

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

COLLABORATION AGREEMENT ENTERED BETWEEN SYARIKAT LOGAM UNITRADE SDN BHD, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY ("UNITRADE") AND FSBM MES ELITE SDN BHD ("FSBM")

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") wishes to announce that UNITRADE had on 28 May 2024 entered into a Collaboration Agreement ("**the Agreement**") with FSBM to collaborate as detailed in Section 3 below.

UNITRADE and FSBM shall be hereinafter collectively referred to as the "Parties" and individually as the "Party".

2. INFORMATION ON FSBM

2.1 FSBM

FSBM is wholly owned by FSBM Holdings Berhad (listed on Main Market of Bursa Malaysia Securities Berhad), a company incorporated in Malaysia. Its principal place of business located at L3-02, KYM Tower, 8, Jalan PJU 7/6, PJU 7, Mutiara Damansara, 47800 Petaling Jaya, Selangor, Malaysia.

FSBM is engaged in provision of industry digitalisation transformation, Industrial Internet of Things ("**IIoT**"), and smart manufacturing solutions, provision of development in manufacturing execution systems software and system integration services.

2.2 FSBM Holdings Berhad

FSBM Holdings Berhad is primarily engaged in the development of IT services segment. The range of services the company offering are digital solutions and service (which including platform design and development, technical support and maintenance services, refurbishment and/or lease/rental services), cybersecurity services and smart manufacturing solutions.

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 Voltage Sag Protector ("**VSP**") and Energy Saving Compressor(s) (collectively referred to as "**Equipment**") within Southeast Asia 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 Equipment to commercial and industrial customers in diverse industries including mining and metal; manufacturing; data centres and information technology; healthcare; telecommunications; financial services; utilities and energy; chemical and petrochemical; aerospace and defense; public infrastructure and commercial buildings.

- (b) Developing the project pipeline agreed by Parties with regular monthly project pipeline review.
 - (c) Identifying new market opportunities and expanding the sale of the Equipment across regions and sectors within Southeast Asia.
 - (d) Creating brand awareness and the value of the Equipment via marketing activities either jointly or respectively.
- ii. Product Integration
- (a) UNITRADE shall promote the use of the Equipment on a best-endeavour basis to enhance the overall value proposition for customers and end-users.
 - (b) UNITRADE shall complete all necessary certifications as determined by FSBM from time to time.

3.3 Roles and Responsibilities of Each Party

i. FSBM

FSBM shall, among others, provide expert technical guidance and support to the UNITRADE. This include:

- (a) To provide strategic guidance, stay abreast of industry trends, conduct market research.
- (b) To lead training sessions to upskill UNITRADE's team, fostering a culture of learning and digital fluency.
- (c) To liaise with suppliers and/or manufacturers to procure the Equipment and to provide technical support to UNITRADE in troubleshooting and warranty claim matters.

ii. UNITRADE

UNITRADE shall work closely with FSBM in facilitating broader market access in Southeast Asia for the Equipment. This includes: -

- (a) To identify customers and end-users for the purchase of the Equipment.
- (b) To allocate adequate resources to ensure timely delivery of the Equipment.
- (c) To identify and mitigate project risks ensuring successful delivery.
- (d) To collaborate with FSBM, to provide adequate technical support to customers and end-users in troubleshooting and warranty claim matters.

3.4 Term of the Agreement

This Agreement shall commence on the effective date set forth above and shall continue in full force and effect for an initial period of one (1) year and may be extended for a further term of one (1) year subject to mutual agreement by both 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 in writing.

3.6 Termination

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

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 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 the Equipment.

UIB via UNITRADE's collaboration with FSBM marks our continued focus to expand our product offerings to our commercial and industrial customers. Barring unforeseen circumstances, this will contribute positively 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 will not have any material effect on the issued share capital of the Company and substantial shareholders' shareholding in the Company as it does involve issuance of shares.

6.2 Net Asset ("NA") Per Share, Earning Per Share ("EPS") and Gearing

The Agreement is not expected to have any material effect on the EPS, NA per share and gearing of the Company for the financial year ending 31 March 2025. However, it is expected to contribute positively to the future earnings of UIB should business opportunities arising from the Agreement materialise.

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 28 May 2024.