

## UNITRADE INDUSTRIES BERHAD ("UIB" OR THE "COMPANY")

### COLLABORATION AGREEMENT ENTERED BETWEEN SYARIKAT LOGAM UNITRADE SDN BHD, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY ("SYAL"), HUAWEI TECHNOLOGIES (MALAYSIA) SDN BHD ("HUAWEI") AND JJ-LAPP (M) SDN BHD ("JJ-LAPP")

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*Reference is made to the Company's announcement dated 23 January 2024 in relation to the Memorandum of Understanding ("MoU") between SYAL, Huawei and JJ-LAPP. Unless otherwise stated, the term herein shall bear the same meaning as defined in the said announcement.*

#### 1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") wishes to announce that SYAL had on 22 April 2024 entered into a Collaboration Agreement ("**the Agreement**") with Huawei and JJ-LAPP to collaborate in the purchase and sale of products related to the Huawei Digital Power-Smart PV solutions, subject to and upon the terms and conditions of the Agreement.

SYAL, Huawei and JJ-LAPP shall be hereinafter collectively referred to as the "Parties" and individually as the "Party".

#### 2. INFORMATION ON HUAWEI AND JJ-LAPP

##### 2.1 HUAWEI

Huawei is a company incorporated in Malaysia and having its principal place of business at Suite 32-01, Level 32, Integra Tower, The Intermark, No. 348, Jalan Tun Razak, 50400 Kuala Lumpur.

Huawei is a leading global provider of information and communications technology (ICT) infrastructure and smart devices.

##### 2.2 JJ-LAPP

JJ-LAPP is a company incorporated in Malaysia and having its registered office at No. 7-13A-01, Level 13A, Jebesen & Jessen Tower UOA Business Park (Tower 7) Jalan Pengaturcara, U1/51A, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.

JJ-LAPP was founded as a joint venture between Jebesen & Jessen Group and LAPP Holding Asia, a subsidiary of LAPP Group in Germany, to become the leading cable and connectivity solutions provider in ASEAN.

#### 3. SALIENT TERMS OF THE AGREEMENT

The salient terms and conditions of the Agreement, among others, are set out as follows:-

##### 3.1 Purpose

The Parties agree to collaborate in the purchase and sale of products related to the Huawei Digital Power-Smart PV solutions and this collaboration may include, but not limited to, joint marketing efforts, sharing of resources, expertise, and technology to maximise the benefits and efficiency of the collaboration ("**the Collaboration**")

##### 3.2 Scope of the Agreement

###### i. Market Expansion

- (a) Expanding the market access for the Huawei Digital Power-Smart PV solutions to residential, commercial and industrial customers.

- (b) Developing the healthy project pipeline agreed by Parties with regular monthly project pipeline review.
  - (c) Identifying new market opportunities and expand the application of the technology of the Huawei Digital Power-Smart PV solutions across regions and sectors.
  - (d) Creating brand awareness and the value of the Huawei's Digital Power-Smart PV solutions via joint marketing activities.
- ii. Product Integration
- (a) SYAL shall promote the use of Huawei products related to the Huawei Digital Power-Smart PV solutions on a best-endeavour basis to enhance the overall value proposition for customers and end-users.
  - (b) SYAL shall complete all necessary certifications, as determined by Huawei from time to time.

### **3.3 Roles and Responsibilities of Each Party**

i. Huawei as the Technology Advisor

Huawei shall, among others, provide expert technical guidance and support to the Value-Added Partner and Project Delivery Partner. This includes:-

- (a) To provide strategic guidance on the implementation of its cutting-edge technologies to drive efficiency and innovation.
- (b) To assess the current tech landscape, recommend customer solutions, and oversee the integration process.
- (c) To stay abreast of industry trends, conduct market research, and provide insights on emerging technologies and their potential application in the business context.
- (d) To lead training sessions to upskill the team, fostering a culture of learning and digital fluency.

ii. JJ-LAPP as the Value Added Partner

JJ-LAPP shall, among others, promote and sell the Huawei Digital Power-Smart PV solutions to customers within its designated territory or market segmentation. This includes:-

- (a) To provide strategic advice and insights to the Project Delivery Partner to enhance client operations; and
- (b) To provide technical support to the Project Delivery Partner in troubleshooting and warranty claim matters.

iii. SYAL as the Project Delivery Partner

SYAL shall oversee the end-to-end delivery of the Huawei Digital Power-Smart PV solutions and shall work closely with the Technology Advisor and the Value Added Partner in facilitating broader market access for the Huawei Digital Power-Smart PV solutions. This includes: -

- (a) To allocate resources efficiently to ensure timely delivery to solar engineering, procurement, construction, and commissioning (“**EPCC**”) players in undertaking EPCC installation jobs.
- (b) To identify and mitigate project risks ensuring successful delivery.
- (c) To ensure high-quality deliverables that meet Huawei's expectations.

- (d) To provide technical support, in collaboration with Technology Advisor and Value-Added Partner, to EPCC players in troubleshooting and also warranty claim matters.

### **3.4 Term of the Agreement**

The Agreement will come into effect on the date of execution of the Agreement by Parties and shall continue in full force and effect for an initial period of three (3) years and may be extended for a further term of two (2) years to be mutually agreed by all Parties.

### **3.5 Breach of Agreement**

In the event of any Party shall breach any terms of the Agreement the defaulting Party shall be responsible for remedying the said breach immediately upon realising its occurrence or within fourteen (14) days upon being notified by any other Party of the said breach.

### **3.6 Termination**

Any Party may terminate the Agreement without cause by providing at least thirty (30) days written notice to the other parties. In the case where there is a breach by any party(ies) of the terms of the Agreement that is not rectified in accordance to the circumstances prescribed in the Agreement, then the non-defaulting party(ies) may terminate the Agreement forthwith by notice in writing to the defaulting party(ies).

### **3.7 Secrecy and Confidentiality**

The Parties shall at all times keep confidential and shall not divulge to any third parties any terms of this agreement or any proprietary or confidential information acquired from either Party in connection with the this Collaboration Agreement unless such disclosure has been expressly permitted in writing by the other Party or pursuant to the circumstances prescribed in the Agreement.

## **4. RATIONALE FOR THE AGREEMENT**

The Agreement sets forth the Parties' collaboration in the purchase and sale of products related to the Huawei Digital Power-Smart PV solutions.

Through the Agreement, SYAL will serve as a the Project Delivery Partner to oversee the end-to-end delivery of the Huawei Digital Power-Smart PV solutions and shall work closely with Huawei and JJ-LAPP in facilitating broader market access for the Huawei Digital Power-Smart PV solutions.

UIB via SYAL's collaboration with Huawei and JJ-LAPP marks our continued focus into environmentally responsible business ventures. UIB would thereby be expanding the Group's product portfolio to include PV modules. Barring unforeseen circumstances, this will enhance the recurring revenue stream and contribute positive to the future earnings of UIB.

## **5. RISK FACTORS**

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

## **6. FINANCIAL EFFECTS OF THE AGREEMENT**

### **6.1 Share Capital and substantial shareholders' shareholdings**

The Agreement is not expected to have any material effect on the issued share capital of the Company and substantial shareholders' shareholding in the Company.

**6.2 Net Asset (“NA”) Per Share, Earning Per Share (“EPS”) and Gearing**

The Agreement is expected to contribute positively to the EPS and NA of the Company and will not have any material effect on the gearing of the Company for the financial year ending 31 March 2025 onwards.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED TO THEM**

None of the Directors, major shareholders of the UIB Group and/or persons connected to them have any interest, whether direct or indirect in the Agreement.

**8. DIRECTORS’ STATEMENT**

The Board having reviewed and considered the terms and conditions of the Agreement, is of the opinion that the Agreement is in the best interests of the Company and the terms and conditions of the Agreement are fair, reasonable and on terms that are not detrimental to the interest of the minority shareholders of the Company.

**9. APPROVALS REQUIRED**

The Agreement is not subject to the approval of shareholders and any other relevant authorities and is not conditional upon any other corporate exercise undertaken by the Company.

**10. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the Agreement will be available for inspection at the registered office of UIB at the 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Essien 13, 46200 Petaling Jaya during normal business hours on Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 22 April 2024.