

**THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad has not perused the contents of this Statement/Circular prior to its issuance as it is prescribed as an exempt document. Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.

Shareholders should rely on their own evaluation to assess the merits and risks of the proposals as set out herein.

# *Genetec Technology*

**GENETEC TECHNOLOGY BERHAD**  
Registration No.: 199701030038 (445537-W)  
(Incorporated in Malaysia)

## **PART A**

### **STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

## **PART B**

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above proposals will be tabled as Special Business at the Twenty-Second Annual General Meeting ("**22<sup>nd</sup> AGM**") of Genetec Technology Berhad ("**the Company**") to be held at Multi-Purpose Hall, 2<sup>nd</sup> Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 9.30 a.m. The Notice of the 22<sup>nd</sup> AGM together with the Form of Proxy is set out in the Company's 2020 Annual Report.

As a shareholder, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH online website at <https://tjih.online> (For further information on the *electronic lodgement of proxy form*, kindly refer to the *Administrative Guide*), not less than 48 hours before the time set for the 22<sup>nd</sup> AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 25 August 2020 at 9.30 a.m.  
Date and time of the 22<sup>nd</sup> AGM : Thursday, 27 August 2020 at 9.30 a.m.

**PART A**  
**STATEMENT TO SHAREHOLDERS**  
**IN RELATION TO THE**  
**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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## DEFINITIONS

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Unless the context otherwise requires, the following definitions shall apply throughout Part A of this Statement/Circular:-

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
AMLR	: The Listing Requirements of Bursa Securities for the ACE Market and any amendments thereto that may be made from time to time
Board	: Board of Directors of Genetec
Bursa Securities	: Bursa Malaysia Securities Berhad
CMSA	: Capital Markets and Services Act, 2007, as amended, supplemented or modified from time to time
Code	: The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and include any re-enactment thereof
Director(s)	: Director(s) of Genetec and shall have the meaning given in Section 2(1) of CMSA
EPS	: Earnings per share
ESOS	: The Company's subsisting employees' share option scheme involving the issuance of up to 15% of its issued shares
FYE	: Financial year ended
Genetec or the Company	: Genetec Technology Berhad [Registration No. 199701030038 (445537-W)]
Genetec Group or the Group	: Genetec and its subsidiary as defined in the relevant section of the Act
LPD	: 29 June 2020, being the latest practicable date prior to the printing of this Statement/Circular
Market Day(s)	: Means a day on which the stock market of Bursa Securities is open for trading in securities
Minister	: Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia
NA	: Net assets attributable to ordinary equity holders of Genetec
Proposed Renewal of Share Buy-Back Authority	: Proposed renewal of authority for the purchase by the Company of its own shares up to ten percent (10%) of the total number of issued shares of the Company
Purchased Share(s)	: Share(s) of the Company purchased under the Proposed Renewal of Share Buy-Back Authority
RM and sen	: Ringgit Malaysia and sen, respectively

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**DEFINITIONS (Cont'd)**

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Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisition issued by the SC, including any amendment thereto that may be made from time to time
SC	: Securities Commission Malaysia
Share(s)	Ordinary share(s) in Genetec
Statement	: This statement to the shareholders of Genetec in relation to the Proposed Renewal of Share Buy-Back Authority dated 27 July 2020
Substantial Shareholder(s)	: As defined in the relevant section of the Act
Treasury Share(s)	: The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
VWAMP	: Volume weighted average market price

In this Statement/Circular, unless there is something in the subject or context inconsistent herewith, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

For the purpose of this Statement/Circular, all references to time of day relates to Malaysian time and date, unless otherwise stated.

All references to "you" in this Statement/Circular are to the shareholders of the Company.

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**APPENDIX**

## APPENDIX I – FURTHER INFORMATION

# *Genetec Technology*

**GENETEC TECHNOLOGY BERHAD**  
Registration No.: 199701030038 (445537-W)  
(Incorporated in Malaysia)

## **STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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### **1.0 INTRODUCTION**

At the last AGM held on 28 August 2019, the Company had obtained its shareholders' approval on the proposed share buy-back exercise to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company at any point in time through Bursa Securities. In accordance with the AMLR governing the purchase of a listed issuer's own shares by the listed issuer itself, the aforesaid approval will continue to be in force until the conclusion of the forthcoming 22<sup>nd</sup> AGM of the Company which will be held on 27 August 2020.

On 14 July 2020, the Company had announced its intention to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 22<sup>nd</sup> AGM.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority together with the recommendation of the Board and to seek your approval in respect of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority which is to be tabled as one of the agenda items for Special Business as set out in the notice of the 22<sup>nd</sup> AGM. The notice of the 22<sup>nd</sup> AGM and the Form of Proxy are set out in the 2020 Annual Report of the Company.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 22<sup>nd</sup> AGM.**

### **2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board proposes to seek approval from the shareholders for a renewal of authorisation to enable the Company to purchase up to ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities at any point in time subject to the compliance with Section 127 of the Act, AMLR and any prevailing laws, rules, regulations, orders and guidelines issued by the relevant authorities at the time of purchase(s).

The Proposed Renewal of Share Buy-Back Authority, if approved by the shareholders, will be effective immediately upon the passing of the ordinary resolution at the forthcoming 22<sup>nd</sup> AGM of the Company and will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

### **3.0 FUNDING**

The proposed purchase by the Company of its own Shares shall be financed through internally generated funds and/or bank borrowings. The maximum funds allocated shall not exceed the sum of the retained earnings of the Company based on the audited financial statements for the FYE 31 March 2020.

The actual number of Shares to be purchased, the total amount of funds to be utilised, impact on cash flows as well as the timing of the proposed purchase by the Company of its own Shares will be dependent on amongst others, the market conditions, sentiments of the stock market and the available financial resources of the Company at the time of purchase(s).

Based on the audited financial statements for the FYE 31 March 2020, the retained earnings of the Company were RM10.9 million. The Company will ensure that the total amount of retained earnings of the Company will be sufficient to effect the share buy-backs.

In the event that the Proposed Renewal of Share Buy-Back Authority is to be partly or wholly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowings and that the repayment would not have any material effect on the cash flow of Genetec.

### **4.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable the Company to utilise any of its surplus financial resources to purchase its own Shares at prices which the Board views as favourable. This may stabilise the supply and demand of the Shares traded on Bursa Securities and thereby support the fundamental value of the Shares, in particular, to ensure, where possible, that the market share price is a fair reflection of the value of the Company. It also allows the Company to have greater flexibility in managing its capital structure.

### **5.0. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The potential advantages are as follows:-

- (a) allow the Company to take preventive measures against speculation particularly when the Shares are undervalued, which would, in turn, stabilise the market price of the Shares and hence investors' confidence;
- (b) enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group;
- (c) if the Purchased Shares are retained as Treasury Shares, it will provide the Board with an option to sell the Purchased Shares at a higher price and therefore make a gain for the Company; and
- (d) the Treasury Shares may be distributed as share dividends to shareholders as a reward to the shareholders of the Company.

The potential disadvantages are as follows:-

- (a) reduction of the financial resources of the Company available for distribution to the shareholders of the Company in the foreseeable future;
- (b) resultant opportunity costs for the Company as better investment opportunities may be foregone in the future with the reduction in financial resources of the Group available upon implementation of the Proposed Renewal of Share Buy-Back Authority; and
- (c) deprive the Group of interest income that can be derived from the funds utilised for the Proposed Renewal of Share Buy-Back Authority. Further, if the Proposed Renewal of Share Buy-Back Authority is financed via bank borrowings, the Group would have to service interest obligations.

The Proposed Renewal Share Buy-Back Authority, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Genetec which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

## **6.0 TREATMENT OF PURCHASED SHARES**

In accordance with Section 127(4) of the Act, the Board may deal with any of the Purchased Shares, at their discretion, in the following manner:-

- (a) cancel the Purchased Shares;
- (b) retain the Purchased Shares as Treasury Shares; or
- (c) retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, the Board may, at their discretion:

- (a) distribute the Purchased Shares as dividends to the shareholders of the Company, such dividends to be known as "share dividends";
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Purchased Shares or any of the Purchased Shares for the purposes of or under an employees' share scheme;
- (d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (e) cancel the Purchased Shares or any of the Purchased Shares; or
- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister may by order prescribe.

The decision of the Board on the above options and/or any other manner as prescribed by the relevant rules, regulations and orders made pursuant to the Act, the AMLR and any other relevant authorities for the time being in force, as may be selected or determined from time to time, will be made at an appropriate time and an immediate announcement will be made to Bursa Securities in relation to the Purchased Shares and the treatment of the Purchased Shares, following any transactions to be executed pursuant to the authority granted under the Proposed Renewal of Share Buy-Back Authority.

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise is suspended. In accordance with Section 127(9) of the Act, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **7.0 PURCHASE PRICE AND RESALE OR TRANSFER PRICE OF TREASURY SHARES**

Pursuant to Rule 12.17 of the AMLR, the Company may only purchase the Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the VWAMP of the Shares for the five (5) Market Days immediately before the purchase.

In case of resale or transfer of Treasury Shares, the Company may only resell or transfer any Treasury Shares on Bursa Securities pursuant to Section 127(7) of the Act at:-

- (a) a price which is not less than the VWAMP for the Shares for the five (5) Market Days immediately before the resale or transfer; or
- (b) a discounted price of not more than five percent (5%) to the VWAMP for the Shares for the five (5) Market Days immediately before the resale or transfer provided that:-
  - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold or transferred.

## 8.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, earnings and EPS, NA and gearing, working capital, dividends, shareholdings of Directors and Substantial Shareholders of the Company are set out below.

### 8.1 Share capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Renewal of Share Buy-Back Authority will result in a reduction in the total number of issued shares of the Company if the Purchased Shares are cancelled.

As at LPD, the total issued share capital of the Company is RM63,486,070 comprising 42,556,300 ordinary shares. The Company does not own any Treasury Shares as at LPD.

The Company had on 30 September 2010 established an ESOS and the outstanding options granted under the ESOS as at LPD is 1,419,300 ("**Outstanding Options**").

For illustration purposes and assuming 10% of the total number of issued shares of the Company as at LPD were purchased and cancelled entirely, the Proposed Renewal of Share Buy-Back Authority will have the following effects on the total number of issued share of the Company:-

	<b>Minimum Scenario No. of Shares</b>	<b>Maximum Scenario No. of Shares</b>
Total no. of Shares as at LPD	42,556,300	42,556,300
Shares to be issued arising from the full exercise of Outstanding Options	-	1,419,300
Enlarged total number of issued shares	42,556,300	43,975,600
Less: Maximum number of Shares that could be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(4,255,630)	(4,397,560)
Resultant number of issued shares after cancellation of all Purchased Shares	<b>38,300,670</b>	<b>39,578,040</b>

*Notes:*

*Minimum scenario* - Assuming none of the Outstanding Options are exercised into new Shares prior to the implementation of the Proposed Renewal of Share Buy-Back Authority.

*Maximum scenario* - Assuming all of the Outstanding Options are fully exercised into new Shares prior to the implementation of the Proposed Renewal of Share Buy-Back Authority.

In the event the Purchased Shares are retained as Treasury Shares, resold, distributed to shareholders or transferred under an employees' share scheme or as purchase consideration, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued shares of the Company.

## **8.2 Earnings and EPS**

The effects of the Proposed Renewal of Share Buy-Back Authority on the consolidated earnings of Genetec would depend on the purchase price and number of Shares purchased as well as the effective funding cost to the Company in implementing the Proposed Renewal of Share Buy-Back Authority.

The reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Renewal of Share Buy-Back Authority may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Renewal of Share Buy-Back Authority is implemented. Should the Shares purchased be resold, the extent of the impact to the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold, the effective funding cost and the gain or loss on the disposal, if any.

## **8.3 NA and gearing**

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA per share of the Company will depend on the purchase price of the Shares and the effective funding cost or loss in interest income of the Company. If the Shares purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority would reduce the NA per share of the Company if the purchase price exceeds the NA per share at the time of purchase. Conversely, the NA per share of the Company would be increased if the purchase price is less than the NA per share at the time of purchase. Should the Shares purchased be resold, the consolidated NA per share will increase if the Company realises a gain from the resale and vice versa.

The effect of the Proposed Renewal of Share Buy-Back Authority on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

## **8.4 Working capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of the Group, the quantum of which depends on, amongst others, the number of Shares purchased and the purchase price(s) of the Shares. For Shares so purchased which are kept as Treasury Shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

## **8.5 Dividends**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the Proposed Renewal of Share Buy-Back Authority will have the effect of increasing the dividend rate of the Company as a result of the reduction in the number of shares which are entitled to participate in the dividend payout. Any future dividend would be paid on the remaining issued shares of the Company (excluding the Treasury Shares, if any). Nonetheless, the Treasury Shares may be distributed as dividends to shareholders of the Company, if the Company so decides.

The level of future dividend to be declared or recommended (if any) will be determined by the Board after taking in consideration the performance, cashflow position of Genetec Group and the prevailing economic conditions.



## **9.0 PUBLIC SHAREHOLDING SPREAD**

As at the LPD, the public shareholding spread of Genetec was approximately 61.25%. Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the public shareholding spread would be expected to be reduced to:

- (i) 56.95% in the event none of the Outstanding Options as at LPD are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority; and
- (ii) 58.34% in the event all of the Outstanding Options as at LPD are fully exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority.

The Board is mindful of the requirement that any purchase of Shares by the Company must not result in the public shareholding spread of Genetec falling below the minimum public shareholding spread of 25%.

## **10.0 IMPLICATION OF THE CODE AND THE RULES**

Pursuant to the Code and the Rules, a person and any parties acting in concert with him/her/them will be required to make a mandatory offer for the remaining Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond thirty three percent (33%) or if his/her/their shareholdings is between thirty three percent (33%) and fifty percent (50%) and increases by another two percent (2%) in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

Based on the shareholdings of the Substantial Shareholders of the Company as at LPD and assuming the Proposed Renewal of Share Buy-Back Authority is carried out in full, none of the Substantial Shareholders together with any person acting in concert with them will trigger a mandatory general offer under the Code.

In the event the Proposed Renewal of Share Buy-Back Authority results in any Director, Substantial Shareholder and/or parties acting in concert with him/them triggering a mandatory offer obligation under the Code, the affected Director or Substantial Shareholder will be obliged to make a mandatory offer for the remaining shares in the Company not held by him/them. However, an exemption may be sought from the SC by the affected Director or Substantial Shareholder under Section 219 the CMSA before a mandatory offer obligation is triggered.

However, it is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory general offer under the Code. The Company will be mindful of the above implications of the Code in making any purchase of its own Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

## **11.0 PURCHASE, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS**

The Company had not purchased any Shares in the preceding twelve (12) months and the Company does not have any Treasury Shares. Therefore, there was no resale, transfer or cancellation of any Treasury Shares in the preceding twelve (12) months.

## **12.0 HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the twelve (12) months preceding the date of this Circular from July 2019 to June 2020 (being the last full trading month prior to the LPD) are as follows:

	Highest (RM)	Lowest (RM)
<b><u>2019</u></b>		
July	1.22	1.16
August	1.20	1.05
September	1.11	1.05
October	1.20	1.06
November	1.15	1.05
December	1.08	1.03
<b><u>2020</u></b>		
January	1.32	1.06
February	1.67	1.28
March	1.43	1.05
April	1.20	1.12
May	1.45	1.18
June	1.32	1.60

*(Source: Bloomberg)*

The last transacted market price of the Shares on LPD was RM1.33 per Share.

### **13.0 DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED**

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and/or Substantial Shareholders of Genetec and/or persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

### **14.0 APPROVALS REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is conditional upon approval being obtained from shareholders of the Company at the forthcoming 22<sup>nd</sup> AGM and is subject to annual renewal.

### **15.0 DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interest of the Company and accordingly, on the basis above, recommends you to vote in favour of the ordinary resolution in relation to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 22<sup>nd</sup> AGM of the Company.

### **16.0 FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I of this Statement/Circular for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**GENETEC TECHNOLOGY BERHAD**

HEW VOON FOO  
Independent Non-Executive Chairman

**PART B**

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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## DEFINITIONS

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Unless the context otherwise requires, the following definitions shall apply throughout Part B of this Statement/Circular:-

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
AMLR	: The Listing Requirements of Bursa Securities for the ACE Market and any amendments thereto that may be made from time to time
Board	: Board of Directors of Genetec
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular to shareholders of Genetec in relation to the Proposed Renewal of Shareholders' Mandate dated 27 July 2020
CLT	: CLT Engineering Sdn Bhd, a 51%-owned subsidiary company of Genetec
Director(s)	: Directors shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of Genetec or any other company which is its subsidiary or holding company or a chief executive officer of Genetec, its subsidiary or holding company
Genetec or the Company	: Genetec Technology Berhad [Registration No. 199701030038 (445537-W)]
Genetec Group or the Group	: Collectively, Genetec and its subsidiary as defined in the relevant section of the Act
KVC	KVC Industrial Supplies Sdn Bhd, a 50%-owned company of KVC Properties Sdn Bhd
KVC Pty	KVC Properties Sdn Bhd, a 51%-owned company of KVC Corporation Sdn Bhd
KVC Corp	KVC Corporation Sdn Bhd
LPD	29 June 2020, being the latest practicable date prior to the printing of this Circular

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## DEFINITIONS (*Cont'd*)

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- Major Shareholder(s) : A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of transaction were agreed upon) an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is –
- (a) 10% or more of the total number of voting shares in the Company; or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the company
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
- Proposed Renewal of Shareholders’ Mandate : The proposed renewal of the shareholders’ mandate for RRPT which approval is being sought from the shareholders at the forthcoming AGM, as set out in Section 2 of this Circular
- RRPT : Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the Genetec Group, entered into by Genetec or its subsidiaries which involve the interest, direct or indirect, of a Related Party(ies)
- Related Party(ies) : A Director, Major Shareholder of Genetec or person connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company, who are interested in the Proposed Renewal of Shareholders’ Mandate
- Related Transacting Parties : The parties transacting/to be transacting with the Genetec Group under the Proposed Renewal of Shareholders’ Mandate
- RM : Ringgit Malaysia
- Shareholders’ Mandate : The shareholders’ mandate for the Group to enter into RRPT with the Related Parties of a revenue or trading nature for which approval was obtained from the shareholders during the Twenty-First (21<sup>st</sup>) AGM held on 28 August 2019
- TSA : TSA Industries Sdn Bhd, a 50.10%-owned company of KVC Properties Sdn Bhd

In this Statement/Circular, unless there is something in the subject or context inconsistent herewith, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

For the purpose of this Statement/Circular, all references to time of day relates to Malaysian time and date, unless otherwise stated.

All references to “you” in this Statement/Circular are to the shareholders of the Company.

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**APPENDIX**

## APPENDIX I – FURTHER INFORMATION

# Genetec Technology

**GENETEC TECHNOLOGY BERHAD**  
Registration No.: 199701030038 (445537-W)  
(Incorporated in Malaysia)

**Registered Office:**

Lot 7, Jalan P10/11  
Seksyen 10  
Kawasan Perusahaan Bangi  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan

27 July 2020

**Board of Directors:**

Hew Voon Foo (*Chairman, Independent Non-Executive Director*)  
Teh Kim Seng (*Independent Non-Executive Director*)  
Chin Kem Weng (*Managing Director*)  
Sow Ewe Lee (*Executive Director*)  
Tan Moon Teik (*Executive Director*)

**To: The shareholders of Genetec**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the AGM held on 28 August 2019, the Company had obtained a mandate from the shareholders in respect of RRPT contemplated in the Shareholders' Mandate. The Shareholders' Mandate shall, in accordance with the AMLR, expire at the conclusion of the forthcoming 22<sup>nd</sup> AGM unless authority for its renewal is obtained from the shareholders at the forthcoming 22<sup>nd</sup> AGM.

On 14 July 2020, we had announced that the Company is proposing to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 22<sup>nd</sup> AGM.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate together with the recommendation of the Board and to seek your approval for the ordinary resolution pertaining thereto which is to be tabled as one of the agenda items as Special Business as set out in the notice of the 22<sup>nd</sup> AGM. The notice of the 22<sup>nd</sup> AGM and the form of proxy are enclosed in the 2020 Annual Report of the Company.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 22<sup>nd</sup> AGM.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Provisions under the AMLR

Under Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR, a listed corporation may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to, inter alia, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold as below:
  - (i) the consideration, value of assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
  - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,whichever is the higher.
- (c) the listed corporation's circular to shareholders for the shareholders' mandate includes the information as set out in the Guidance Note 8 of the AMLR. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed corporation immediately announces to the Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at that meeting; or
- (ii) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Thereafter, the approval of the shareholders will be sought for a renewal of the shareholders' mandate for the RRPT at each subsequent AGM of the Company.

## 2.2 Principal activities of the Group

The Company is principally engaged in investment holding activities, designing and building of customised factory automation equipment and integrated vision inspection system, from conceptual design, development of prototype to mass replication of equipment.

The principal activity of the Company's subsidiary company involved in the RRPT is as follows:-

Subsidiary	Principal activity
CLT	Fabrication of machine parts and tooling for equipment and replication of systems and equipment.

## 2.3 Class of Related Parties, Nature and Terms of the RRPT and Estimated Value

The Proposed Renewal of Shareholders' Mandate will apply to transactions involving the Group with the following Related Parties:

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 22 <sup>nd</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	TSA	Sale of fabrication parts by Genetec to TSA	Chen Khai Voon is an indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)	150,000	150,000	-
		Purchase of industrial hardware products by Genetec from TSA		1,000,000	300,000	98,538
			KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty)			

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 22 <sup>nd</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	KVC	Sale of fabrication parts by Genetec to KVC	Chen Khai Voon is an indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)	150,000	150,000	-
		Purchase of electrical components by Genetec from KVC		3,500,000	2,000,000	298,279
		Purchase and calibration of precision measuring instruments by Genetec from KVC	KVC Corp is a Major Shareholder of Genetec and also an Indirect Major Shareholder of KVC (via its shareholdings in KVC Pty)	500,000	-	-
Genetec	CLT	Sale of machines and component parts by Genetec to CLT	Tan Moon Teik is a Director of Genetec. He is also a Director and Major Shareholder of CLT	3,000,000	3,000,000	-
		Purchase of machines, component/fabrication parts by Genetec from CLT	Chin Kem Weng is a Director of Genetec. He is also a Director and Indirect Major Shareholder of CLT (via his shareholdings in Genetec)	12,000,000	1,800,000	794,306
		Provision of machining/engineering services by CLT to Genetec		12,000,000	1,000,000	438,617

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 22 <sup>nd</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
CLT	KVC	Purchase of electrical components by CLT from KVC	Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and an indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)  KVC Corp is an indirect Major Shareholder of KVC (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its direct shareholdings in Genetec)	500,000	500,000	250,718

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Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 22 <sup>nd</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
CLT	TSA	Purchase of industrial hardware products by CLT from TSA	Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)  KVC Corp is an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its direct shareholdings in Genetec)	500,000	50,000	10,684

Note:

\* The values are merely estimates, includes value for transactions entered into from the date of forthcoming 22<sup>nd</sup> AGM up to the next AGM. The actual value transacted may vary and subject to changes.

# The actual value transacted did not exceed the estimated value as approved under the Existing Mandate granted to the Company at the last AGM.

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## **2.4 Amount due and owing by Related Parties**

As at financial year ended 31 March 2020, there were no amounts due and owing by the Related Parties to the Group, which has exceeded the credit term as per Section 2.3 of this Circular.

## **2.5 Benefits of the RRPT**

The benefits to be derived from the RRPT are as follows:-

- a) the RRPT entered by the Group, are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve synergistic benefits to the Group;
- b) the Related Parties with whom the Group transacts are reliable suppliers of the goods/services required for the Group's business and therefore, risk of any interruption to the Group's day-to-day operations would be minimised;
- c) the prices of the RRPT are competitive and the terms are not more favourable to the Related Parties than those generally available to the public; and
- d) prompt and better service can be obtained as the Related Parties have in-depth understanding of the Group's business and industries in which the Group operates.

## **2.6 Methods or procedures on which transactions prices are determined for the RRPT**

The Group has established various methods and procedures to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms, which are consistent with the Group's usual business practices and policies and are on transaction prices and terms not more favourable to the Related Parties than those extended to the public and are not to the detriment of the minority shareholders.

The procedures and guidelines established by the Group for RRPT are as follows:

- (i) All companies within the Group have been informed of the related parties and the procedures applicable to all RRPT with related parties;
- (ii) All companies within the Group shall only enter into RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any RRPT entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group's usual business practices.
- (iv) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (v) All RRPT shall be reviewed by the Audit Committee at quarterly meetings;

- (vi) Any member of the Audit Committee may, as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (vii) If a member of the Board and/or Audit Committee has an interest, direct or indirect, in any RRPT, he or she shall abstain from any deliberation and continue to abstain from voting on the matter at the Board and/or Audit Committee meeting in respect of such RRPT related to him/her only;
- (viii) Where any person(s) has an interest in the transactions to be reviewed, such person(s) is allowed to involve in the discussion and voting other than those RRPT which is related to him/her and review the procedures of RRPT; and
- (ix) There are no specific thresholds for approval of RRPT within the Group. All RRPT is reviewed by the Audit Committee and approved and/or ratified by the Board of Directors.

## **2.7 Audit Committee Statement**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all related party transactions are appropriate to ensure that the RRPT are within the limits approved pursuant to the Proposed Renewal of Shareholders' Mandate.

The Audit Committee of the Company has seen and reviewed the procedures as mentioned in Section 2.6 above and are of the view that the said procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment to the minority shareholders.

The Audit Committee has reviewed and is satisfied that the Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures and processes were reviewed annually.

## **2.8 Disclosures of RRPT**

Proper records shall be maintained to capture all RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the name of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

## **3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The RRPT entered by the Group are all in the ordinary course of business. They are recurring transactions of revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. As these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT. As such, the Company is seeking shareholders' mandate pursuant to Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR to allow the Group to enter into such RRPT made on an arm's length basis and on normal commercial terms, which are not detrimental to the Company's shareholders.

The RRPT are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

By obtaining approval of the Proposed Renewal of Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur, would not arise. This will avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

#### 4.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on Major Shareholders' shareholdings, the share capital, earnings and consolidated net assets per share of the Company and the Group.

#### 5.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 29 June 2020, the direct and indirect interests of the interested Directors and interested Major Shareholders in the Company are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Major Shareholders</b>				
KVC Corp	4,564,000	10.72	-	-
Chen Khai Voon	2,174,500	5.11	4,564,000*	10.72
<b>Directors</b>				
Chin Kem Weng	3,652,505	8.58	-	-
Tan Moon Teik	2,347,600	5.52	-	-

Note:

\* Deemed interest held through KVC Corp

KVC Corp is a common Major Shareholder of both the Group and Related Transacting Parties. As at 29 June 2020, the interest of KVC Corp in the Related Transacting Parties is as follows:

	Direct		Indirect	
Related Transacting Parties	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 <sup>(1)</sup>	50.10
(ii) KVC	-	-	1,250,000 <sup>(1)</sup>	50.00
(iii) CLT	-	-	6,183,750 <sup>(2)</sup>	51.00

Notes:

(1) Deemed interest held through KVC Pty

(2) Deemed interest held through Genetec

Chen Khai Voon is a Major Shareholder of the Company. As at 29 June 2020, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 <sup>(1)</sup>	50.10
(ii) KVC	-	-	1,250,000 <sup>(1)</sup>	50.00
(iii) CLT	-	-	6,183,750 <sup>(2)</sup>	51.00

Notes:

(1) Deemed interest held through KVC Corp and KVC Pty

(2) Deemed interest held through KVC Corp and Genetec

Chin Kem Weng is a Director of the Company. As at 29 June 2020, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	-	-	6,183,750 <sup>#</sup>	51.00

Note:

# Deemed interest held through Genetec

Tan Moon Teik is a Director of the Company. As at 29 June 2020, his interest in the Related Transacting Parties is as follows:

Related Transacting Party	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	5,456,250	45.00	6,668,750 <sup>^</sup>	55.00

Note:

<sup>^</sup> Deemed interest held through Genetec (51%) and his spouse (4%)

Accordingly, the interested Directors, namely Chin Kem Weng and Tan Moon Teik, have abstained and will continue to abstain from all Board deliberations and voting in respect of the RRPT in which they have an interest as detailed in Section 5.0 above. They will also abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 22<sup>nd</sup> AGM.

The interested Major Shareholders, namely Chen Khai Voon and KVC Corp will abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or Indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 22<sup>nd</sup> AGM.

## 6.0 APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company being obtained at the forthcoming 22<sup>nd</sup> AGM.

## 7.0 DIRECTORS' RECOMMENDATION

The Board, save for the interested Directors named in Section 5.0 above, after due consideration of all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of the Group. Accordingly, the Board, save for the interested Directors named in Section 5.0 above who have abstained from making any recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 22<sup>nd</sup> AGM.

## 8.0 AGM

The notice convening the 22<sup>nd</sup> AGM to vote on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate are set out in the Company's 2020 Annual Report accompanying this Statement/Circular. The 22<sup>nd</sup> AGM of the Company will be held at Multi-Purpose Hall, 2<sup>nd</sup> Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Thursday, 27 August 2020 at 9.30 a.m., for the purpose of considering the Proposed Renewal of Shareholders' Mandate contained herein and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

The voting on the resolutions at the forthcoming 22<sup>nd</sup> AGM will be by poll. If you are unable to attend and vote in person at the AGM, please complete, sign and return the form of proxy, of which is enclosed in the 2020 Annual Report, in accordance with the instructions contained therein, so as to arrive at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiih.online> (*For further information on the electronic lodgement of proxy form, kindly refer to the Administrative Guide*), not less than 48 hours before the time set for the 22<sup>nd</sup> AGM or any adjournment thereof. The lodging of the form of proxy will not, however, preclude you from attending and voting at the forthcoming 22<sup>nd</sup> AGM should you subsequently wish to do so.

## 9.0 FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I of this Statement/Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors of  
**GENETEC TECHNOLOGY BERHAD**

HEW VOON FOO  
Independent Non-Executive Chairman

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**APPENDIX I – FURTHER INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

This Statement/Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Statement/Circular false or misleading.

**2. MATERIAL CONTRACT**

As at the date of this Statement/Circular, there are no material contracts (not being contracts entered into in the ordinary course of business of the Group) which have been entered into by the Company and/or the subsidiary companies within the two (2) years immediately preceding the date of this Statement/Circular.

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the date of this Statement/Circular, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position, and the Board are not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect its financial position or business of Genetec Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available at the registered office of the Company at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement/Circular up to and including the date of the forthcoming 22<sup>nd</sup> AGM:-

- (i) Constitution of the Company; and
- (ii) Audited financial statements for the past 2 financial years ended 31 March 2019 and 31 March 2020.

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