

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Statement prior to its issuance as it is prescribed as an exempted document pursuant to the provisions of Practice Note No. 18 of the Bursa Securities Main Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals as set out herein.



**AWANBIRU TECHNOLOGY BERHAD**

[Registration No. 201001038336 (922260-K)]

(Incorporated in Malaysia)

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF  
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO  
10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY  
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The above Proposed Renewal of Share Buy-Back Authority will be tabled as Special Business at AwanBiru Technology Berhad's Thirteenth Annual General Meeting ("**13<sup>th</sup> AGM**") to be held on a virtual basis from the broadcast venue at Block 11B, Level 3A, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 23 November 2023 at 10:00 a.m. The Notice of the 13<sup>th</sup> AGM together with the Form of Proxy are set out in the Annual Report of AwanBiru Technology Berhad for the financial year ended 30 June 2023.

If you are unable to attend and vote at the 13<sup>th</sup> AGM, you may complete the Form of Proxy and deposit it at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than forty-eight (48) hours before the time set for holding the 13<sup>th</sup> AGM. The lodging of the Form of Proxy does not preclude you from attending and voting at the meeting should you subsequently decide to do so. The Form of Proxy can also be submitted electronically via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com). For further information on the electronic submission of Form of Proxy, kindly refer to the Administration Guide.

Last date and time for lodging the Form of Proxy .....: Tuesday, 21 November 2023 at 10:00 a.m.

Date and time of the AGM .....: Thursday, 23 November 2023 at 10:00 a.m.

**This Statement is dated 25 October 2023**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Awantec” or “Company”	:	AwanBiru Technology Berhad [201001038336 (922260-K)]
“Awantec Group” or “Group”	:	Awantec and its subsidiary companies as defined in Section 4 of the Act
“Awantec Share(s)” or “Share(s)”	:	Ordinary share(s) in Awantec
“Board”	:	Board of Directors of Awantec
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“By-Laws”	:	The rules, terms and conditions of the LTIP as may be modified, varied and/or amended from time to time
“Director(s)”	:	Directors(s) of Awantec
“Dr. Abu”	:	Dr. Abu Hasan bin Ismail, the Non-Independent Non-Executive Director, Founder Mentor of the Company
“EGM”	:	Extraordinary General Meeting
“Eligible Persons”	:	The eligible Directors and employees of Awantec Group (excluding subsidiary companies which are dormant), who meet the criteria of eligibility for participation in the LTIP as stated in the By-Laws
“EPS”	:	Earnings per share
“ESOS” or “Options”	:	Employees’ Share Option Scheme
“Listing Requirements”	:	Bursa Securities Main Market Listing Requirements, including any amendments thereto that may be made from time to time
“LPD”	:	29 September 2023, being the latest practicable date prior to the printing of this Statement
“LTIP”	:	Long Term Incentive Plan comprising the ESOS and the Share Grant Plan, implemented with effect from 25 January 2021

## DEFINITIONS (Cont'd)

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"Major Shareholder(s)"	:	A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:  (a) 10% or more of the number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.  For the purposes of this definition, "interest in shares" shall have the same meaning given in Section 8 of the Act.
"NA"	:	Net assets
"Person(s) Connected"	:	In relation to any person ("referred to as "said Person") means such person who falls under any one (1) of the following categories:  (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
"Prevailing Laws"	:	Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of authority for Awantec to purchase its own shares of up to 10% of its total number of issued shares at any point in time
"Purchased Shares"	:	Awantec Shares that have been purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
"RM" and "sen"	:	Ringgit Malaysia and sen respectively

## DEFINITIONS (Cont'd)

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"Rules"	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time and any re-enactment thereof
"SC"	:	Securities Commission Malaysia
"SKIN"	:	Sistem Kawalan Imigresen Nasional
"Substantial Shareholder(s)"	:	A person who has an interest or interests in one (1) or more voting Shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the Company as defined under Section 136 of the Act
"Treasury Shares"	:	The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
"Warrant(s)"	:	Warrant A in Awantec issued on 25 November 2020 and expiring on 24 November 2025, which are exercisable into new Awantec Shares at RM0.385, as stipulated in the Deed Poll dated 15 October 2020 constituting the said Warrants. As at LPD, the total outstanding Warrants is 255,950,234

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise stated.

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**AWANBIRU TECHNOLOGY BERHAD**

[Registration No. 201001038336 (922260-K)]  
(Incorporated in Malaysia)

**Registered Office:**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

25 October 2023

**Board of Directors**

Encik Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (*Independent Non-Executive Chairman*)  
Dr. Abu Hasan bin Ismail (*Non-Independent Non-Executive Director, Founder Mentor*)  
Mr. Ramanathan a/l Sathiamutty (*Independent Non-Executive Director*)  
Professor Emeritus Dato' Dr. Hassan bin Said (*Independent Non-Executive Director*)  
Puan Hafidah Aman binti Hashim (*Independent Non-Executive Director*)  
Ms. Ginny Yeow Mei Ying (*Independent Non-Executive Director*)  
Dato' Tharuma Rajah @ K. T. Rajan a/l R. Krishnan (*Independent Non-Executive Director*)  
YM Tunku Abang Faisal Amir bin Abang Abu Bakar (*Independent Non-Executive Director*)  
Ms. Lim Saw Imm (*Independent Non-Executive Director*)

**To: The Shareholders of Awantec**

Dear Sir/Madam

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

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**INTRODUCTION**

The Board had on 9 October 2023 announced that the Company is proposing to seek approval from its shareholders on the Proposed Renewal of Share Buy-Back Authority at an AGM. The existing authority for share buy-back which was approved by the shareholders at the Twelfth AGM ("**12<sup>th</sup> AGM**") held on 24 November 2022, shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, unless renewal is obtained from the shareholders of Awantec at the said AGM.

The purpose of this Statement is to provide you with details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval in respect of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 13<sup>th</sup> AGM of Awantec.

**SHAREHOLDERS OF AWANTEC ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.**

## 1.0 INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

### 1.1 Details of the Proposed Renewal of Share Buy-Back Authority

The Board had, during the AGM held on 24 November 2022 obtained its shareholders' approval to continue the share buy-back exercise, to purchase up to 10% of the total number of issued shares of the Company as quoted on the Bursa Securities as at the point of purchase. In accordance with the Listing Requirements governing the purchase of own shares by a listed company, the aforesaid approval will lapse at the conclusion of the forthcoming AGM unless a new mandate is obtained from its shareholders.

In connection thereto, the Company had on 9 October 2023 announced its intention to seek approval of its shareholders on the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM of the Company which will be held on Thursday, 23 November 2023.

The Board proposes to seek approval from the shareholders for a renewal of authorization to enable the Company to purchase up to 10% of its total number of issued shares as quoted on Bursa Securities as at the point of purchase.

The Proposed Renewal of Share Buy-Back Authority shall be effective upon the passing of the resolution at the forthcoming AGM of Awantec and shall continue to remain in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

### 1.2 Quantum

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed 10% of the total number of issued Shares of the Company at any point of time.

Based on the minimum scenario, the Company may purchase and/or hold up to 78,989,210 Shares based on the total number of issued shares of the Company of 789,892,100 Shares as at LPD. The total number of Shares purchased by the Company and being held as Treasury Shares up to and including LPD is 1,698,500. As such, the balance Shares that can be purchased by the Company taking into account the total cumulative Treasury Shares held up to LPD is 77,290,710 Shares, assuming that (i) no further Shares are issued; (ii) no outstanding Warrants are exercised by the entitled warrant holders; and (iii) no new Shares are granted to any Eligible Persons under the LTIP as at the LPD.

For the avoidance of doubt, for illustrative purposes throughout this Statement including the proforma effects as disclosed in Section 8 below, we have not taken into account:-

- (i) any grant of Options or new Shares to the Eligible Persons after the LPD;
- (ii) any purchase of Shares by Awantec pursuant to the share buy-back authority approved by shareholders at the 12<sup>th</sup> AGM, after the LPD; and
- (iii) any issuance of additional Shares pursuant to Sections 75 and 76 of the Act after the LPD.

Based on the assumption of the full exercise of the 255,950,234 outstanding Warrants as at the LPD into 255,950,234 new Shares (known as "**Maximum Scenario**"), a maximum of 104,584,233 Shares may be purchased and/or held, representing 10% of the enlarged total number of issued Shares of Awantec.

The actual number of Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company at the time of the purchase(s).



### **1.3 Treatment of Shares Purchased**

In accordance with Section 127 of the Act, the Directors would be able to deal with any Awantec Shares so purchased by the Company in the following manner:

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as Treasury Shares;
- (c) to retain part of the Purchased Shares as Treasury Shares and cancel the remainder;
- (d) to distribute the Treasury Shares held as dividend to the Shareholders;
- (e) to resell the Treasury Shares on the market of Bursa Securities;
- (f) to transfer the Treasury Shares as purchase consideration;
- (g) to transfer the Treasury shares, or any of the Purchased Shares for the purpose of or under an employees' share scheme established by the Company; or
- (h) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, or any alternatives as mentioned above, will be made by the Board at the appropriate time.

If such Purchased Shares were held as Treasury Shares, the rights attaching to them in relation to voting, dividends, and participation in any other distribution or otherwise would be suspended and the Treasury Shares would not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at shareholders meetings.

As at the date of this Statement, the Board has yet to make a decision with regard to the treatment of the Purchased Shares and will take into consideration the effect of such treatment on the Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation, and/or resale of Purchased Shares pursuant to the Proposed Renewal of Share Buy-Back.

### **2.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The implementation of the Proposed Renewal of Share Buy-Back Authority is as follows:

- (a) in managing the business of the Group, the management team strives to increase shareholder value by improving, inter alia, the return on equity of the Company. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) shares purchased or acquired under the Share Buy-Back Authority can also be held by the Company as Treasury Shares to satisfy the Company's obligations to furnish Shares to participate in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its shareholders; and
- (c) share buy-back mandates help mitigate short-term market volatility, offset the effects of short-term speculation, and bolster shareholder confidence.

### **3.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

#### **3.1 Potential Advantages**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority would enable the Company to utilize its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased Shares which are retained as Treasury Shares are resold at prices higher than their cost of purchase.
- (c) In any event, the Treasury Shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal of Share Buy-Back Authority may also stabilize the supply and demand of Awantec Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of Awantec Shares price is important to maintain investors' confidence and may also assist in facilitating future fundraising via the equity market.

#### **3.2 Potential Disadvantages**

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of Awantec Group.
- (b) The Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds, such as deposits in interest-bearing instruments.
- (c) The Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilized to purchase its own Shares.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and the shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the Proposed Renewal of Share Buy-Back Authority.

### **4.0 FUNDING AND RETAINED PROFITS**

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to be financed by internally generated funds and/or bank borrowings. In the event the Company decides to utilize bank borrowings to finance the Proposed Renewal of Share Buy-Back Authority, the Board will ensure that the Company has sufficient financial capability to repay the bank borrowings and that such repayment will not have a material impact on the cash flow of the Company. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

As at the LPD, the Company has not determined the source of funding for the Proposed Renewal of Share Buy-Back Authority. The actual amount of funds to be utilized for the Proposed Renewal of Share Buy-Back Authority will only be determined later depending on the actual number of Awantec Shares to be purchased, availability of funds at the time of purchase(s) and other relevant cost factors.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available.

Based on the latest audited financial statements of the Company for the financial year ended 30 June 2022 and the latest unaudited financial statements of the Company for the three (3) months period ended 30 June 2023, the retained profits/(accumulated losses) of the Company are as follows:-

	<b>Audited As at 30 June 2022 (RM'000)</b>	<b>Unaudited As at 30 June 2023 (RM'000)</b>
Retained Profits/(Accumulated Losses)	(9,671)	(15,923)

## **5.0 SHAREHOLDINGS OF DIRECTORS, MAJOR SHAREHOLDERS, SUBSTANTIAL SHAREHOLDERS, AND PERSONS CONNECTED TO THE DIRECTORS AND/OR MAJOR SHAREHOLDERS**

Based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders as at the LPD, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the direct and indirect interests of the Directors, Major Shareholders, Substantial Shareholders, and any Persons Connected to the Directors and/or Major Shareholders of Awantec are illustrated below:-

Minimum Scenario	:	Assuming none of the 255,950,234 outstanding Warrants as at the LPD are exercised or new Shares are granted to any Eligible Persons under the LTIP
Maximum Scenario	:	Assuming all 255,950,234 outstanding Warrants as at LPD are exercised into new Shares

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## Minimum Scenario

	Shareholdings as at the LPD <sup>β</sup>				After the Proposed Renewal Share Buy-Back <sup>®</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	-	-	-	-	-	-	-	-
Dr. Abu Hasan bin Ismail	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	11.19
Ramanathan a/l Sathiamutty	-	-	-	-	-	-	-	-
Professor Emeritus Dato' Dr. Hassan bin Said	-	-	-	-	-	-	-	-
Hafidah Aman binti Hashim	-	-	-	-	-	-	-	-
Ginny Yeow Mei Ying	-	-	-	-	-	-	-	-
Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	-	-	-	-	-	-	-	-
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	-	-	-	-	-	-	-	-
Lim Saw Imm	-	-	-	-	-	-	-	-
<b>Substantial/Major Shareholders</b>								
Maybank Trustees Berhad Areca Dynamic Growth Fund	102,929,400	13.06	-	-	102,929,400	14.48	-	-
Eco Cloud Assets Sdn. Bhd.	79,579,740	10.10	-	-	79,579,740	11.19	-	-
Dr. Abu Hasan bin Ismail	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	11.19
Eco Cloud Ventures Sdn. Bhd.	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	11.19
CIMB Islamic Trustee Berhad	55,301,700	7.02	-	-	55,301,700	7.78	-	-
CIMB Commerce Trustee Berhad	43,086,800	5.47	-	-	43,086,800	6.06	-	-

## Maximum Scenario

	Shareholdings as at the LPD <sup>8</sup>				Shareholdings assuming full exercise of Warrants and Options <sup>*</sup>				After the Proposed Renewal Share Buy-Back <sup>#</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>												
Syed Naqiz Shahabuddin bin Syed Abdul Jabbar	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Abu Hasan bin Ismail	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	7.62	-	-	79,579,740 <sup>(a)</sup>	8.45
Ramanathan a/l Sathiamutty	-	-	-	-	-	-	-	-	-	-	-	-
Professor Emeritus Dato' Dr. Hassan bin Said	-	-	-	-	-	-	-	-	-	-	-	-
Hafidah Aman binti Hashim	-	-	-	-	-	-	-	-	-	-	-	-
Ginny Yeow Mei Ying	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tharuma Rajah @ K.T. Rajan a/l R. Krishnan	-	-	-	-	-	-	-	-	-	-	-	-
YM Tunku Abang Faisal Amir bin Abang Abu Bakar	-	-	-	-	-	-	-	-	-	-	-	-
Lim Saw Imm	-	-	-	-	-	-	-	-	-	-	-	-

	Shareholdings as at the LPD <sup>β</sup>				Shareholdings assuming full exercise of Warrants and Options*				After the Proposed Renewal Share Buy-Back <sup>#</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial/ Major Shareholders</b>												
Maybank Trustees Berhad Areca Dynamic Growth Fund	102,929,400	13.06	-	-	128,662,400	12.32	-	-	128,662,400	13.67	-	-
Eco Cloud Assets Sdn. Bhd.	79,579,740	10.10	-	-	79,579,740	7.62	-	-	79,579,740	8.45	-	-
Dr. Abu Hasan bin Ismail	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	7.62	-	-	79,579,740 <sup>(a)</sup>	8.45
Eco Cloud Ventures Sdn. Bhd.	-	-	79,579,740 <sup>(a)</sup>	10.10	-	-	79,579,740 <sup>(a)</sup>	7.62	-	-	79,579,740 <sup>(a)</sup>	8.45
CIMB Islamic Trustee Berhad	55,301,700	7.02	-	-	63,917,540	6.12	-	-	63,917,540	6.79	-	-
CIMB Commerce Trustee Berhad	43,086,800	5.47	-	-	53,858,500	5.16	-	-	53,858,500	5.72	-	-

**Notes:**

<sup>β</sup> Calculated based on 788,193,600 Shares, excluding 1,698,500 Treasury Shares as at LPD.

<sup>@</sup> Assuming that 78,989,210 Shares (being the maximum number of Shares of not more than 10% of the total number of issued shares including 1,698,500 Treasury Shares as at LPD) are bought back by the Company.

<sup>\*</sup> Calculated based on the enlarged total number of issued shares of the Company of 1,044,143,834 (excluding 1,698,500 Treasury Shares as at LPD), assuming that all the outstanding Warrants as at LPD are fully exercised into new Shares.

<sup>#</sup> Assuming that 104,584,233 Shares (being the maximum number of Shares of not more than 10% of the total number of issued shares including 1,698,500 Treasury Shares as at LPD) are bought back by the Company after taking into consideration that all the outstanding Warrants as at LPD are fully exercised into new Shares.

<sup>(a)</sup> Deemed interested in the shares held by Eco Cloud Assets Sdn. Bhd. pursuant to Section 8 of the Act.

Save for the resulting increase in percentage of shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, Major Shareholders of Awantec and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of Treasury Shares, if any.

## **6.0 PUBLIC SHAREHOLDINGS SPREAD**

The Proposed Renewal of Share Buy-Back Authority will be undertaken in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The public shareholding spread of the Company as at the LPD is approximately 64.34% held by public shareholders. The Company will not make any purchase of Awantec shares if that will result in a breach of Paragraph 8.02(1) of the Listing Requirements, which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares (excluding treasury shares) or such lower percentage of shareholding spread as may be allowed by Bursa Securities in the hands of public shareholders. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of Awantec Shares by the Company.

## **7.0 IMPLICATIONS RELATING TO THE RULES**

Pursuant to the Rules, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/their stake(s) in the Company is/are increased to beyond 33% of its total number of issued shares or if his/their existing shareholding(s) is/are more than 33% but less than 50% and it exceeds by another 2% in any six (6) months' period.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining Awantec Shares not held by him/them. However, an exemption from a mandatory offer obligation may be granted by SC under the Rules, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its Substantial Shareholders and/or parties acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Rules will not be triggered. However, in the event that an obligation to undertake a mandatory offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make the necessary application to SC for an exemption from undertaking a mandatory offer under the Rules before a mandatory offer is triggered.

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## 8.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, NA and earnings of the Awantec Group, assuming the purchase of own shares up to the maximum 10% of the total number of issued shares of Awantec, are set out below:

### 8.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares.

In the event that all the Awantec Shares purchased are to be cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares as at the LPD are as follows:

	<b>Minimum scenario</b>	<b>Maximum scenario</b>
Total number of issued Shares as at LPD	789,892,100	789,892,100
New Shares to be issued upon full exercise of the outstanding Warrants	-	255,950,234
	<hr/>	<hr/>
Cancellation of Purchased Shares	789,892,100	1,045,842,334
	(78,989,210)	(104,584,233)
Total number of issued Shares after the Proposed Renewal of Share Buy-Back Authority	<hr/>	<hr/>
	710,902,890	941,258,101

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares of the Company if all the Awantec Shares are retained as Treasury Shares, resold or distributed to the shareholders of the Company.

### 8.2 NA

When the Company purchases its own shares, regardless of whether they are retained as Treasury Shares or subsequently cancelled, the NA per Share of Awantec Group will decrease if the cost per Share purchased exceeds the NA per Share of Awantec Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of Awantec Group at the relevant point in time, the NA per Share of Awantec Group will increase.

In the case where the Purchased Shares are treated as Treasury Shares and subsequently resold on Bursa Securities, the NA per Share of Awantec Group upon the resale will increase if the Company realizes a gain from the resale and vice-versa. If the Treasury Shares are distributed as share dividends, the NA of Awantec Group will decrease by the cost of the Treasury Shares at the point of purchase.

### 8.3 Earnings

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of Awantec Group are dependent on the number of Awantec Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to Awantec Group if internally generated funds are utilized. Further, the purchase of the Awantec Shares will result in a lower number of shares being taken into account for purposes of EPS computation.



#### **8.4 Working Capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of Awantec Group, the quantum of which depends on, amongst others, the purchase price of the Awantec Shares and the number of Awantec Shares that would be purchased.

For Purchased Shares which are kept as Treasury Shares, upon resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

#### **8.5 Dividends**

Barring any unforeseen circumstances, the Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of Awantec. As stated in Sections 2 and 3.1 above, the Board may have the option to distribute future dividends in the form of the Treasury Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

#### **8.6 Gearing**

The effect of the Proposed Renewal of Share Buy-Back Authority on the gearing of the Group will depend on the proportion of borrowings utilized to fund any purchase of Awantec Shares. At this juncture, the Company has not determined whether to use any form of borrowings for purposes of the Proposed Renewal of Share Buy-Back Authority.

### **9.0 DETAILS OF PURCHASE OF SHARES, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES IN THE PREVIOUS TWELVE (12) MONTHS**

The Company has not purchased any Shares, resold, transfer or cancelled any Treasury Shares during the previous twelve (12) months and up to the LPD.

### **10.0 HISTORICAL SHARE PRICES**

The monthly highest and lowest closing prices of Awantec Shares, as traded on Bursa Securities for the past twelve (12) months, are as follows:

	<b>LOW (RM)</b>	<b>HIGH (RM)</b>
<b>2022</b>		
October	0.450	0.505
November	0.375	0.495
December	0.375	0.450
<b>2023</b>		
January	0.370	0.420
February	0.335	0.405
March	0.345	0.470
April	0.390	0.435
May	0.400	0.510
June	0.405	0.470
July	0.395	0.450
August	0.175	0.415
September	0.225	0.265

The last transacted market price of Awantec Shares on the LPD was RM0.250 per Share.

*(Source: The Wall Street Journal)*

## **11.0 DIRECTORS' RECOMMENDATION**

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Directors recommend that the shareholders of Awantec vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

## **12.0 AGM**

The 13<sup>th</sup> AGM of Awantec, the Extract of Notice of 13<sup>th</sup> AGM which is enclosed in this Statement, will be held on a virtual basis from the broadcast venue at Block 11B, Level 3A, Star Central, Lingkaran Cyber Point Timur, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan on Thursday, 23 November 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority as described herein.

If you are unable to attend and vote at the forthcoming AGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd., at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Alternatively, the Form of Proxy may also be lodged electronically via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) not less than forty-eight (48) hours before the time fixed for the forthcoming AGM.

For further information on the electronic submission of Form of Proxy, kindly refer to the Administration Guide. The completion and return of the Form of Proxy will not preclude you from attending and voting at the forthcoming AGM should you subsequently decide to do so.

## **13.0 FURTHER INFORMATION**

Shareholders are advised to refer to Note 17 – Treasury Shares to the Audited Financial Statements for the financial year ended 30 June 2023 in the Annual Report 2023 which is dispatched together with this Statement for further information.

You are advised to refer to the attached Appendix I for further information.

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## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board of Awantec who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### 2. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered by Awantec nor any of its subsidiaries within the two (2) years preceding the LPD, other than contracts entered into in the ordinary course of business.

On 8 February 2021, the Company announced that its wholly-owned subsidiary, Awantec Systems Sdn. Bhd. entered into conditional sale and purchase agreements ("SPAs") with Serba Dinamik Group Berhad (the "Purchaser"), for the disposal of one (1) Eight (8) Storey stratified corporate office building known as Block 12, Corporate Park, Star Central @ Cyberjaya erected on part of all that piece of freehold land held under Master Title Geran 339485, Lot 111284, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor Darul Ehsan together with its attached fixtures and fittings as listed in the SPAs for a total cash consideration of Ringgit Malaysia Twenty Four Million Two Hundred Thousand (RM24,200,000.00) only.

Following the fulfillment of the condition precedent under the SPAs, the SPAs were scheduled to be completed on 31 July 2021 with an option for the purchaser to extend for up to one (1) month subject to payment of late payment interest.

Pursuant to the Purchaser's request, the Vendor had further agreed to grant an extension of time for the Purchaser to pay the Balance Purchase Price by 31 October 2021.

The Company had on 10 November 2021 announced that the Vendor and the Purchaser had on 10 November 2021 entered into a Mutual Termination Agreement to terminate the SPAs accordingly.

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### 3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, neither Awantec nor any of its subsidiaries is engaged in any material litigation, claims, or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of Awantec and/or its subsidiaries and the Directors are not aware of any proceedings, pending or threatened against Awantec and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may eventually affect the financial position of Awantec and/or its subsidiaries:

- i. **Kuala Lumpur High Court Civil Suit No.: WA24NCVC-2312-11/2019**  
**Prestariang SKIN Sdn. Bhd. ("PSKIN")** .....Plaintiff  
**The Government of Malaysia ("Government")** .....Defendant

PSKIN, a wholly-owned subsidiary of Awantec Services Sdn. Bhd., which in turn is owned by Awantec, entered into a concession agreement dated 9 August 2017 ("**Concession Agreement**") with the Government as represented by the Ministry of Home Affairs in relation to the implementation of the SKIN project.

On 12 December 2018, Awantec announced that PSKIN received a letter from the Ministry of Home Affairs dated 11 December 2018, confirming the decision to terminate the SKIN project by way of expropriation.

On 15 April 2019, PSKIN commenced legal proceedings against the Government by way of an Originating Summons ("OS"), claiming the amount of RM733.0 million in relation to the termination of the Concession Agreement.

The OS was heard before the High Court on 22 January 2021, 29 January 2021, 26 February 2021, 9 April 2021, 20 May 2021, 2 November 2021, 30 November 2021, 11 March 2022, 25 July 2023, and 26 July 2023 and is currently still ongoing.

The Company's solicitors are of the view that PSKIN has reasonable prospects of success in its claims against the Government.

Separately, PSKIN and the Government have also agreed to refer the dispute in respect of PSKIN's OS to a court-annexed mediation conducted by the Kuala Lumpur Court Mediation Centre. The parties agreed that the mediation process shall proceed concurrently with the court proceedings. On 31 October 2019, representatives from PSKIN and the Government (with the parties' respective Counsel) attended the first mediation session, and the Group will continue to pursue mediation in parallel with the OS.

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#### 4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, during normal business hours (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (a) Constitution of Awantec;
- (b) The audited consolidated financial statements of Awantec for the past two (2) financial years ended 30 June 2021 and 30 June 2022; and
- (c) The Material Contracts as disclosed in Section 2 of Appendix I of this Statement.

In adherence to the standard operating procedures imposed by the regulatory authority(ies), all inspections of documents at the registered office of the Company can only be conducted by **prior appointment**. Please contact 03-2084 9000 for appointment request(s).

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**EXTRACT OF NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING**

**ORDINARY RESOLUTION NO. 2**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company, the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements and all other applicable laws, guidelines, rules, and regulations, if applicable, the Company be and is hereby authorized to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of shares purchased does not exceed ten percent (10%) of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any);
- (ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of the retained profits of the Company, based on the latest audited financial statements and/or latest management accounts of the Company (where applicable); and
- (iii) the Directors of the Company may decide in their absolute discretion either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

**THAT** authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and will only continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by shareholders of the Company in general meeting,

whichever occurs first;

**AND THAT** authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalize and give full effect to the aforesaid purchase.”

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