

# **PROPOSED ACQUISITION OF MANZ SLOVAKIA S.R.O. BY GREATECH TECHNOLOGY BERHAD**

*Unless otherwise stated, the exchange rate of Euro Dollar (“€”)1.00 to Ringgit Malaysia (“RM”) 4.6574, being Bank Negara Malaysia’s middle rate as at 5.00 p.m. on 27 February 2025 (being the latest practicable date prior to this announcement (“LPD”)), is used throughout this announcement. Certain amounts and percentage figures included herein have been subject to rounding adjustments.*

## **1. INTRODUCTION**

The Board of Directors (“Board”) of Greatech Technology Berhad (“GTB” or “the Company” or “Greatech” or “the Purchaser”) wished to announce that Greatech has on 28 February 2025 entered into a sales and purchase agreement (“SPA”) with Mr. Martin Mucha acting in his capacity as insolvency administrator over the assets of Manz AG (“the Vendor”), hereinafter the Purchaser and the Vendor collectively referred to as the “Parties”, for the acquisition of 100% equity interest in Manz Slovakia S.R.O. (“Manz Slovakia”), a wholly-owned subsidiary of Manz AG (“Proposed Acquisition”) representing Euro Six Hundred Seventy Thousand Five Hundred and Eighteen (€670,518) paid up monetary contribution into the registered capital of Manz Slovakia (“Sale Shares”) for a total purchase consideration of Euro One Million (€1,000,000) only, approximately Ringgit Malaysia Four Million Six Hundred Fifty Seven Thousand and Four Hundred (RM4,657,400) (“Purchase Consideration”).

## **2. DETAILS OF THE PROPOSED ACQUISITION**

### **2.1. Information on GTB**

GTB, a public company listing on the Main Market of Bursa Malaysia Securities Berhad, was incorporated in Malaysia on 5 March 2018, having its registered office at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, George Town, Penang.

The total number of issued shares of GTB is 2,511,422,900 ordinary shares. GTB is an investment holding company and the principal activities of its subsidiaries mainly engage in the design and manufacture of single automated equipment, production line system, provision of related components and engineering services.

The Board of GTB consists of Dato’ Ooi Boon Chye, Dato’ Seri Tan Eng Kee (“Dato’ Seri Tan”), Mr. Khor Lean Heng, Dato’ Ooi Hooi Kiang, Dato’ Seri Wong Siew Hai, Dr. Michael Dominic Kirk and Dr. Kong Siew Mui.

### **2.2. Information on the Vendor**

Mr. Martin Mucha, attorney-at-law, having its business address at Reinsburgstraße 27, 70178 Stuttgart, acting in his capacity as insolvency administrator over the assets of Manz AG.

### 2.3. Information on Manz AG

Manz AG, is listing on the Frankfurt Stock Exchange, having its registered seat in Reutlingen, registered in the commercial register of the local court of Stuttgart under HRB 353989, with a registered business address at Steigäckerstr. 5, 72768 Reutlingen.

The Manz group of companies (“Manz Group”) is a developer of production solutions for lithium-ion batteries, electronic components, and devices in the automotive & e-mobility, electronics, energy, and battery manufacturing sectors. Manz AG filed for opening of insolvency proceedings on 20 December 2024. The local court of Stuttgart has opened insolvency proceedings and has appointed the Vendor as insolvency administrator of Manz AG by order dated 24 February 2025.

The Managing Board of Manz AG consists of Dr. Ulrich Brahms, Manfred Hochleitner and Stefan Lutter. The Supervisory Board of Manz AG consists of Prof. Dr. Heiko Aurenz, Dieter Manz, Prof. Dr. Michael Powalla and Dr. Zhiming Xu. Dato’ Seri Tan, is a shareholder who holds 1,842,583 shares, representing 17.97% direct equity interest in Manz AG.

Within the Manz Group, Manz AG is acting both as an operative entity and as a holding company. Manz AG owns 100% equity interest in Manz Slovakia.

### 2.4. Information on Manz Slovakia

Manz Slovakia, a limited liability company incorporated under the laws of Slovakia on 9 September 2006, identification no. 36 673 234, with a registered business address at Rybárska 4, 91501 Nové Mesto nad Váhom, Slovakia, registered with the commercial registry of the District court Trenčín, Section: Sro, File No. 17049/R, Slovakia.

Manz Slovakia is currently in the business of contract manufacturing for various industries, primarily focused on the semiconductor, medical, and packaging sectors.

Manz Slovakia specialises in the manufacturing of both standardised and custom equipment, able to cope with serial volume manufacturing as well as prototyping and small-lot assembly. Manz Slovakia consistently fulfils the highest requirements regarding innovation, quality and functionality of products.

The current registered capital of Manz Slovakia is €670,518. The Directors of Manz Slovakia are:

Name	Nationality
Richard Seris	Slovakian
Dr. Ulrich Brahms	German

## **2.5. Basis and Justification for the Purchase Consideration**

The Purchase Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and was determined with reference to the earnings and future prospects of Manz Slovakia, and the rationale and benefits of the Proposed Acquisition as stated under the section headed "Rationale and Benefits of the Proposed Acquisition" in this announcement.

## **2.6. Salient Terms of the SPA**

### **2.6.1. Sale of the Sale Shares**

Subject to the terms and conditions of the SPA, the Vendor has agreed to sell and the Purchaser has agreed to purchase, the Sale Shares including all ancillary rights, obligations and undistributed profits, subject to the conditions that the Sale Shares exist, are owned or co-owned by the Vendor on the Closing, and can legally and practically be transferred. To complete the transfer, both parties will execute a Share Transfer Agreement in the agreed form on the Closing. The Purchaser will handle the necessary filings, with both parties cooperating to complete the transfer.

### **2.6.2. Intercompany Receivables**

The Vendor sells and transfers to the Purchaser all intercompany receivables ("Intercompany Receivables") including shareholder loan receivables, management fees receivables and trade receivables, of Manz AG against Manz Slovakia, existing as of the Closing.

To the extent that there are any outstanding receivables of Manz Slovakia against Manz AG or against the Vendor, the Purchaser shall ensure that Manz Slovakia will not request or enforce payment and shall indemnify the Vendor, Manz AG and the insolvency estate from any claims arising from such receivables.

### **2.6.3. German Value Added Tax ("VAT")**

The Parties acknowledge that the transaction is not subject to or is exempt from German VAT (or other VAT). If VAT is applicable, it shall be borne by the Purchaser in addition to the Purchase Consideration.

Any withholding on payments to the Vendor shall be grossed up to ensure the Vendor receives the full amount due.

Claims under this section expire six (6) months after the expiration of the applicable limitation period for filing a claim related to the relevant tax.

#### **2.6.4. Payment under the SPA**

If the Purchaser fails to make any payment under the SPA when due, it shall be deemed in default without further notice. The overdue amount shall accrued bear interest from the due date at a rate of nine percentage points above the prevailing base interest rate. The Vendor's rights to claim further damages and any other rights shall remain unaffected.

The Purchaser shall not be entitled to set-off against any claims unless such set-off is acknowledged by the Vendor in writing or has been awarded by a final court decision.

#### **2.6.5. Closing**

The Parties shall execute the share transfer agreement and the performance of the closing action ("Closing") on the fifth (5<sup>th</sup>) business day after the Purchase Consideration has been received by the Vendor or a date jointly designated by the Parties, and the end of the day on which Closing actually takes place.

After the Closing has been performed, the Parties shall execute a written confirmation ("Closing Confirmation") to confirm completion.

Dr. Ulrich Brahms will, without undue delay after the Closing, resign from his office as managing director of Manz Slovakia, and the Purchaser will ensure that his appointment is revoked and properly recorded with the relevant register.

#### **2.6.6. Exclusion of Liabilities and Warranties**

The Sale Shares and, thereby, the business of Manz Slovakia is sold and transferred on an "as is basis" without any representation, warranty, or other liability of the Vendor.

The Vendor does not make or grant any representation, warranty or other statement whether express or implied with regard to the Sale Shares or the business of Manz Slovakia and disclaims any other representation or warranty or any other statement, whether made by the Vendor or any of his or Manz AG's directors, employees, advisors or other representatives.

All against the Vendor as insolvency administrator personally, or against his representatives, advisors, partners or employees and/or members of creditors' committees, regardless of their legal grounds, shall be excluded to the extent this is legally permissible, except in cases of intentional or wilful misconduct or fraud of the Vendor, provided, however, that the Vendor shall not be liable for wilful behaviour or fraud of any auxiliary persons.

### **2.6.7. Reverse Indemnity**

If, after the Closing, any claims against the Vendor, Manz AG, or the insolvency estate related to Manz Slovakia's liability, obligation, guarantee, or business, the Purchaser shall indemnify them from any such claim and from any costs and expenses arising in connection therewith. This indemnification obligation shall not apply to claims that were intentionally concealed or due to fraudulent behaviour by the Vendor.

### **2.6.8. Transitional Services and Post-Closing Obligations**

The Vendor shall, to the extent legally permitted, use reasonable efforts to provide Manz Slovakia with transitional IT services, subject to the limitations due to insolvency proceedings.

The Vendor may not be able to provide the services owed at all, in due time or in a proper manner, in particular if the employees retained by the Vendor leave or there are insufficient assets for the insolvency proceedings and therefore the Vendor only owes the services to the extent it is possible and reasonable for him to provide these under the conditions of the insolvency proceedings. The Vendor may also terminate third-party agreements at its sole discretion and will not support IT system transition or carve-out efforts. Manz Slovakia is responsible for managing its own migration. From the Closing, the Purchaser will cause Manz Slovakia to accept the services as they are provided and to waive any and all potential claims for malperformance.

The remuneration payment is to be paid by Manz Slovakia for the actual costs incurred in providing the services, including expenses related to third-party service providers or licensors. Upon Closing, the Purchaser shall be jointly liable for all remuneration liabilities of Manz Slovakia.

Manz Slovakia will continue to provide certain manufacturing and assembly services and make certain deliveries to Vendor for the completion of certain customer projects of the Vendor, under existing supply agreements between Manz Slovakia and Manz AG, notably at the terms and conditions and for the prices stipulated therein, and with the same quality and standards as before.

### **2.6.9. Withdrawal**

The Vendor shall be entitled to withdraw from the SPA at any time if the Purchase Consideration has not been received in its account within ten (10) business days of the date hereof. The Purchaser shall be entitled to withdraw from the SPA if the Closing has not occurred within one (1) month after the Purchase Consideration has been received in the Vendor's account unless due to the Purchaser's fault or other reasons within the sphere of the Purchaser.

## **2.7. Source of Funds**

The Purchase Consideration will be satisfied by internally generated funds.

## **2.8. Liabilities to be assumed**

Save for the liabilities arising from the ordinary course of business of Manz Slovakia, GTB will not be assuming any liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Acquisition.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION**

The Proposed Acquisition will enable Greatech to diversify and expand further its business in the contract manufacturing sector.

The Board believes that integrating Manz Slovakia's business into Greatech will yield significant synergies. The Proposed Acquisition offers a strategic opportunity for Greatech to diversify and enhance its capabilities in the contract manufacturing sector, while gaining immediate access to Manz Slovakia's established customer base. The Proposed Acquisition will strengthen Greatech's market position and also unlock new avenues for growth.

## **4. PROSPECTS**

The contract manufacturing market size is estimated at USD0.74 trillion in 2025, and is projected to reach USD1.12 trillion by 2030, reflecting a compound annual growth rate of 8.7% during the forecast period 2025-2030 (Source: Mordor Intelligence website).

The prospects of contract manufacturing are promising as companies across various industries continue to outsource manufacturing to reduce costs, enhance operational flexibility, and focus on their core competencies. This trend is expected to grow as businesses increasingly look for cost-effective solutions to meet consumer demand while upholding quality standards.

The Proposed Acquisition is in line with Greatech's growth strategy, further solidifying our commitment to long-term success. Greatech will gain immediate access to a growth market, unlocking new avenues for expansion and strengthening our competitive position.

Premised on the above, the Board is of the opinion that the Proposed Acquisition will contribute positively to the business operations of Greatech in the medium to long term.

## **5. RISK FACTORS**

### **5.1. Non-completion of the Proposed Acquisition**

The Proposed Acquisition is subject to fulfilment of the Salient Terms stated in the SPA. There is no assurance that the Proposed Acquisition could be completed within the timeframe as prescribed under the SPA.

The Board will take reasonable steps to ensure that such terms and conditions are met and fulfilled within the prescribed timeframe.

### **5.2. Cash Flow Risk**

Greatech intends to satisfy the Proposed Acquisition by internally generated funds. Therefore, the Proposed Acquisition may impact the cash flow position of Greatech. The Board believes that its prudent cash flow management will be able to address cash flow risk.

### **5.3. Investment Risk**

The various synergistic benefits to be realised from the Proposed Acquisition are dependent upon the successful integration of Manz Slovakia into Greatech. The Proposed Acquisition is expected to contribute positively to the future performance of Greatech. However, there is no assurance that the anticipated benefits of the Proposed Acquisition will be realised after the completion of the Proposed Acquisition.

Notwithstanding the foregoing, Greatech will constantly monitor the progress and performance of Manz Slovakia and leverage its management and technical expertise to properly manage the business and operations of Manz Slovakia.

### **5.4. Foreign Exchange Risk**

The financial results of Manz Slovakia are denominated in €. In such an event, as the financial results of Manz Slovakia will be consolidated with the financial results of the Company, which is reported in RM upon completion of the Proposed Acquisition, any adverse fluctuation of € against the RM may have an impact on the Company's financial performance.

Notwithstanding the above, the exchange translation on consolidation is only an accounting entry for the purpose of consolidating the enlarged Greatech's financial results as of a particular date.

## 6. EFFECTS OF THE PROPOSED ACQUISITION

### 6.1. Share Capital and Shareholdings of the Substantial Shareholders

The Proposed Acquisition will not have any effect on the share capital of and substantial shareholders' shareholdings in the Company as the Purchase Consideration will be satisfied wholly by cash and does not involve any issuance of new Greatech shares.

### 6.2. Earnings and Earnings per Share ("EPS")

For illustration purpose, assuming that the Proposed Acquisition was completed on 1 January 2023 and using the audited financial results of Greatech for the financial year ended 31 December 2023 and the audited financial results of Manz Slovakia for the financial year ended 31 December 2023, the effects of the Proposed Acquisition on the earnings and EPS are as follows:

	Audited as at 31 December 2023	After the Proposed Acquisition <sup>(1)</sup>
Earnings attributable to owners of Greatech (RM)	154,363,105	152,451,578
Weighted number of ordinary shares ('000) <sup>(2)</sup>	2,506,900	2,506,900
Basic EPS (sen)	6.16	6.08

**Notes:**

(1) After including the audited loss after tax of Manz Slovakia for the financial year ended 31 December 2023 of €410,428.

(2) Included the retrospective effect of the bonus issue of 1,254,866,150 bonus shares listed on 11 September 2024. Excluding this, the number of ordinary shares in issues was 1,252,625,971 for the financial year ended 31 December 2023.

### 6.3. Net Assets ("NA"), NA per Share and Gearing

For illustration purpose, assuming that the Proposed Acquisition was completed on 1 January 2023 and using the audited financial results of Greatech for the financial year ended 31 December 2023 and the audited financial results of Manz Slovakia for the financial year ended 31 December 2023, the effects of the Proposed Acquisition on the NA, NA per share, and gearing are as follows:

	Audited as at 31 December 2023 (RM)	(I) After the Proposed Acquisition (RM)	(II) After I and Impairment Loss on Intercompany Receivables (RM)
Share capital	122,529,933	122,529,933	122,529,933
Exchange translation reserve	(798,587)	(798,587)	(798,587)
Reorganisation debit reserve	(39,500,000)	(39,500,000)	(39,500,000)
Revaluation reserve	24,722,051	24,722,051	24,722,051
Share grant reserve	8,158,874	8,158,874	8,158,874
Retained earnings	636,272,407	711,423,259 <sup>(1)</sup>	607,590,685 <sup>(2)</sup>
<b>Total equity</b>	<b>751,384,678</b>	<b>826,535,530</b>	<b>722,702,956</b>
Number of ordinary shares ('000) <sup>(3)</sup>	2,508,399	2,508,399	2,508,399
NA per share	0.30	0.33	0.29
Total borrowings	14,489,399	54,316,638 <sup>(4)</sup>	54,316,638 <sup>(4)</sup>
Gearing (times)	0.02	0.07	0.08

**Notes:**

- (1) *After including the audited retaining earnings of Manz Slovakia for the financial year ended 31 December 2023 of €16,135,795.*
- (2) *After adjusting the impairment loss on the Intercompany Receivables for the financial year ended 31 December 2023 of €22,294,107 to the audited retained earnings of Manz Slovakia for the financial year ended 31 December 2023. Refer to Salient Terms of the SPA under Section 2.6.2 above, Manz Slovakia will not request or enforce payment on these Intercompany Receivables, and the impairment reflects a prudent adjustment in line with the anticipated financial outcome.*
- (3) *Included the retrospective effect of the bonus issue of 1,254,866,150 bonus shares listed on 11 September 2024. Excluding this, the number of ordinary shares in issues was 1,254,199,450 for the financial year ended 31 December 2023.*
- (4) *After including the audited total borrowings of Manz Slovakia for the financial year ended 31 December 2023 of €8,551,389.*

## 7. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of any governmental authorities or the shareholders of Greatech.

## **8. CONDITIONALITY**

The Proposed Acquisition is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

## **9. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the end of March 2025.

## **10. HIGHEST PERCENTAGE RATIOS**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad is 20.09% based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2023.

## **11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

Save for Dato’ Seri Tan, an Executive Director cum Chief Executive Officer and major shareholder of Greatech is also a shareholder of Manz AG, none of the directors and/or major shareholders of Greatech and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition.

Manz AG is not considered as person connected to Dato’ Seri Tan by virtue of:

- a) Manz AG, who does not fall under any one of categories of “person connected” as defined under Chapter 1 of MMLR of Bursa Malaysia Securities Berhad as Dato’ Seri Tan merely holding 17.97% of the voting shares in Manz AG and Dato’ Seri Tan is not appointed as a member of the Managing Board or Supervisory Board of Manz AG; and
- b) Manz AG is currently under insolvency proceedings which the SPA was entered between Greatech with the Vendor. With the appointment of a preliminary insolvency administrator for Manz AG on 20 December 2024, the powers of the Managing Board were restricted, while the role of the Supervisory Board effectively became insignificant.

## **12. DIRECTORS’ STATEMENT**

The Board (saved for Dato’ Seri Tan has abstained from the Board deliberation and voting in respect of the Proposed Acquisition), having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of Greatech Group.

### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

The SPA is available for inspection at the registered office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuq Farquhar, 10200 George Town, Pulau Pinang during normal office 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 February 2025.**