

TECHBOND GROUP BERHAD (“TGB” OR THE COMPANY”)

ACCEPTANCE OF CONTRACT FOR THE SUPPLY, CONSTRUCTION AND INSTALLATION OF THE FACTORY COMPLEX LOCATED AT NO. 18 VSIP II-A, STREET 23, VIETNAM-SINGAPORE INDUSTRIAL PARK II-A, VINH TAN COMMUNE, TAN UYEN TOWN, BINH DUONG PROVINCE, VIETNAM (“VSIP II”) FOR AN APPROXIMATE CONTRACT SUM OF USD2.7 MILLION (“AWARD OF CONTRACT”)

1. Introduction

The Board of Directors of Techbond Group Berhad is pleased to announce that its wholly owned subsidiary company Techbond MFG (Vietnam) Co. Ltd (“TMVCL”) has on 23 May 2019 accepted and entered into a construction contract with main contractor, Trung Hau Construction Corporation for the supply, construction and installation of factory complex in VSIP II. Further details on the factory complex can be referred to our Prospects dated 13 November 2018.

2. Salient terms and conditions

The salient terms of the contract are as follows: -

- i. The contract is scheduled to be completed by the first quarter of 2020 with all the works specified in the contract completed and accepted as prescribed.
- ii. The main contractor shall handover the whole project with a certified construction warranty of 24 months and a warranty guarantee of 5% of the total contract value.
- iii. The total contract sum is approximately USD2.7 million, excluding local VAT of 10%

3. Financial effects of the transaction

The contract will not have any effect on the share capital and shareholding structure of TGB. It is also not expected to have any material effect on the net assets per share, earnings per share and gearing of TGB for this financial year ending 30 June 2019.

4. Risks

The financial risks associated with the contract are expected to be limited to the contract value.

5. Statement by the board

The board, having considered all aspects of the construction contract, including the salient terms, basis and justification for the contract sum, as well as the associated risks factors and effects, is of the opinion that the construction contract is in the best interest of the Company.

6. Directors' and major shareholders' interest

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

This announcement is dated 23 May 2019.