

**AWANBIRU TECHNOLOGY BERHAD**  
(formerly known as Prestariang Berhad) (“AWANTEC” OR “COMPANY”)

**FIRST ANNOUNCEMENT PURSUANT TO PARAGRAPH 8.03A OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“FIRST ANNOUNCEMENT”)**

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**1. INTRODUCTION**

We refer to the announcements dated 15 September 2020 and 23 December 2020 in relation to the termination of the Company’s wholly-owned subsidiary Prestariang Systems Sdn Bhd (“**PSSB**”)’s membership in the Microsoft Partner Network (“**MPN**”) by Microsoft effective 31 January 2021 (the “**Effective Date of Termination**”). Following the Effective Date of Termination, PSSB may no longer carry out the business of providing Microsoft products and services.

Based on the audited financial statements as at 30 June 2020, the revenue contributed by Microsoft products and services amounted to RM139.98 million or 90.87% of the consolidated revenue of AWANTEC, and based on unaudited financial statements as at 30 September 2020, the revenue contributed by Microsoft products and services was RM33.15 million or 93.39% of the consolidated revenue of AWANTEC.

Accordingly, the Board of Directors of AWANTEC wishes to announce that following the Effective Date of Termination, AWANTEC is an Affected Listed Corporation pursuant to Paragraph 8.03A 2(a)(aa) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) whereby a listed corporation may not have a level of operations that is adequate to warrant continued trading or listing on the Official List as a result of cancellation, loss or non-renewal of a licence, concession or such other rights necessary to conduct its business activities. The above termination by Microsoft will result in the loss of business that contributes or generates 70% or more of the revenue on a consolidated basis based on AWANTEC’s latest audited financial statements as at 30 June 2020 or its unaudited financial statements as at 30 September 2020.

**2. OBLIGATIONS PURSUANT TO Paragraph 8.03A**

Pursuant to Paragraph 8.03A (3) of the Listing Requirements, AWANTEC as an Affected Listed Corporation must comply with the following: -

- i. immediately announce to Bursa Securities of its condition and provide such information from time to time for public release in accordance with the disclosure obligations set out in paragraph 4.0 of Practice Note 17, with the necessary modifications;
- ii. regularize its condition by complying with the requirements set out in paragraph 8.04(3) and paragraph 5.0 of Practice Note 17, with the necessary modifications; and
- iii. comply with such other requirements or do such other acts or things as may be prescribed or required by Bursa Securities.

As an Affected Listed Issuer, our Company is required to comply with the following: -

- i. Regularize its condition within 12 months from the date of the First Announcement in the following manner: -
  - a. Submit a regularization plan to the Securities Commission Malaysia (“**SC**”) if the regularization plan will result in a significant change in the business direction or policy of our Company; or
  - b. Submit a regularization plan to Bursa Securities if the plan will not result in a significant change in the business direction or policy of our Company, and to obtain Bursa Securities’ approval to implement the regularization plan;
- ii. Provide such information as may be prescribed by Bursa Securities from time to time for public release;
- iii. Do such other acts of things as may be required by Bursa Securities;
- iv. Implement the plan within the timeframe stipulated by the SC or Bursa Securities, as the case may be;
- v. Announce within 3 months from the First Announcement, on whether the regularization plan will result in a significant change in the business direction or policy of our Company;
- vi. Announce the status of the regularization plan and the number of months to the end of the relevant timeframes on a monthly basis until further notice from Bursa Securities;
- vii. Announce our Company’s compliance or non-compliance with a particular obligation imposed pursuant to Practice Note 17 on an immediate basis;
- viii. Announce the details of the regularization plan; and
- ix. Where our Company fails to regularize its condition, announce the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Securities.

### **3. CONSEQUENCE OF NON-COMPLIANCE**

Bursa Securities may suspend the trading of the listed securities of the Company and de-list the Company in the event: -

- i. The Company fails to submit a regularization plan to the regulatory authorities within 12 months from the date of the First Announcement;
- ii. The Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularization plan; and
- iii. The Company fails to implement its regularization plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

### **4. STATUS OF PLAN TO REGULARISE CONDITION**

The financial position of AWANTEC Group remains strong and healthy with total

shareholders' equity of RM105.14 million as at 30 September 2020. The financial position of the Group was further strengthened with the completion of the private placement of shares and rights issue on 30 November 2020 which raised gross cash proceeds of RM63.22 million.

Software & Services and Talent business remains the core business and underlying driver for AWANTEC despite the discontinuation of the Microsoft line of product and services. We will leverage our experience and market knowledge to grow our other lines within Software & Services and Talent business segment which include partners like Google, Adobe and others. We continue to actively work with these product principals and will widen our range of products and services to offer to our customers particularly in relation to Cloud based services. This expansion of our Group's new product and service offerings will include, amongst others, cloud management platform, business productivity applications, specialised software and talent training and placement. Some of these recent contract wins, and collaborations have been announced on Bursa Securities in the past few months.

Premised on the above, the Board of Directors of AWANTEC is formulating a regularization plan to address its affected listed corporation status and will make the necessary announcement on the regularization plan in due course.

This announcement is dated 29 January 2021.