**

Transitioning to a low-carbon economy entails significant investments in green technology, making it an expensive endeavour. However, the costs of inaction are even greater, as climate change threatens food production and disrupts entire ecosystems.

**Opportunities**

- Increased innovation into green products and services, including carbon pricing and a carbon exchange, which would open up new markets.
- The possibility of being an early mover in climate change-related digital solutions, lending us a competitive advantage and long-term growth in a transitioning global economy.

**Our Approach**

- Our sustainability platform and roadmap encompasses reducing our GHG emissions and managing energy and water efficiently, all of which contribute towards climate change mitigation and adaptation.
- We have adopted TCFD recommendations to guide our transition to a more climate-conscious organisation that is transparent and driven in aligning our efforts with the Paris Agreement.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



**M6** — DIGITAL TRANSFORMATION

Digital transformation is the integration of digital technologies into every aspect of an organisation’s operations and/or business in order to drive greater operational efficiencies, reduce the consumption of resources and minimise its environmental impact via reduce reliance on physical processes.

**Why It Is Important**

Digital transformation is changing the way we work and live. It is vital for organisations – governments and corporations – to embrace digital technologies to remain relevant and competitive.

**Risks**

Digital transformation is accompanied by cybersecurity threats, high costs, integration challenges, resistance by employees or other relevant stakeholders and regulatory compliance issues.

**Opportunities**

- Grow our business via expansion of our portfolio, customer base and market.
- Embrace innovation to stay at the forefront of the industry’s evolution.
- Form strategic partnerships to acquire cutting-edge digital expertise and solutions.
- Enhance operational efficiencies by streamlining processes, thus reducing waste and resource consumption.
- Improved data analytics will provide insights into ESG performance, enabling better decision-making and strategic planning.

**Our Approach**

- We leverage advanced technologies to enhance our products and services, streamline customers’ and our own operations, and align with Malaysia’s digital economy goals.
- We aim to empower government agencies, businesses and communities with the tools and knowledge to thrive in an increasingly digital world.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# STRATEGIC REVIEW

## MATERIAL MATTERS

### M7 OCCUPATIONAL HEALTH & SAFETY

Occupational Health and Safety (“OHS”) involves ensuring a safe work environment through effective policies, practices and training. This includes compliance with regulations and their disclosure.

#### Why It Is Important

Having a robust OHS programme is important to maintain a safe and healthy work environment, where there is low risk of accidents and injuries. In turn, this boosts employee well-being and productivity, while protecting the company from potential legal and financial liabilities.

#### Risks

The risks related to OHS include workplace accidents or injuries, regulatory non-compliance, and associated legal and financial consequences. While the business has a very low health and safety risk, lapses in safety practices could impact employee well-being and the company’s reputation.

#### Opportunities

- Leverage employee well-being to enhance morale and workplace productivity.
- Foster a positive company culture in which every employee cares for the well-being of his/her colleagues.
- Enjoy the benefits of lower insurance premiums, reduced absenteeism, and the reputation of being a responsible employer.

#### Our Approach

- We have an Environmental, Safety and Health Policy which has been integrated into our overarching sustainability policy.
- We continuously enhance the health and safety of our employees, and in FY2024 we set up an Emergency Response Team with floor wardens and first aid personnel ready to manage any incidents.
- We appointed an OHS Coordinator underlining our commitment to promoting a culture of well-being.

Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



### M8 TALENT ATTRACTION, GROWTH AND RETENTION

Talent attraction, growth and retention encompasses the policies and procedures in place to attract and retain the best possible talent.

#### Why It Is Important

A company’s employees are its most valuable asset, hence it is important to attract the highest calibre talent and to retain these talent to maintain a competitive edge. Good talent are key to ensuring that an organisation’s goals are achieved.

#### Risks

Low-calibre talent would result in diminished productivity and hinder innovation; while a high employee turnover would disrupt operations and increase recruitment costs. Competitive pressure from other companies may also affect the ability to maintain a skilled workforce.

#### Opportunities

- Develop a strong employee value proposition to establish Awantec as an employer of choice.
- Create a highly engaging and stimulating work environment that challenges employees yet rewards performance.
- Obtain regular feedback from employees from initiatives such as employee satisfaction surveys in order to monitor the effectiveness of our HR policies.

#### Our Approach

- Our policies ensure competitive recruitment, ongoing training, and career development.
- We promote good work-life balance with flexible hours and a shortened workweek.
- We engage actively with employees via various platforms.
- We recognise achievements, offer competitive benefits, and are building a strong employer brand to attract and retain top talent.

Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:





**M9** — EQUAL OPPORTUNITY

Equal opportunity is about fair, unbiased treatment of all employees at every stage of their time with a company. It ensures zero discrimination based on gender, race, ethnicity, age or socio-economic background.

**Why It Is Important**

Providing equal opportunities to all employees enables a company to hire the best talent, identify true leaders and nurture a culture of meritocracy in which employees are driven to perform in order to be rewarded and recognised with better career prospects.

**Risks**

Any bias or discrimination at the workplace could contravene labour laws and result in legal challenges. This, in turn, would negatively impact the company’s reputation and diminish employees’ trust in the company. It would also de-motivate employees from putting in their best at work.

**Opportunities**

- Increase workplace diversity, thereby enhancing our organisational perspective and decision-making.
- Increase channels for attracting the best talent, and bring out the best in every talent with a conducive work environment.
- Improve employee satisfaction, and strengthen the company’s reputation.

**Our Approach**

- We are guided by fair, non-discriminatory hiring practices based on competency.
- We ensure equal access to professional/career growth opportunities.
- Our policies support an inclusive culture in which everyone is treated fairly and with respect.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



**M10** — DIVERSITY AND INCLUSION

Diversity and inclusion (“D&I”) involves creating a workplace where diverse backgrounds are valued; and everyone is respected and has equal opportunities for career advancement.

**Why It Is Important**

D&I demonstrates that a company is untainted by prejudice and that it values performance more than anything. This helps to foster a respectful and innovative work environment that attracts top talent, enhancing overall business performance. A diverse and inclusive workplace improves employee satisfaction, drives creativity, and strengthens the company’s reputation.

**Risks**

There will always be challenges in managing diverse teams, as well as possible resistance to change, which can impact a company’s reputation and employee morale. Additionally, failure to effectively implement inclusive practices might lead to legal or compliance issues.

**Opportunities**

- Attract a wider talent pool thus enhancing creativity and innovation.
- Improve employee satisfaction and retention.
- Enhance our organisational perspective and decision-making.
- Strengthen the company’s reputation.

**Our Approach**

- We practise fair, non-discriminatory hiring based on competence and merit.
- We promote a workplace culture where all employees feel valued and respected.
- We ensure equal access to career development opportunities.
- We welcome diverse perspectives and integrate these into the organisational fabric.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# STRATEGIC REVIEW

## MATERIAL MATTERS

### M11 – HUMAN RIGHTS & LABOUR STANDARDS

Compliance with local employment laws and labour principles covering recruitment, working hours, workplace safety, equal rights and fair wages.

#### Why It Is Important

It is important to treat all employees with the dignity they deserve and to respect their rights, as this demonstrates ethical values and genuine caring for the well-being of employees.

#### Risks

Not meeting the country's labour laws and standards could result in legal or regulatory issues, reputational damage, and decreased employee morale and productivity. Non-compliance can also lead to financial penalties and difficulty in attracting and retaining talent.

#### Opportunities

- Continuously review our human resources (“HR”) policies and procedures to remain relevant.
- Deepen our employee engagement for true understanding of goings-on on the ground, ensuring these are aligned with our principles.

#### Our Approach

- We have policies to ensure adherence to all relevant labour laws and regulations, ensuring safe working conditions, providing fair wages, and fostering an inclusive and respectful workplace.
- We have a whistleblowing platform through which employees are able to report any breach of accepted labour standards.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



### M12 – CUSTOMER SATISFACTION

Implementation of a customer-centric culture to enhance customer satisfaction, including ensuring the quality of products and services, establishing mechanisms to gauge customer satisfaction and building positive relationships with customers.

#### Why It Is Important

Customer satisfaction is important because it drives brand loyalty, enhances reputation, and contributes to long-term business success by building strong relationships and encouraging repeat business.

#### Risks

The inability to meet customers' expectations could lead to losing their business. This, in turn, would have a negative impact on brand reputation as well as revenue. Failure to address customer feedback, meanwhile, can lead to decreased competitiveness and market share.

#### Opportunities

- Engage meaningfully with customers to understand and consistently meet their needs.
- Offer extended after-sales service to ensure customers are able to use products and solutions optimally.
- Develop an attractive loyalty programme that incentivises customers to stay with the company/brand.
- Ensure proper feedback channels and ensure all feedback is used constructively for continuous improvement.

#### Our Approach

- We are committed to delivering high-quality products and services.
- We actively seek and respond to feedback received from customers through surveys.
- Our goal is not just to meet but to exceed our customers' expectations to build long-term relationships and enhance our brand reputation.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:





**M13** — COMMUNITY & SOCIETY INVESTMENT

This relates to strategic programmes and corporate contributions – focused on health, education and welfare – that positively impact local communities in alignment with the SDGs.

**Why It Is Important**

Stakeholders today evaluate corporations not only on their financial performance but also their contributions to society. Companies that demonstrate strong social values are also able to attract and retain customers as well as talent who prioritise ethical business practices.

**Risks**

There is a risk of backlash or reputational damage if initiatives are perceived to be insincere or fail to meet the community's expectations. Community programmes may also incur costs that affect short-term profitability, and failure to align these efforts with stakeholder values could lead to diminished trust and support.

**Opportunities**

- Leverage our inherent strengths and expertise to engage with the community in meaningful ways.
- Develop stronger relationship with employees by encouraging employee-led volunteerism.
- Use our outreach platform to engage with members of local communities and better understand their digital needs as well as issues.

**Our Approach**

- In FY2024, our CSR initiatives included donations to orphanages and old folks' homes, as well as conducting blood donation drives in collaboration with Pusat Darah Negara.
- Our company links CSR commitments to the Key Performance Indicators ("KPIs") in selected departments.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



**M14** — LOCAL SOURCING

Procuring goods and services from local suppliers to support regional economies, reduce transportation costs and emissions, and ensure a more sustainable supply chain.

**Why It Is Important**

By supporting local businesses and small and medium-sized enterprises ("SMEs"), we help to advance the nation's economic development and, in the process, create more employment opportunities, generating wealth to uplift lower-income communities.

**Risks**

Local sourcing risks include fewer supplier options, potential supply chain disruptions, price volatility due to regional conditions, and capacity constraints that may affect large or sudden demands.

**Opportunities**

- Engage more closely with our suppliers to understand their needs and provide any support, especially in digital areas, within our means.
- Share our values with our suppliers to build a sustainable supply chain.

**Our Approach**

- We prioritise procurement from regional suppliers to support local economies, reduce transportation costs, and minimise environmental impact.
- We also focus on building strong relationships with local suppliers to enhance supply chain resilience and sustainability.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:





## STRATEGIC REVIEW

# MATERIAL MATTERS

### M15 – SUPPLY CHAIN MANAGEMENT

Supply chain management ensures the efficient flow of goods and services by optimising processes, managing costs, and coordinating with suppliers as well as partners. It involves risk management, adherence to sustainability and regulatory standards, and leveraging innovation to enhance performance and meet customer demands.

#### Why It Is Important

Supply chain management directly impacts a company's operational efficiencies, cost control, and product quality. Effective supply chain management enables the timely delivery of goods, reducing the risk of disruptions thus maintaining a high level of professionalism in customer relations.

#### Risks

The supply chain can be affected by forces beyond our control such as natural events or issues affecting our suppliers. We are also at risk of quality inconsistencies, cost fluctuations, regulatory compliance failure, and challenges in maintaining sustainability and efficiency.

#### Opportunities

- Increase our efficiencies, reduce costs, and maintain a consistently high quality of products & services.
- Enhance our customer satisfaction as a result of quality products and services delivered in a timely manner.
- Maintain a sustainable supply chain by encouraging suppliers and partners share our ESG commitments.
- Leverage partners' skills and technology, and access new markets.

#### Our Approach

- We streamline our processes for optimal efficiency.
- We negotiate with suppliers to manage our procurement costs.
- We ensure quality products, services and sustainability-focused practices through reliable partners and suppliers.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



### M16 – DATA PRIVACY & SECURITY

This includes safeguarding customer, employee and company data through robust security measures, adhering to relevant regulations and industry standards, and implementing policies and practices to ensure data integrity and confidentiality.

#### Why It Is Important

Protecting our own data is critical to maintaining our operational integrity. At the same time, we need to keep stakeholders' information safe from unauthorised individuals in order to maintain their trust, comply with legal requirements, and safeguard the company's reputation.

#### Risks

Cybercrime is becoming more prevalent as malware continuously evolves and organisations are not protecting their data with sufficiently secure systems. This could lead to loss of data and data integrity with significant business implications, as well as loss of stakeholder confidence.

#### Opportunities

- Access new markets through strong data privacy and cybersecurity measures and solutions.
- Keep track of cybersecurity issues and continuously update Awantec's cybersecurity protocols.

#### Our Approach

- We implement robust cybersecurity measures, adhering to relevant regulations and industry standards, and enforcing policies to protect sensitive information.
- We also focus on regular staff training, continuous monitoring of data protection practices, and maintaining transparency with stakeholders about data handling and security.

#### Link to

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:





**M17** — ANTI-CORRUPTION ●

The implementation of policies and practices to prevent, detect and address any form of bribery, fraud or unethical conduct. This includes establishing a clear anti-corruption policy, conducting regular training for employees, enforcing compliance through audits and reporting mechanisms, and transparency and accountability in all business dealings.

**Why It Is Important**

Having zero tolerance for corruption is crucial to upholding ethical standards, ensuring compliance with legal requirements, and maintaining a positive reputation. By preventing and addressing corruption, the company reduces legal and financial risks, builds trust with stakeholders, and fosters a fair and transparent business environment.

**Risks**

Bribery and corruption often have legal consequences while almost always resulting in reputational damage, loss of stakeholder trust, financial losses, and operational disruptions.

**Opportunities**

- Keep updated on anti-bribery and corruption best practices and regularly review our own governance framework.
- Conduct regular anti-corruption training/awareness sessions with employees to create a culture of integrity.
- Share our values and zero tolerance for corruption with all partners and suppliers to strengthen an ecosystem of integrity.

**Our Approach**

- We have instituted a robust Anti Bribery & Corruption Policy, which is regularly updated.
- Guided by the policy, we conduct regular employee training and audits, and have established reporting mechanisms for unethical conduct.
- We promote transparency and accountability in all business operations, and conduct due diligence on our partners and suppliers to underline our commitment to integrity.

**Link to**

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## STRATEGIC REVIEW

# OUR OPERATING ENVIRONMENT

We keep track of trends in our operating environment that are shaping the rapidly evolving digital landscape, and finetune our strategies accordingly. In this manner, we are assured of remaining relevant to our customers and compliant with all regulations as we continue to focus on growing the Group and creating value for our stakeholders.



### ACCELERATION IN DIGITALISATION & CLOUD ADOPTION

The digitalisation and cloud landscape in Malaysia is transforming rapidly, driven by increasing demand by organisations for scalable, secure and efficient cloud solutions, supported by the government's digital economy agenda. The adoption of cloud technologies, in particular, is accelerating across various sectors, enabling enhanced data management, operational efficiency, and business continuity.

#### Impact: Potential Risks & Opportunities

- The digital tsunami has led to a significant increase in demand for cloud-based solutions. Solutions providers therefore need to scale up their cloud services while ensuring high performance and reliability.
- More and more organisations are recognising the imperative to migrate to cloud infrastructure in order to reap the manifold operational and cost benefits it brings so as to remain effective and competitive.
- In line with powerful market forces, leading tech players are developing increasingly more innovative digital solutions, requiring solutions providers to keep a pulse on trends and evolve along with them.

#### Our Response

- We have reviewed and shifted the focus of our business from traditional digital solutions to becoming an entirely cloud-based organisation. We are also embracing new business models, such as subscription-based services, together with a change in strategies and operations.
- We are expanding our network of partnerships with leading technology companies to offer a wide range of scalable, secure and cost-effective solutions for businesses looking to migrate to the cloud.
- Our scalable and flexible cloud solutions allow clients to scale their cloud resources up or down based on their requirements, ensuring cost-effectiveness and efficiency.
- We provide tailored digital solutions for government agencies and private enterprises designed to improve operational efficiency, enhance customer engagement, and drive business growth. These solutions encompass areas such as ERP, customer relationship management, and advanced data analytics.
- Currently, a significant number of government employees are communicating on Google while millions of students and educators nation-wide are benefitting from our digital and cloud solutions.
- We have also developed industry-specific solutions to address the unique challenges faced by different sectors.

#### → Outlook

The digital landscape will continue to transform at an increasingly rapid pace, placing pressure on organisations to adopt more effective technologies, and on service/solutions providers to stay at the cutting-edge of the industry. Awantec is well positioned to capitalise on the digital tsunami with our expanding suite of cloud offerings. Our contract for the MyGovUC 3.0 project underscores our pivotal role in developing Malaysia's technological landscape.



## INCREASING INVESTMENT BY GLOBAL TECH PLAYERS

The government's efforts to attract global tech players is bearing fruit, with the Digital Investment Office approving a total of RM161.97 billion in investments between 2021 and March 2024, surpassing the RM70 billion target by 2025 set under MyDigital.<sup>1</sup> These include investments by names such as Microsoft, Nvidia, Google and ByteDance System. More recently, Google has committed to investing another USD2 billion (RM9.4 billion) to set up its first Google data centre and Google Cloud region in Malaysia while Oracle has announced plans to invest more than USD6.5 billion (RM27.0 billion) to set up its first public cloud region in Malaysia.

### Impact: Potential Risks & Opportunities

- The entry of global tech giants into Malaysia is expected to have a positive domino effect by attracting even more leading players into the country, further stimulating growth of the local tech industry.
- As the tech ecosystem expands, more local players will be drawn to the sector to serve the needs of the foreign players, as well as to help market and distribute their products and solutions to local companies and organisations.
- Along with increased competition, local tech companies will need to continuously innovate while enhancing their standards of service and professionalism in order to meet the expectations of their global tech partners as well as local customers.
- Crowding in the market may also lead to price competition, exerting pressure on players to lower their prices or offer more cost-effective solutions, both of which may impact profit margins.

### Our Response

- Awantec partners with leading technology companies such as Google, Skillssoft and Sage, leveraging their expertise and resources to provide cutting-edge solutions.
- Additionally, we have a Cyber Range Centre that serves as a training lab for cybersecurity programmes, mainly Rochester cybersecurity certification.
- We have invested in integrating advanced technologies such as AI, machine learning and cybersecurity solutions into our offerings, positioning Awantec at the forefront of technological innovation to provide clients with state-of-the-art solutions to meet evolving digital needs.
- Over and above products and solutions, we offer comprehensive consulting and support services including training of customers' employees in the use of our digital solutions.
- To stay competitive, we offer flexible and competitive pricing models, including pay-as-you-go and subscription-based options. These pricing strategies make Awantec's cloud services accessible to a broader range of clients, from small businesses to large enterprises.
- To ensure the best customer service, we are upskilling our workforce via digital programmes and certifications while bringing on board experienced talent to fill any competency gaps in the Group.

### → Outlook

Under the 12<sup>th</sup> Malaysia Plan, the digital economy is to contribute at least 25.5% to the country's gross domestic product by 2025, up from 15.5% in 2020. This will have spillover effects on multiple aspects of the economy, from the creation of high-value jobs to increased exports, all of which will require the services of solutions providers and digital training expertise, which Awantec is able to offer.

<sup>1</sup> According to MIDA Deputy CEO (Investment Promotion and Facilitation), Sivasuriyamoorthy Sundara Raja.

## STRATEGIC REVIEW

# OUR OPERATING ENVIRONMENT



### CHANGING WORKFORCE DYNAMICS

Over the last few years there has been a marked change in employer-employee relations and expectations at the workplace. Even before the pandemic, employees were demanding better work-life balance resulting in the provision of flexi work hours. During the pandemic, when employees were required to work from home, companies had no choice but to install the digital infrastructure that allowed for remote working. Today, more and more employees expect to continue to work from home/remotely. At the same time, as companies are digitalising their operations, the need for digital talent is growing exponentially. Because of the scarcity of such talent, it is increasingly difficult to attract and retain them.

#### Impact: Potential Risks & Opportunities

- As work from home and/or remote working becomes the norm, companies will need the right digital technologies to facilitate effective communication with all employees, wherever they are, and the ability to engage effectively to maintain a sense of connectedness with the company.
- Remote working also necessitates effective performance management systems for accountability and clarity in employee roles. If employees are not clearly aware of performance expectations or do not receive regular feedback, it could result in underperformance, missed targets, and a decline in overall organisational effectiveness.
- Given the war for digital talent, especially in cloud computing, cybersecurity and digital transformation, companies may not be able to recruit the talent they need and instead will need to upskill or reskill their current employees in relevant technology areas.
- There is a potential risk of losing key employees to other companies, particularly those offering better opportunities for career advancement or higher compensation. This could lead to loss of institutional knowledge, disruption of ongoing projects, and the need for additional resources to recruit and train new talent.

#### Our Response

- Awantec offers comprehensive training and certification programmes. We collaborate with international certification bodies and technology companies to provide globally recognised certifications, such as the Google Cloud Certified – Cloud Digital Leader, Google Cloud Certified – Professional Cloud Architect, Google Cloud Certified – Professional Cloud Database Engineer, ITIL@4 Foundation, Rocheston Cybersecurity Compliance Office (“RCCO”) and Rocheston Cybersecurity Engineer (“RCCE”) programmes, enhancing the employability and career prospects of Malaysian professionals.
- We have launched cloud-based workforce management solutions designed to enhance productivity and collaboration in remote and hybrid work environments.
- We also offer flexi shift arrangements for all employees and shorter work hours, allowing employees to manage their personal and professional responsibilities.
- Partnering industry leaders like Percipio for online learning and CompTIA for cybersecurity certifications, we ensure our employees are equipped with the latest skills and knowledge to ease our customers’ digital transformation. As these platforms are online, employees can learn at their convenience anywhere, at any time.
- At Awantec, learning and development have been integrated into all employees’ Key Performance Indicators (“KPIs”) to ensure continuous skills enhancement and professional growth.
- We maintain a high level of employee engagement via activities that enhance team spirit, improve morale and strengthen organisational cohesion across departments.

#### → Outlook

Ongoing digitalisation of business operations, together with employee expectations, will further push demand for digital systems and solutions creating an increasingly more efficient, effective and empowered workforce. Awantec is ready to tap into and feed this demand by continuing to expand our partnerships and ensuring our suite of solutions remains at the cutting-edge of the industry.



## INTENSIFYING REGULATORY REQUIREMENTS

As the digital transformation gains momentum, there has been an increase in frequency of cybercrime and fraud as a result of network intrusion and breaches in data. According to statistics, cybercrime will cost the global economy more than USD20 trillion by 2026, increasing 1.5 times from the year 2022. To protect relevant stakeholders, governments are putting in place more stringent regulatory requirements and compliance standards related to data privacy, cybersecurity and digital infrastructure.

### Impact: Potential Risks & Opportunities

- Cybercrime leads to damage or destruction of critical data as well as the loss of data privacy, funds, productivity, intellectual property and reputation.
- Organisations that do not comply with cybersecurity and data protection laws/policies face legal and regulatory consequences.
- As cybercrime evolves, there is a need to continually review and update security mechanisms, which could be complex and resource intensive.
- Increasing cybercrime will increase demand for more sophisticated cybersecurity solutions.

### Our Response

- We are positioning Awantec as a leader in compliance and cybersecurity solutions, offering clients peace of mind and reinforcing our brand as a trustworthy technology partner.
- We provide robust cybersecurity solutions to protect against evolving threats. Our suite of cybersecurity services includes threat detection and response, vulnerability management, and data protection.
- Our cybersecurity experts provide consulting and advisory services to help organisations develop and implement effective security strategies.
- By ensuring our solutions meet data privacy, cybersecurity and industry-specific regulations, we help clients safeguard their digital assets and maintain operational integrity, thereby maintaining customer trust and mitigating legal risks.
- At Awantec itself, we conducted a Vulnerability Assessment & Penetration Test to identify weaknesses in our digital infrastructure and have closed all gaps in our security net.

### → Outlook

Accelerating digitalisation will drive greater demand for cybersecurity mechanisms and protocols that are updated and effective. Tech companies at the cutting-edge of cybersecurity will stand to benefit from this megatrend. Recognising this growing market, Awantec has expanded our suite of offerings to include cybersecurity, which we intend to grow into a robust business.

## STRATEGIC REVIEW

# OUR OPERATING ENVIRONMENT



### DEEPENING ESG COMMITMENTS

In recent years, the world has been recording all-time high temperatures, intense wildfires, more severe and prolonged droughts, hurricanes and floods as a result of climate change. At the same time, there is growing disparity in the livelihood and lifestyles of the haves and have-nots. As corporations depend on society to operate, there is increasing expectation for them to take social, environmental and governance (“ESG”) issues more seriously in order to earn stakeholders’ trust and their own licence to operate.

#### Impact: Potential Risks & Opportunities

- As ESG issues become more pertinent, governments are requiring companies to ensure sustainable operations, and to report on their performance.
- In terms of climate change, governments are pledging to reduce their GHG emissions while investors and other stakeholders are requiring companies to make known their approach, if any, on mitigating and managing the phenomenon.
- With increasing investor/shareholder activism, companies that run afoul of ESG matters risk adverse reactions from their providers of capital. Meanwhile, customers and other stakeholders are no longer tolerating unethical or unsustainable actions.
- Building a strong reputation for operating sustainably adds immeasurably to a company’s reputation and helps to develop robust stakeholder relationships.

#### Our Response

- We believe in contributing to society in ways that leverage our strengths, such as in digital inclusion and community development. Capitalising on our resources and expertise, we provide greater access to digital education and tools thus helping to bridge the digital divide, particularly in underserved communities.
- We have integrated sustainability-related Key Performance Indicators (“KPIs”) into each member of our workforce’s annual assessment.
- We integrated TCFD and have encompassed its recommendations into our climate change platform.
- We are updating our ABAC Policy to set standards of conduct and guiding principles to underline Awantec’s zero tolerance for bribery and corruption. The revised policy encompasses enhanced guidelines on managing conflicts of interest.
- We screen our partners and suppliers on their ESG performance to ensure a sustainable supply chain.
- To improve our ESG reporting, we have re-aligned our material matters with Bursa Malaysia’s enhanced sustainability requirements and are now reporting on all its common sustainability matters.

#### → Outlook

Sustainability issues are becoming more pressing with time, hence companies can expect regulatory requirements to intensify while other stakeholders become more strident in their demands. Awantec already has in place a sturdy sustainability framework which we will further strengthen as we deepen our commitments to creating a more just and sustainable world.



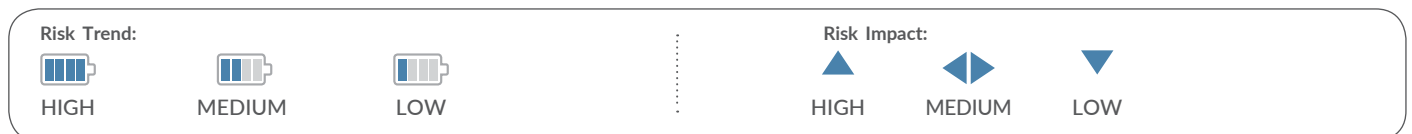
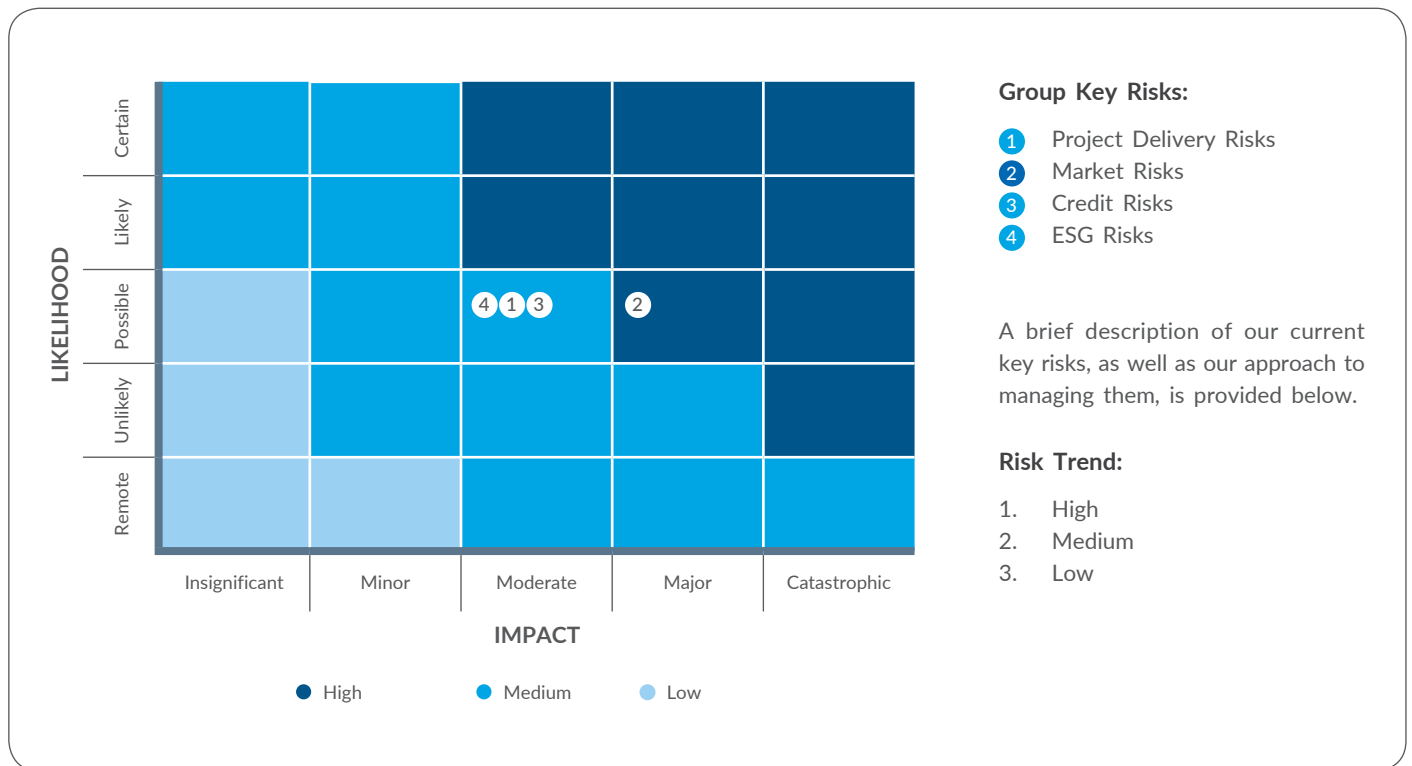
# PRINCIPAL RISK AND MITIGATION

Awantec is mindful of the risks that may affect our ability to create and deliver value. To mitigate these risks, the Group is guided by a robust risk management framework that is principally aligned with the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”) Internal Control – Integrated Framework.

Our risk management framework is designed to strike a balance between securing value creation and mitigating our business risks in order to realise the Group’s strategic objectives.

Our Risk Management Committee (“**RMC**”) has identified four key risks, which have been plotted in the heatmap below, based on the likelihood of their occurrence and their impact on the organisation should they materialise. These risks are monitored and managed by the RMC to ensure they remain within acceptable appetite and tolerance levels.

## Heatmap of Awantec Strategic Risks





# STRATEGIC REVIEW

## PRINCIPAL RISK & MITIGATION

### KEY RISKS & THEIR MITIGATION

Key Risk No. 1

PROJECT DELIVERY RISKS

**Description and Implication on Value Creation**

These risks arise from an inability to execute and deliver projects undertaken as per schedule, thus failing to meet targets and service level agreements.

Response and Mitigating Actions

- Hire sufficient talents with appropriate skillsets to relieve the load on existing manpower in order to improve productivity and complete projects on time.
- Increase engagement with customers and our employees so they appreciate the value of ongoing projects.
- Conduct weekly checkpoint meetings with relevant partners to manage any issues that surface in a timely manner, and for regular updates.

---

Opportunities Arising from the Risk

- Workforce optimisation and the development of a high-performing team will enhance productivity, distribute workloads more effectively and reduce employee burnout, leading to better morale and project outcomes.
- Ability to innovate and tackle complex projects more efficiently, reducing the likelihood of project overruns while ensuring timely delivery and strengthening our reputation.
- Commitment to transparency and collaboration strengthens customer relationships and their trust in Awantec.
- Close engagement with partners enables sharing of best practices while opening the possibility of future joint ventures and/or co-development initiatives.

Link to

Capitals Impacted:

Stakeholders:

Material Matters: M8 M12 M15

Key Risk No. 2

MARKET RISKS

**Description and Implication on Value Creation**

Awantec navigates a fluid market environment that is significantly impacted by regulatory frameworks, guidelines and local government initiatives. These elements introduce a range of potential risks and uncertainties that can affect market dynamics, demand, size and the opportunities we encounter.

Response and Mitigating Actions

- Maintain flexibility in addressing potential shifts in market demand by expanding into new technology and talent solutions, reducing reliance on existing products and services.
- Monitor industry trends and potential shifts in government strategies, regulations and key initiatives.
- Foster partnerships with technology leaders at local, regional and global levels, as such collaborations are instrumental in co-creating innovative products and services.
- Continuously update and refine our go-to-market strategies while exploring fresh opportunities in emerging markets, such as the commercial sector.

---

Opportunities Arising from the Risk

- Diversification and innovation in new technology and talent solutions that cater to emerging market needs, establishing a competitive edge. It also allows the company to tap into high-growth sectors, ensuring resilience against market fluctuations.
- Quick adaptation to regulatory and landscape changes positions Awantec as a forward-thinking leader.
- Ability to align with and even influence key national initiatives, opening doors to long-term contracts and strategic partnerships.
- Access to new markets, advanced technologies, and shared expertise, driving growth and ensuring continued relevance.
- Creation of unique value propositions, setting Awantec apart from competitors and expanding our market reach, especially in emerging markets including the commercial sector.

Link to

Capitals Impacted:

Stakeholders:

Material Matters: M6 M12



Key Risk No. 3

CREDIT RISKS



Description and Implication on Value Creation

Risks arising from borrowers or debtors facing difficulties in meeting their contractual commitments, possibly leading to delayed or missed payments. This would impact Awantec’s cash flow and financial health.

Response and Mitigating Actions

- Implement thorough credit assessment to evaluate the creditworthiness of customers before extending credit terms.
- Continuously monitor receivables and follow up on overdue payments promptly.
- Implement ageing analysis to identify potential issues early.
- Set aside provisions for doubtful debts to account for potential non-payment. These reserves act as a financial cushion.

Opportunities Arising from the Risk

- Strengthened risk management framework protects our assets, thereby building investor and stakeholder confidence.
- Improved cash flow management allows for reinvestment in growth initiatives, and the ability to take advantage of strategic opportunities, ensuring strong operational liquidity.
- Streamlined credit operations reduce the time and resources spent on managing credit risks while allowing the finance team to focus on more strategic tasks.
- Ability to offer customised credit terms to reliable customers, and identify potential areas for renegotiation to improve payment terms.
- Positioning Awantec as a financially responsible and trustworthy partner, attracting more reliable customers and business partners.
- Foster long-term relationships with customers who appreciate transparent and fair credit terms.

Link to

Capitals Impacted:



Material Matters:



Stakeholders:



Key Risk No. 4

ESG RISKS



Description and Implication on Value Creation

ESG risks are those that arise from increasing regulations regarding environmental, social and governance (“ESG”) matters, as well as growing demand from investors, shareholders, employees and society at large for companies to operate in a manner that is responsible and sustainable.

Response and Mitigating Actions

- Monitor ESG issues and trends, especially those that are pertinent to our industry, in order to maintain or even enhance Awantec’s high ESG ranking.
- Integrating TCFD recommendations into our operations, strategies as well as reporting.
- Explore established and emerging technologies to enhance our energy efficiency and minimise energy consumption across our infrastructure and facilities.
- Provide cybersecurity training company-wide while conducting Vulnerability Assessments and Penetration Tests to safeguard our systems and data.
- Create a sustainability mindset across the organisation through awareness programmes and the implementation of sustainability-related KPIs among our workforce.
- Conduct company-wide Anti Bribery & Corruption pledge and training sessions focusing on statutory provisions, MACC Act, strategies and preventive measures.
- Conduct ESG screening and assessment across our supply chain.

Opportunities Arising from the Risk

- Commitment to sustainable practices can drive innovation in products and services, potentially opening new markets.
- Compliance with all relevant ESG-related regulations reduces the risk of penalties while meeting the expectations of investors, shareholders and other stakeholders.
- Carbon footprint reduction enhances our ability to become a net-zero organisation by 2050.
- Better understanding of the financial and non-financial risks of climate change to be better prepared for these.
- Ability to attract top talent who seek companies that demonstrate commitment to sustainability, thereby enhancing Awantec’s competencies, productivity and market reputation.
- Enhanced employee retention as a result of increased job satisfaction in a positive work environment that is committed to social responsibility.

Link to

Capitals Impacted:



Material Matters:



Stakeholders:



## STRATEGIC REVIEW

# OUR STRATEGY

Our business strategy was developed in 2021 to guide Awantec's transformation into a Trusted Partner in Technology and Talent solutions and services providing a consistently positive customer experience through exceptional products and services. This four-pronged strategy aims at diversifying our products and service offerings as well as our customer base as we develop our expertise and capabilities.

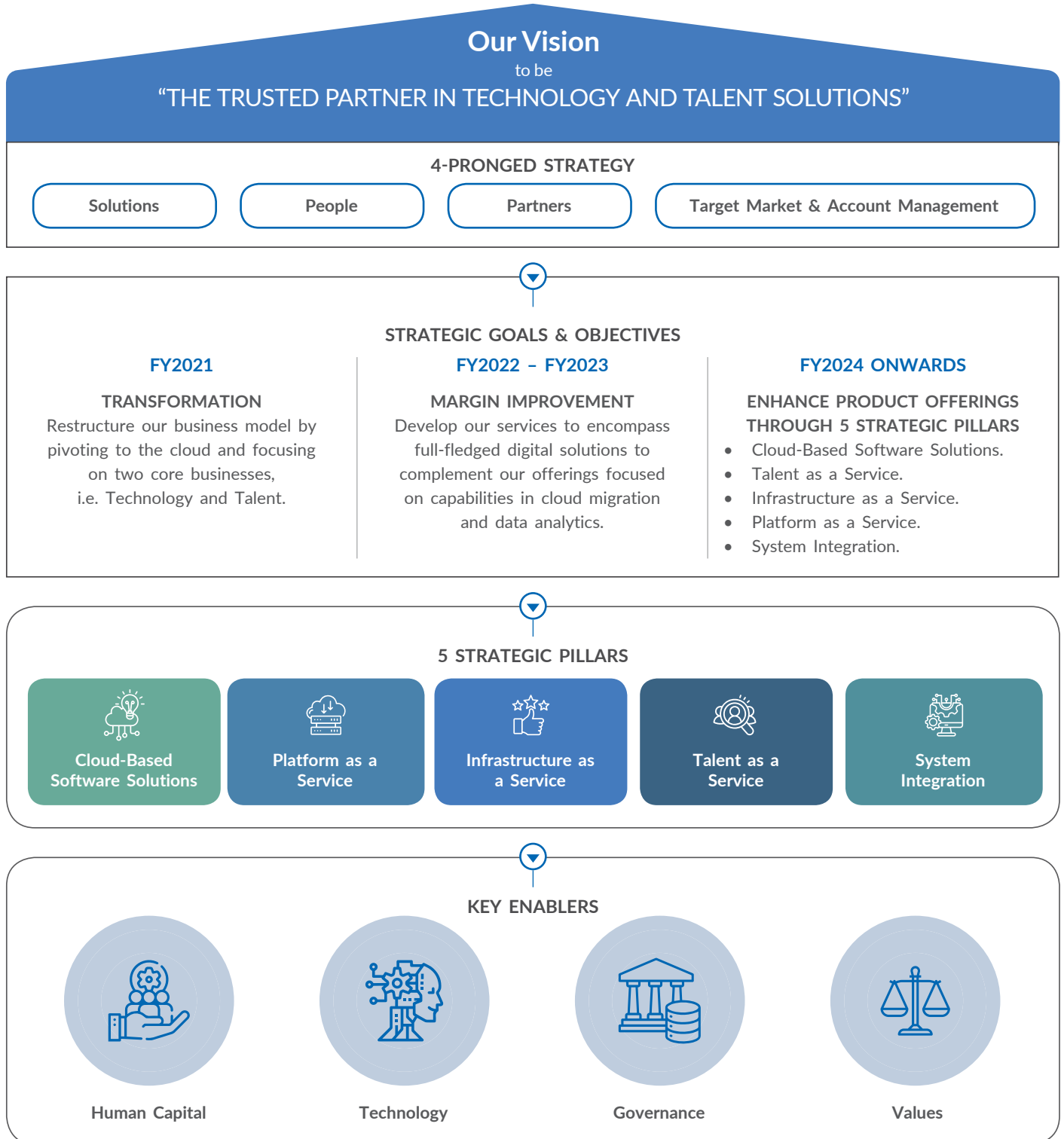
### OUR 4-PRONGED STRATEGY





## OUR STRATEGY ROADMAP

The roadmap has three phases, starting with Transformation, going on to Margin Improvement and culminating in Enhance Product Offerings. We are currently enhancing our product offerings to meet our customers' requirements.



# STRATEGIC REVIEW

## OUR STRATEGY

### STRATEGY PERFORMANCE REVIEW

#### Strategic Area 1: Solutions

Build portfolio of cloud-based solutions and services driving growth

##### Initiatives

###### Technology Segment

Offer a full suite of cloud solutions and services including SaaS, IaaS and System Integration.

###### Talent Segment

Provide holistic talent management services with lifelong learning opportunities – including PaaS and TaaS – to reskill and upskill job seekers and employers.

##### Achievements in FY2024

- Google Premier Status for Google Cloud – Sell; and Google Workspace – Sell and Services.
- Secured the following specialisations:
  - Google Cloud – Infrastructure Services
  - Google Workspace – Work Transformation SMBs
- Offer ERP solution and submitted application to Malaysia Digital Economy Corporation Sdn Bhd (“MDEC”) to be a service provider for the National E-Invoicing Initiative.

- Partnered with Human Resource Development (“HRD”) to enable private sectors to utilise their levy contributions towards accessing our innovative e-learning platform Skillsoft Percipio and customised training programs.
- Successfully delivered the Selangor Kerjaya (“SK”) Programme. As at 31 December 2023, we had registered 49,886 job seekers and facilitated the recruitment of 6,793 job seekers.
- Pursue opportunities to provide resource augmentation services in the IT sector.

##### Priorities in FY2025

- Expand our cloud-based offerings to include AI, cybersecurity and data analytics to existing and potential customers.
- Penetrate customers deeper with more cloud-based modules to support seamless migration to the cloud. Modules that we intend to promote include:

###### Google Workspace

- Feature 1: Gmail, Drive, Calendar, Meet & Chat
- Feature 2: Docs, Sheets & Slides
- Feature 3: AppSheet & Cloudsearch
- Gemini AI

###### Google Cloud Platform

- IaaS & PaaS – AI
- Data analytics – Cyber shield

- Organise campaigns and promotions to promote Google, Sage and e-invoicing products, and develop advertising and promotional materials to provide pertinent information on these solutions.
- Adding another strategic pillar; Cybersecurity.
- Tighten TaaS offering: our success in delivering the SK Programme provides a business case to offer recruitment, training, job placements as well as resource augmentation to other organisations.

Link to

Capitals Impacted:



Stakeholders:



Material Matters:



Key Risks:





## Strategic Area 2: People

### Initiatives

Talent management and capability building through training and certifications.

Critical hiring for deep expertise.

Implementation of project management tools.

### Achievements in FY2024

- Integrate advanced Learning Management Systems into our talent management strategy, providing employees with continuous access to a wide range of online courses and learning resources.
- Made it mandatory for all sales and support personnel to undergo fundamental digital and cloud knowledge training.
- As a result of upskilling, we now have:
  - 22 employees with professional certifications in Google Cloud, Google Workspace and Chrome.
  - 10 employees certified to provide training under Train the Trainer ("HRDF").
  - 6 employees certified to provide Cyber Security Certification training.

Recruited highly experienced talent for the following key positions:

- Director of Technology.
- Head of Google Cloud Solutions.
- Head of Google Workspace Solutions.
- Head of Analytics.

We implemented a project time log as part of our strategy to enhance project management.

### Priorities in FY2025


The Group will continue to upskill its sales and support personnel together with the technical and delivery teams for skills development and competency certifications.

Recruit cloud delivery architects, solutions architects, cloud engineers, app architects, AI and API engineers to support the implementation, testing and deployment of Cloud solutions and services.

We have established a project management tool to facilitate better resource allocation, improve project visibility, enable data-driven decision-making, and boost employee engagement and accountability.

Link to

Capitals Impacted:  

Stakeholders: 

Material Matters:    

Key Risks:  

# STRATEGIC REVIEW

## OUR STRATEGY

### Strategic Area 3: Partners

#### Initiatives

Collaborate with local, regional and global technology partners to co-create products and services.

Establish network channels to penetrate new accounts.

#### Achievements in FY2024

Entered into partnerships with:

- Sage to offer ERP solutions.
- Storecove for e-invoicing.


Entered into strategic partnerships with network channels eg. associations to strengthen our access to new accounts.


#### Priorities in FY2025

Continue to assess local and international technology partners to enhance our Technology and Talent offerings.

Collaborate with professional organisations and associations to expand our reach into new accounts and markets.

Link to

Capitals Impacted: 

Stakeholders: 

Material Matters: M6 M15

Key Risks: 

### Strategic Area 4: Target Market & Account Management

Strategic account planning, manage relationships and have a clearer view of customer needs to drive higher conversion rates

#### Initiatives

Large long-term deals in key accounts for revenue accumulation.

Dedicated and technically capable sales and support for large accounts to ensure account outreach and effective follow-ups.

#### Achievements in FY2024

Awarded the following key contracts:

- 57.5-month agreement from REDtone Engineering & Network Services Sdn Bhd amounting to RM294.27 million in respect of MyGovUC 3.0 Project to provide Cloud computing solutions and services which includes Google Workspace and Google Cloud Platform.
- 48-month agreement amounting to RM20.7 million from MOHE for the subscription of Google Workspace for public universities, polytechnics and community colleges nationwide.
- 30-month agreement amounting to RM4.96 million contract with the National Water Research Institute of Malaysia to implement High-Performance Computing ("HPC") solutions to run hydro-climate models in the Cloud environment.
- 36-month agreement amounting to RM4.89 million from MOE for a Learning Management System subscription in relation to Skillsoft Percipio.

Implemented a sales force structure that is categorised according to the targeted segments.

#### Priorities in FY2025

Identify, land & expand on specific key accounts. Leverage on cross-selling and upselling our Technology and Talent offerings to maximise revenue and enhance client value.

Sector leads and account managers for key accounts supported by technical specialists.

Link to

Capitals Impacted:  

Stakeholders:  

Material Matters: M6 M8

Key Risks:  



# KEY PERFORMANCE INDICATORS

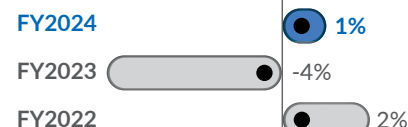
## FINANCIAL METRICS

### RETURN ON EQUITY

#### Aim/Objective

- To deliver a reasonable return while balancing the need to maintain a healthy capital base.

#### Results

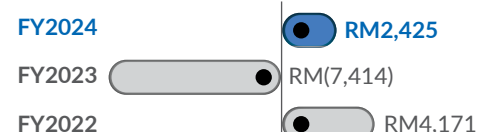


### PROFIT/(LOSS) AFTER TAX

#### Aim/Objective

- To maximise value creation and deliver high returns to shareholders.

#### Results ('000)

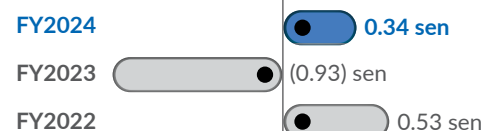


### EARNINGS/(LOSS) PER SHARE

#### Aim/Objective

- To illustrate the profitability after tax associated with each share owned by our shareholders.

#### Results

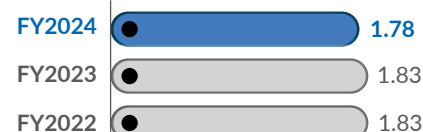


### CURRENT RATIO

#### Aim/Objective:

- To assess the Group's short-term liquidity and its ability to meet its short-term obligations.

#### Results

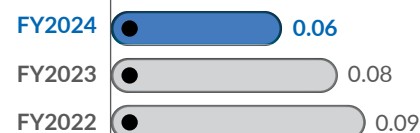


### DEBT TO EQUITY RATIO

#### Aim/Objective:

- To ensure the Group maintains an optimal capital structure to support its business and maximise shareholder value.

#### Results





# STRATEGIC REVIEW

## KEY PERFORMANCE INDICATORS

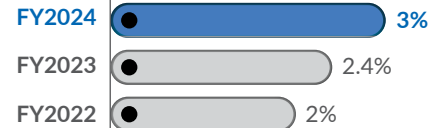
### NON-FINANCIAL METRICS

#### EMPLOYEE LOYALTY INDEX

##### Aim/Objective

- To foster a High Performance Culture by prioritising continuous employee training, development, and engagement. Through strategic actions across the employee lifecycle, from talent acquisition to succession planning, we aim to ensure lifelong learning and career growth, benefiting both the individual and the organisation.

##### Results

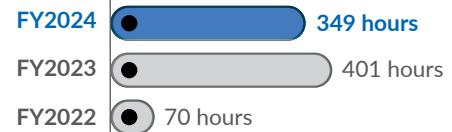


#### UPSKILLING PROGRAMS

##### Aim/Objective

- To equip our talents in the transformation journey in embracing cloud solutions and the various competencies development programs.

##### Results

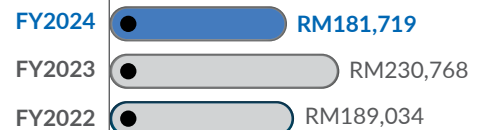


#### EMPLOYEE ENGAGEMENT INVESTMENT

##### Aim/Objective

- To boost employee satisfaction and productivity by investing in engaging activities and robust training programs, cultivating a positive, growth-focused workplace where employees feel appreciated, motivated, and empowered to drive Awantec's success.

##### Results

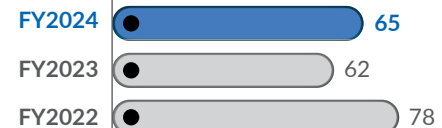


#### CUSTOMER NPS

##### Aim/Objective

- To measure customer satisfaction levels across our markets. This upward trend in NPS, particularly the high Promoter percentage and minimal Detractor rate, signifies enhanced customer loyalty and the effectiveness of our customer experience initiatives.

##### Results



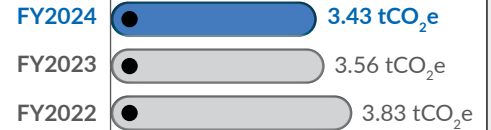


**REDUCTION IN TOTAL GHG EMISSION INTENSITY**

**Aim/Objective**

➤ We are committed to actively monitoring and reducing our carbon emissions, aiming to play a key role in the transition to a low-carbon economy that promotes inclusivity and sustainable growth. Our goal is to achieve a 25% reduction in carbon emissions by 2030, aligning our efforts with the needs of society and the market.

**Results**

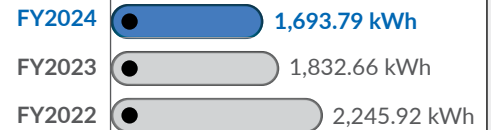


**REDUCTION IN WATER USAGE INTENSITY**

**Aim/Objective**

➤ To track and monitor our water consumption and optimise use to reduce our impact on the environment and ecosystems.

**Results**

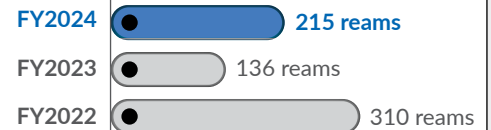


**REDUCTION IN PAPER CONSUMPTION**

**Aim/Objective**

➤ Reducing paper consumption aligns with Awantec's digitalisation efforts by promoting the shift to digital workflows, improving efficiency, and supporting sustainability goals, while reducing environmental impact.

**Results**



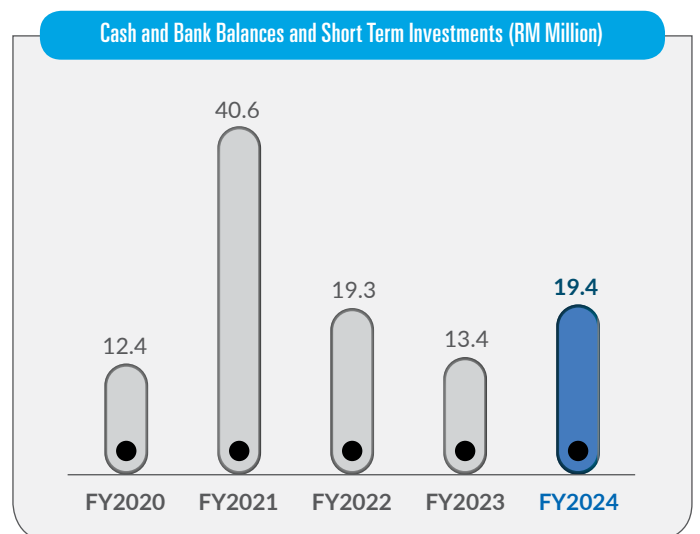
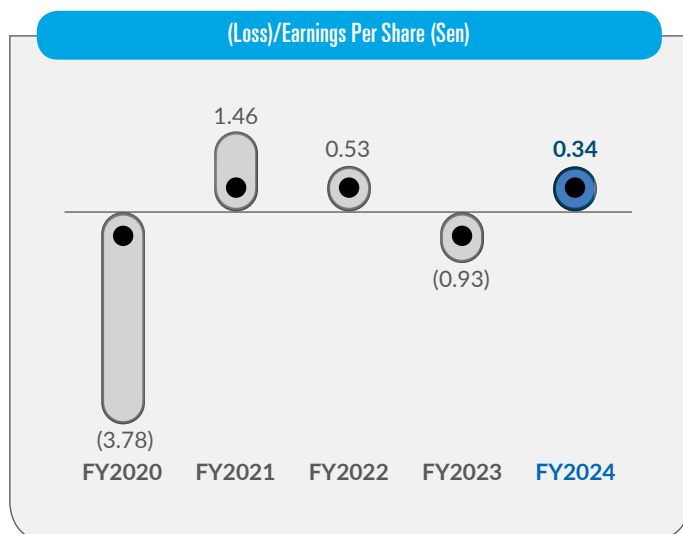
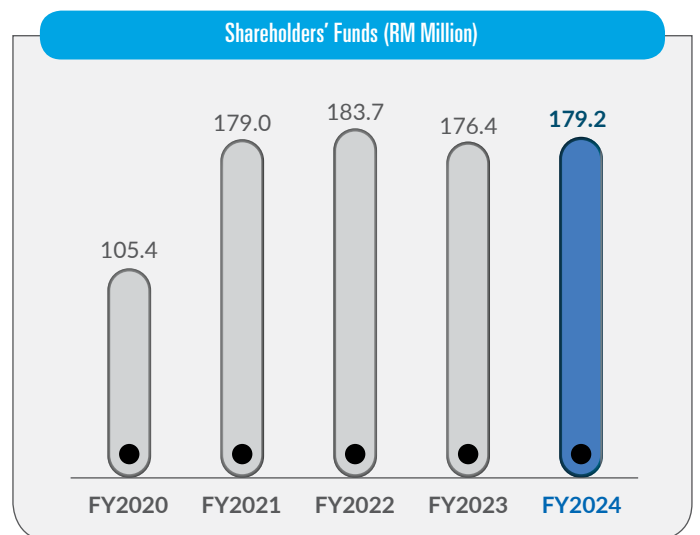
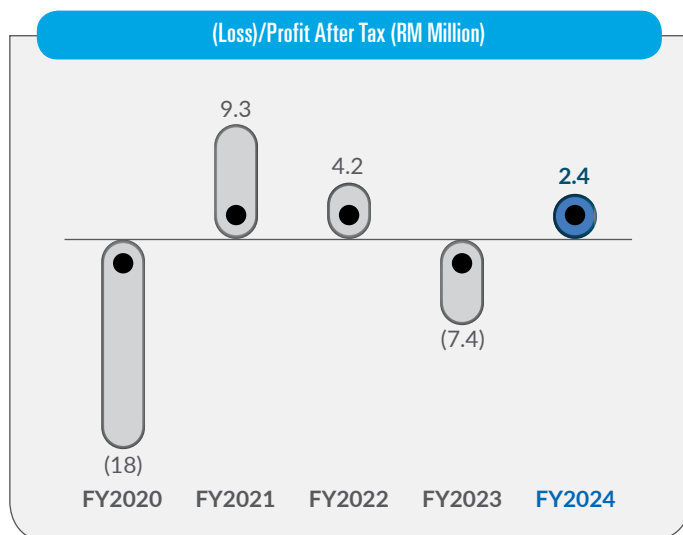
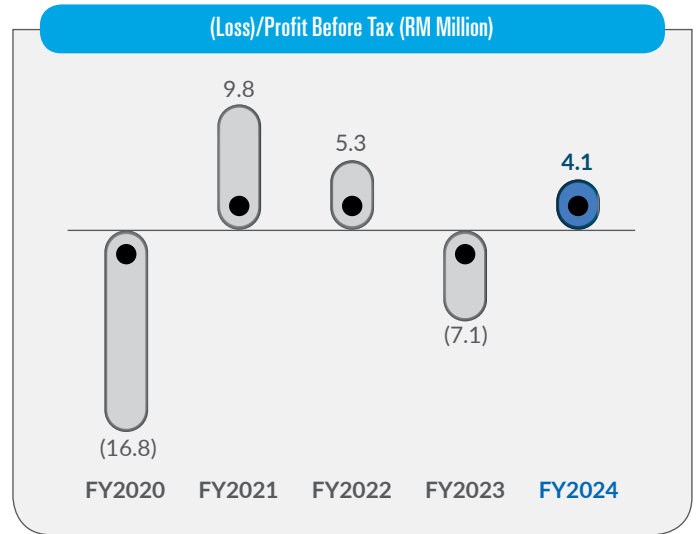
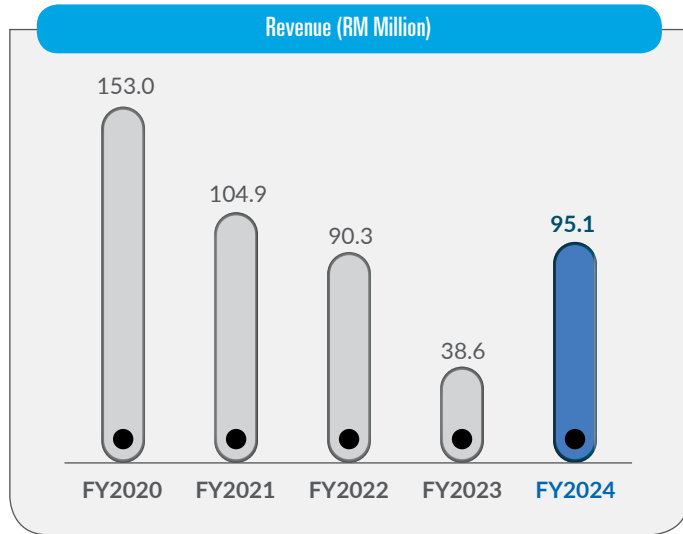
PERFORMANCE REVIEW

# 5-YEAR FINANCIAL SUMMARY

RM million	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue	153.0	104.9	90.3	38.6	95.1
(Loss)/Profit before tax	(16.8)	9.8	5.3	(7.1)	4.1
(Loss)/Profit after tax	(18.0)	9.3	4.2	(7.4)	2.4
Total assets	302.5	402.5	443.0	419.9	433.2
Total equity	118.3	190.9	195.2	187.9	190.3
Equity attributable to Owners of the Company	105.4	179.0	183.7	176.4	179.2
Total average number of employees	91	93	106	131	130
Revenue per employee	1.7	1.1	0.9	0.3	0.7

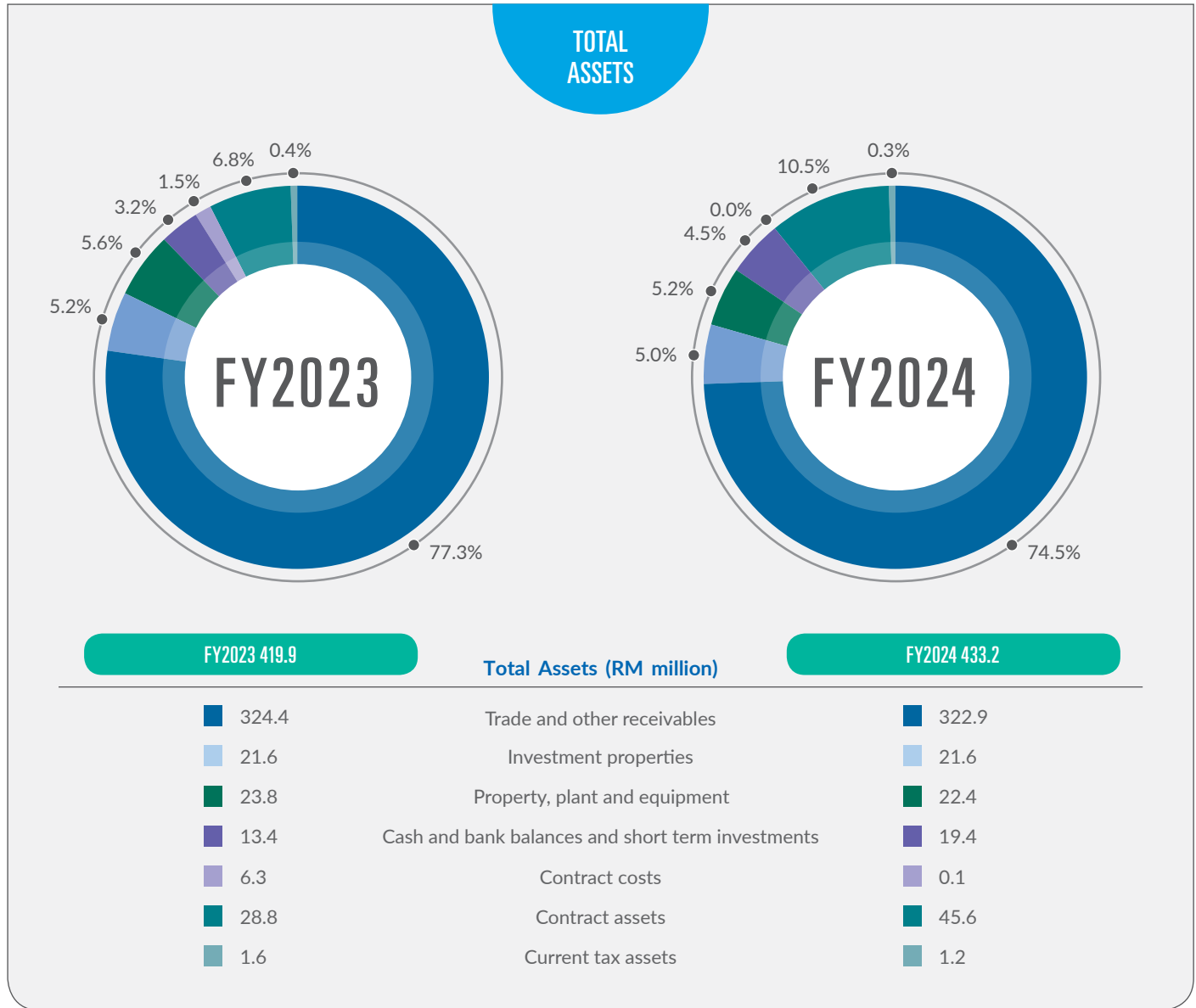


# 5-YEAR FINANCIAL HIGHLIGHTS



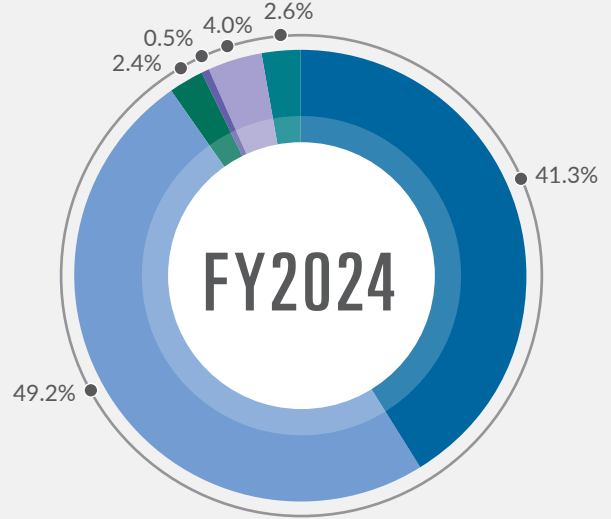
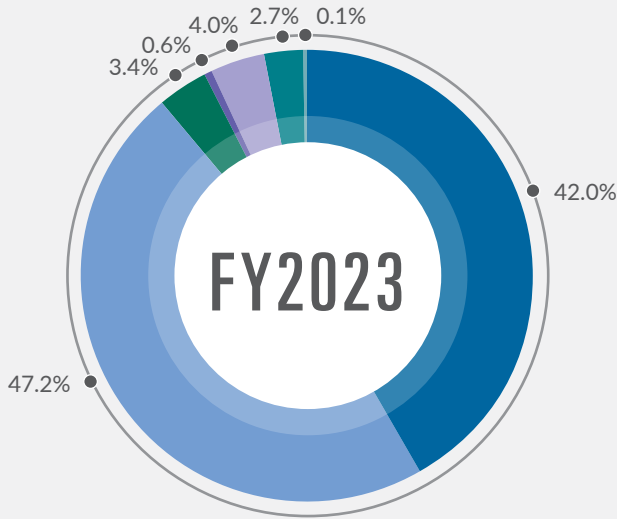
PERFORMANCE REVIEW

# SIMPLIFIED STATEMENT OF FINANCIAL POSITION





**TOTAL EQUITY AND LIABILITIES**



**FY2023 419.9**

**Total Equity and Liabilities (RM million)**

**FY2024 433.2**

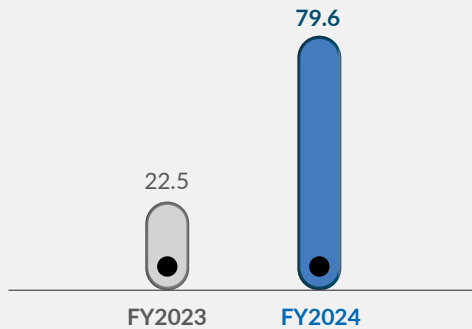
- 176.5
- 198.2
- 14.1
- 2.6
- 16.9
- 11.4
- 0.2

- Shareholders' funds
- Trade and other payables
- Borrowings
- Contract liabilities
- Deferred tax liabilities
- Non-controlling interests
- Redeemable Preference Share 'A'

- 179.1
- 213.2
- 10.5
- 2.2
- 16.9
- 11.1
- 0.2

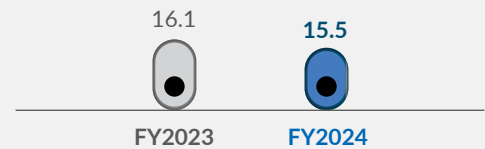
**SEGMENTAL ANALYSIS**

**Software and Services (Technology) (RM million)**



Revenue by segment

**Talent (RM million)**



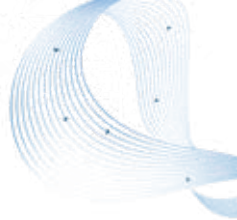
PERFORMANCE REVIEW

# GROUP QUARTERLY FINANCIAL PERFORMANCE

RM million	Q1	Q2	Q3	Q4	Year 2024
Revenue	16.5	12.2	55.7	10.7	95.1
Profit before tax	0.5	0.9	2.3	0.4	4.1
Profit/(loss) for the period	0.4	0.7	2.0	(0.7)	2.4
Profit/(loss) attributable to ordinary equity holders of the parent	0.4	0.8	2.1	(0.6)	2.7
Basic earnings per share (Subunit)	0.05	0.10	0.27	0.0	0.34
Proposed/Declared dividend per share (Subunit)	n/a	n/a	n/a	n/a	n/a

## STATEMENT OF DISTRIBUTION AND VALUE ADDED

RM million	FY2023	FY2024
Providers of capital	Finance cost - 1.4 NCI - (0.1)	Finance cost - 1.0 NCI - (0.3)
Economy/Government	0.3	1.7
Employees	16.3	19.1
Operations	6.3	6.3
Depreciations	1.9	1.6
(Addition)/Deduction to accumulated losses	(7.4)	2.7
<b>Total Distributed</b>	<b>18.7</b>	<b>32.1</b>




# FINANCIAL CALENDAR


## For the Financial Year ended 30 June 2024

### Announcements of Consolidated Results


▶ Unaudited consolidated results for the 1<sup>st</sup> quarter ended 30 September 2023.

 23 November 2023

▶ Unaudited consolidated results for the 2<sup>nd</sup> quarter ended 31 December 2023.

 22 February 2024

▶ Unaudited consolidated results for the 3<sup>rd</sup> quarter ended 31 March 2024.

 7 May 2024


▶ Unaudited consolidated results for the 4<sup>th</sup> quarter ended 30 June 2024.

 30 August 2024


## For the Financial Year ended 30 June 2023

### Announcements of Consolidated Results


▶ Unaudited consolidated results for the 1<sup>st</sup> quarter ended 30 September 2022.

 24 November 2022

▶ Unaudited consolidated results for the 2<sup>nd</sup> quarter ended 31 December 2022.

 23 February 2023

▶ Unaudited consolidated results for the 3<sup>rd</sup> quarter ended 31 March 2023.

 25 May 2023

▶ Unaudited consolidated results for the 4<sup>th</sup> quarter ended 30 June 2023.

 28 August 2023

## 14<sup>th</sup> Annual General Meeting


▶ Notice Date.

 25 October 2024

▶ Issuance of Annual Report and Audited Financial Statements for the Financial Year ended 30 June 2024.

 25 October 2024

▶ Meeting Date.

 27 November 2024

## 13<sup>th</sup> Annual General Meeting


▶ Notice Date.

 25 October 2023

▶ Issuance of Annual Report and Audited Financial Statements for the Financial Year ended 30 June 2023.

 25 October 2023

▶ Meeting Date.

 23 November 2023



## PERFORMANCE REVIEW

# INVESTOR INFORMATION

### INVESTOR RELATIONS

We highly value our investment community and have established open channels of communication in order to maintain strong, trust-based relationships with our shareholders, investors and analysts. This function is undertaken by an experienced Investor Relations (“IR”) team, through which we uphold our commitment to transparency and integrity, two principles that are integral to good corporate governance.

The IR team ensures timely and transparent disclosure of relevant and material information on the Company’s developments to our investors to keep them updated of our strategies and performance. This enhances their understanding of Awantec, allowing for more informed investment decisions. While disseminating important updates, our sessions with the investment community also enable us to gather valuable feedback.

Key IR events include our annual general meetings (“AGMs”) and quarterly results announcements, which are presented by key members of the Senior Management team including the CEO and Group Financial Controller (“GFC”). Our Directors are also present at the AGMs, where investors and shareholders can clarify issues with any member of the leadership.

In addition, the IR team will accommodate requests from analysts, the media or potential investors for information.

Further ensuring dissemination of relevant information on Awantec’s businesses and activities, we release media statements on corporate developments and achievements.

#### KEY IR EVENTS IN FY2024:

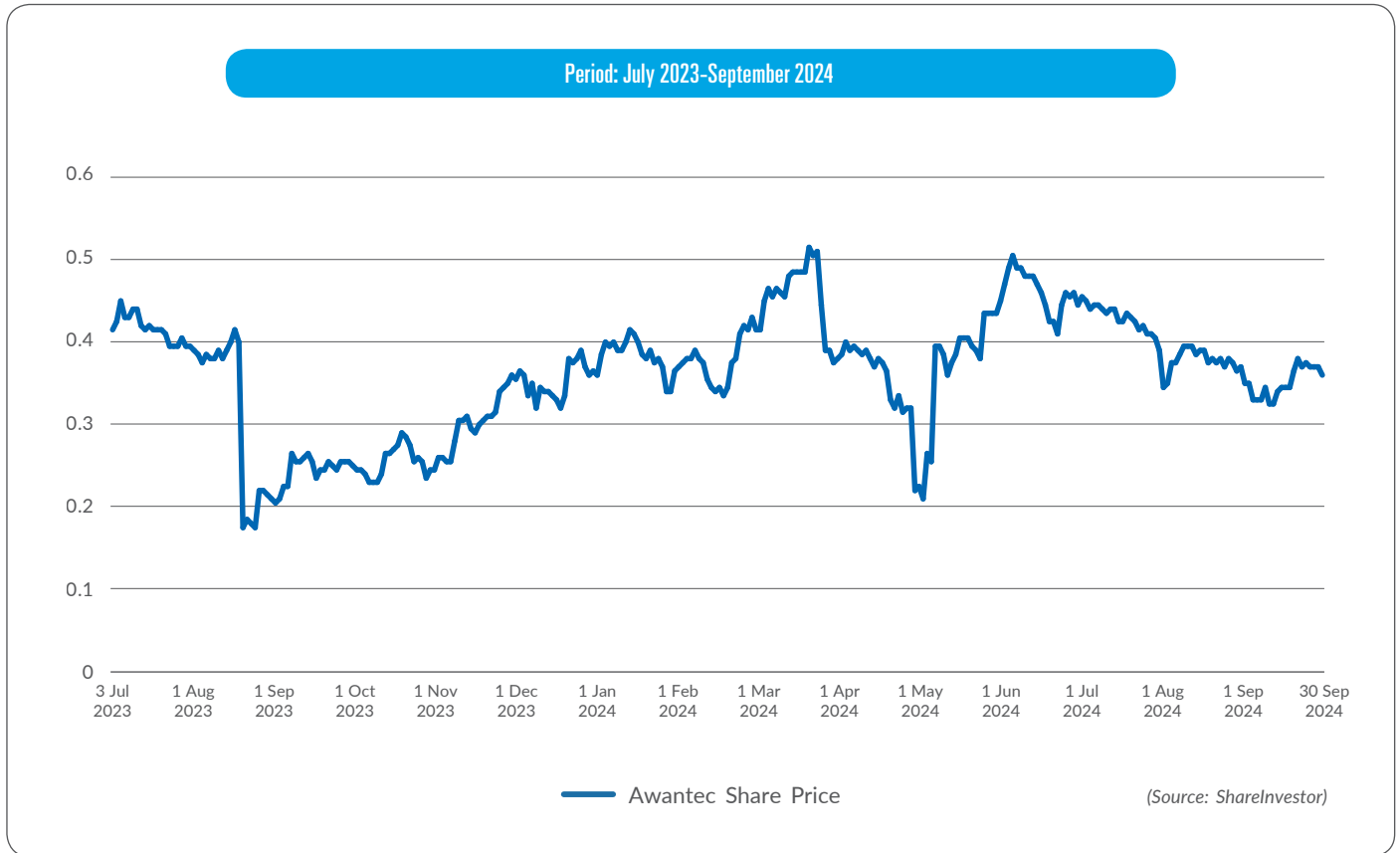
 <h3>FY2023 Annual General Meeting</h3> <ul style="list-style-type: none"><li>• 23 November 2023</li><li>• Virtual session</li></ul>	<h3>FY2024 Quarterly Results Announcements</h3> <ul style="list-style-type: none"><li>• 23 November 2023</li><li>• 22 February 2024</li><li>• 7 May 2024</li><li>• 30 August 2024</li></ul> 
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

All corporate communication, including our quarterly and annual results as well as announcements to Bursa Malaysia, are updated on our corporate website at [www.awantec.my](http://www.awantec.my).

Moving into the new financial year, Awantec will continue to engage actively with the investing community and provide accurate disclosure in a timely and consistent manner, in line with IR best practices and Bursa Malaysia’s Listing Requirements.



## SHARE PRICE AND PERFORMANCE



MARKET CAPITALISATION	SHARE PRICE	EARNINGS/ (LOSS) PER SHARE	RETURN OF EQUITY
<p><b>RM351.5 million</b></p> <p>2023 - RM323.9 million</p>	<p><b>0.405</b> - Opening</p> <p><b>0.445</b> - Closing</p> <p><b>0.555</b> - Peak</p>	<p><b>0.34 sen</b></p> <p>2023 - (0.93) sen</p>	<p><b>1%</b></p> <p>2023 - (4%)</p>

# TECHNOLOGY

## WHO WE ARE AND WHAT WE DO

The Technology segment of Awantec delivers innovative cloud computing digital solutions and services to the public and commercial sectors, educational institutions and government-linked companies (“GLCs”). Our mission is to empower organisations with cutting-edge cloud technology, enabling them to achieve their digital transformation goals. We offer a comprehensive range of cloud software solutions and services, infrastructure as a service and systems integration, assisting organisations to enhance their operations, improve efficiency and stay competitive.

## KEY FOCUS AREAS

- Expansion of Cloud Computing and Google Workspace businesses.
- Developing new areas such as data analytics, AI, machine learning, ERP, e-invoicing, cybersecurity and Chromebook.

## BUSINESS ENVIRONMENT

Along with supportive government policies and initiatives such as the Malaysia Digital Economy Blueprint, the IT sector in the country continues to expand. For the year 2023, it was estimated to grow by 4.1% year on year to reach USD2.64 billion.<sup>1</sup> This growth, however, was less than the 5.5% expansion in 2022, due to a slowdown in the economy. Nevertheless, both the public and private sectors continue to invest in digitalisation, providing ample opportunities for IT players. This, in turn, has seen the continued entry of new players and increased competition within the industry.

<sup>1</sup> IDC report, Malaysian IT Services Market Grew to \$2.64B in 2023, 26 June 2024.

## 2024 HIGHLIGHTS

### → Financial



Technology segment recorded a higher revenue of **RM79.6 million** in FY2024 as compared to RM22.5 million in FY2023.

### → Sustainability

Reduced GHG emissions intensity by **10.44%** from FY2022 baseline



Reduced electricity consumption intensity by **24.58%** from FY2022 baseline



### → Awards & Recognition

Secured the following specialisations:

- Google Cloud – Infrastructure Services.
- Google Workspace – Work Transformation SMBs.
- Appointed by Google as Workspace Gemini AI Ambassador.
- First Google partner in the Asia-Pacific region to secure a central government contract.
- SME100 Award 2023 for GHG intensity reduction and other sustainable practices.



**BUSINESS PERFORMANCE REVIEW**

**Key Initiatives**

- Identify, land & expand on Tier 1 key accounts.

---

- Maintained Google Premier Partner status until end FY2024, with Awantec employees upskilling with the following:
  - 14 individuals received GWS Sales Credentials
  - 13 received GWS Professional Certification
  - 10 obtained Google Cloud Associate or Professional Certifications
  - 5 obtained Google Cloud Professional Technical Certifications
  - 33 received Google Cloud Sales Credentials
  - 7 were awarded Google Cloud Professional Certifications
  - 14 received Chrome Enterprise Sales Credentials
  - 11 received Chrome Enterprise Tech Credentials or Professional Certifications

---

- Actively identified new tech partners.

---

- Reduce reliance on single sector.

**Outcomes**

- Won RM325 million worth of new contracts during the year from REDtone Engineering & Network Services Sdn. Bhd. (MyGovUC 3.0), MOHE, NAHRIM, etc.

---

- Maintain Google Premier Partner status.
- Obtain Google specialisations and expanded our range of services offerings e.g analytics, AI, machine learning.

---

- Entered into partnerships with Sage and Storecove.

---

- Developed key accounts for GLCs and commercial sector.

**CHALLENGES & THEIR MITIGATION**

**Challenges**

01

Keeping up with the constant evolution of technology.

Attracting and retaining top talent with expertise in emerging technologies can be competitive due to high demand.

Competition between local players.

**Mitigating Actions**

02

- Continuously upskill our talents and forging strategic partnership with industry leaders to incorporate the new technology into our product and service offerings.
- Invest in professional development opportunities via ongoing training programmes and certifications to help employees stay updated with the latest technological advancements.

- Hire new staff with required expertise.
- We offer extensive career advancement opportunities through the Awantec Succession Planning Development Programme, ensuring continuity in our talent pool while motivating our team to reach their full potential.

Secured the following specialisations:

- Google Cloud – Infrastructure Services.
- Google Workspace – Work Transformation SMBs.

**Results**

03

- Expand our cloud-based offerings to include new technology in AI, machine learning, data analytics, etc to existing and potential customers.

Recruited highly experienced talent for the following key positions in FY2024:

- 2 Sage Specialists.
- Director of Technology.
- Head of Google Cloud Solutions.
- Head of Google Workspace Solutions.
- Head of Analytics.
- Head of Change Management.

---

- 34% increment of GWS seats distributed in FY2024 vs FY2023.
- 20 customers on Google Cloud Platform.
- Secured big GWS contract deals in FY2024 with total GWS contracts worth RM304.4 million compared with RM4.6 million in FY2023.

**OUTLOOK**

Awantec is well-positioned to capitalise on global digitalisation trends, especially within Malaysia’s supportive tech ecosystem. Our expertise in digitising government operations and diverse service offerings, including cloud migration and AI solutions, align with the increasing investments in cloud infrastructure. Recent advancements in Malaysia’s tech landscape further enhance our growth potential and leadership in the technology sector.

**BUSINESS REVIEW**



**WHO WE ARE AND WHAT WE DO**

At Awantec, we are committed to transforming lives and organisations through our innovative Talent segment. By combining hands-on training with cutting-edge Gen AI e-learning platforms, we ensure that individuals and organisations can reach their full potential. Our programmes are meticulously designed to adapt to the unique needs of learners, whether they are in a classroom, on the field, or engaging digitally. Since 2021, we have been proud partners in the Selangor Kerjaya Programme, an initiative by the Selangor Menteri Besar (Incorporated) (“MBI”). Our mission is to bridge the gap between traditional and modern learning methodologies, creating a dynamic and impactful talent development platform that is relevant in today’s fast-paced world.

**KEY FOCUS AREAS**

- Talent as a Service: Talent profiling, comprehensive training programs, industry-recognised certifications, resource augmentation and strategic placement assistance.
- Platform as a Service: Provision of Skillsoft licences to organisations, enabling access to a vast library of AI-driven learning content.

**BUSINESS ENVIRONMENT**

Awantec leads the way in learning and development, offering significant value to customers through strategic partnerships with industry leaders like Skillsoft, Rocheston and CompTIA. These collaborations enable us to provide AI-driven personalised learning content and top-tier certification programmes addressing the specific upskilling needs of our clients.

The digital learning landscape in Malaysia is rapidly expanding, driven by increased digital adoption and a growing demand for flexible education solutions. Awantec is well-positioned to capitalise on these opportunities by developing localised content and offering certifications in high-demand areas such as cybersecurity, digital skills, and soft skills.

Despite the digital divide, Awantec is committed to making quality education accessible to all, even those in rural areas. By promoting the benefits of digital learning and expanding our reach, we aim to bridge this gap and foster a more inclusive and skilled workforce.

**2024 HIGHLIGHTS**

→ **Financial**  
 Achieved revenue of **RM15.5 million**, slightly lower than RM16.1 million in FY2023.

→ **Sustainability**  
 Carried out community outreach programmes **targeting orphanages and elderly care centres.**



**BUSINESS PERFORMANCE REVIEW**

**Key Initiatives**

Selangor Kerjaya ("SK")

- Create greater awareness of the programme through roadshows and career fairs.
- Increase the SK talent pool via talent scouting, partnering recruitment agencies, collaborating with educational institutions and strategic partners, and digital marketing.

Platform as a Service

- Embarked on a dealers network programme to onboard strategic partners.
- Create market awareness of Awantec's offerings via key HR events including the National Human Capital Conference & Exhibition ("NHCCE") and HR Forum.
- Leverage digital marketing to promote our Skillsoft and CompTIA certification programmes.
- Identified customers for key accounts in the public and private sectors.

**Outcomes**

- In FY2024, we recruited 7,086 youths, trained 798 of them and successfully placed more than 1,300 participants.
- Successfully completed the three-year programme and its handover to MBI on 31 December 2023 and May 2024, respectively.
- Welcomed the Malaysian Association of Hotels Training and Education Centre ("MAHTEC"), ESG Association of Malaysia and PWC Malaysia among other new partners.
- Talent Division onboarded approximately 30 new clients from the government and private sectors.

**CHALLENGES & THEIR MITIGATION**

**Challenges**

01

Market risk, including potential shifts in market demand.

Risk of reliance on single partners.

Attracting and retaining top talent with required expertise to grow our business.

**Mitigating Actions**

02

- Maintain flexibility in addressing changing demands by expanding into new talent solutions, reducing reliance on existing products and services.
- Focus on Percipio and Rocheston for cybersecurity certifications; and CompTIA for IT related certification.
- Focus on growth areas such as resource augmentation, particularly in permanent and contract staffing.
- Foster partnerships with talent leaders at local, regional and global levels, as such collaborations are instrumental in co-creating innovative products and services.

- Establish multi-tiered channels to penetrate new accounts while expanding service & offerings in existing accounts.
- Awantec has partnered with HRD to enable private sectors to utilise their levy contributions towards accessing our innovative e-learning platform and customised training programs.
- Forged strategic partnerships with industry leaders, including CSM, to deliver professional training courses under the Global ACE Certification in cybersecurity. Enhance skills development by leveraging the expertise of Rocheston and CompTIA.

- Hired a dedicated sales force for large accounts to ensure account outreach and follow-ups in public and private sectors.

**Results**

03

- Number of Skillsoft licence distributed in FY2024 increased almost 30 times, from 10,539 in FY2023 to 309,454, largely contributed by MOE contract.
- Support companies and businesses by offering the recruitment and training of IT specialists as well as skilled workers for manufacturing and services sectors.

- Skillsoft Percipio's revenue from the collaboration with HRD Corp/ private sector has increased by 554% year on year.

- Hired 6 experienced Business and Marketing team specialists across all areas of business.
- 10 staff are certified to provide training under HRD's Train the Trainer.
- 6 staff are certified to provide training under Cybersecurity Certification.

**OUTLOOK**

In response to the evolving digital landscape, Awantec's Talent segment is poised for strategic expansion, offering comprehensive solutions that transcend traditional offerings. By focusing on content curation and development, Awantec ensures its learning platforms deliver personalised and relevant experiences tailored to diverse learner needs. Notably, the surge in demand for cybersecurity training, driven by new regulations and policies, highlights Awantec's commitment to addressing critical industry requirements. Through strategic partnerships, such as the MoU with the Cybersecurity Malaysia ("CSM"), Awantec is enhancing cybersecurity technology and talent development, ensuring professionals remain at the forefront of the field.