

# HOW WE DISTRIBUTE VALUE CREATED



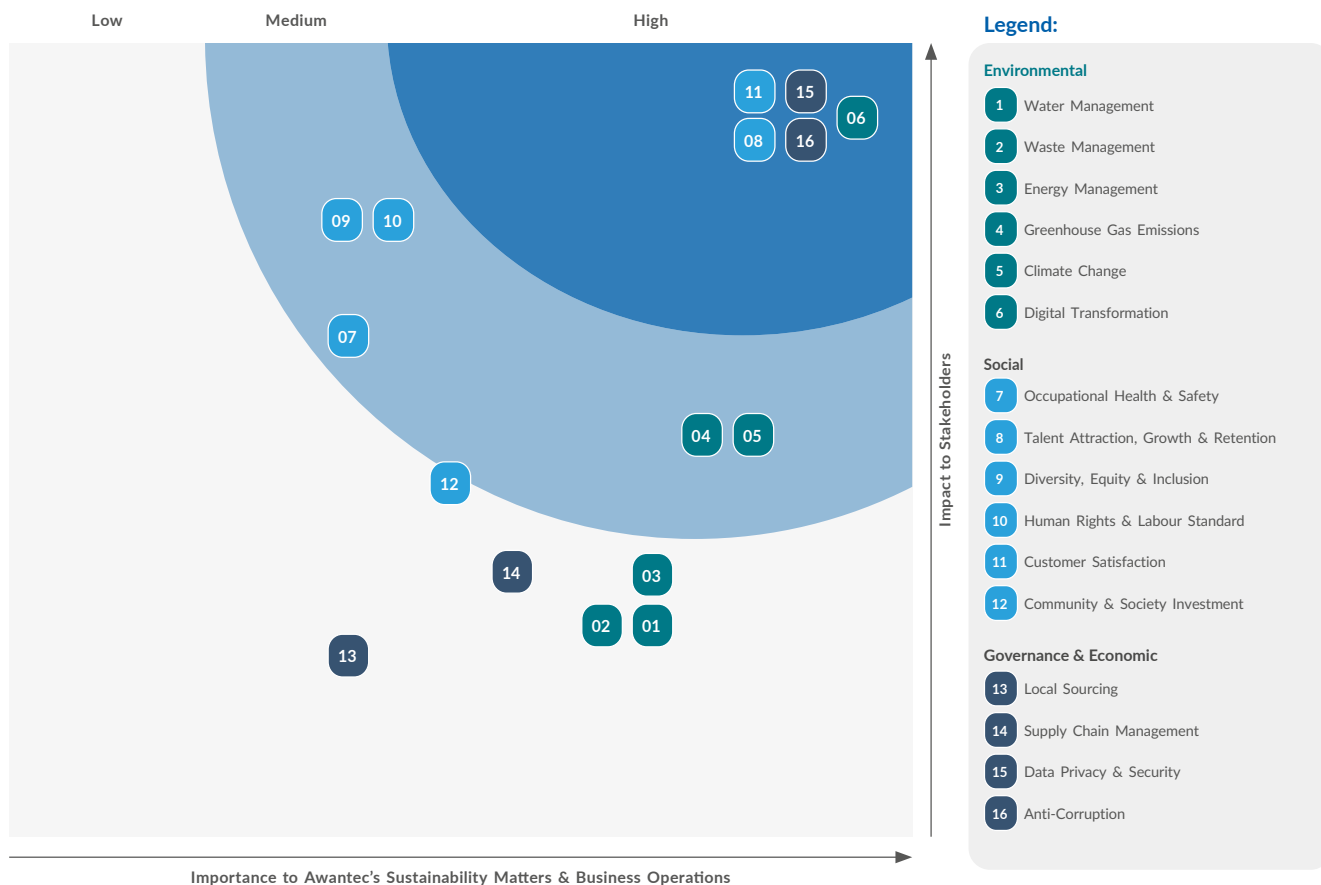
Awantec is dedicated to delivering value to its stakeholders through a strategic distribution approach that ensures fairness for everyone involved. In addition to financial gains, stakeholders also benefit from intangible advantages such as employee development programs and various community initiatives, all designed to promote a sustainable future.

Negative percentages reflect reinvestment impacts such as tax credits, share of losses absorbed by non-controlling interests, and increase in accumulated losses.

# STRATEGIC REVIEW

## OUR MATERIAL MATTERS

Awantec determines its material matters by assessing various factors that influence our ability to create value for our stakeholders. This evaluation addresses relevant risks while seizing operational opportunities, ensuring consistent engagement with stakeholders and delivering outcomes that align with their expectations. These material matters, endorsed by the Sustainability Committee and the Board of Directors, remain compliant with Bursa Malaysia's listing requirements and other applicable sustainability frameworks. This strategic approach has enhanced effectiveness, ensuring stronger alignment with our evolving business strategy, sustainability framework, and priorities within an ever-changing business environment.



### FYE2019

We conducted a materiality assessment with internal and external stakeholders, identifying 24 significant issues for Awantec. This four-week process, guided by GRI Sustainability Reporting Standards: Core Option, involved three surveys to prioritise results. From this, five key material matters were distilled, aligning with the company's strategic goals and direction.

### FYE2022 - 2024

Following this, our annual reviews have developed and refined our material issues into 17 key matters, while also adjusting them to align with the common materiality requirements outlined by Bursa Malaysia's listing standards and other relevant toolkits.

### FPE2025

In FPE2025, we unified two materiality matters, "Equal Opportunity" and "Diversity and Inclusion," into a single materiality titled "Diversity, Equity and Inclusion." This consolidation was driven by the need to streamline focus, eliminating redundancies and ensuring a more cohesive approach to addressing diversity-related priorities.

# MATERIAL MATTERS

Our material matters are the issues that most significantly influence our ability to create value over the short, medium, and long term. They form the foundation of our strategies and are embedded across our operational processes.

In identifying these matters, we consider our operating environment, stakeholder expectations, regulatory developments, and broader sustainability trends. Each matter is assessed for its relevance to our business and its impact on stakeholders, before being reviewed and validated by the Board of Directors to ensure clear oversight and accountability.

We first conducted a comprehensive materiality assessment in FYE2019 and have since refined the process through annual reviews. In FPE2025, this review led to a streamlining of our material matters from 17 to 16. The only change was the integration of “Equal Opportunities” under “Diversity, Equity and Inclusion”, creating a more encompassing topic that reflects the foundations of a fair and empowering workplace.

Our 16 material matters—grouped under the pillars of Environmental, Social, and Governance & Economic—are detailed below. A materiality matrix further illustrates their relative priority, mapping importance to our business operations (X-axis) against importance to stakeholders (Y-axis).

## WATER MANAGEMENT

M1

Water management involves the efficient and sustainable use of water resources, ensuring operational resilience, cost savings, and alignment with environmental and ESG commitments.

### Why It Is Important

Managing our water security ensures Awantec's operational resilience, safeguards infrastructure, and aligns with ESG frameworks. This strengthens regulatory compliance, meets stakeholder expectations, and supports long-term sustainability goals.

### Risks

Malaysia's climate scenario analysis highlights the need to mitigate climate risks, particularly increased flooding. Such events potentially disrupt operations, damage infrastructure, and lead to financial losses. Non-compliance and reputational harm may arise, weakening stakeholder trust and hindering alignment with ESG standards.

### Opportunities

- Proactive water management ensures operational resilience, safeguarding against water scarcity and supporting sustainable business practices.
- Reducing water consumption lowers operational costs and improves resource efficiency across our facilities.
- Demonstrating leadership in water stewardship enhances our reputation as a sustainability-focused organisation.

### Our Approach

- Early leakage detection systems with water meters are implemented across floors to prevent water loss and ensure efficient usage.
- Water reduction targets are integrated into our ESG KPIs, driving continuous improvement in resource management.
- As part of our sustainable practice policy, we will gradually replace existing water fittings with water-efficient products.

#### Capitals Impacted:



#### Stakeholders:



#### Key Risks:



#### Sustainability Impact:



#### UNSDGs:



## WASTE MANAGEMENT

M2

Waste management is the collection, transportation, processing, recycling, and disposal of waste to reduce environmental impact, optimise resource use, and ensure regulatory compliance.

Why It Is Important	Risks
<p>Effective waste management is important for Awantec to reduce waste generation, optimise office resource use, uphold ESG commitments, ensuring responsible disposal, cost efficiency, and regulatory compliance in daily operations.</p>	<p>Improper waste management at Awantec may lead to regulatory fines, increased disposal costs, and ESG non-compliance, affecting operational efficiency and the company's sustainability commitments.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Regularly evaluate and refine our waste management approach to enhance efficiency and sustainability.</li> <li>Seek to increase our recycling and repurposing materials, turning waste into valuable resources and potential revenue.</li> </ul>	<ul style="list-style-type: none"> <li>We continue to prioritise reducing, reusing, and recycling to reduce waste generation and disposal.</li> <li>Recycling bins are available on every floor, with regular monitoring of the volume of recycled waste.</li> <li>New employees receive training on effective waste segregation and recycling as part of their onboarding.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## ENERGY MANAGEMENT

M3

Effective energy management optimises usage, reduces costs, and supports the transition to a low-carbon environment while enhancing corporate resilience and ESG alignment.

Why It Is Important	Risks
<p>Energy management is crucial for Awantec to reduce operational costs, lower carbon emissions, and support its ESG commitments in driving sustainable digital transformation.</p>	<p>Failure to manage our energy consumption could result in higher operational costs, increased carbon emissions, non-compliance with sustainability goals, and a negative impact on our ESG performance.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Cost saving through reduced energy consumption.</li> <li>Enhanced ESG performance, regulatory compliance and, risk management.</li> <li>Utilisation of digital solutions to optimise energy usage.</li> <li>Long-term business growth and resilience in the transition towards a low-carbon economy.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of our Sustainability Practices Policy to address energy use by implementing passive and active energy management strategies to reduce, avoid the impact or improve efficiency.</li> <li>Promote efficient energy usage and gradual upgrades to green fittings or appliances, such as LED lighting or a certified refrigerator.</li> <li>Company-wide ESG KPIs with meters on every floor to monitor and manage our energy consumption.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# MATERIAL MATTERS

M4

Greenhouse gases (“GHGs”) retain heat in the atmosphere, driving climate change. Effective management requires monitoring and reduction strategies to reduce or avoid the impact, setting clear targets, and adhering to regulations to enhance efficiency.

## GREENHOUSE GAS EMISSIONS

Why It Is Important	Risks
Managing GHG emissions is key to reducing operational costs, meeting ESG commitments, and aligning with digital sustainability goals. As a technology-driven company, minimising emissions strengthens our cloud initiatives, ensures regulatory compliance, and enhances our reputation with clients and investors.	Risk involves higher operational costs and potential regulatory penalties resulting from ESG-related non-compliance, which can impact investor confidence and business opportunities. It could also undermine our sustainability-related commitments, weaken client trust, and harm our corporate reputation.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Enhances reputation and attracts sustainability-conscious clients and investors.</li> <li>Ensures adherence to sustainability regulations, reducing any legal or financial risk.</li> <li>Strengthens market positioning as a responsible company.</li> </ul>	<ul style="list-style-type: none"> <li>Company-wide ESG KPIs to track and improve related factors which is linked to GHGs.</li> <li>Our approach to sustainability aims to reduce environmental impact while aligning with global climate objectives.</li> <li>Our sustainability policy establishes overarching principles and a foundational framework governing our sustainability strategy to reduce, avoid the impact or improve efficiency to address GHGs.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



M5

The Paris Agreement, a global treaty, defines climate change as long-term global temperature and weather shifts driven by GHG emissions, aiming to limit warming to below 2°C, ideally 1.5°C, through emission reductions and resilience measures.

## CLIMATE CHANGE

Why It Is Important	Risks
Awantec recognises climate change as a significant risk and opportunity for our business operations, including potential exposure to climate-related events such as floods and extreme rain.	Climate change presents both physical and transitional risks to Awantec, including extreme weather events that could disrupt operations and evolving regulations that impact compliance and competitiveness. Integrating climate resilience into our strategy is key to mitigating these challenges.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Enhancing cloud and digital solutions to support businesses in lowering their carbon emissions.</li> <li>Positioning ourselves as a pioneer in climate-focused digital solutions, gaining a competitive edge and driving sustained growth in an evolving global market.</li> </ul>	<ul style="list-style-type: none"> <li>We adopted several ESG-related frameworks to address climate change, including IFRS S2, TCFD, and etc. In addition, we are a listed supporter of TCFD.</li> <li>We have incorporated climate-related scenario analysis from global studies into our business planning by conducting a comprehensive climate risk analysis. This is supported by our Sustainability Policy, which outlines our overarching strategy.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## DIGITAL TRANSFORMATION

M6

Digital transformation enhances efficiency, reducing carbon footprints through cloud solutions, and improves governance with data security and transparency. It also drives social impact by enabling remote work, digital upskilling, and inclusive access to technology.

Why It Is Important	Risks
Digital transformation enhances efficiency, sustainability, and competitiveness through cloud adoption, data analytics, cybersecurity, and digital workplace solutions. By integrating technology, we are also able to reduce our carbon footprint by reducing our paper consumption and physical meetings.	Embracing digital transformation comes with risks such as cyber threats, substantial investment costs, complex system integration, resistance from employees and stakeholders, and challenges in meeting regulatory requirements.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Potentially reducing cost and improving productivity by streamlining processes.</li> <li>Strengthening cloud services to support businesses in digital adoption and sustainability efforts.</li> <li>Reducing carbon footprint through digital solutions and cloud computing.</li> <li>Enhancing customer satisfaction by service delivery through digital platforms.</li> </ul>	<ul style="list-style-type: none"> <li>We utilise advanced technologies to enhance our solutions, improve operational efficiency for both our customers and ourselves, and support Malaysia's digital economy ambitions.</li> <li>We continuously enhance our services and processes by integrating advanced technologies, utilising and providing tailored solutions, ensuring government agencies, businesses, and communities have the tools and expertise to thrive in an increasingly digital world.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## OCCUPATIONAL HEALTH & SAFETY

M7

Occupational Health & Safety ("OHS") represents a framework for ensuring workplace safety, employee well-being, and environmental responsibility. It requires policies, training, and compliance to prevent accidents, as well as to promote health and safety.

Why It Is Important	Risks
OSH is essential for protecting employees, ensuring compliance, and reducing workplace risks. It enhances productivity, lowers costs from accidents and legal issues, and strengthens a company's reputation and sustainability.	OSH risks encompass workplace injuries, regulatory breaches, and potential legal or financial repercussions. Although our operations pose minimal health and safety hazards, any oversight in safety protocols could affect employee well-being and damage the company's reputation.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Enhancing employee well-being and productivity by fostering a safe and healthy work environment.</li> <li>Reducing costs and legal risks through proactive compliance with OSH regulations.</li> <li>Strengthening Awantec's reputation as a responsible employer, attracting top talent and stakeholder trust.</li> </ul>	<ul style="list-style-type: none"> <li>Our Code of Conduct Policy outlines our OSH commitment, ensuring compliance with relevant laws, including the Occupational Safety and Health Act 1994.</li> <li>We reinforce our preparedness and capacity through biannual OSH committee meetings and quarterly discussions with our Emergency Response Team.</li> <li>Onboarding, physical and online platform training, and OSH principles and protocols start from day one.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# MATERIAL MATTERS

M8

Talent attraction, growth, and retention involve drawing skilled candidates, developing them, and creating a positive work environment to keep them long-term, ensuring a strong workforce for organisational success.

## TALENT ATTRACTION, GROWTH AND RETENTION

### Why It Is Important

Talent attraction, growth, and retention are essential for Awantec as we ensure a skilled workforce driving innovation in a competitive digital landscape. Attracting top talent brings diverse perspectives, while investing in employee growth fosters innovation. Retaining key talent ensures continuity and maintains a competitive edge.

### Risks

Failing to attract and retain talent poses risks for Awantec, including increased recruitment costs, reputation damage, and reduced productivity. This can lead to lower customer satisfaction, decreased innovation as well as motivation, ultimately impacting competitiveness.

### Opportunities

- Strengthen Awantec's position as an employer of choice by crafting a compelling employee value proposition that highlights the unique benefits and opportunities offered to employees.
- Foster a culture of diversity, equity, and inclusion to create an environment where all employees feel valued and empowered.
- Provide clear career advancement paths and continuous learning opportunities to support professional growth and retain talent.

### Our Approach

- Awantec is committed and has achieved a 100% local employment rate and sources talent locally, supporting Malaysia's workforce and economy.
- We commit to empowering our employees through strategic skill development programs. Our biannual assessment is made to identify and address skill gaps to drive continuous growth and excellence.
- Our Diversity policy, combined with our Human Rights and Labour Standards policy, creates an inclusive and equitable environment that attracts, develops, and retains top local talent.

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



M9

Diversity and Inclusion value diverse backgrounds, respect all individuals, and provide equal opportunities for career advancement. This is supported by equal opportunity, which ensures fair treatment and zero discrimination based on race, religion, gender, age, sexual orientation, disabilities, and nationality.

## DIVERSITY, EQUITY AND INCLUSION

### Why It Is Important

Diversity, equal opportunity, and inclusion are vital to Awantec as they foster innovation, attract top talent, and build a culture of respect, enhancing employee engagement and organisational resilience.

### Risks

Neglecting Diversity, Equity, and Inclusion ("DEI") initiatives poses risks such as legal disputes, reputational damage, financial losses due to turnover and disengagement, reduced innovation, and regulatory issues.

### Opportunities

- Diverse perspectives lead to innovative solutions and enhanced problem-solving capabilities.
- Diverse teams bring broader viewpoints, leading to better decision-making and business outcomes.
- Practising equal opportunity attracts and retains top talent from a diverse pool, enhancing innovation and competitiveness.

### Our Approach

- We apply fair, non-discriminatory hiring based on competence and merit.
- Our DEI policy supports a culture where everyone is treated fairly, valued, and respected.
- We ensure equal access to career development opportunities and welcome diverse perspectives to enhance our organisational fabric.

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## HUMAN RIGHTS & LABOUR STANDARDS

M10

Human rights and labour standards ("HRLS") ensure fair wages, safe working conditions, and equal opportunities while preventing exploitation and discrimination. They promote ethical employment practices, compliance with regulations, and workplace well-being.

Why It Is Important	Risks
<p>HRLS are vital for Awantec to ensure fair treatment, a safe workplace, and ethical employment practices. They enhance employee well-being, strengthen stakeholder trust, and ensure compliance with regulations, supporting long-term sustainability and business integrity.</p>	<p>Failing to manage HRLS can lead to workplace exploitation, legal penalties, reputational damage, and decreased employee morale. It may also result in regulatory non-compliance, loss of stakeholder trust, and operational disruptions, ultimately affecting business sustainability.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Keeping our human resource policies relevant and effective by continuously reviewing and adapting to changing needs.</li> <li>Enhancing workplace alignment and inclusivity through deeper employee engagement and insights.</li> <li>Reduced legal and compliance risk by adhering to labour laws.</li> <li>Stronger reputation by demonstrating ethical and responsible business practices.</li> </ul>	<ul style="list-style-type: none"> <li>We ensure compliance with labour laws, maintain safe working conditions, foster inclusivity, and commit to exceeding the minimum wage or meeting the living wage.</li> <li>We provide a whistleblowing platform that allows employees to confidentially report any violations of labour standards confidentially and securely, supported by our Whistleblowing policy.</li> <li>Our HRLS policy ensures that we strive for equal pay for equal work, ensuring that pay and conditions are equivalent for jobs rated as having equal value.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## CUSTOMER SATISFACTION

M11

Customer satisfaction measures how well a company meets or exceeds customer expectations, impacting loyalty, brand reputation, and business growth. High satisfaction fosters trust, repeat business, and positive word-of-mouth, contributing to long-term success.

Why It Is Important	Risks
<p>Customer satisfaction builds trust, strengthens Awantec's reputation, and drives long-term growth by ensuring client needs are met.</p>	<p>Poor customer satisfaction can lead to lost business, reputational damage, and decreased competitiveness. It may result in reduced client retention, negative word-of-mouth, and difficulties in attracting new customers, ultimately impacting revenue and long-term growth.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Foster meaningful customer engagement to understand and consistently meet their needs.</li> <li>Provide extended after-sales support to help customers maximise the use of products and solutions.</li> <li>Create a compelling loyalty programme to encourage long-term customer retention.</li> <li>Establish effective feedback channels and use insights for continuous improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritising excellence, we strive to deliver top-tier products and services that meet the highest standards.</li> <li>Engaging with customers, we proactively gather and act on feedback through regular surveys.</li> <li>Going beyond expectations, we aim to exceed customer needs, fostering lasting relationships, and strengthening our brand reputation.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# MATERIAL MATTERS

## COMMUNITY & SOCIETY INVESTMENT

M12

Corporate Social Responsibility (“CSR”) is a company’s commitment to operate ethically and contribute positively to society and the environment. It involves balancing business goals with social and environmental stewardship to build trust and support sustainable growth.

Why It Is Important	Risks
<p>It builds trust, enhances brand reputation, and ensures long-term business sustainability. It helps companies manage risks, meet regulatory expectations, and align with stakeholder and sustainability goals.</p>	<p>If CSR efforts appear disingenuous or fall short of community expectations, they can lead to public criticism and harm the company’s reputation. Additionally, investing in social programmes may strain short-term profits, and misalignment with stakeholder priorities could weaken trust and engagement.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Builds a positive public image, strengthens market position, and improves relationships with local community, employees, and investors.</li> <li>Differentiates the company from competitors through ethical practices and sustainability efforts.</li> <li>Aligning with our Sustainability policy, we aim to cultivate positive relationships with local community through community contributions and events.</li> </ul>	<ul style="list-style-type: none"> <li>In FPE2025, our CSR initiatives include providing training for persons with disabilities (“OKUs”), participating in charity runs to support children’s welfare, and engaging in ESG fairs, among other impactful activities.</li> <li>Awantec recognise volunteers and integrates CSR commitments into KPIs to incentivise departmental participation in Sustainable Development Goals (“SDGs”) and materiality-aligned initiatives.</li> <li>We facilitate employee engagement through discussions, email communication, and dedicated ESG champions who promote participation.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## LOCAL SOURCING

M13

Local sourcing involves procuring goods and services locally to reduce carbon emissions, support the economy, and ensure ethical supply chains. It strengthens sustainability efforts, enhances community ties, and promotes long-term business resilience.

Why It Is Important	Risks
<p>Local sourcing enables Awantec to ensure supply chain agility while supporting national digital transformation goals. It also reduces procurement risks, better service responsiveness, and minimises carbon emissions.</p>	<p>Local sourcing poses risks such as potential supply chain disruptions and scalability limitations if local suppliers cannot meet demand. Quality and compliance issues may also arise, requiring stricter oversight to ensure consistency with business standards.</p>
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Enhances supply chain resilience and reduce dependency on external sources.</li> <li>Lowers carbon footprint through reduced transportation emissions.</li> <li>Supports the local economy and creates job opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>We actively source from nearby suppliers to strengthen local economies, enhance supply chain efficiency, cut logistics expenses, and lower carbon emissions for a more sustainable procurement strategy.</li> <li>We build strong local supplier partnerships to enhance stability and sustainability.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## SUPPLY CHAIN MANAGEMENT

M14

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

Why It Is Important	Risks
Supply chain management helps Awantec ensure smooth operations, cost efficiency, and ESG compliance while supporting digital transformation and reducing risks. It also strengthens supplier relationships, drives innovation, and improves customer satisfaction, giving companies a competitive edge.	Supply chain risks include supplier failures, geopolitical issues and natural disasters. Rising costs and regulatory non-compliance can impact operations. Cybersecurity threats, environmental concerns, and poor coordination may cause inefficiencies, delays or reputational damage.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Strengthening partnerships with reliable suppliers for better service delivery.</li> <li>Ensure regulatory compliance and data protection by working with trusted cloud and software providers.</li> <li>Supporting ESG goals by sourcing responsibly and reducing environmental impact, sharing our ESG commitments.</li> <li>Utilise partner expertise and technology to expand into new markets.</li> </ul>	<ul style="list-style-type: none"> <li>Our established Code of Conduct and Procurement Policy provide the foundation for ethical sourcing.</li> <li>Our vendor vetting process integrates local sourcing and ESG considerations into evaluations, ensuring suppliers uphold quality, integrity, service excellence, and sustainable practices.</li> <li>Ensuring a competitive and unbiased selection process where vendors are evaluated based on merit, and quality.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



## DATA PRIVACY & SECURITY

M15

Data privacy and security safeguard customer data, software, and cloud solutions, ensuring compliance, trust, and protection against cyber threats.

Why It Is Important	Risks
Data privacy and security are vital for Awantec to safeguard customer data, maintain regulatory compliance, and uphold its reputation as a trusted digital solutions provider. Strong security measures help prevent cyber threats, ensure the integrity of cloud services, and reinforce client confidence in Awantec's software and training solutions.	Awantec faces risks such as data breaches, cyber threats, and regulatory non-compliance, which can disrupt operations and damage its reputation. Internal vulnerabilities and inadequate security measures may also lead to data loss or unauthorised access.
Opportunities	Our Approach
<ul style="list-style-type: none"> <li>Strengthen trust, credibility and differentiate from competitors by ensuring robust data protection measures.</li> <li>Enhance service offerings with secure and compliant cloud solutions.</li> </ul>	<ul style="list-style-type: none"> <li>In line with our Personal Data Protection Notice, accessible on our website, we enforce strict cybersecurity measures and industry standards to safeguard sensitive information.</li> <li>We prioritise staff training, continuous data protection monitoring, and transparency in data handling and security.</li> </ul>

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# MATERIAL MATTERS

M16

Anti-corruption refers to policies, practices, and measures designed to prevent bribery, fraud, and unethical business conduct. It ensures transparency, integrity, and compliance with legal and regulatory standards, protecting the company's reputation, finances, and stakeholder trust.

## ANTI-CORRUPTION

### Why It Is Important

For Awantec, anti-corruption is essential to maintaining trust with stakeholders, ensuring regulatory compliance, and upholding ethical business practices. It protects the company from legal risks, financial losses, and reputational damage while strengthening corporate governance and long-term sustainability.

### Risks

Failing to address corruption risks can lead to legal penalties, loss of business opportunities, damaged reputation, and reduced investor confidence. It may also result in operational inefficiencies, unethical workplace culture, and strained relationships with stakeholders.

### Opportunities

- Continuously enhance our governance framework by staying informed on Anti-Corruption and Bribery ("ABAC") best practices.
- Foster a strong culture of integrity through ongoing anti-corruption training for employees.
- Reinforce ethical standards by communicating our zero-tolerance policy to partners and suppliers.

### Our Approach

- We maintain a strong ABAC Policy that is regularly reviewed and updated.
- Through this policy, we provide ongoing training, conduct audits, and enforce confidential whistleblowing channels for unethical behaviour.
- We uphold transparency and accountability by assessing partners and suppliers to reinforce our commitment to integrity.

Capitals Impacted:



Stakeholders:



Key Risks:



Sustainability Impact:



UNSDGs:



# OPERATING ENVIRONMENT

In a fast-evolving digital landscape, we remain closely attuned to market trends and the risks and opportunities they present. This enables us to develop strategies and initiatives that future-proof the business, driving long-term value for the Group and our stakeholders.



## DIGITALISATION AND AI ADOPTION

### Description

Malaysia's digital ecosystem is undergoing an exponential shift, driven by the mainstream adoption of generative AI and other cutting-edge technologies. In response to this, the government has accelerated its own digital push through national programmes - notably MyDIGITAL ("Malaysia Digital Economy Blueprint") and the National AI Roadmap 2021–2025 - with the National AI Office ("NAIO") now shaping the AI Technology Action Plan 2026–2030. In this environment, businesses across sectors are accelerating AI deployment to raise productivity, streamline operations, and unlock new value.

### Potential Impact

- Significant increase in demand for AI-powered cloud solutions
- New opportunities to forge partnerships focused on AI implementation and scaling cloud services
- Heightened risk of workforce displacement and the creation of significant skill gaps
- A race among local and international players to corner the AI market, necessitating continuous innovation
- Clients now seek strategic insights and value-added services, not just technology solutions

### Our Response

- Expanding our portfolio with the launch of Awantec Intelligence, an AIAAS suite that includes AwanBot, AwanBot+, and Awanalytics, which collectively empower companies to integrate AI and analytics within their day-to-day operations
- Further growing our AI offerings by offering Google AI tools including NotebookLM, Agentspace and Vertex AI to our clients
- Securing significant contracts from the public and private sector to deploy intelligent cloud systems
- Making substantial investments in the integration of generative AI, exemplified by alliances with Skillsoft Percipio and Google
- Focusing on strengthening cybersecurity measures to protect against sophisticated, AI-driven cyber threats
- Extending our initiatives to provide tailored digital solutions for both government agencies and private enterprises, based on real use-cases

### ➤ Outlook

As AI continues to reshape industries and society, the pace of digitalisation is set to accelerate, with mounting pressure on organisations to adopt AI for greater productivity. Within this dynamic environment, we remain optimistic. Backed by proven capabilities and a strong network of trusted partners, we are well-positioned to support businesses and government entities in navigating the complexities of AI transformation - solidifying our role as a key enabler of Malaysia's digital economy.

Leadership Insights

Overview of AWANTEC

Value Creation

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## OPERATING ENVIRONMENT



### THE EVOLVING TALENT LANDSCAPE

#### Description

Attracting and retaining the right talent is more critical than ever in the knowledge economy era. Demand for skilled, digitally literate professionals who can build and manage AI systems is intensifying, while the cost of talent acquisition continues to rise. The digital talent market is also highly competitive, with companies across every sector seeking the same expertise.

#### Potential Impact

- Recruitment challenges in a competitive market where AI experts are in high demand
- The potential for a significant skills gap if our workforce is not continuously upskilled
- The widespread adoption of AI can create uncertainty among employees about their future roles
- The opportunity to transform our workforce by fostering a robust internal talent pipeline focused on AI competencies
- The ability to use our upskilling programmes as a key market differentiator

#### Our Response

- Attaining 54 employee certifications from Google and Rocheston (a leading cybersecurity training provider) in FPE2025, including seven Google Cloud Technology certifications
- Implementing a Succession Planning Development Programme to nurture future leaders with AI and data expertise
- Introducing the Best Talent Award to recognise top performers
- Enrolling 112 employees in the Competency Assessment (“COMPASS”) programme to proactively upgrade their skills
- Partnering with Human Resources Development Corporation (“HRDCorp”) to offer our Skillsoft training courses to SMEs via the e-LATIH system
- Further developing Awantec TalentXchange (“ATX”), our Resource Augmentation Service designed to match clients with highly skilled professionals across IT, engineering, and other specialist domains

#### ➤ Outlook

Although the talent landscape presents challenges, our proactive focus on skills enhancement, career development, and employee recognition enables us to effectively navigate these obstacles. Through comprehensive upskilling programmes - particularly in AI - we ensure our workforce remains motivated, cohesive, and future-ready, positioning us at the forefront of the digital economy while continuing to deliver innovative solutions and services.



## HEIGHTENED INNOVATION AND COMPETITION

### Description

Malaysia's technology market is defined by rapid innovation cycles and intensifying competition, as both local and international players accelerate AI adoption to gain an edge. This surge of new entrants and heightened rivalry compels established firms to innovate continuously and adapt with agility to remain relevant.

### Potential Impact

- Growing demand for comprehensive, integrated, and intelligent solutions
- Heightened competition from both local and international players seeking to use AI to gain an edge, providing us the opportunity to differentiate ourselves by offering secure, compliant, and tailored AI implementations
- Pressure to lower prices or offer more cost-effective AI solutions, potentially impacting profit margins
- The need to identify and leverage new strategic partnerships with key technology players

### Our Response

- Forging strategic alliances with global tech leaders like Google, Sage, and Skillsoft Percipio to innovate offerings and remain highly competitive
- Offering advanced AI technologies via Awantec Intelligence, our AI-as-a-Service suite
- Adopting a customer-centric approach by tailoring AI solutions to meet specific industry needs and based upon real customer use-cases
- Offering flexible and competitive pricing models for our AI-powered services
- Maintaining a wide range of cloud services, including Infrastructure-as-a-Service ("IaaS"), Platform-as-a-Service ("PaaS"), and Software-as-a-Service ("SaaS") to cater to various business needs

### ➤ Outlook

Our outlook in this competitive environment remains strategically optimistic. While challenges such as price pressure and evolving client expectations must be carefully managed, our commitment to innovation and customer-centric AI solutions - reinforced by impactful partnerships with leading technology players - positions us to remain at the forefront and achieve sustained success.

## OPERATING ENVIRONMENT



### THE REGULATORY AND ETHICAL LANDSCAPE

#### Description

The fast-changing nature of today's technology landscape brings complex ethical considerations to the forefront, making it incumbent upon us to remain attuned to and responsive to the potential impacts of the solutions we provide. This is particularly evident in the realm of AI, which delivers wide-ranging societal benefits but also poses risks - from disrupting established economies and livelihoods to creating environmental challenges. At the same time, compliance with Malaysia's evolving regulatory framework - anchored by MyDIGITAL, the National AI Roadmap, and the Cyber Security Act - is essential to safeguarding public trust and supporting long-term value creation.

#### Potential Impact

- Stricter legal requirements for data protection and cyber resilience introduced by the new Cyber Security Act, increasing our compliance burden and operational costs
- Potential for reputational damage if we fail to adhere to the ethical and governance standards of the National AI Roadmap
- Requirement to ensure compliance to MyDIGITAL framework and other national policies as a prerequisite to secure government and public sector contracts
- Opportunity to position ourselves as a leader in compliance and ethical AI, developing a competitive advantage in the biggest growth area of the technology landscape
- Opportunity to significantly grow our market presence in cybersecurity by offering solutions that are directly aligned with the core pillars of MyDIGITAL and the National AI Roadmap

#### Our Response

- Taking proactive measures to ensure our solutions and operations are not only aligned with the MyDIGITAL blueprint but also in full compliance with the new Space Cyber Security Act and the ethical principles of the National AI Roadmap
- Integrating robust security protocols and solutions directly into our service offerings, ensuring our clients can meet their own compliance obligations
- Helping clients develop and implement effective security and governance strategies that align with national policies via our consulting services
- Developed advanced cybersecurity capabilities, such as Red Teaming and Threat Intelligence, in partnership with Google Cloud Security ("GCS")
- Protecting Malaysia's data sovereignty by building homegrown solutions, reinforcing national security in an era of intertwined digital and geopolitical risks

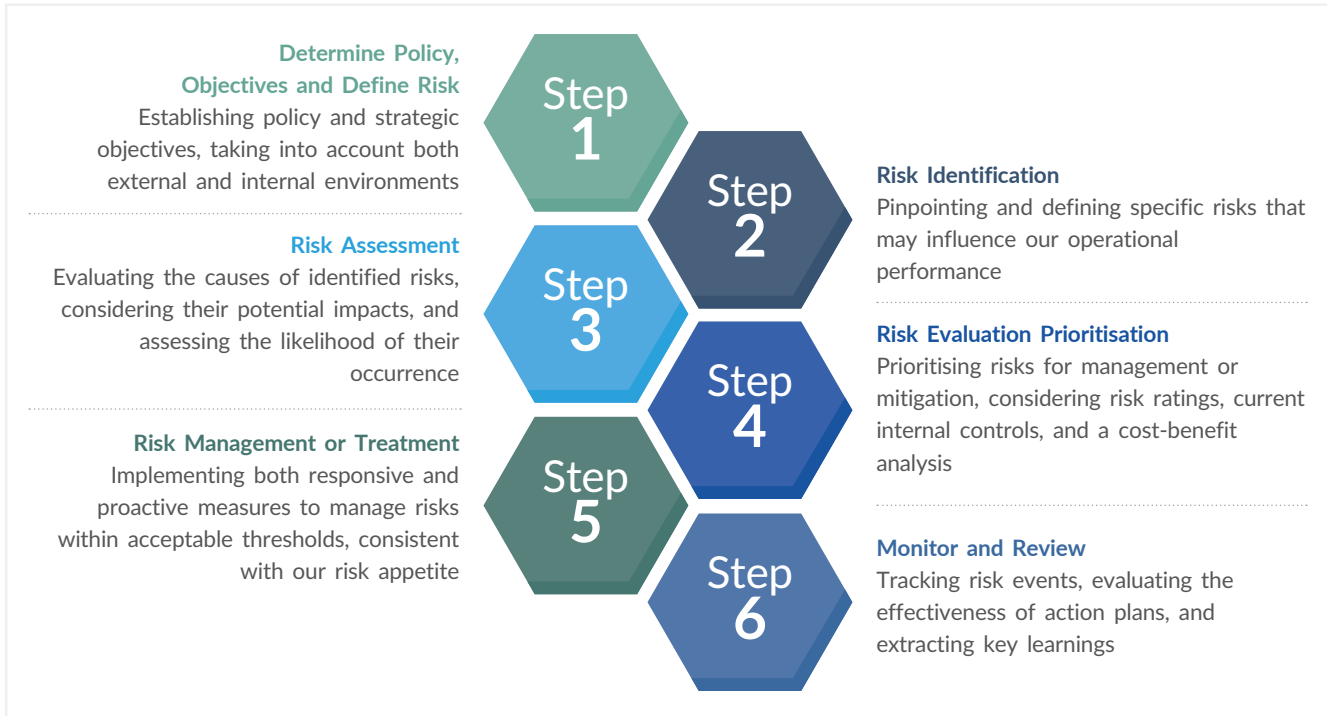
#### ➤ Outlook

As AI adoption accelerates, regulatory frameworks to ensure its ethical and responsible use will inevitably expand. At the same time, emerging data sovereignty requirements are set to add new legal hurdles and complexity. Through our proactive approach and active involvement with the National AI Office (NAIO), we not only stay ahead of compliance obligations but also help clients achieve their regulatory goals - contributing to a more secure, trustworthy, and ethically sound digital ecosystem in Malaysia.

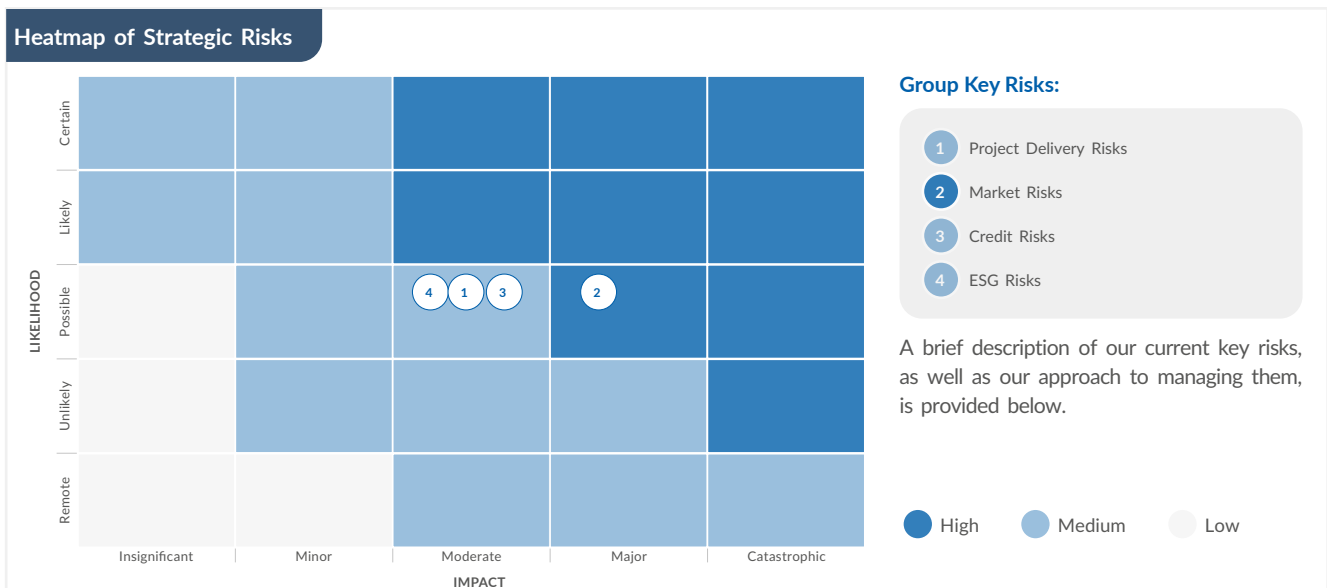
# KEY RISKS AND MITIGATION

We remain vigilant of potential risks that may impact our capacity to generate and sustain long-term value. To this end, our strategies are underpinned by a comprehensive risk management framework, aligned with the Committee of Sponsoring Organisations of the Treadway Commission’s Internal Control – Integrated Framework. This framework enables us to maintain a prudent balance between safeguarding against key risks and capitalising on opportunities that advance our strategic objectives.

Our efforts are guided by the following risk management process:



In line with this, our Risk Management Committee (“RMC”) has identified four key strategic risks which are illustrated in the heatmap below, based on the level of likelihood and impact rating for each risk accordingly. These risks are monitored and managed by the RMC to ensure that they remain within acceptable appetite and tolerance levels.



# KEY RISKS AND MITIGATION

Key Risk No. 1

**PROJECT DELIVERY RISKS**

**Description and Implication on Value Creation**

Project delivery risks arise as a result of any inability or delay in executing and delivering projects undertaken. This will result in failure to meet our targets and service level agreements.

**Response and Mitigating Actions**

- Hiring talent with appropriate skill sets to relieve the load on existing manpower, thus improving productivity and ensuring that projects are completed on time
- Increasing engagement with customers as well as key talent so that they can see the value of the project in question
- Holding regular checkpoint meetings with our key partners, including Sage, Skillsoft Percipio, and Google, to discuss issues and communicate project updates

**Opportunities Arising from this Risk**

- Building a high-performing team to enhance productivity, distribute workloads more effectively, and reduce burnout
- Expanding skill diversity to drive innovation and ensure adaptability to complex project requirements
- Driving project efficiency to minimise delays and reduce the likelihood of project overruns, thus enhancing our reputation for reliability and excellence
- Deepening strategic partnership alignment, increasing the likelihood of future joint ventures or co-development initiatives
- Sharing best practices with partners to foster continuous improvement and innovation

Link to

Capitals Impacted:

Stakeholders:

Material Matters: M8 M11 M14

Key Risk No. 2

**MARKET RISKS**

**Description and Implication on Value Creation**

We operate within a fluid market environment 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**

- Minimising the impact of potential shifts in market demand by expanding into new high growth areas such as AI, cybersecurity, e-invoicing, and ERP
- Keeping a watchful eye on industry trends and potential shifts in government strategies, regulations, and key initiatives
- Fostering partnerships with technology leaders at the local, regional, and global levels to co-create innovative products and services - such as Awanbot, Awanbot+, Awanlytics, and cybersecurity solutions like Red Teaming and Threat Intelligence, which meets the growing demand for AI solutions and enhanced digital security
- Continuously updating and refining our go-to-market strategies, while diversifying our customer base to include GLCs, state agencies, and private enterprises

**Opportunities Arising from the Risk**

- Expanding into new technology and talent solutions to diversify our offerings, reduce reliance on existing products, and capture high-growth markets
- Accelerating product development to meet shifting customer demands and position ourselves as a leader in introducing innovative products and solutions
- Staying flexible and vigilant in monitoring industry trends and potential shifts in government strategies to enhance our market responsiveness
- Closely track shifts in government strategies and regulations with the aim of influencing policy shifts and securing long-term government contracts
- Fostering partnerships with technology leaders to co-create innovative products and services and access new markets, advanced technologies, and cutting-edge expertise
- Jointly innovating with partners to create unique value propositions and broaden market reach
- Penetrating emerging markets to diversify our customer base and reduce our dependency on any single market segment, thus driving resilience
- Refining our go-to-market strategies to optimise sales channels, drive customer acquisition, and increase market share, sustaining our growth trajectory

Link to

Capitals Impacted:

Stakeholders:

Material Matters: M5 M11

Risk Trend:



Low

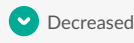


Medium



High

Risk Trend:



Decreased



Stable



High

### Key Risk No. 3



## CREDIT RISKS



### Description and Implication on Value Creation

Credit risk refers to the risk of our customers, borrowers, or debtors facing difficulties in meeting their contractual commitments, possibly leading to delayed or missed payments. This would in turn impact our cash flow and financial health.

### Response and Mitigating Actions

- Implementing thorough credit assessments to evaluate customer credit worthiness before extending credit terms
- Continuously monitoring receivables and following up on overdue payments
- Undertaking ageing analysis to identify potential issues before they result in delayed or missed payments
- Building a financial cushion by setting aside provisions for doubtful debts

### Opportunities Arising from this Risk

- Implementing thorough credit assessments to reduce the likelihood of defaults, thus minimising potential disruptions and stabilising our cash flow
- Developing robust risk mitigation frameworks to protect assets and build investor confidence
- Improving cash flow management through continuous monitoring of receivables and prompt follow-up on overdue payments
- Practising dynamic financial planning to better predict cash inflows and plan expenditures more effectively, driving more strategic allocation of resources towards profitable ventures and innovation
- Proactively identifying credit risks through ongoing monitoring to address issues before they escalate
- Leveraging financial insights from provision setting and ageing analysis to refine credit policies, offer customised credit terms to reliable customers, and identify potential areas for renegotiation
- Positioning ourselves as a financially responsible partner by demonstrating a strong credit risk management strategy, thus enhancing our overall market position
- Fostering long-term customer relationships through transparent and fair credit practices, enhancing loyalty and driving referrals

### Link to

Capitals Impacted:



Material Matters:



Stakeholders:



### Key Risk No. 4



## ESG RISKS



### Description and Implication on Value Creation

The continuously evolving ESG risk landscape is driven by heightened stakeholder expectations, with investors, shareholders, employees and society at large increasingly considering the practices of companies as a key determinant in the companies they choose to support – as well as a regulatory environment that is growing in complexity.

At Awantec, the most pertinent ESG matters for us are climate change – given its significant implications on operational sustainability and reputation – and digitalisation, which is critical to both societal progress and sustaining our competitive edge.

### Response and Mitigating Actions

- Maintaining a high ranking in ESG ratings, such as the Bursa Malaysia FTSE4Good Index, to mitigate regulatory risks and uphold our reputation as a responsible and sustainable organisation
- Staying ahead of ESG trends by proactively adopting supportive and relevant policies and practices
- Leveraging established and emerging technologies to drive energy efficiency in operations
- Screening and assessing our suppliers to ensure their alignment with ESG standards
- Strengthening cybersecurity through company-wide training, vulnerability assessments, and remediation efforts
- Establish ESG-related KPIs to reduce electricity, water, and paper consumption across our operations
- Reinforcing our commitment to integrity through company-wide anti-bribery and corruption pledges and training

### Opportunities Arising from this Risk

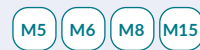
- Driving innovation in sustainable products and services, thus opening new markets for our business and diversifying our income streams
- Minimising legal risks and upholding our reputation by ensuring strict regulatory compliance with ESG standards
- Enhancing our ability to attract and retain skilled talent by demonstrating a sincere and deeply-held commitment to sustainability
- Enhancing employee satisfaction and retention by maintaining positive and supportive work environments

### Link to

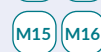
Capitals Impacted:



Material Matters:



Stakeholders:



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# OUR STRATEGY

We developed our business strategy in 2021, at a time when Group-wide transformation was most urgent, to steer our journey towards becoming a Trusted Partner in Technology and Talent Solutions. Anchored on four pillars identified as critical to unlocking our full potential, the strategy has since guided the creation of high-value solutions and services, supported by impactful partnerships, strong in-house capabilities, and a structured approach to business development and retention – shaping an Awantec that is ready to lead in the evolving technology landscape.

## OUR 4 PILLARS OF GROWTH

### 01 Solutions



Building a portfolio of innovative solutions and services to drive business growth, anchored in Technology and Talent as the two core pillars

### 02 People



Enhancing our capabilities in identified focus areas through upskilling, with an emphasis on deepening core expertise and strategic hiring to enhance delivery capabilities



### 04 Partners



Forging strategic collaboration with local and international technology partners as well as system integrators to develop innovative solutions, products and services

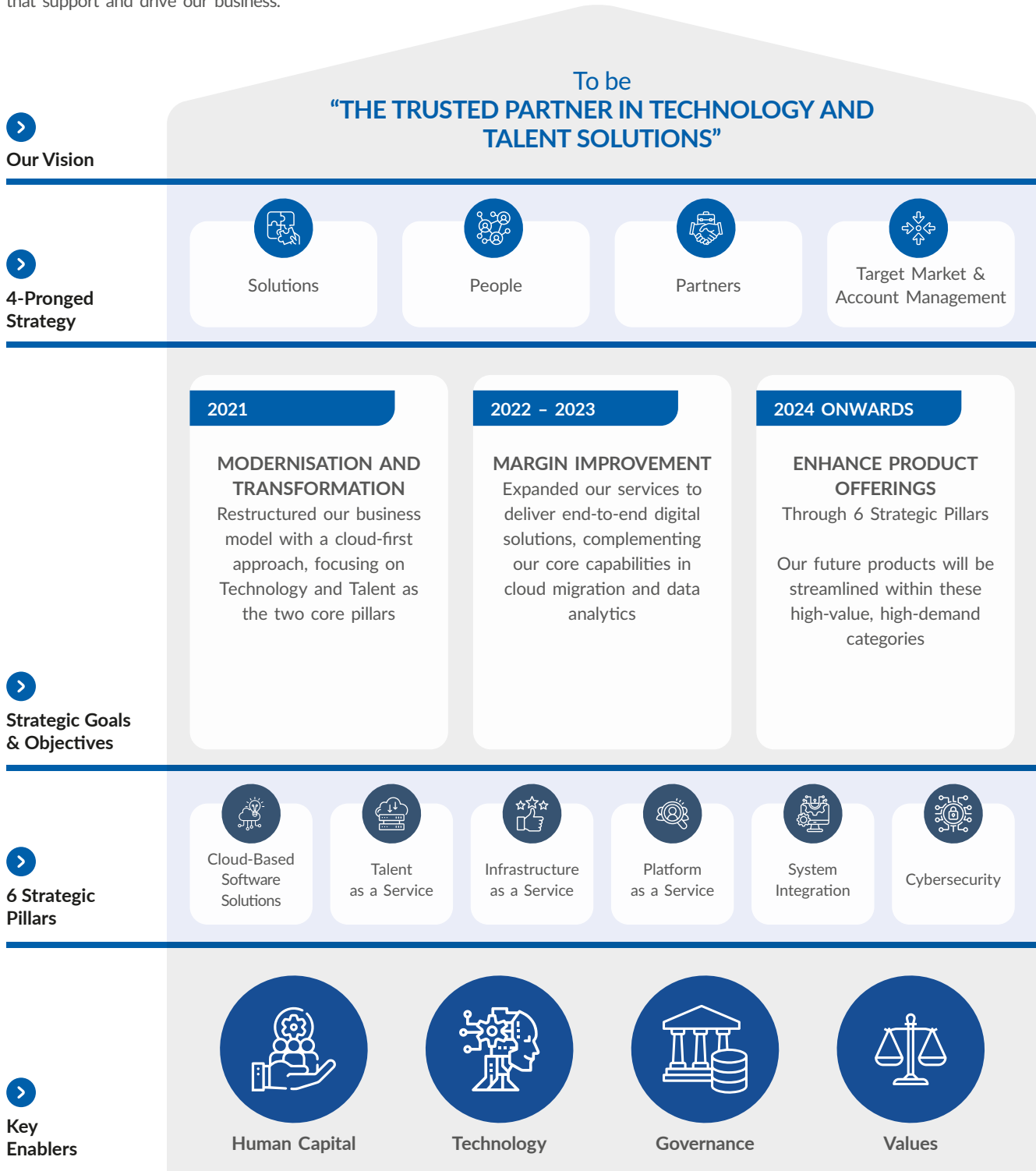
### 05 Target Market & Account Management



Adopting a structured approach to our target markets, with clear categorisation of clients based on revenue contribution and priority coupled with a comprehensive coverage model

## OUR STRATEGY ROADMAP

Our Strategy Roadmap has guided our transformation over the past five years – from our foundational shift to the cloud to the creation of high-margin digital solutions. We have now entered the third and most pivotal stage of this roadmap, where we remain focused on strengthening our offerings across six Strategic Pillars. This stage is designed to maximise recurring income, reinforced by the Key Enablers that support and drive our business.



# STRATEGIC PERFORMANCE REVIEW

## STRATEGIC AREA 1: SOLUTIONS

We aim to build a compelling portfolio of cloud-based solutions and services to drive the growth of our business.

### Initiatives

#### Technology Segment

- Offer a full suite of cloud solutions and services including Software as a Service (“SaaS”), Infrastructure as a Service (“IaaS”), and system integration
- Build new offerings to capitalise on market demand for specialised digital solutions

#### Talent Segment

- Provide holistic talent management and training services to match and develop organisational talent based on business needs, including Platform as a Service (“PaaS”), and Talent as a Service (“TaaS”) solutions
- Initiated an AI seeding programme through our role as a Google Authorised Training Partner (“ATP”), by offering free training and access to Google’s NotebookLM and AgentSpace to drive AI awareness and adoption across key sectors

### Achievements in FPE2025

- Awarded new Google Specialisation (GCP Data Management)
- Launched new, high-value offerings including the Awantax e-invoicing solution, the Sage ERP solution, our Awantec Intelligence AI and analytics solution, and Google-powered AI tools based on NotebookLM, AgentSpace and VertexAI
- Diversified into infrastructure provision with Chromebook devices
- Introduced specialised cybersecurity solutions to address the growing demand for digital security
- Awarded the Pikom Digital Excellence Award (“PDEA”) under the Cloud Service Provider (Public Education) category for our contributions to the field of education
- Rolled out Awantec TalentXchange, our resource augmentation services together with a talent-matching platform
- Launch our new e-learning service, which will allow clients to customise their learning content with Skillssoft Percipio
- Launch our B2C platform, which will make Skillssoft Percipio licenses directly available to retail customers

### Priorities for FYE2026

- Evolve from a reseller into a strategic, high-value systems integrator
- Secure the extension and renewal of our Cloud Framework Agreement (“CFA”) and Managed Service Provider (“MSP”) appointments
- Promote our suite of solutions through advertising and promotional campaigns
- Strengthen our market position through innovation, execution and customer trust
- Expand our cybersecurity practice with a comprehensive, three-tiered suite of cybersecurity services designed to provide a holistic “defense-in-depth” strategy for modern enterprises, including threat intelligence and monitoring, risk assessment and management, and security awareness training
- Reinforce our AI offerings with a robust ecosystem of specialised AI partners, delivering solutions such as structured chatbots and natural language processing (“NLP”), agentic AI, and AI integration with legacy systems and cloud platforms
- Continue to build our own IP by developing in-house capabilities and create our own proprietary solutions across the technology landscape

### Link to

Capitals Impacted:



Stakeholders:



Material Matters:



Key Risks:



## STRATEGIC AREA 2: PEOPLE

We aim to develop our talent to strengthen internal capabilities, enhance solution delivery, and drive greater operational efficiency.

### Initiatives

- Deepen our expertise in our core offerings
- Strengthen expertise in critical areas, especially around our new offerings in ERP, e-invoicing, AI and cybersecurity
- Introduce a system that drives optimal workforce utilisation

### Achievements in FPE2025

- Initiated mandatory fundamental digital training and cloud knowledge training for all sales and support personnel, with 54 employees gaining professional certifications in Google Cloud, Workspace and Chrome
- Recruited highly experienced talent for the positions of Head of ERP and E-Invoicing, Head of Analytics and AI and Head of Cybersecurity
- Implemented a timesheet system which provides crucial visibility into key operational areas, including project staff utilisation and billing, resource allocation for deal qualification, and detailed cost-tracking for programme management
- Centralised our business operations for increased operational

### Priorities for FYE2026

- Continue to build our technical capabilities and enhance operational support for skills development and competency certification
- Continue to bolster our delivery capabilities for upcoming projects, including by hiring solutions architects and expanding our Analytics & AI and Cybersecurity teams
- Foster an internal culture centred on customer service and account management excellence

### Link to

Capitals Impacted:  

Stakeholders: 

Material Matters:   

Key Risks:  

# STRATEGIC PERFORMANCE REVIEW

## STRATEGIC AREA 3: PARTNERS

We seek to collaborate with trusted partners that complement our capabilities, empowering the development of innovative solutions that differentiate us and make a lasting impact in the market.

### Initiatives

- Collaborate with local, regional and global technology partners and alliances to co-create innovative products and services
- Build multi-tiered channels to drive new account penetration and deepen service delivery within current accounts
- Differentiate sector engagement strategies by adopting both direct and partner-led approaches


### Achievements in FPE2025


- Won Skillsoft Partner of the Year 2025
- Onboarded as a Google Cloud Security (“GCS”) partner
- To enhance our Talent offerings, we partnered with BrioHR to provide a HR management solution
- Established a partnership management framework and corresponding implementation workflow
- Signed a memorandum of understanding (“MoU”) with the National Cyber Security Agency (“NACSA”) to collaborate on new cybersecurity technologies and establish a cybersecurity academy
- Signed a MoU with the Malaysian Association of Hotels Training and Education Centre (“MAHTEC”) to upskill Malaysian hoteliers with Skillsoft’s Percipio platform

### Priorities for FYE2026

- Strategic partnership/joint venture with cybersecurity and AI companies to offer new services and solutions to protect and secure data, streamline workflows and help increase customer productivity
- Collaborate with more professional organisations and system integrators to expand our reach into new accounts and markets

### Link to

Capitals Impacted: 

Stakeholders: 

Material Matters:  

Key Risks: 

## STRATEGIC AREA 4: TARGET MARKET AND ACCOUNT MANAGEMENT

Our strategic account planning initiatives involve strengthening existing customer relationships while diversifying our client base to reduce over-reliance on a single sector.

### Initiatives

- Secure major contracts with premier accounts to drive sustained long-term revenue
- Pursue revenue growth in targeted industries and key accounts through a “land and expand” strategy that leverages cross-selling and upselling
- Assign dedicated sales teams to large accounts, strengthening relationships and enabling greater sales engagement

### Achievements in FPE2025

- Secured two contracts from the Ministry of Higher Education (MOHE) worth RM16.4 million. Spanning a 13-month tenure, the deal comprises a RM10.6 million initiative for student productivity and a RM5.8 million provision for lecturers and administrators, delivering advanced Google AI tools including Gemini and NotebookLM Enterprise to public universities nationwide.
- Awarded a three-year contract worth RM23.8 million with the Ministry of Education to deploy Google Workspace and Google Cloud Platform for more than 4 million students and educators across all Malaysian public schools
- Secured a five-year, RM10 million project with SabahNet to implement Google Workspace Enterprise for Sabah State Government agencies
- Won several cloud hosting and managed services contracts from public sector clients
- Achieved a key cybersecurity milestone by implementing the POC for NACSA PQC project. We successfully showcased our solutions at ICE-PQC 2025, reinforcing our collaboration with NACSA and PTPKM.
- Launched AwanHub, our new “Digital Store,” establishing a direct-to-retail (B2C) sales channel.

### Priorities for FYE2026

- Secure large, high-impact projects that align with our key offerings.
- Leveraging Deep Customer Insights to drive hyper-personalised Account-Based Engagement for our Tier 1 & 2 clients.
- Focus on Customer Success ensures maximum adoption and loyalty across our installed base.
- Cross-sell and upsell our solutions to maximise revenue and enhance client value.

### Link to

Capitals Impacted:  

Stakeholders:  

Material Matters:  

Key Risks:  

# KEY PERFORMANCE INDICATORS

We measure our performance against a range of financial and non-financial indicators, reflecting our progress in creating sustainable value for our business and stakeholders.

## FINANCIAL METRICS

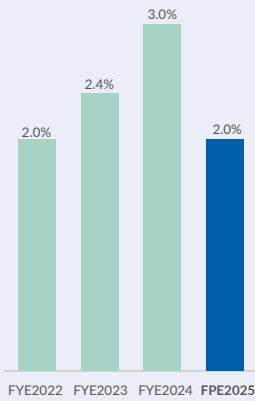


## NON-FINANCIAL METRICS

### Employee Turnover Rate

**Aim:** Reduce workforce attrition by being recognised as an “Employer of Choice” – a great place to work with a highly engaged workforce

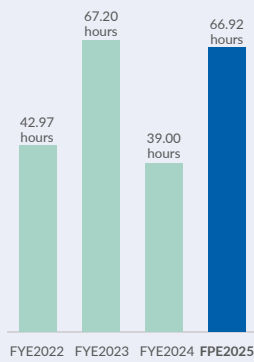
#### Results



### Average Training Hours Per Employee

**Aim:** Build outstanding human capital by growing, nurturing, and developing our talent pipeline

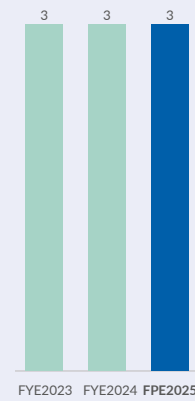
#### Results



### Female Representation in Senior Management

**Aim:** Support the development of leadership skills in our female employees and drive greater gender diversity in leadership roles

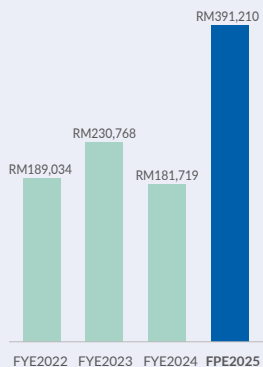
#### Results



### Investment in Employee Engagement

**Aim:** Boost employee satisfaction and productivity by investing in engagement activities, and cultivating a positive, growth-focused workplace

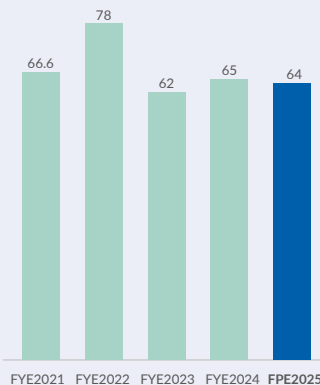
#### Results



### Customer Net Promoter Score

**Aim:** Drive customer advocacy across our markets, which is a measure of the likelihood of a customer recommending Awantec relative to our competitors

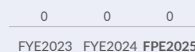
#### Results



### Number of Customer Complaints

**Aim:** Reduce the number of complaints we receive while ensuring timely and effective resolution of all complaints, in line with our commitment to continuous improvement and customer satisfaction

#### Results

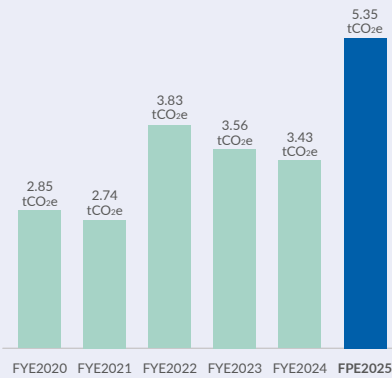


## KEY PERFORMANCE INDICATORS

### Total GHG Emissions Intensity

**Aim:** Actively monitor and reduce our carbon emissions, with the aim of a 25% reduction by 2030 to support the low-carbon economy

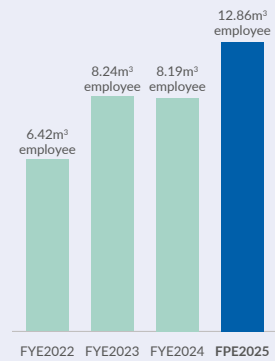
#### Results



### Water Intensity

**Aim:** Optimise use of water to reduce our impact on the environment and ecosystems

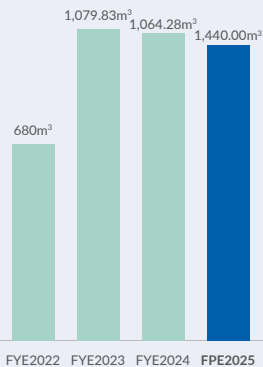
#### Results



### Total Water Consumption

**Aim:** To reduce our total water consumption, reflecting our commitment to responsible water stewardship

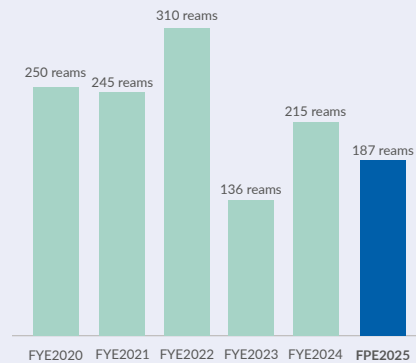
#### Results



### Paper Consumption

**Aim:** Reduce paper consumption in line with our digitalisation drive and sustainability goals

#### Results



## PERFORMANCE REVIEW

# 5 YEAR GROUP FINANCIAL SUMMARY

RM million	FYE2021	FYE2022	FYE2023	FYE2024	FPE2025
Revenue	104.9	90.3	38.6	95.1	119.1
Profit/(Loss) before tax	9.8	5.3	(7.1)	4.1	(28.0)
Profit/(Loss) after tax	9.3	4.2	(7.4)	2.4	(13.5)
Shareholders' funds	179.0	183.7	176.4	179.1	168.4
Earnings/(Loss) per share (sen)	1.46	0.53	(0.93)	0.34	(1.38)
Cash and bank balances and short term investments	40.6	19.3	13.4	19.4	161.8

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Future

Leadership

Responsible  
Governance

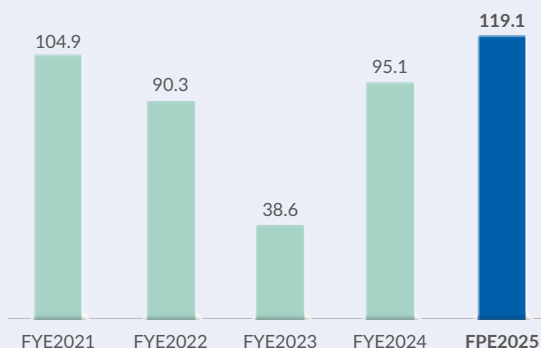
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# 5 YEAR GROUP FINANCIAL HIGHLIGHTS

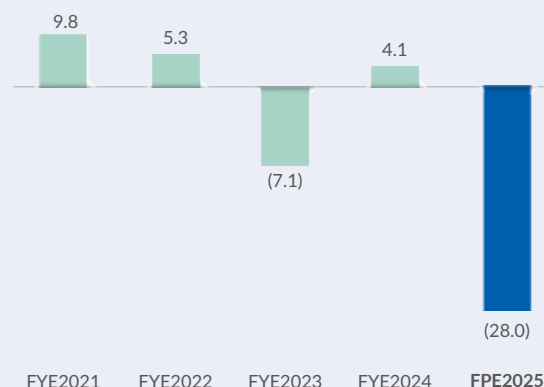
## Revenue

(RM Million)



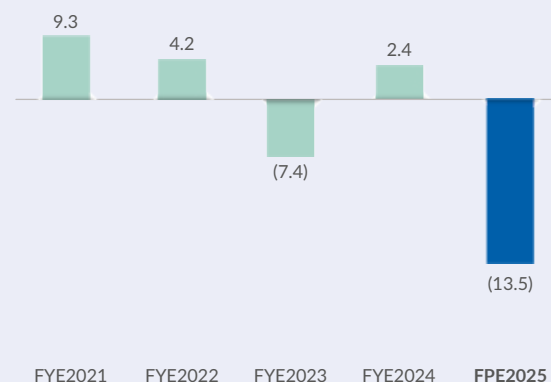
## Profit/(Loss) Before Tax

(RM Million)



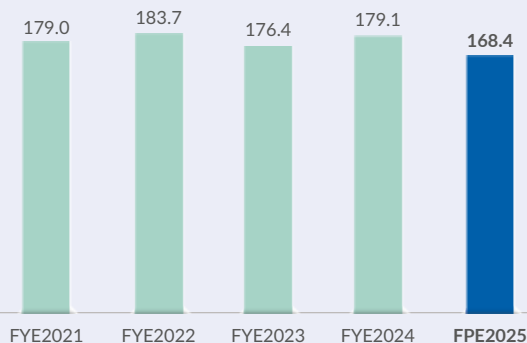
## Profit/(Loss) After Tax

(RM Million)



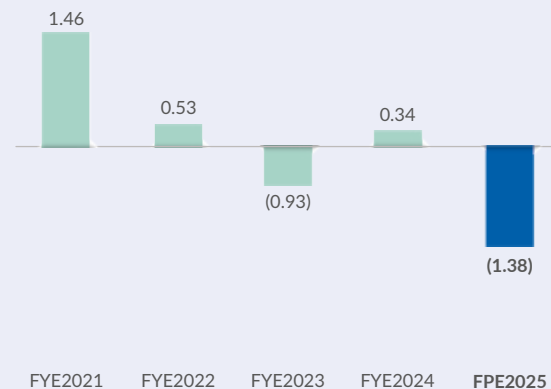
## Shareholders' Funds

(RM Million)



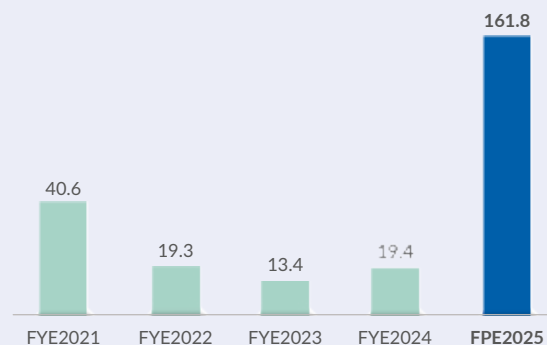
## Earnings/(Loss) per share

(sen)



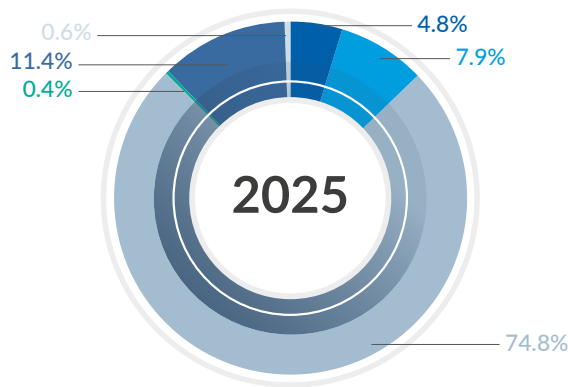
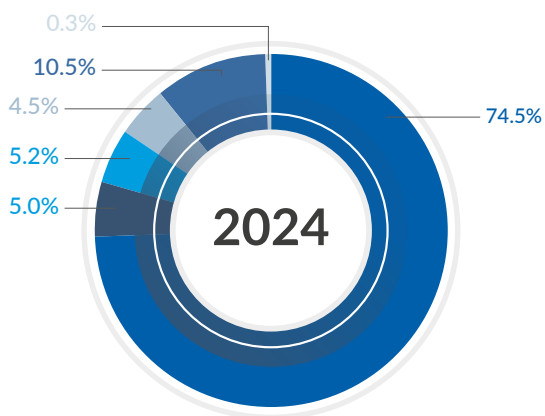
## Cash and Bank Balances and Short Term Investments

(RM Million)



# SIMPLIFIED STATEMENT OF FINANCIAL POSITION

## Total Assets



FYE2024  
**RM433.2 million**

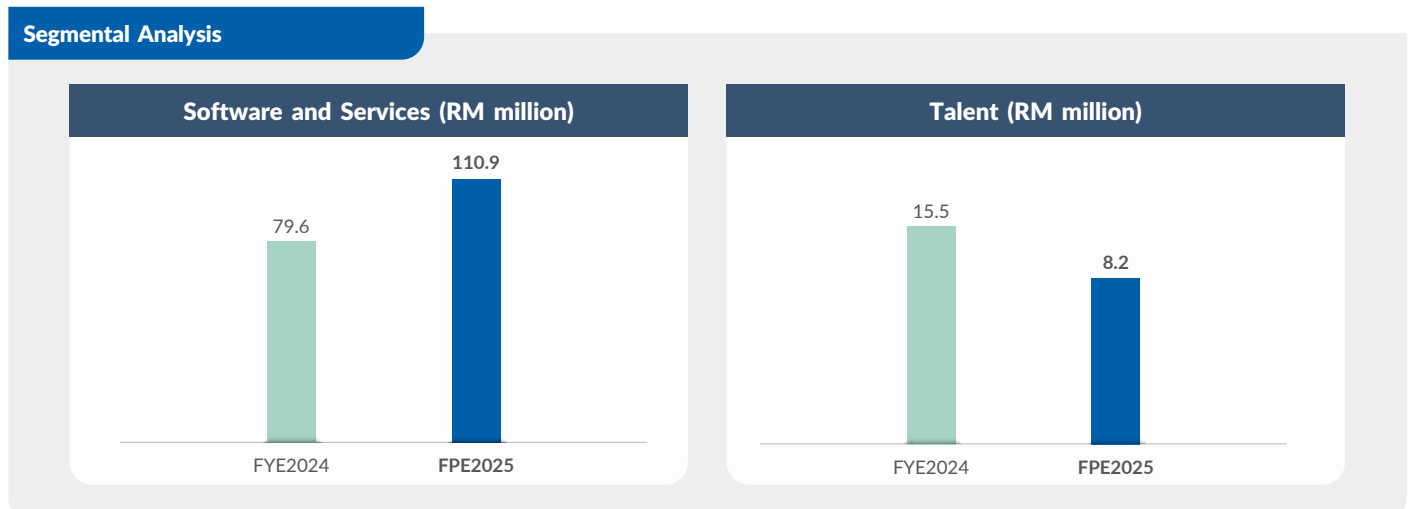
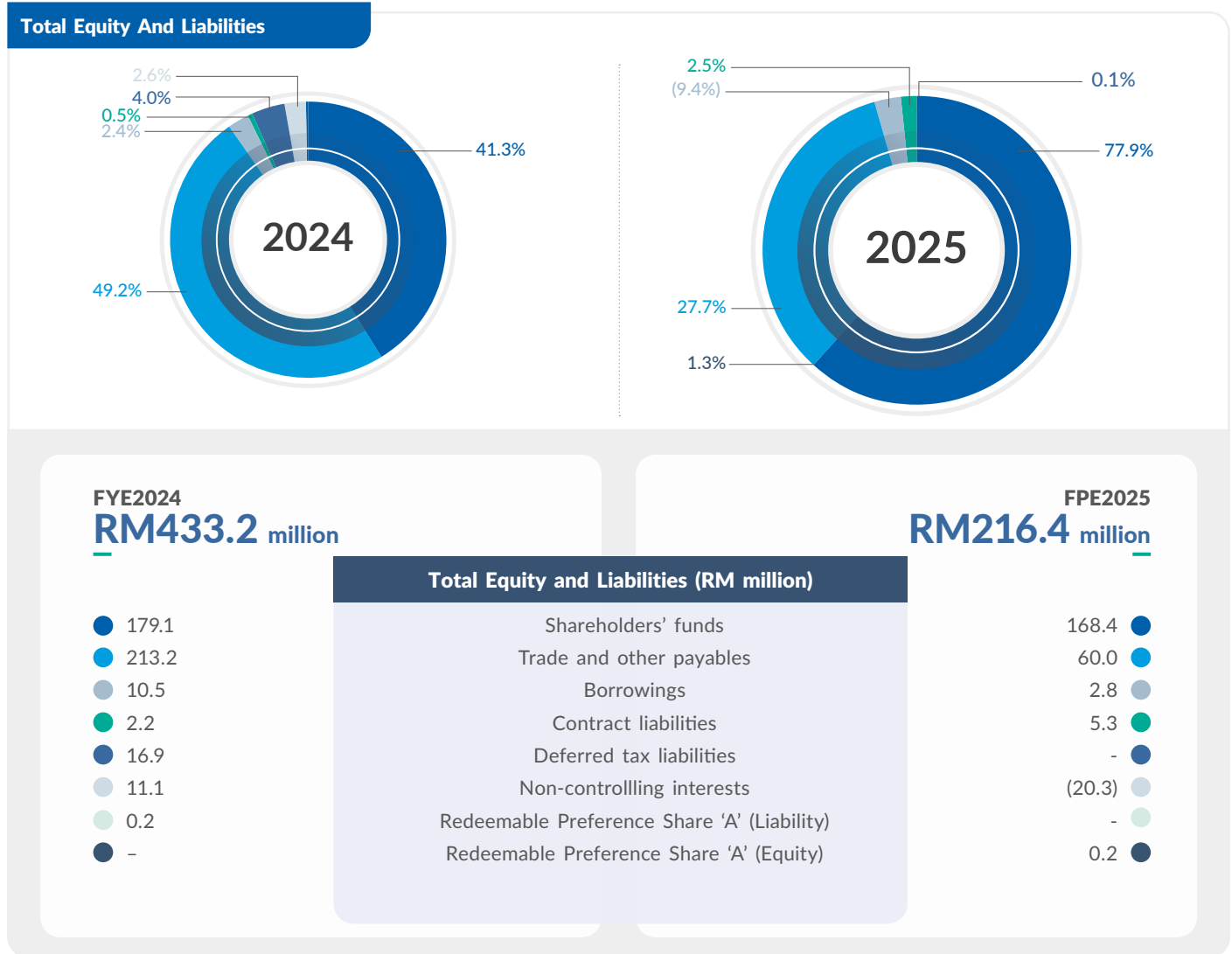
FPE2025  
**RM216.4 million**

- 322.9
- 21.6
- 22.4
- 19.4
- 0.1
- 45.6
- 1.2
- 0.0

Total Assets (RM million)	
Trade and other receivables	10.5
Investment properties	-
Property, plant and equipment	17.2
Cash and bank balances and short-term investments	161.8
Contract costs	0.8
Contract assets	24.8
Current tax assets	1.3
Intangible assets	0.0

- 10.5
- -
- 17.2
- 161.8
- 0.8
- 24.8
- 1.3
- 0.0

## SIMPLIFIED STATEMENT OF FINANCIAL POSITION



# GROUP QUARTERLY FINANCIAL PERFORMANCE

RM'million	Q1	Q2	Q3	Q4	Q5	Q6	FPE2025
Revenue	6.6	5.3	63.7	12.1	10.1	21.3	119.1
Profit/(loss) before tax	0.7	(3.7)	1.2	(55.3)	0.4	28.8	(28.0)
Profit/(loss) for the period	0.6	(3.7)	1.0	(39.8)	0.3	28.2	(13.5)
Profit/(loss) attributable to ordinary equity holders of the parent	0.6	(3.7)	1.0	(29.0)	0.3	19.9	(10.9)
Basic earnings/(loss) per share (Sen)	0.08	(0.47)	0.13	(3.67)	0.04	2.52	(1.38)

## STATEMENT OF DISTRIBUTION AND VALUE ADDED

RM'million	FYE2024	FPE2025
Revenue	95,082	119,137
Cost of sales	(66,314)	(93,322)
	28,768	25,815
Other income	3,725	42,884
(Loss)/Gain of impairment of financial assets	(395)	1,858
	32,098	70,557
Employees	19,106	30,532
Government	1,696	(14,490)
<b>Providers of capital</b>		
Finance cost	963	765
NCI	(281)	(2,582)
Operation	6,337	14,563
Non-cash operation	-	50,620
<b>Reinvestment and future growth</b>		
Depreciation	1,571	2,031
Addition to retained earnings	2,706	(10,882)
	32,098	70,557

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# FINANCIAL CALENDAR

## For the Financial Period ended 31 December 2025

### Announcements of Consolidated Results

<b>29 November 2024</b>	Unaudited consolidated results for the 1 <sup>st</sup> quarter ended 30 September 2024
<b>26 February 2025</b>	Unaudited consolidated results for the 2 <sup>nd</sup> quarter ended 31 December 2024
<b>22 May 2025</b>	Unaudited consolidated results for the 3 <sup>rd</sup> quarter ended 31 March 2025
<b>21 August 2025</b>	Unaudited consolidated results for the 4 <sup>th</sup> quarter ended 30 June 2025
<b>20 November 2025</b>	Unaudited consolidated results for the 5 <sup>th</sup> quarter ended 30 September 2025
<b>26 February 2026</b>	Unaudited consolidated results for the 6 <sup>th</sup> quarter ended 31 December 2025

## For the Financial Year ended 30 June 2024

### Announcements of Consolidated Results

<b>28 November 2023</b>	Unaudited consolidated results for the 1 <sup>st</sup> quarter ended 30 September 2023
<b>28 February 2024</b>	Unaudited consolidated results for the 2 <sup>nd</sup> quarter ended 31 December 2023
<b>30 May 2024</b>	Unaudited consolidated results for the 3 <sup>rd</sup> quarter ended 31 March 2024
<b>29 August 2024</b>	Unaudited consolidated results for the 4 <sup>th</sup> quarter ended 30 June 2024

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



**25 October 2024**

Notice Date



**25 October 2024**

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



**27 November 2024**

Meeting Date

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



**22 April 2026**

Notice Date



**21 May 2026**

Meeting Date

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



**22 April 2026**

Notice Date



**22 April 2026**

Issuance of Annual Report and Audited Financial Statements for the Financial Period ended 31 December 2025



**21 May 2026**

Meeting Date

# INVESTOR INFORMATION

In line with our commitment to good corporate governance, we place great importance on fostering trust-based relationships with our shareholders and the wider investment community through open, timely, and transparent communication.

Our Investor Relations (“IR”) team leads this effort by actively engaging with analysts, investors, and shareholders, providing regular updates on our performance, strategy, and outlook. These disclosures help the investment community stay well-informed and make considered decisions regarding our business, while also providing us with a valuable channel for feedback and insights.

Beyond quarterly results announcements and our annual general meetings, the IR team – together with Management, where appropriate – holds one-to-one meetings and dialogue sessions with local institutions, investors, and analysts. The team also accommodates requests for information or briefings from analysts, the media, and potential investors, and issues media statements to ensure the broad dissemination of updates on our corporate developments and achievements.

## KEY IR EVENTS IN FPE2025:

### 2024 ANNUAL GENERAL MEETING



Our Annual General Meeting in 2024, held virtually, at which our Directors, Group CEO, COO, GFC, and other members of the Management Team presented our performance for FYE2024 and responded to questions from shareholders

### FPE2025 QUARTERLY RESULTS ANNOUNCEMENTS



Quarterly results announcements made on 29 November 2024, 26 February 2025, 22 May 2025, 21 August 2025, 20 November 2025, and, 26 February 2026 accompanied by:

- Announcements to Bursa Malaysia
- Media releases on our financial results

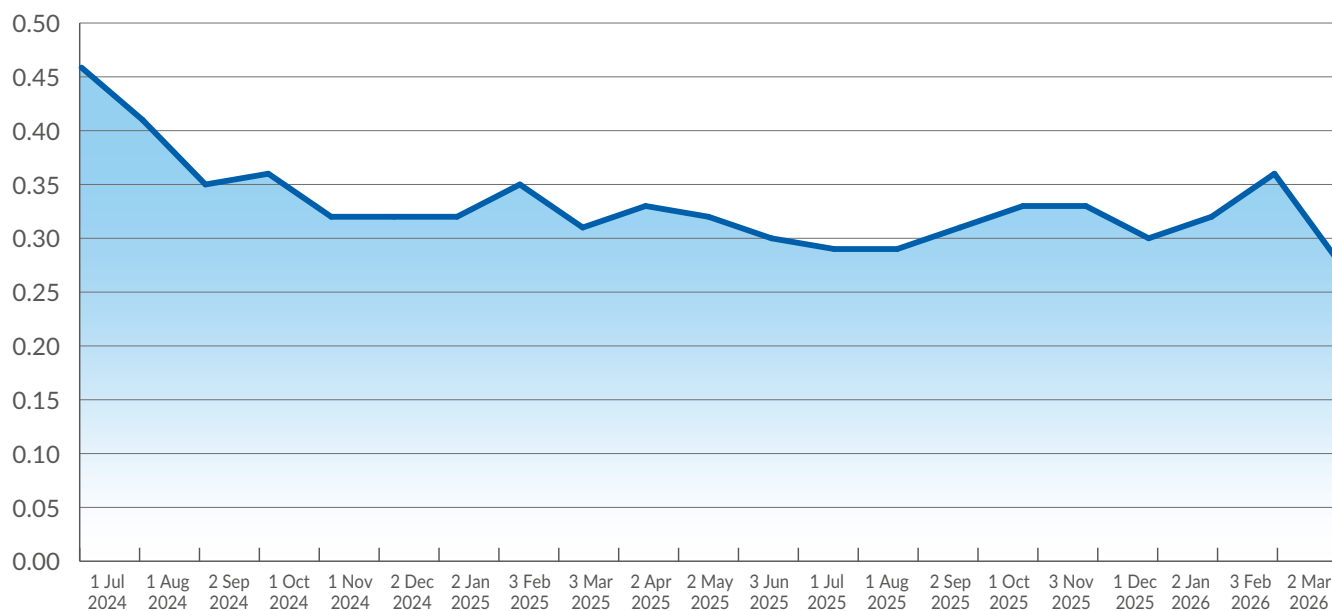
All corporate communications, including quarterly and annual results as well as announcements to Bursa Malaysia, are available on our corporate website at [www.awantec.my](http://www.awantec.my).

Looking ahead, we will continue to strengthen our IR efforts and ensure accurate, consistent, and timely communication of material information, in line with IR best practices and Bursa Malaysia’s Listing Requirements.

## INVESTOR INFORMATION

### SHARE PRICE AND PERFORMANCE

For the Financial Year ended 31 March 2026



— Awantec Share Price

(Source: ShareInvestor)

#### MARKET CAPITALISATION

**RM237** million

2024  
RM351.5 million

#### SHARE PRICE

0.445  
Opening

0.27  
Closing

0.480  
Peak

#### (LOSS)/EARNINGS PER SHARE

**(1.38)** sen

2024  
0.34 sen

#### RETURN OF EQUITY

**(9%)**

2024  
1%

# BUSINESS REVIEW



## TECHNOLOGY

### WHO WE ARE AND WHAT WE DO

Awantec's Technology Division delivers a wide spectrum of digital solutions and services to both public and commercial sectors, including educational institutions and government-linked companies ("GLCs"). Our mission is to empower organisations with cutting-edge technology, enabling them to achieve their digital transformation goals.

Our solutions span across key technology domains, including:

- **Cloud Computing:** Cloud-based solutions built on Google Cloud's scalable infrastructure, helping organisations optimise IT systems, improve scalability, and reduce costs.
- **Data Analytics:** Consultancy and implementation of advanced analytics using Google BigQuery, enabling enterprise-level insights powered by AI.
- **Cybersecurity Solutions:** Cyber Risk & Compliance Services, Managed Security Controls, Threat Intelligence & Advisory and Training & Talent Development
- **Productivity Tools and Cybersecurity:** A full suite of Google Workspace solutions that simplify collaboration, enhance security, and boost productivity across the workplace.
- **Enterprise Resource Planning ("ERP"):** Cloud-based and on-premise ERP systems powered by Sage X3, providing real-time financial management, business intelligence, supply chain optimisation, and industry-specific applications.
- **Devices:** Affordable, business-class Chromebooks designed to equip workforces with secure and reliable productivity hardware.
- **Digital Transformation:** Advisory and implementation services that help organisations adopt emerging technologies, optimise operations, and strengthen their competitive advantage.

### KEY FOCUS AREAS

- Expanding our client base for cloud computing, productivity tools, and data analytics.
- Strengthening our presence in high-growth areas of the technology landscape, such as AI, advanced analytics, and cybersecurity.
- Supporting government policies and mandates - such as e-invoicing - with tailored solutions.
- Diversifying income streams by targeting private sector enterprises and developing value-added services to increase recurring revenue.

### OVERVIEW OF BUSINESS ENVIRONMENT

The Malaysian government's digital transformation agenda, as set out in the Malaysia Digital Economy Blueprint ("MyDIGITAL"), continues to provide strong momentum for the technology sector. National priorities in cloud adoption, data governance, and cybersecurity create significant opportunities while also highlighting the importance of strict compliance with regulatory frameworks governing data privacy and digital infrastructure.

At the same time, the competitive landscape is intensifying. Both local and international technology providers are competing for market share, heightening the need for continuous innovation, differentiated service offerings, and competitive pricing strategies. This challenge is compounded by rapid advancements in emerging technologies, particularly artificial intelligence ("AI"). While AI unlocks new possibilities for innovation and growth, it also requires sustained investment in research, development, and workforce readiness.

Despite these pressures, Malaysia's software market is projected to reach US\$2.7 billion in FPE2025, with enterprise software accounting for the largest share at US\$1.16 billion, reflecting year-on-year growth of 8.84%. With the pace of digitalisation showing no signs of slowing, there remains substantial scope for IT industry players to drive and support Malaysia's digital ambitions.

*To read more on the trends shaping our business, please refer to Key Market Trends at pages 51 to 54.*

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## BUSINESS REVIEW

### CHALLENGES, MITIGATION, AND RESULTS

#### Challenges

- Maintaining our status as a Google Premier Partner
- Limited diversification beyond the government sector
- Overreliance on products and licenses for revenue

#### Mitigation

- Working closely with Google to meet expectations and deliver on targets
- Cultivating opportunities from an early stage to increase the probability of securing new deals.
- Expanding new business lines for the commercial sector, including ERP, e-invoicing, AI and analytics, and cybersecurity
- Diversifying our client base to include local authorities, state bodies, government-linked companies (“GLCs”), and large enterprises
- Cultivating new strategic partnerships to broaden customer offerings, with a focus on services that generate recurring income
- Enhancing customer engagement and upselling through account segmentation by tier and coverage model, supported by Board sponsors for strategic oversight

#### Results

- Secured RM51.75 million in major deals in FPE2025
- Extended our Google Premier Partner status until the end of FPE2025

### KEY INITIATIVES AND OUTCOMES

#### Key Initiatives

- Diversifying into high-value segments such as AI and analytics, cybersecurity, e-invoicing, and ERP
- Leveraging outreach initiatives such as webinars, events, roadshows, and partner programmes to provide technology updates and showcase our solutions to both existing and potential clients
- Delivered proof-of-concept demonstrations to targeted clients, highlighting the practical value of our offerings
- Launched reseller programmes and partnerships to strengthen market penetration for our e-invoicing solution
- Engaging a diverse portfolio of key accounts - including GLCs, state agencies, and private enterprises - with holistic digital transformation solutions

#### Outcomes

- Rolled out Awanbot and Awanalytics to meet growing government and enterprise demand for AI and analytics solutions
- Established a cybersecurity practice in partnership with Google Cloud Security to address rising demand for cyber risk management under the Cyber Security Act 2024
- Launched Awantax, a purpose-built, MDEC-accredited solution enabling organisations to comply with the national e-invoicing mandate

### ACHIEVEMENTS



#### Key Financial and Business Highlights

- Achieved **RM110.9 million** in revenue
- Became an official **Sage X3 Partner** for ERP solutions
- Awarded new Google Specialisation (GCP Data Management)
- Launched various in-house products, including Awantax (e-invoicing), Awanbot, Awanbot+ and Awanalytics (under the Awantec Intelligence ), in addition to our new cybersecurity service
- Partnered with Storecove for e-invoicing
- Adoption our current key project Led expansion to wider scope or wider customers.

### OUTLOOK AND PROSPECTS

The outlook for our Technology Division remains strong, underpinned by favourable government policies and sustained demand for digitalisation. We are capitalising on these opportunities by reinforcing our core growth engines in cloud software and AI, while expanding into high-value segments such as cybersecurity, e-invoicing, and ERP solutions. These initiatives align closely with national priorities in AI and cybersecurity, positioning us to play a leading role in advancing Malaysia's digital economy.

Reference: <https://www.statista.com/outlook/tmo/software/malaysia>



## TALENT

### WHO WE ARE AND WHAT WE DO

Through our Talent Division, we are a trusted partner in human capital and talent development, helping individuals and organisations thrive in the digital economy. By leveraging a blended learning approach - integrating best-in-class e-learning platforms with strategic in-person training - we deliver versatile and personalised learning experiences that enhance skills, improve performance, and help organisations foster a culture of continuous learning.

Our core offerings include:

- **Learning Platforms and Certifications:** As a key partner of Skillssoft, we deliver the AI-driven Percipio Learning Experience Platform ("LXP"). In addition, we provide specialised certification programmes in high-demand areas such as cybersecurity.
- **Platform-as-a-Service:** Provision of Skillssoft licences to organisations, enabling them to identify, measure, and upskill workforce capabilities with access to an extensive library of AI-driven learning content.
- **Digital Content Transformation:** A new service that converts traditional training materials, manuals, and knowledge assets into interactive, mobile-ready formats for greater engagement and accessibility.
- **Talent-as-a-Service:** Placement solutions through Awantec TalentXchange, our AI-driven resource augmentation services and talent-matching platform, helping organisations connect with the right candidates for their evolving needs.
- To enhance our Talent offerings, we partnered with BrioHR to provide a HR management solution.

### KEY FOCUS AREAS

- Expanding the uptake of training courses on Skillssoft Percipio to reach a wider market, including SME's, public sector, education and large enterprise.
- Driving the upskilling of Malaysia's digital talent through internationally recognised professional certification e.g CompTIA certification delivered via Skillssoft Percipio.
- Enhancing the Talent-as-a-Service offering with Awantec TalentXchange to strengthen talent placement and resource augmentation capabilities.

### OVERVIEW OF BUSINESS ENVIRONMENT

Malaysia's digital learning landscape is set for strong expansion, with the e-learning services market projected to grow at a compound annual growth rate ("CAGR") of 28.8% between 2025 and 2030. This growth is supported by a digitally savvy population, a high internet penetration rate of 97.7% as of early 2025, and robust government backing.

National initiatives such as the Fourth Industrial Revolution ("4IR") Policy and the Malaysia Digital Economy Blueprint ("MyDIGITAL") provide a clear policy framework, while the Ministry of Education's Digital Education Policy (2023) embeds digital learning into the national curriculum from an early stage. Collectively, these measures are accelerating adoption across corporations, educational institutions, and individuals, positioning digital learning as a key enabler of Malaysia's future economy.

At the same time, structural challenges persist. Uneven internet accessibility in rural areas and limited awareness of the benefits of e-learning remain barriers to equitable access. Addressing these gaps will be critical to unlocking the full potential of the market.

*To read more on the trends shaping our business, please refer to Key Market Trends at pages 51 to 54.*

## BUSINESS REVIEW

### CHALLENGES, MITIGATION, AND RESULTS

#### Challenges

- Maximise customer lifetime value by ensuring our solution continues to deliver measurable impact
- Currency fluctuations impacting the cost of acquiring foreign-based digital content
- Limited awareness of the Skillsoft brand in Malaysia

#### Mitigation

- Introducing value-added services such as personalised course curation and the development of unique digital content to create more engaging and valuable learning experiences for clients
- Implementing a financial strategy of dynamic pricing in-line with currency fluctuations
- Launching digital marketing initiatives to increase Skillsoft brand visibility, sharpen brand messaging, and drive traffic to our services

#### Results

- Renewed several key client licenses with Government agencies and large organisations
- Maintained a gross profit margin of over 40%
- Generated a steady flow of qualified leads through Google Ads campaigns, increasing our market presence

Reference: <https://www.grandviewresearch.com/horizon/outlook/e-learning-services-market/malaysia>

### KEY INITIATIVES AND OUTCOMES

#### Key Initiatives

- Initiating a reseller programme to strengthen strategic partnerships and extend market reach
- To enhance our Talent offerings, we partnered with BrioHR to provide a HR management solution
- Participating in high-profile HR events, including the National Training Week (“NTW”), the National Human Capital Conference & Exhibition (“NHCCE”), and the Malaysia HR Forum, to showcase solutions and engage with industry stakeholders
- Targeting key accounts such as the National Institute of Public Administration (“INTAN”) and major government-linked companies (“GLCs”) with tailored talent development offerings

#### Outcomes

- Onboarded the Malaysian Association of Hotels Training Education Centre (“MAHTEC”), PwC Malaysia, Universiti Tenaga Nasional (“UNITEN”), and others as strategic partners
- Placed talents in the public and private sectors via Awantec TalentXchange

### ACHIEVEMENTS



#### Key Financial and Business Highlights

Generated **RM8.2 million** in revenue



#### Sustainability Highlights

- Provided 500,000 free Skillsoft Percipio licences during NTW, granting access to the Industrial Skills Framework (“IndSF”) to promote skills development and advance social equity
- Conducted corporate social responsibility (“CSR”) outreach programmes, including the donation of daily necessities and stationery to local orphanage homes



#### Awards & Recognition

- Collaborated with HRDCorp as a NTW Partner
- Named Skillsoft’s Partner of the Year for 2025

### OUTLOOK AND PROSPECTS

Building on the momentum of FPE2025, our Talent Division is well positioned for growth, supported by rising demand for flexible, high-quality, and scalable education solutions delivered through our partnership with Skillsoft Percipio. Furthermore, as the digital economy continues to advance, we are broadening our offerings with advanced content curation, instructional design, and Digital Content Transformation offerings to address evolving learning needs.

In addition, the introduction of the Cyber Security Act 2024 is creating significant opportunities in critical sectors where organisations must strengthen cyber defences and workforce capabilities. To meet this demand, we are prioritising specialised cybersecurity certifications and training programmes that not only support regulatory compliance but also build a resilient, cyber-aware workforce.

# SUSTAINABILITY STATEMENT

This year marks another cycle in which we have continued to cultivate sustainable strategies in our journey to provide enduring values and opportunities. We have implemented several key measures in an effort to further shape our business to be more resilient and responsible in the face of the challenges posed by climate change. We proudly present our sustainability statement for the financial period 2025.

Following the success of our previous year's efforts to embed sustainability into our operations and strengthen our alignment with the Task Force on Climate-related Financial Disclosures ("TCFD"), we have now taken a significant step forward by leveraging upon the foundation of TCFD to align our report with International Financial Reporting Standards ("IFRS") S1 and S2 standards. This move enhances our sustainability reporting by introducing detailed requirements for broader sustainability disclosures and climate-specific reporting.

Additionally, we have enhanced our Sustainability Policy and transformed the former Green ICT Policy into a broader Sustainable Practices Policy to embed ESG considerations into our operations. These policies serve as guiding benchmarks for managing ESG risks and opportunities, promoting a culture of responsibility and ensuring alignment across the company towards sustainability goals. Moreover, it improves our transparency, refine risk management, and better communicate progress toward achieving Malaysia's carbon net-zero target by 2050.

We are grateful to our dedicated employees, shareholders, and stakeholders for their tireless collaboration, which has cemented Awantec's position as a pioneering force in digitalisation and sustainability. Through our collective endeavours, we have not only underscored the profound impact of sustainable practices but also forged a resilient and vibrant future, one that reflects our unwavering commitment to responsible leadership and innovation within the industry.



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# OUR APPROACH TO SUSTAINABILITY

Awanbiru Technology Sdn Bhd, commonly recognised as “Awantec,” proudly presents the tenth edition of its Sustainability Statement. This document offers a detailed overview of our initiatives and strategies addressing environmental, social, and governance (“ESG”) risks and opportunities within our operations. The latest instalment highlights our unwavering dedication to embedding sustainable practices that create value for both stakeholders and business operations. As a prominent enabler of digitalisation through talent and technology, Awantec continues to lead the way in advancing sustainability efforts across all aspects of its business.

## REPORTING PERIOD

This report covers the Financial Period 2025 (“FPE2025”) over the period of 1 July 2024 to 31 December 2025, unless stated otherwise.

## SCOPE AND BASIS OF SCOPE

The scope of this Sustainability Statement remains consistent with previous disclosures, offering a detailed overview of Awantec’s sustainability performance and progress within Malaysia, where all business operations, including the Group’s headquarters and offices, are located. It comprehensively addresses ESG-related risks, opportunities, and outcomes that are significant to our key stakeholders, ensuring continuity and relevance in our reporting.

## REPORTING FRAMEWORK

This statement has been developed accordingly to Bursa Malaysia’s Listing Requirements, with reference to the following frameworks and standards.



## ASSURANCE

Awantec has meticulously crafted this Sustainability Statement, acknowledging our responsibility in maintaining the report’s integrity through stringent governance practices, internal reporting procedures, and independent assurance in line with ISA 210. In this context, no external assurance measures as stipulated by ISAE 3000, ISAE 3410 or AA1000AS, have been carried out for the data presented in this Statement.

## FEEDBACK

You may access this statement and previous reports on Awantec’s corporate website at [www.awantec.my](http://www.awantec.my). For any feedback or inquiries regarding our report, please contact us at [ceo.office@awantec.my](mailto:ceo.office@awantec.my).

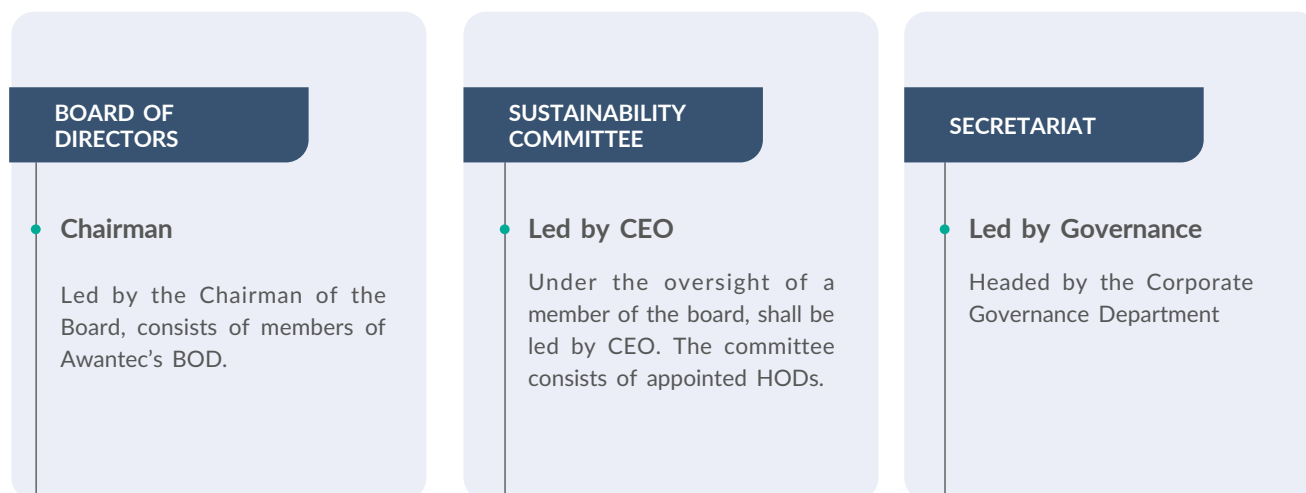
# SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability at Awantec is a shared responsibility embraced across all levels of the organisation. This commitment is reflected in our Sustainability Governance Structure, which fosters collective accountability and drives the Group's sustainability strategy. The Board of Directors ("BOD") oversees the Sustainability Committee, which is chaired by the CEO and supported by appointed Heads of Departments ("HODs"). This structure ensures that sustainability initiatives align with the organisation's strategic objectives, covering key areas such as material sustainability matters, policy updates, target-setting, and managing both climate-related and the broader sustainability-related risks and opportunities, which are reviewed bi-annually. These initiatives are then entrusted to the Secretariat, which translates them into actionable steps. This ensures engagement and implementation across all employees within Awantec, embedding sustainability into daily operations.

We integrate sustainability into executive decision-making by linking performance and responsibility through our compensation and benefits structure for the CEO, senior executives, and across all organisational levels. This is reflected in the alignment of KPIs with ESG considerations, specifically focusing on progress toward achieving the company's GHG reduction targets, comprising 5-10% of these metrics. By directly tying remuneration to the achievement of sustainability objectives, we ensure a strong alignment with the Group's sustainability commitments. This approach provides a clear framework for measuring, monitoring, and setting performance targets that resonate with our overarching sustainability goals.

Through this structure, we incentivise and empower every employee to actively contribute to our collective sustainability efforts. This strategic integration fosters a shared commitment, making sustainability a top priority for the entire Group as we pursue our sustainability objectives with dedication.

For more information on how we govern sustainability at Awantec, please visit our website <https://www.awantec.my/sustainability>.





PRINCIPLE  
**1**

# SUSTAINABLE LIFELONG LEARNING DEVELOPMENT



### MATERIALITY

- Digital Transformation
- Community and Society Investment
- Human Rights and Labour Standard
- Talent Attraction, Growth and Retention

### GRI Standards

- 302: Energy
- 203: Indirect Economic Impacts
- 401: Employment
- 404: Training and Education

## DOING WELL BY COLLABORATING FOR LONG-TERM SUCCESS

Malaysia's digital transformation continues to gain momentum in the period 2025, fuelled by initiatives such as the MyDIGITAL blueprint, the National Fiberisation and Connectivity Plan ("NFCP"), and enhanced cybersecurity measures. The digital economy is on track to contribute over 25% to the nation's gross domestic product by the end of the period, driven by advancements in AI, 5G, cloud technologies, and SME digitalisation. Awantec plays a pivotal role in this journey by delivering innovative tech solutions and equipping the workforce with future-ready skills, all while remaining committed to sustainability and supporting Malaysia's aspiration to become a regional digital leader.

In FPE2025, Awantec has stepped up to meet the growing demand for digital services and to bridge technology gaps. With the government prioritising STEM education, digital inclusion, and SME empowerment, we are aligning our efforts to foster innovation and extend our reach to underserved communities. In collaboration with our partners, Awantec remains focused on delivering integrated cloud, AI, and talent solutions that support Malaysia's digital transformation and empower our customers to unlock new growth opportunities. Our comprehensive multi-cloud management solutions, including Software as a Service ("SaaS"), Infrastructure as a Service ("IaaS"), and Platform as a Service ("PaaS") allowed us to deliver over 2 million software licenses to government agencies, businesses, organisations, and individuals in the past financial year.

## EMPOWERING DIGITAL EDUCATION AND READINESS ACROSS THE COUNTRY

Awantec understands that technology's true potential is unlocked only when paired with the right skills. Therefore, we have developed comprehensive training programmes designed to upskill and reskill individuals across all levels, empowering them to confidently harness digital tools. Through strategic partnerships with industry leaders such as Skillsoft, CompTIA, HRD Corp, Pearson VUE, and Rocheston, we offer recognised certifications and learning pathways that build competence and drive digital readiness.

Our training is primarily delivered through a flexible and cost-effective online platform that aligns with sustainability goals by reducing the need for travel and paper use, thereby lowering greenhouse gas emissions. In FPE2025 alone, this platform engaged over 400,000 active users, supported by virtual

instructor-led sessions and occasional in-person classes. The Percipio platform, a key component of our learning ecosystem, provides access to more than 22,000 courses, enabling learners from preschoolers to professionals to acquire in-demand skills and benchmark their progress.

For FPE2025, our community investment strategy remains focused on delivering sustainable, high-quality education that aligns closely with our business goals and commitment to advancing Malaysia's digital economy. By promoting lifelong learning and equipping young people with essential digital competencies, we aim to support the nation's workforce development.

Leveraging Percipio, Awantec actively supports national initiatives such as the National Training Week ("NTW"), organised by the Ministry of Human Resources and HRD Corp, where we provided the largest number of complimentary courses nationwide. This initiative empowers Malaysians from diverse backgrounds with future-ready skills, directly contributing to the objectives of the 12th Malaysia Plan. Through the integration of accessible technology and comprehensive training programmes, Awantec is dedicated to closing the digital skills gap, empowering both individuals and organisations, and driving Malaysia's digital transformation and sustainable growth.



# PRINCIPLE 1: SUSTAINABLE LIFELONG LEARNING DEVELOPMENT

## RECOGNISING AWANTEC'S IMPACT AND INNOVATION

Awantec was honoured with two prestigious awards recognising our commitment to innovation and digital transformation. We received the 'Best Customer Innovation' award from Google Cloud at the Malaysia Partner Kickstart, reflecting our success in enhancing operational efficiency and customer experience through data-driven solutions.

Additionally, Persatuan Industri Komputer & Multimedia Malaysia ("PIKOM"), the national ICT trade association of Malaysia, have awarded Awantec with the Best Cloud Service Provider for Public Education at the Pikom Digital Excellence Awards 2024, underscoring our commitment to advance Malaysia's digital landscape, particularly in education sector. It acknowledges our team's dedication to providing innovation cloud solutions that enable educational institutions to deliver secure, scalable cloud solutions for public education. These achievements reinforce our resolve to continue delivering innovative solutions that empower our clients and support Malaysia's digital growth.



Awantec has been awarded the prestigious PIKOM Digital Excellence Award for Cloud Service Providers in Public Education



Mr. Chok (right), Chief Operating Officer of Awantec, receives the "Best Customer Innovation" award from Google Cloud at the Malaysia Partner Kickstart event

## DRIVING DIGITAL TRANSFORMATION THROUGH STRATEGIC PARTNERSHIPS

Awantec is taking a leading role in developing the next generation of cybersecurity professionals through strategic partnerships and targeted talent development initiatives. In July 2024, Awantec Systems Sdn Bhd signed a Memorandum of Agreement ("MoA") with CyberSecurity Malaysia, witnessed by Yang Berbahagia Tuan Fabian Bigar, Secretary General of the Ministry of Digital. The agreement was formalised between Azlan Zainal Abidin, CEO of Awantec Group, and Roshdi Bin Hj. Ahmad, COO of CyberSecurity Malaysia. Under this collaboration, Awantec is set to train 24,000 cybersecurity professionals nationwide under the Global ACE Certification program, addressing industry needs and building a robust pipeline of cybersecurity talent.

Further advancing its commitment, Awantec, through its subsidiary Awantec Systems Sdn Bhd, formalised a significant two-year Memorandum of Understanding ("MoU") with the National Cyber Security Agency ("NACSA") during the NACSA Cybersecurity Summit 2024 at the Putrajaya International Convention Centre. The ceremony was presided over by AwanBiru Technology Berhad's Chief Executive Officer, En. Azlan Zainal Abidin, and National Cyber Security Agency's Chief Executive Officer, Ir. Dr. Megat Zuhairy bin Megat Tajuddin. This partnership focuses on developing and implementing advanced cybersecurity technologies, as well as launching initiatives for training, upskilling, and providing accessible online learning and job platforms. Both collaborations underscore Awantec's dedication to driving innovation, empowering professionals, and supporting Malaysia's digital resilience through excellence in cybersecurity technology and talent development.



Awantec's Chief Executive Officer, Mr Azlan (Right), and Roshdi Bin Hj. Ahmad, COO of CyberSecurity Malaysia (Left) signed a Memorandum of Agreement



Awantec's Chief Executive Officer, Mr Azlan (left), and National Cyber Security Agency's Chief Executive Officer, Ir. Dr. Megat Zuhairy bin Megat Tajuddin (Right) formalising a two year MoU during NACSA Cybersecurity Summit 2024

### AWANTEC TALENTXCHANGE: BRIDGING MALAYSIA'S DIGITAL TALENT GAP

In response to the growing demand for specialised talent in Malaysia's rapidly evolving digital landscape, Awantec launched Awantec TalentXchange ("ATX") in the last financial year. This innovative resource augmentation and placement platform reflects Awantec's commitment to bridging the talent gap by providing a seamless and integrated recruitment experience for both employers and job seekers.

ATX combines resource augmentation, recruitment, and continuous learning to empower businesses to quickly adapt to shifting market demands while enabling job seekers to access premium opportunities and upskill for the future. Since its launch, ATX has secured strategic partnerships, showcasing its ability to deliver skilled resources for complex digital projects. With a proven track record, ATX has connected thousands of organisations and professionals, ensuring the right talent meets the right opportunity. Our team's deep industry expertise and dedication enable clients to elevate their talent acquisition strategies, driving business growth and workforce excellence.

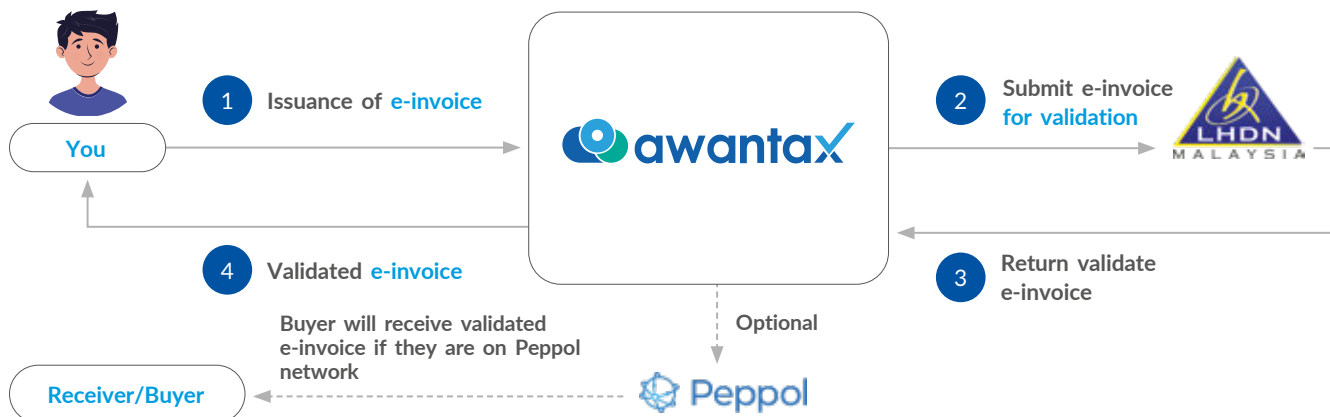
As part of Awantec's ongoing mission to support Malaysia's digital economy, Awantec TalentXchange continues to simplify recruitment processes and unlock the full potential of the workforce, positioning our clients for sustained success in an evolving market.

### AWANTAX: E-INVOICING MADE SIMPLE

As Malaysia advances its digital economy agenda, e-invoicing will become mandatory from 1 July 2025 for all businesses. This regulatory change aims to streamline tax administration, improve operational efficiency, and enhance reporting accuracy.

Awantec is committed to guiding clients through this transition with Awantax, our comprehensive e-invoicing platform. Designed to help organisations of all sizes comply fully with Inland Revenue Board ("LHDN") requirements, Awantax also drives operational efficiencies and future-proofs business processes. It integrates seamlessly with existing systems, automates invoice submission, and provides real-time validation and reporting. Ensuring secure, accurate, and timely data exchange with LHDN and trading partners.

Awantax's features include bulk processing, smart validation, and an interactive analytics dashboard, enabling businesses to simplify compliance and optimise invoicing workflows. Supported by Awantec's expertise in cloud-based solutions and ongoing innovation, Awantax positions our clients to succeed in Malaysia's rapidly evolving digital landscape.





PRINCIPLE

2

# STAKEHOLDER ENGAGEMENT AND DISCLOSURE



## MATERIALITY

- Digital Transformation
- Community and Society Investment
- Customer Satisfaction
- Human Rights & Labour Standard

## GRI Standards

- 203: Indirect Economic Impacts
- 404: Training and Education
- 413: Local Communities

## DOING WELL BY COLLABORATING FOR LONG-TERM SUCCESS

At Awantec, transparency and stakeholder engagement are top priorities. We collaborate with government and private partners to stay informed on digital challenges affecting Malaysia, contributing actively to the National Digitalisation Agenda. By leveraging our expertise, we create a secure and adaptable digital environment, fostering stability and customer satisfaction.

We empower stakeholders through open communication and involvement in decision-making, building trust and understanding. Recognising that engagement is ongoing, we maintain continuous dialogue to deliver innovative solutions and sustainable value. This annual report highlights our commitment to transparency and shared progress towards a prosperous digital future.

## PRIORITISING CUSTOMER SATISFACTION FOR STRATEGIC SUCCESS

In FPE2025, Awantec continued to prioritise customer satisfaction by actively engaging with customers throughout their journey and leveraging digital technologies to deliver seamless, intuitive interactions and faster turnaround times. We focused on refining our digital purchasing processes and enhancing support channels to provide more responsive and personalised service, ensuring customers feel valued and heard.

To support these efforts, we implemented SAGE CRM tools to better manage leads, track deals, and generate reports, which helped centralise data, reduce errors, and maintain consistency across teams. Additionally, we introduced annual interviews with key customers conducted by their account managers, complementing our existing surveys. These personalised conversations enable us to gather deeper insights, better understand customer needs, and strengthen relationships, ensuring our services remain closely aligned with customer expectations.

We also conducted our annual Customer Satisfaction Survey and interviews using the Net Promoter Score (“NPS”) methodology to measure and track our performance from the customer’s perspective. Insights from these efforts, combined with feedback collected through various touchpoints, inform our ongoing improvements and innovation in service delivery. Customers were asked to rate their likelihood of recommending Awantec’s products and services on a scale of 0 (not at all likely) to 10 (extremely likely), and were categorised into three groups based on their responses.



### Promoters

Customers who rate us 9 or 10 on the NPS scale are identified as promoters. These highly satisfied customers actively champion Awantec, eagerly endorsing our products and services to their networks. These customer enhances our brand’s reputation and drives natural growth through personal referrals.



### Passives

Customers who score 7 or 8 on the NPS scale are categorised as passives, representing a key growth opportunity. Although they are generally content with our products and services, they have yet to become enthusiastic supporters. We are dedicated to deepening our engagement with this group by addressing their needs and surpassing their expectations, with the goal of converting them into loyal promoters.

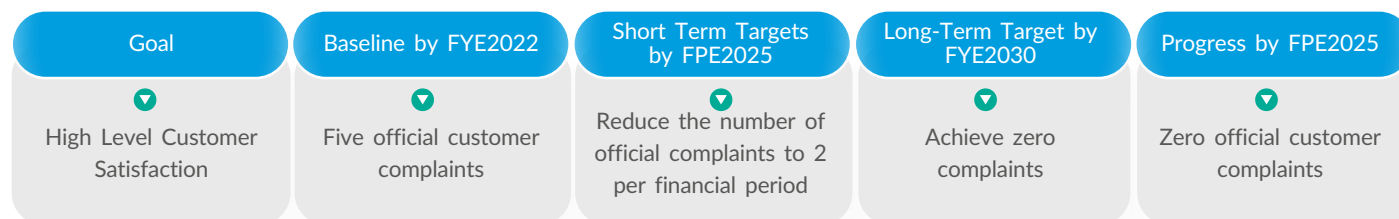


### Detractors

Customers who rate us between 0 and 6 on the NPS scale are identified as detractors, signaling areas where we need to improve. These customers may be unhappy with our products or services and have the potential to share negative feedback. We focus on listening to their concerns and implementing solutions to enhance their experience, striving to turn their dissatisfaction into loyalty.

## PRINCIPLE 2: STAKEHOLDER ENGAGEMENT AND DISCLOSURE

The Customer Satisfaction Assessment conducted this year has yielded valuable insights into our customer experience. The Net Promoter Score (“NPS”) results indicate that 64.44% of respondents are Promoters, 35.56% are Passives, and 0% are Detractors. The strong support from our Promoters, who actively advocate for Awantec, is encouraging. The data also highlights areas for improvement across all customer segments. By analysing and acting upon customer feedback, we continue to refine various aspects of our operations, including solution design and customer service, to enhance the overall customer experience.



Customer Satisfaction Performance	Unit	FYE2023	FYE2024	FPE2025
Customer Complaint	Nos	-	-	-
Promoters	%	63	68	64
Passives	%	31	29	36
Detractors	%	7	3	-

### BUILDING TRUST THROUGH TRANSPARENCY AND ACCOUNTABILITY

Transparency and trust are central to our core values. We are committed to providing our shareholders and investors with timely, relevant information in accordance with our Corporate Disclosure Policy. The policy guarantees that all significant company developments are communicated clearly and promptly to regulatory bodies, supporting informed decision-making and public oversight. We ensure that updates on our financial results, operational activities, business strategies, and other crucial matters are delivered accurately and efficiently. Our strict adherence to statutory and regulatory obligations reflects our dedication to accountability and reinforces stakeholder trust.

Our ongoing priority is to build enduring partnerships with shareholders and investors, grounded in transparency, responsibility, and effective communication—creating an environment that supports mutual trust, collaboration, and sustainable value creation for all parties involved. To maintain open channels of communication and engagement with our stakeholders, we regularly update our website (www.awantec.my) with the latest reports, policies, investor materials, and minutes of meetings, ensuring stakeholders have ready access to essential information. Enquiries are welcomed via our dedicated investor relations email: ir@awantec.my.

### FINANCIAL RESULTS

Awantec’s dedication to ensuring clear and prompt communication with our shareholders is demonstrated through two principal practices. Firstly, we follow a quarterly reporting timetable, releasing key financial data and insights alongside our results without delay. This keeps shareholders well informed about the Group’s performance and activities. Secondly, after each quarter, we hold detailed analyst briefings on Bursa Malaysia Securities Berhad’s platform. These sessions provide a comprehensive examination of the financial results and offer an opportunity to address any investor queries. Presentation materials from these briefings are made readily accessible on our website for ongoing reference.

#### Announcement of Quarterly Results

1 <sup>st</sup> Quarter Result FPE2025	▶	29 November 2024
2 <sup>nd</sup> Quarter Result FPE2025	▶	26 February 2025
3 <sup>rd</sup> Quarter Result FPE2025	▶	22 May 2025
4 <sup>th</sup> Quarter Result FPE2025	▶	21 August 2025
5 <sup>th</sup> Quarter Result FPE2025	▶	20 November 2025
6 <sup>th</sup> Quarter Result FPE2025	▶	26 February 2026



### SHAREHOLDER BASE

As of 31 December 2025, Awantec’s shareholder base has undergone a minor shift, reflecting a strengthening foundation for future growth. The number of shareholders has decreased by 2.21%, from 5,303 at the end of FYE2024 to 5,423, indicating a more focused and aligned investor community. This consolidation contributes to greater stability, supporting the effective implementation of our strategic plans.

Our principal shareholders continue to exhibit strong faith in our business trajectory. Areca Dynamic Growth Fund maintains a substantial direct equity position of 13.06%, while Eco Cloud Assets Sdn. Bhd. has also maintained its stake at 10.10%, and AHAM Multi-Asset Fund holds 12.49% of total share capital. This continued investment from key institutional partners validates our strategic direction and reinforces confidence in our long-term value proposition.

The international investment community maintains significant interest in Awantec, with foreign shareholdings now constituting 4.63% of our total share capital, marking a modest increase from the previous year. This growing international presence reflects strengthening global confidence in our market positioning and growth trajectory. The focused consolidation of our shareholder structure, combined with unwavering support from major stakeholders, establishes a robust foundation for Awantec to pursue sustainable growth and deliver enhanced value in the coming years.

### SHARE PERFORMANCE

Awantec continued to advance its transformation plan by launching new service offerings, including Artificial Intelligence (“AI”), Cybersecurity, e-Invoicing, and ERP solutions, thereby expanding its portfolio of cloud-based products. These innovations are designed to meet evolving customer needs and are key drivers for the company’s sustainable growth.

During the same financial period, Awantec’s share price reflected market reactions to these strategic developments, opening at RM0.445 on 1 July 2024 and experiencing some volatility before closing at RM0.300 on 31 December 2025. Despite these fluctuations, the company’s total issued share capital, including treasury shares, remained steady at 789,996,711, underpinning a stable capital structure to support its ongoing growth initiatives.

### DIVIDEND POLICY AND RETURN TO SHAREHOLDERS

Reflecting our strategic focus and ongoing expansion efforts, the Board of Directors has resolved not to issue a dividend for the financial period ending 31 December 2025. This approach supports our priority of reinvesting capital to strengthen operational capabilities and broaden our business segments. As we prioritise growth, allocating resources to these critical areas is essential to building a solid platform for future achievements. Through these targeted investments, we aim to capitalise on emerging opportunities, increase our market presence, and ultimately deliver enhanced long-term value for our shareholders.