

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

CLOUD FRAMEWORK AGREEMENT BETWEEN GOVERNMENT OF MALAYSIA WITH GOOGLE CLOUD MALAYSIA SDN. BHD. AND AWANTEC SYSTEMS SDN. BHD. (FORMERLY KNOWN AS PRESTARIANG SYSTEMS SDN. BHD.)

1. INTRODUCTION

Pursuant to our announcement on 19 February 2021, the Company wishes to announce that its wholly-owned subsidiary, Awantec Systems Sdn. Bhd. (formerly known as Prestariang Systems Sdn. Bhd.) ("**ASSB**") had on 17 March 2022 entered into a Cloud Framework Agreement ("**Agreement**") with the Government of Malaysia ("**Government**") as represented by MAMPU and Google Cloud Malaysia Sdn. Bhd ("**Cloud Service Provider**" or "**CSP**") to establish the scope and basic terms for the Government's purchase of CSP cloud services based on terms and conditions as stipulated in the Agreement.

(ASSB, Government and CSP are collectively referred to as the "**Parties**" and "**Party**" refers to any one (1) of them, as the context may require)

Further details of the Agreement are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PARTIES TO THE AGREEMENT

ASSB

ASSB, a wholly-owned subsidiary of AWANTEC, is a private limited company incorporated on 8 October 2003 under the Companies Act 1965 with registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

ASSB is principally engaged in the business of providing Information and Communication Technology training and certification, licensing and software services and cloud management services.

As at the date of this announcement, ASSB's total number of issued shares are 9,000,000 ordinary shares and the directors are Dr. Abu Hasan bin Ismail and Abdul Razak bin Bakrun.

Cloud Service Provider

The CSP is a private limited company incorporated on 28 April 2021 with registered office at Level 21, Suite 21.01, Lingkaran Syed Putra, Mid Valley City, 58000 Kuala Lumpur, Wilayah Persekutuan 59200 Kuala Lumpur.

The CSP is principally engaged in the business of providing computer consultancy and other information technology service activities.

As at the date of this announcement, the CSP's total number of issued shares are 6,000,001 ordinary shares and the directors are Laura Gandy and Yiap Man Yee.

3. SALIENT TERMS OF THE AGREEMENT

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

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

- 3.1 The Agreement is for a period of 35 months commencing on 1 February 2022 and expiring on 31 December 2024 (“**Agreement Period**”), unless terminated earlier in accordance with the provisions of the Agreement. The CSP may apply to extend the Agreement Period provided it applies in writing to the Government not less than three (3) months prior to the expiration of the Agreement Period.
- 3.2 Under the Agreement, ASSB is appointed as the exclusive partner to Google for the provision of its services to the Government of Malaysia. There is no contract value stated in the Agreement. The subscription of CSP Cloud Services will be via future Subscription Contracts to be signed between various Government Ministries or Departments with ASSB and/or CSP within the Agreement Period.

4. RISKS OF THE AGREEMENT

The Company does not foresee any exceptional risk other than the normal operational risks associated with the Agreement. The Company will take the necessary steps to mitigate the risks as and when it occurs.

5. FINANCIAL EFFECTS

The provision of cloud services is aligned with AWANTEC’s core business activities in providing licensing and software services (including cloud base products and services) and cloud management services.

Barring unforeseen circumstances, ASSB’s entry into the Agreement will position us as the exclusive MSP for Google products and services to the Government of Malaysia and is expected to contribute positively towards the growth of AWANTEC and have a positive impact on the earnings per share and net tangible assets per share of AWANTEC.

6. APPROVALS REQUIRED

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

7. DIRECTORS’ STATEMENT

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

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

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

9. DOCUMENTS FOR INSPECTION

The Agreement will not be made available for inspection as the Company is bound by the confidentiality clause to keep the Agreement confidential.

This announcement is dated 13 May 2022.