

**NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF GREATECH TECHNOLOGY BERHAD ("GREATECH TECHNOLOGY" OR THE "COMPANY") DATED 13 MAY 2019 ("ELECTRONIC PROSPECTUS")**

*(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)*

**Website**

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at [www.bursamalaysia.com](http://www.bursamalaysia.com) ("**Website**").

**Availability and Location of Paper/Printed Prospectus**

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Alliance Investment Bank Berhad ("**AIBB**") or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

**Jurisdictional Disclaimer**

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, AIBB and Greatech Technology take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

**Close of Application**

Applications will be accepted from 10.00 a.m. on 13 May 2019 and will close at 5.00 p.m. on 24 May 2019.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

**Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted**

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.


**Greatech Technology Berhad**

(Company No. 1270647-H)

(Incorporated in Malaysia under the Companies Act 2016)

Plot 287B,  
Lengkok Kampung Jawa Satu,  
Bayan Lepas Free Industrial Zone,  
Phase 3, 11900 Bayan Lepas,  
Pulau Pinang.

Phone: +604 646 3260 | Email: [info@greatech-group.com](mailto:info@greatech-group.com)

TOGETHER WE CREATE POSSIBILITIES

[www.greatech-group.com](http://www.greatech-group.com)


**Greatech Technology Berhad**

(Company No. 1270647-H)

(Incorporated in Malaysia under the Companies Act 2016)

# PROSPECTUS

**INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF GREATECH TECHNOLOGY BERHAD ("GREATECH TECHNOLOGY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING PUBLIC ISSUE OF 119,750,000 NEW ORDINARY SHARES ("SHARES") IN THE FOLLOWING MANNER:-**

- **18,780,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;**
- **9,390,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;**
- **22,720,000 NEW SHARES MADE AVAILABLE BY WAY OF PLACEMENT TO SELECTED INVESTORS; AND**
- **68,860,000 NEW SHARES MADE AVAILABLE BY WAY OF PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY**

**AT AN ISSUE PRICE OF RM0.61 PER SHARE, PAYABLE IN FULL UPON APPLICATION.**

*Principal Adviser, Sponsor, Sole Underwriter and Placement Agent*



NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE APPROVAL, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 35.**

**THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.**

**THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.**

## RESPONSIBILITY STATEMENTS

The Directors and Promoters of the corporation have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

Alliance Investment Bank Berhad ("**AIBB**"), being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the offering.

## STATEMENTS OF DISCLAIMER

Approval has been granted by Bursa Malaysia Securities Berhad for the listing of and quotation for the securities being offered. Admission to the official list of ACE Market of Bursa Malaysia Securities Berhad is not to be taken as an indication of the merits of the offering, corporation, or its shares.

Bursa Malaysia Securities Berhad is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the application form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

## OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the corporation.

Shares listed on Bursa Malaysia Securities Berhad are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the *Capital Markets and Services Act 2007*, is responsible.

The shares of this corporation are classified as Shariah compliant by the Shariah Advisory Council of the Securities Commission Malaysia. This classification remains valid from the date of issue of the Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the Securities Commission Malaysia. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

## OTHER STATEMENTS

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of the IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

This Prospectus is prepared and published solely for the IPO in Malaysia under the laws of Malaysia. Our shares are issued in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for the IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to the IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for the IPO would be in compliance with the terms of the IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted the IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.



## ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the electronic Prospectus are as per the contents of the copy of this Prospectus registered by the Securities Commission Malaysia.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined in this Prospectus) is subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of an electronic Prospectus, you should immediately request from us, our Principal Adviser or the issuing house, a paper/printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to the copy of the Prospectus registered by the Securities Commission Malaysia, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software.

The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

**INDICATIVE TIMETABLE**

The following events are intended to take place on the following dates:-

<b>Event(s)</b>	<b>Tentative Date(s)</b>
Opening of the application period for the IPO	13 May 2019
Closing of the application period for the IPO	24 May 2019
Balloting of applications	28 May 2019
Allotment of Issue Shares to successful applicants	12 June 2019
Listing on the ACE Market	13 June 2019

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

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## PRESENTATION OF INFORMATION

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All references to “our Company” or “Greatech Technology” in this Prospectus are to Greatech Technology Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key senior management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Vital Factor (as defined in this Prospectus), an independent market research company. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.



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## FORWARD-LOOKING STATEMENTS

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This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group’s control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:-

- (i) demand of our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 4 – Risk Factors and Section 12.2 – Management’s Discussion and Analysis of Financial Conditions, Results of Operations and Prospects, of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the date of this Prospectus. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of Issue Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

**DEFINITIONS**

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:-

<b>ACE Market</b>	: ACE Market of Bursa Securities
<b>Acquisition of Batu Kawan Land</b>	: Proposed acquisition by Greatech Integration of Batu Kawan Land from PDC for a purchase consideration of approximately RM8.246 million to be satisfied by cash. On 22 April 2019, we received a letter of offer from PDC, in which Greatech Integration would enter into a sale and purchase agreement with PDC on or before 20 May 2019 based on terms to be mutually agreed
<b>Acquisition of Greatech Integration</b>	: Acquisition by Greatech Technology of the entire issued share capital of Greatech Integration of RM1,000,000 comprising 1,000,000 ordinary shares from GTECH Holdings, SmartCap Venture Sdn Bhd (524374-A) and LLH Holdings Sdn Bhd (1272255-X) for a purchase consideration of RM40.500 million which was satisfied by the issuance of 506,249,999 new Greatech Technology Shares at an issue price of RM0.08 each. The Acquisition of Greatech Integration was completed on 21 March 2019
<b>Acquisition of Plot 287A</b>	: Acquisition by Greatech Integration of Plot 287A from GTECH Automation Solutions for a purchase consideration of RM8.400 million satisfied by cash. The Acquisition of Plot 287A was completed on 24 January 2019
<b>Act</b>	: Companies Act 2016
<b>ADA</b>	: Authorised Depository Agent
<b>AGM</b>	: Annual General Meeting
<b>AIBB</b>	: Alliance Investment Bank Berhad (21605-D)
<b>Application</b>	: The application for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
<b>Application Form</b>	: The printed application form for the application of the Issue Shares
<b>ATM</b>	: Automated Teller Machine
<b>Batu Kawan Land</b>	: A piece of leasehold land expiring on 17 August 2074 (approximately 55 years unexpired lease term) held under No. H.S.(D) 47093, PT5822, Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang with land area measuring approximately 4.2067 acres (equivalent to approximately 183,243.85 sq ft)
<b>Board</b>	: The Board of Directors of Greatech Technology
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (635998-W)
<b>CAGR</b>	: Compound annual growth rate
<b>CCC</b>	: Certificate of Completion and Compliance
<b>CDS</b>	: Central Depository System

**DEFINITIONS (Cont'd)**

<b>CDS Account</b>	:	Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
<b>CEO</b>	:	Chief Executive Officer
<b>CFO</b>	:	Chief Financial Officer
<b>CMSA</b>	:	Capital Markets and Services Act 2007
<b>CNC</b>	:	Computer numerical control
<b>Constitution</b>	:	The constitution of Greatech Technology
<b>COO</b>	:	Chief Operating Officer
<b>Depositor</b>	:	A holder of a CDS Account
<b>Directors</b>	:	Directors of our Company and within the meaning given in Section 2 of the CMSA
<b>Electronic Prospectus</b>	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
<b>Electronic Application</b>	<b>Share</b> :	An application for the Issue Shares through Participating Financial Institutions' ATM
<b>EPF</b>	:	Employees Provident Fund
<b>EPS</b>	:	Earnings per share
<b>EPSA</b>	:	Equipment Purchase and Sale Agreement dated 15 April 2017 between Panasonic and Greatech Integration for the sale and purchase of loading and unloading equipment to handle solar wafer and to perform the related services as stated in the purchase orders issued pursuant to the EPSA
<b>EUR</b>	:	Euro
<b>First Solar group of companies</b>	:	First Solar, Inc., First Solar Vietnam Mfg. Co. Ltd. and First Solar Malaysia Sdn Bhd, collectively
<b>FPE</b>	:	Financial period ended/ending
<b>FYE</b>	:	Financial year ended/ending
<b>GBP</b>	:	British Pound Sterling
<b>Greatech Integration</b>	:	Greatech Integration (M) Sdn Bhd (447240-X)
<b>Greatech Shanghai</b>	:	Greatech Integration (Shanghai) Limited (91310115MA1K3N1L40)
<b>Greatech Technology or Company</b>	:	Greatech Technology Berhad (1270647-H)
<b>Greatech Technology Group or Group</b>	:	Greatech Technology, Greatech Integration and Greatech Shanghai, collectively

**DEFINITIONS (Cont'd)**

<b>Greatech Technology Share(s) or Share(s)</b>	:	Ordinary shares in Greatech Technology
<b>GTECH Automation Solutions</b>	:	GTECH Automation Solutions (M) Sdn Bhd (196220-T) (formerly known as Greatech Automation Solutions (M) Sdn Bhd), a wholly owned subsidiary of GTECH Holdings
<b>GTECH Holdings</b>	:	GTECH Holdings Sdn Bhd (449345-W) (formerly known as Greatech Holdings Sdn Bhd)
<b>Industry Overview</b>	:	Industry overview prepared by Vital Factor as set out in Section 6 of this Prospectus
<b>Internet Participating Financial Institution</b>	:	Participating financial institution for the Internet Share Application, as listed in Section 15 of this Prospectus
<b>Internet Share Application</b>	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution
<b>IPO</b>	:	Initial public offering of the Issue Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market
<b>IRB</b>	:	Inland Revenue Board
<b>Issue Price</b>	:	RM0.61 for each Issue Share
<b>Issue Shares</b>	:	119,750,000 new Greatech Technology Shares, representing approximately 19.13% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
<b>Issuing House or MIH</b>	:	Malaysian Issuing House Sdn Bhd (258345-X)
<b>JPY</b>	:	Japanese Yen
<b>Listing</b>	:	The admission of Greatech Technology to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM112,057,501 comprising 626,000,000 Shares on the ACE Market
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities, as may be amended from time to time
<b>Listing Scheme</b>	:	The Acquisition of Greatech Integration, Public Issue and Listing, collectively
<b>Lot No. 1515</b>	:	A detached single storey factory used as office, manufacturing plant and storage bearing the postal address No. 1515 (Plot 12), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah
<b>Lot No. 1516</b>	:	A detached single storey factory used as office, manufacturing plant and storage bearing the postal address No. 1516 (Plot 13), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah
<b>Lot No. 1521</b>	:	A detached single storey factory used as office and warehouse bearing the postal address No. 1521 (Plot 18), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah

## DEFINITIONS (Cont'd)

<b>Lot No. 1523</b>	:	A detached single storey factory used as office, manufacturing plant and storage bearing the postal address No. 1523 (Plot 20), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah
<b>Lot No. 1524</b>	:	A detached single storey factory used as office, manufacturing plant and storage bearing the postal address No. 1524 (Plot 21), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah
<b>LPD</b>	:	15 April 2019, being the latest practicable date prior to the issuance of this Prospectus
<b>Malaysian Public</b>	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	:	Any day on which Bursa Securities is open for trading of securities
<b>MEPA</b>	:	Master Equipment Purchase Agreement dated 27 June 2017 and Amendment Number One to the Master Equipment Purchase Agreement with effect from 14 December 2017 between First Solar group of companies and Greotech Integration. The MEPA is a master agreement and sets out the general terms and conditions governing the sale and purchase of production line systems and its related services
<b>MFRS</b>	:	Malaysian Financial Reporting Standards
<b>MIDA</b>	:	Malaysian Investment Development Authority
<b>MITI</b>	:	Ministry of International Trade and Industry of Malaysia
<b>N/A</b>	:	Not applicable
<b>NA</b>	:	Net assets
<b>Official List</b>	:	Official list of the ACE Market
<b>Panasonic</b>	:	Panasonic Solar North America (formerly known as Panasonic Eco Solutions Solar New York America)
<b>Participating Financial Institution</b>	:	Participating financial institution for Electronic Share Application, as listed in Section 15 of this Prospectus
<b>PAT</b>	:	Profit after taxation
<b>PBT</b>	:	Profit before taxation
<b>PDC</b>	:	Penang Development Corporation
<b>PE Multiple</b>	:	Price earnings multiple
<b>Pink Form Allocation</b>	:	The allocation of 9,390,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group pursuant to the Public Issue
<b>Placement Agent</b>	:	AIBB
<b>Plot 4</b>	:	A detached single storey factory and double storey office erected on Plot 4 Land, used as assembly plant bearing the postal address Plot 4, Jalan Perusahaan Kawasan Perusahaan Kulim, Mk. Sg. Seluang, 09000 Kulim, Kedah

**DEFINITIONS (Cont'd)**

<b>Plot 4 Land</b>	: A piece of freehold land held under Geran 51496, Lot 1341, Seksyen 38, Bandar Kulim, Daerah Kulim, Negeri Kedah with land area measuring 21,100 sq m (equivalent to approximately 227,119 sq ft) consisting of Plot 4 and a neighbouring factory building erected thereon
<b>Plot 16A</b>	: A single storey factory erected on Plot 16A Land, used as assembly plant bearing the postal address No. 16A, Lorong Perusahaan 6, Kawasan Perindustrian Kulim, 09000 Kulim, Kedah
<b>Plot 16A Land</b>	: A piece of leasehold land with a tenure of 99 years expiring on 9 November 2080 (approximately 61 years unexpired lease term) held under PM 233, Lot 1312 Seksyen 38, Bandar Kulim, Daerah Kulim, Negeri Kedah with land area measuring 57,530 sq m (equivalent to approximately 619,248 sq ft) consisting of Plot 16A and neighbouring factory buildings erected thereon
<b>Plot 287A</b>	: A piece of leasehold land with a tenure of 60 years expiring on 29 May 2051 (approximately 32 years unexpired lease term) held under Pajakan Negeri No. Hakmilik 7895, Lot 9225, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang with land area measuring approximately 6,466 sq m (equivalent to approximately 69,599 sq ft)
<b>Plot 287B</b>	: Industrial land with a double storey factory used as head office, assembly plant and storage bearing the postal address Plot 287B, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Pulau Pinang
<b>Plot 287C</b>	: Industrial land with a double storey factory used as office, assembly plant and storage bearing the postal address Plot 287C, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Pulau Pinang
<b>PPE</b>	: Property, plant and equipment
<b>PRC</b>	: People's Republic of China
<b>Prescribed Security</b>	: Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
<b>Principal Adviser</b>	: AIBB
<b>Promoters</b>	: GTECH Holdings, Tan Eng Kee and Khor Lean Heng, collectively
<b>Prospectus</b>	: This Prospectus dated 13 May 2019 in relation to the IPO



**DEFINITIONS (Cont'd)**

<b>Public Issue</b>	:	Public issue of 119,750,000 new Greatech Technology Shares at the Issue Price comprising:-
	(a)	18,780,000 new Greatech Technology Shares made available for application by the Malaysian Public;
	(b)	9,390,000 new Greatech Technology Shares made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group;
	(c)	22,720,000 new Greatech Technology Shares made available by way of placement to selected investors; and
	(d)	68,860,000 new Greatech Technology Shares made available by way of placement to Bumiputera investors approved by MITI
<b>QC</b>	:	Quality Control
<b>R&amp;D</b>	:	Research and development
<b>RMB</b>	:	Renminbi
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>ROC</b>	:	Registrar of Companies
<b>Rules</b>	:	Rules of Bursa Depository, as may be amended from time to time
<b>SAC</b>	:	Shariah Advisory Council of the SC
<b>Sale and Purchase Agreement</b>	:	The conditional Sale and Purchase Agreement dated 21 March 2018 entered into between Greatech Integration and GTECH Automation Solutions for the Acquisition of Plot 287A
<b>SC</b>	:	Securities Commission Malaysia
<b>SC ECU</b>	:	Equity Compliance Unit of the SC
<b>SGD</b>	:	Singapore Dollar
<b>SICDA</b>	:	Securities Industry (Central Depositories) Act 1991
<b>SOC SO</b>	:	Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
<b>Sole Underwriter</b>	:	AIBB
<b>Sponsor</b>	:	AIBB
<b>Underwriting Agreement</b>	:	The underwriting agreement dated 15 April 2019 entered into between our Company and AIBB pursuant to our IPO
<b>USA</b>	:	United States of America
<b>USD</b>	:	United States Dollar
<b>Vital Factor or IMR</b>	:	Vital Factor Consulting Sdn Bhd (266797-T), an independent market research company

## GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

<b>3D</b>	:	Three-dimensional
<b>mm</b>	:	Millimetre
<b>sq ft</b>	:	Square feet
<b>sq m</b>	:	Square metres
<b>uph</b>	:	Units per hour
<b>Automated equipment</b>	:	Equipment that are used to automate processes in production lines. In the context of this Prospectus, the term automated equipment includes both single automated equipment and production line system unless otherwise stated
<b>C#</b>	:	A programming language
<b>Consumer electronics</b>	:	In the context of this Prospectus, consumer electronics include, among others, smartphones, tablet devices, wearables and computers
<b>CPU</b>	:	Central processing unit. In the context of this Prospectus, it refers to the computer used to control the automated equipment as well as to collect performance data for analysis
<b>Crystalline silicone solar cells and solar modules</b>	:	A type of solar cell and solar module made of thin wafers sliced from a silicon ingot
<b>EL/Electroluminescence testing</b>	:	EL or Electroluminescence testing is an inspection process on solar modules to detect defects, for example micro cracks, by lighting up the solar module. Electroluminescence refers to the emission of light using electricity which passes through a material
<b>Fan-out WLP</b>	:	Fan-out WLP is a new type of wafer level package with a smaller package footprint with improved thermal and electrical performance compared to conventional WLP
<b>HMI</b>	:	Human-machine interface, a device to allow people to interact with the equipment. The device commonly has a display to present data and monitor the processes within the equipment
<b>Integrated circuit</b>	:	An electronic device made up of a number of interconnected discrete semiconductor components on a thin substrate (for example wafer)
<b>IoT</b>	:	Internet of Things, the creation of a network of physical objects including, among others, vehicles, machines, consumer electronics, point-of-sales terminals, wearable devices and other items that are equipped with electronic devices such as sensors, data storage and network equipment
<b>Junction-box</b>	:	Junction-box refers to an enclosure that contains electrical connectors and electronic components and cables, which is mounted onto the solar module
<b>LED</b>	:	Light-emitting diode, a type of diode that emits light
<b>PLC</b>	:	Programmable logic controller, a computer system programmed to control automated equipment

## GLOSSARY OF TECHNICAL TERMS (Cont'd)

**Semiconductor** : It is a material that has electric conductivity properties somewhere between a good conductor like copper and an insulator like plastic. The term "semiconductor" used in this Prospectus refers to "semiconductor devices or components" and not the material, unless otherwise stated.

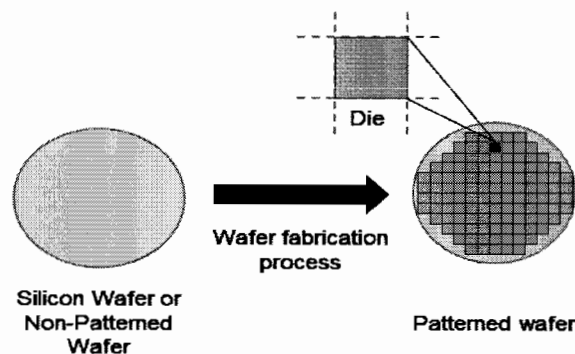
Some examples of semiconductor devices or components include the following:-

- (a) electronic substrates (for example semiconductor wafers);
- (b) discrete electronic components (for example transistors, diodes, capacitors and resistors);
- (c) optoelectronics and sensors (for example LED and solar cells); and
- (d) integrated circuits (for example CPU or memory components)

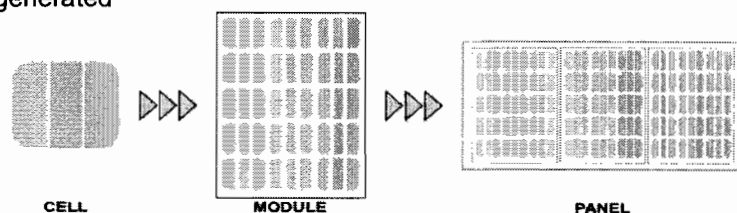
**Semiconductor package** : A semiconductor package refers to a casing containing one or more semiconductor electronic components. The package provides protection against impact and corrosion, holds the contact pins or leads which are used to connect from external circuit to the device, and disperses heat produced in the device

**Semiconductor wafer** : Thin layer of materials used in the manufacturing of semiconductor components

Semiconductor wafer is a round disc of semiconductor material such as silicon in which integrated circuits are simultaneously fabricated onto the wafer during the wafer fabrication process. In some cases, the term patterned wafer and non-patterned wafer is used to distinguish between a bare wafer (i.e. before undergoing the wafer fabrication process) and a wafer that has a circuit pattern etched onto it (i.e. after undergoing the wafer fabrication process)



**Solar cell, module and panel** : A solar cell is made up of semiconductors that converts the sun's light directly to electricity. It is the basic building block of a solar module or solar panels. However, each solar cell is small and generates a very small amount of electricity. These cells are then placed and connected together to become a solar module. The number of cells in a module varies and may contain 36, 48, 60 or 72 cells. These modules are then placed and connected together to become a solar panel. A solar array comprises many solar panels connected together and may cover a larger surface area depending on the amount of electricity required to be generated



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**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

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<b>Solar wafer</b>	:	Thin layer of base material used for the manufacturing of solar cells, which forms part of the solar module
<b>Substrate</b>	:	In the semiconductor industry, the term substrate refers to the base material where the semiconductor devices or components are etched, placed or deposited. In the context of this Prospectus, glass substrate refers to the base material for further processing during the manufacture of solar modules
<b>WLP</b>	:	WLP refers to wafer level package, which is a new technology for the packaging of electronic components at the wafer level

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**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name/(Designation)</b>	<b>Address</b>	<b>Nationality</b>
Ooi Hooi Kiang <i>(Independent Non-Executive Chairman)</i>	A2-8-2, Arcoris Soho Jalan Kiara Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan	Malaysian
Tan Eng Kee <i>(CEO, Executive Director)</i>	95-4-3, University Heights Sungai Dua 11700 Gelugor Pulau Pinang	Malaysian
Khor Lean Heng <i>(COO, Executive Director)</i>	1-3-8, Ixora Heights Apartment Lengkok Nipah 3 Sungai Nibong 11900 Bayan Lepas Pulau Pinang	Malaysian
Mariamah binti Daud <i>(Independent Non-Executive Director)</i>	No. 12, Jalan P14C1 Presint 14 62050 Putrajaya Wilayah Persekutuan	Malaysian
Ooi Ching Hock <i>(Independent Non-Executive Director)</i>	30, Lorong Gemilang Jaya 3 Taman Gemilang Jaya 14000 Bukit Mertajam Pulau Pinang	Malaysian

**1. CORPORATE DIRECTORY (Cont'd)****AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Mariamah binti Daud	Chairman	Independent Non-Executive Director
Ooi Hooi Kiang	Member	Independent Non-Executive Chairman
Ooi Ching Hock	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Ooi Hooi Kiang	Chairman	Independent Non-Executive Chairman
Mariamah binti Daud	Member	Independent Non-Executive Director
Ooi Ching Hock	Member	Independent Non-Executive Director

**NOMINATING COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Mariamah binti Daud	Chairman	Independent Non-Executive Director
Ooi Hooi Kiang	Member	Independent Non-Executive Chairman
Ooi Ching Hock	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**

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<b>COMPANY SECRETARIES</b>	:	Thum Sook Fun Suite 18.05, MWE Plaza No. 8, Lebuhr Farquhar 10200 Pulau Pinang Telephone No. : (04) 263 1966 Professional : Malaysian Institute of Accountants ("MIA") Qualification : (MIA Membership No. : MIA 24701)
	:	Low Seow Wei Suite 18.05, MWE Plaza No. 8, Lebuhr Farquhar 10200 Pulau Pinang Telephone No. : (04) 263 1966 Professional : The Malaysian Institute of Chartered Qualification : Secretaries and Administrators ("MAICSA") (MAICSA Membership No. : MAICSA 7053500)
<b>REGISTERED OFFICE</b>	:	Suite 18.05, MWE Plaza No. 8, Lebuhr Farquhar 10200 Pulau Pinang Telephone No. : (04) 263 1966 Website : <a href="http://www.securities-services.com.my">http://www.securities-services.com.my</a> Email : <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>
<b>HEAD OFFICE</b>	:	Plot 287B Lengkong Kampung Jawa Satu Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas Pulau Pinang Telephone No. : (04) 646 3260 Website : <a href="http://www.greotech-group.com">http://www.greotech-group.com</a> Email : <a href="mailto:info@greotech-group.com">info@greotech-group.com</a>

## 1. CORPORATE DIRECTORY (Cont'd)

**EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS** : BDO PLT (LLP0018825-LCA & AF 0206)  
51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Pulau Pinang  
Telephone No. : (04) 227 6888  
Partner-in-charge : Lee Beng Tuan  
Professional Qualification : MIA  
(MIA Membership No. : MIA 15129)  
  
Institute of Chartered Accountants in England and Wales ("**ICAEW**")  
(ICAEW Membership No. : ICAEW 4463432)  
  
Association of Chartered Certified Accountants ("**ACCA**")  
(ACCA Membership No. : ACCA 2641326)

**SOLICITORS FOR THE LISTING** : Azman Davidson & Co  
Suite 13.03, 13<sup>th</sup> Floor  
Menara Tan & Tan  
207 Jalan Tun Razak  
50400 Kuala Lumpur  
Telephone No. : (03) 2164 0200

**PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT** : Alliance Investment Bank Berhad  
Level 3, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Telephone No. : (03) 2604 3333

**SHARE REGISTRAR** : Securities Services (Holdings) Sdn Bhd (36869-T)  
Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 Pulau Pinang  
Telephone No. : (04) 263 1966

**ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No. : (03) 7841 8289

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**1. CORPORATE DIRECTORY (Cont'd)**

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**INDEPENDENT MARKET RESEARCHER** : Vital Factor Consulting Sdn Bhd  
V Square @ PJ City Centre (VSQ)  
Block 6, Level 6  
Jalan Utara  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No. : (03) 7931 3188  
*(Please refer to Section 6 of this Prospectus for the profile of the firm and signing partner)*

**LISTING SOUGHT** : ACE Market of Bursa Securities

**SHARIAH STATUS** : Approved by the SAC



## 2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

### 2.1 PRINCIPAL STATISTICS RELATING TO THE IPO

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:-

Number of Shares to be issued under the Public Issue	119,750,000
- <i>Malaysian Public</i>	18,780,000
- <i>Eligible Directors, employees and persons who have contributed to the success of our Group</i>	9,390,000
- <i>Placement to selected investors</i>	22,720,000
- <i>Placement to Bumiputera investors approved by the MITI</i>	68,860,000
Enlarged issued share capital upon Listing	RM112,057,501 comprising 626,000,000 Shares
Issue Price per Share	RM0.61
Market capitalisation upon Listing (based on the Issue Price and our enlarged issued share capital after the IPO)	RM381,860,000

Further details on our IPO are set out in Section 3.1 of this Prospectus.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of admission. Thereafter, our Promoters' shareholdings amounting to 45% of our share capital will remain under moratorium for another 6 months. Our Promoters may sell, transfer or assign up to a maximum of one-third per year (on a straight line basis) of their shares held under moratorium upon expiry of the second 6-month period.

In addition to the moratorium imposed on Shares held by our Promoters, SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd had voluntarily provided their undertakings not to sell, transfer or assign their entire shareholdings in Greatech Technology for a period of 6 months from the date of admission. Further details on the moratorium on the sale of our Shares are set out in Section 8.2 of this Prospectus.

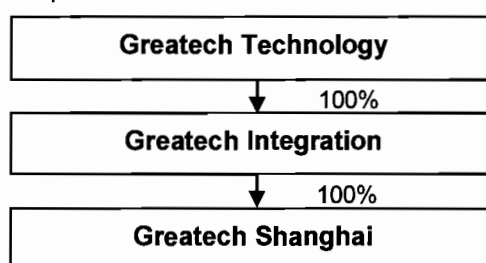
### 2.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Act on 5 March 2018 as a private limited company under the name of Greatech Technology Sdn Bhd and was subsequently converted to a public limited company on 21 May 2018. Our Company is an investment holding company.

We are primarily a manufacturer of equipment that are used to automate processes in production lines. Our products range from single automated equipment up to a production line system which comprises multiple automated equipment.

**2. PROSPECTUS SUMMARY (Cont'd)**

Our current corporate Group structure is as follows:-



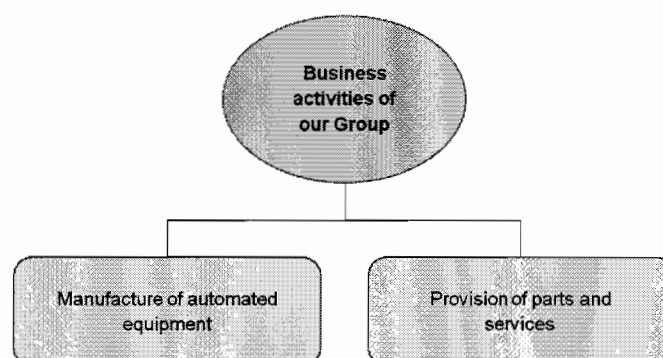
The principal activities of our subsidiaries are as follows:-

Company	Principal activities
Greatech Integration	Manufacture of automated equipment and provision of parts and services
Greatech Shanghai	Dormant <sup>(1)</sup>

**Note:-**

- (1) Intended business activities at the point of incorporation were in sales and service support. However, due to the change in our Group's business plans in view of the increase in the purchase orders from the existing customers, we do not intend to commence any business activities through Greatech Shanghai in the near future. Instead, we will focus on establishing engineering sales and service support resources in the USA and marketing activities as set out in Section 5.7(i) of this Prospectus. These activities will be carried out by Greatech Integration.

The following is an overview of our Group's business model:-

**(i) Overview of business activities**

We are primarily a manufacturer of automated equipment. Our products range from single automated equipment up to a production line system which comprises multiple automated equipment. These types of automated equipment are used in the manufacturing of solar cells, solar modules, semiconductors and consumer electronics.

Our other business activity is in the provision of parts and services, mainly for our own manufactured equipment.

**2. PROSPECTUS SUMMARY (Cont'd)**

The breakdown of our Group's revenue by business activities is as follows:-

	<b>&lt;-----Audited-----&gt;</b>							
	<b>&lt;-----FYE 31 December-----&gt;</b>							
	<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>	
<b>Business activities</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Automated equipment	15,460	72.27	14,746	64.95	89,768	95.59	208,875	95.12
Provision of parts and services	5,933	27.73	7,957	35.05	4,146	4.41	10,707	4.88
<b>Total revenue</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>

**(ii) Manufacture of automated equipment**

Our Group's range of products is segmented into the following:-

**(a) Single automated equipment**

Our Group manufactures automated equipment to carry out one or more functions in a single equipment. These types of single automated equipment are usually customised to meet the requirements of customers. During the financial years under review, we have designed, manufactured, installed and commissioned this type of equipment to customers in the solar, semiconductor and consumer electronics sectors.

Below are some of the types of single automated equipment manufactured by our Group:-

<b>Type of single automated equipment</b>	<b>Description</b>
Material handling equipment	Loading and unloading equipment to handle solar wafer for further processing.
	Loading and unloading equipment to handle semiconductor wafer for further processing.
	Robotic handling equipment for picking up and placing of solar modules in the production line, through programmed motion control.
	Pick and place equipment with pick and place mechanism to handle sealing materials, which is a part used in the manufacturing of smart devices.
Assembly equipment	Feeding mechanism to place a part such as screws into smart devices.
Inspection and measurement equipment	Inspect and measure the height of a home button of a smart device.

## 2. PROSPECTUS SUMMARY (Cont'd)

### (b) Production line systems (comprising multiple automated equipment)

In 2017, we started to expand from single automated equipment to a production line system for the solar sector. A production line system is a self-contained system comprising multiple automated equipment to perform a series of tasks.

The below production line systems manufactured by our Group are incorporated into the customer's manufacturing line for solar modules:-

- **Interlayer pick and place system:** Picking-up and placing a thin plastic film onto the semi-finished solar modules;
- **Cover glass pairing system:** Placing two semi-finished solar modules together;
- **Air knife curing system:** Air drying of coating material on the surface of the semi-finished solar modules;
- **Air blast drying system:** Air drying by blowing cool air to dry the coated semi-finished solar module;
- **Tape application/removal system:** Placement of plastic tape to prevent water from penetrating into the semi-finished solar module during the washing process and subsequently, removing the plastic tape;
- **Pick and place system for EL testing station:** Picking up unframed semi-finished solar modules into the EL testing enclosure;
- **HiPot testing system:** Testing the performance of solar modules;
- **Junction box cable-pull system:** Pulling the junction box cable to a specific position;
- **Pack-out system:** Handling of semi-finished solar module before framing process;
- **Framing system:** Mounting frames onto the back of the semi-finished solar module; and
- **Labelling system:** Printing of the labels and sticking the labels onto the back of the framed solar module.

### (c) Provision of parts and services

In addition, we provide parts and services, among others, as follows:-

- supply of related spare parts and components for our range of equipment including, among others, spare kits for our own equipment, plates and other fabricated metal parts;
- provision of modification works by upgrading or retrofitting on existing equipment;
- supply of metal racks; and
- provision of engineering services including disassembly and reassembly of production lines.

**2. PROSPECTUS SUMMARY (Cont'd)**

The breakdown of our Group's revenue by principal markets, based on the billing country, is as follows:-

	<b>&lt;-----Audited-----&gt;</b>							
	<b>&lt;-----FYE 31 December-----&gt;</b>							
	<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>Local</b>	3,888	18.17	14,300	62.99	17,878	19.04	21,991	10.01
<b>Overseas*</b>	17,505	81.83	8,403	37.01	76,036	80.96	197,591	89.99
<b>Total</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>

**Note:-**

- \* Overseas markets for the FYE 31 December 2015 to 2018 mainly includes Vietnam, USA, Philippines, Ireland, PRC and Hong Kong.

Please refer to Sections 5.1.1 and 5.4 of this Prospectus for the details on the overview and history, and business overview of our Group.

**2.3 COMPETITIVE STRENGTHS**

Our Group's competitive strengths are set out below:-

**(a) We have a track record of 21 years in industrial automation to serve as reference for new customers and projects**

We have accumulated a track record of approximately 21 years of experience in industrial automation since the manufacture of our semi-automated equipment for assembly of hard disk drives in 1998. This is in line with the commencement of our pioneer status for "automated and semi-automated machine and equipment for disk drive and semiconductor industries" in 1998. Since then, we have expanded our industrial automation business to serve the solar, semiconductor and consumer electronics sectors. This is supported by the growth in our Group's revenue from RM21.393 million in the FYE 31 December 2015 to RM219.582 million in the FYE 31 December 2018.

**(b) We have an experienced management team supported by in-house design and machining capabilities to grow our business**

We have an experienced management team headed by our CEO, Tan Eng Kee, who has approximately 28 years of working experience, of which 21 years of industrial automation experience was derived from our Group. He is supported by our COO, Khor Lean Heng, who brings with him approximately 21 years of experience in industrial automation. The technology and development department are headed by 3 Business Unit Managers with approximately 14 years of experience in mechanical, industrial automation and software engineering, respectively. Further, our Group has 2 Strategy Account Managers with 20 years of experience and 8 years of experience, respectively, both in industrial automation. Our CFO has approximately 22 years of experience in finance and accounting related functions, including 16 years of experience in human resource and administration. We believe our experienced management and technical team will help sustain our business and provide the platform for future growth.

## 2. PROSPECTUS SUMMARY (Cont'd)

### (c) We have the capabilities to provide customised solutions in automated equipment

Our strengths are based on our expertise and capabilities in software development, robotics, electrical and mechanical engineering, and mechanical design to automate a spectrum of processes for the solar, semiconductor and consumer electronics sectors.

In this respect, we manufacture customised automated equipment and our services extend to installation and commissioning.

### (d) We have the capabilities to market our products and services directly to customers who are key players in their sectors

During the financial years under review, our customers include some of the key players in their sectors, a testament of our ability to deliver products that meet customer requirements and specifications. These include some of the global manufacturers of solar cells and modules, smart devices and computers, and semiconductors.

Further details of our competitive strengths are set out in Section 5.1.2 of this Prospectus.

## 2.4 BUSINESS STRATEGIES

Our Group's business strategies are set out below:-

### (i) Business expansion and development, and marketing activities

#### (a) Business expansion and development

One of our business strategies is to establish engineering sales and service support resources in the USA.

- (i) We intend to establish an office in Silicon Valley, California in the 2<sup>nd</sup> half of 2019. This is to provide engineering sales and service support to our existing and new customers in the semiconductor and consumer electronics sectors. As such, we intend to hire 3 engineering sales and service support personnel in Silicon Valley, California to provide pre-sales technical assistance for the preparation of technical proposals with the intention of securing new sales orders.
- (ii) We provide post-sales technical support and assistance to our customers upon the completion of installation and commissioning works. To enable us to serve our existing customers in the solar sector better, including faster response time where we can directly interact with our existing customers in the solar sector, we intend to hire 2 technical service support personnel, 1 in Perrysburg and 1 in Buffalo. We intend to begin the hiring of technical service support personnel in the 2<sup>nd</sup> half of 2019.

The establishment of engineering sales and service support resources in the USA is to cater for our existing products and new products arising from our product development and expansion efforts as set out in Section 5.7(iii) of this Prospectus.

#### (b) Marketing activities

In addition, we plan to carry out proactive marketing activities by participating in more exhibitions. During the financial years under review, our Group participated in exhibitions for the consumer electronics and semiconductor sectors and battery segment for the automotive applications. Moving forward, we have identified certain exhibitions, which are expected to take place between 2019 and 2022, mainly for the aforesaid sectors and segment as well as the solar sector, in the USA and China. Our target customers will be corporations based in the USA. Our participation in exhibitions in China is also to target customers based in the USA but with their



**2. PROSPECTUS SUMMARY (Cont'd)**

manufacturing facilities or related companies in China. Through such exhibitions, we aim to raise market awareness of our Group and our capabilities as well as giving us the opportunity to secure orders from these USA based customers.

**(ii) Establishing new operational facilities**On-going construction of operational facility

On 21 March 2018, Greatech Integration had entered into the Sale and Purchase Agreement for the Acquisition of Plot 287A for the construction of a new operational facility. Plot 287A is located next to our current head office, namely Plot 287B.

We commenced the construction of the new operational facility in May 2018. This new operational facility will accommodate the height requirements of up to 8 metres in the assembly area as well as additional floor space required during the trial runs and testing stages. We plan to relocate our head office from Plot 287B to the new operational facility upon completion of the construction.

Upon the relocation of our head office, Plot 287B will be used as a warehouse to store our direct material and component, and semi-finished automated equipment while Plot 287C will continue to be used for assembly operations and office.

This additional facility will cater for our continuing business expansion in providing automated equipment to existing and new customers in the solar, semiconductor and consumer electronics sectors as well as new industry sectors such as battery segment for the automotive applications. Our R&D division was recently established in May 2018 to focus on product development. This is in line with the upcoming Industry 4.0 practices for manufacturing applications where automation will be a key consideration for the manufacturing industry.

Acquisition of a new piece of land

On 22 April 2019, we received a letter of offer from PDC for the Acquisition of Batu Kawan Land. The Acquisition of Batu Kawan Land is for the construction of a new operational facility. As our assembly operations in Kulim, Kedah (Plot 4 and Plot 16A) are on rented premises, this is part of our management's plan to relocate these respective assembly activities into this new facility.

**(iii) Focusing on product development and expansion**

Moving forward, our R&D division is focused on new product development and enhancing existing products with the aim of strengthening our business position in the industry. As part of our business strategy, we will adopt a proactive sales approach to market our new range of products to existing and new customers in the solar, semiconductor and consumer electronics sectors as well as new industry sectors such as battery segment for the automotive applications.

Our product development milestones are as follows:-

	<b>Commencement/ Expected commencement date</b>	<b>Targeted date for marketing purposes</b>
• Production line system for the assembly of battery module and pack	May 2018	1 <sup>st</sup> half of 2019
• Loading and unloading equipment to handle solar wafer	1 <sup>st</sup> half of 2019	2 <sup>nd</sup> half of 2019
• Loading and unloading equipment to handle semiconductor panel substrate	1 <sup>st</sup> half of 2020	2 <sup>nd</sup> half of 2020

**2. PROSPECTUS SUMMARY (Cont'd)**

Further details of our business strategies are set out in Section 5.7 of this Prospectus.

**2.5 RISK FACTORS**

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance.

The following are the key risks and investment considerations that we are currently facing or that may develop in the future:-

- (i) We are dependent on certain major customers;
- (ii) The prospect of our business is dependent on the demand and performance of the solar sector as a key market for the FYE 31 December 2016 to 2018;
- (iii) We are dependent on our Executive Directors and key senior management for the continuing success of our Group;
- (iv) Our financial performance are affected by the purchase orders we receive as we do not have long-term contractual agreements with our customers; and
- (v) We are subject to the risk of product liability.

Please refer to Section 4 of this Prospectus for the full list of risk factors which should be considered before investing in our Shares.

**2.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP**

Our Directors and key senior management are as follows:-

<b>Name</b>	<b>Designation</b>
<b>DIRECTORS</b>	
Ooi Hooi Kiang	Independent Non-Executive Chairman
Tan Eng Kee	CEO
Khor Lean Heng	COO
Mariamah binti Daud	Independent Non-Executive Director
Ooi Ching Hock	Independent Non-Executive Director
<b>KEY SENIOR MANAGEMENT</b>	
Koay Lin Lin	CFO
Lee Choong Li	Strategy Account Manager (Thin Film and Electronics)
Lai Hao An	Strategy Account Manager (Solar Wafer)
Chuah Soo Hoong	Business Unit Manager (Solar and Semiconductor Wafer)
Yeap Han Keow	Business Unit Manager (Thin Film)
Tan Eng Seng	Business Unit Manager (Battery)

Further details on our Directors and key senior management are disclosed in Section 7 of this Prospectus.

**2. PROSPECTUS SUMMARY (Cont'd)****2.7 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS**

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after the IPO are as follows:-

	Before the IPO/As at the LPD				After the IPO			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% <sup>@</sup>	No. of Shares	% <sup>@</sup>	No. of Shares	% <sup>#</sup>	No. of Shares	% <sup>#</sup>
<b>Promoters and substantial shareholders</b>								
GTECH Holdings* (Incorporated in Malaysia)	463,218,750	91.50	-	-	463,218,750	74.00	-	-
Tan Eng Kee (Malaysian)	-	-	463,218,750 <sup>(a)</sup>	91.50	-	-	463,218,750 <sup>(a)</sup>	74.00
<b>Promoter</b>								
Khor Lean Heng (Malaysian)	-	-	-	-	-	-	-	-

**Notes:-**

<sup>@</sup> Based on our issued share capital of 506,250,000 Shares after Acquisition of Greatech Integration, but before the IPO.

<sup>#</sup> Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.

<sup>\*</sup> GTECH Holdings is held by Tan Eng Kee and Khor Lean Heng with equity interest of 90% and 10%, respectively.

<sup>(a)</sup> Deemed interested by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.

**2.8 USE OF PROCEEDS FROM THE IPO**

The total gross proceeds from the Public Issue amounting to RM73,047,500 are intended to be used in the following manner:-

Purposes	RM	%	Estimated time frame for use (from the listing date)
Business expansion and development, and marketing activities	18,000,000	24.64	Within 48 months
Capital expenditure	5,000,000	6.85	Within 24 months
R&D expenditure	5,000,000	6.85	Within 24 months
Working capital	36,547,500	50.03	Within 30 months
Repayment of bank borrowings	4,500,000	6.16	Within 3 months
Estimated listing expenses	4,000,000	5.47	Immediately
<b>Total</b>	<b>73,047,500</b>	<b>100.00</b>	

**2. PROSPECTUS SUMMARY (Cont'd)**

There is no minimum subscription to be raised from the IPO. Further details on the use of proceeds are set out in Section 3.4 of this Prospectus. The pro forma impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 is reflected in Section 12.3 of this Prospectus.

**2.9 FINANCIAL HIGHLIGHTS**

The key financial highlights of our historical audited combined statements of profit or loss and other comprehensive income for the FYE 31 December 2015 to 2018 are set out below:-

	<b>Audited</b>			
	<b>FYE 31 December</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	21,393	22,703	93,914	219,582
Cost of sales	(12,896)	(10,829)	(60,187)	(174,349)
<b>Gross profit</b>	<b>8,497</b>	<b>11,874</b>	<b>33,727</b>	<b>45,233</b>
Other income	2,257 <sup>(1)</sup>	488 <sup>(1)</sup>	357	7,529 <sup>(1)</sup>
PBT	5,604	6,086	19,268	31,861
PAT	5,598	5,809	19,056	31,719
Gross profit margin <sup>(2)</sup> (%)	39.72	52.30	35.91	20.60
PBT margin <sup>(3)</sup> (%)	26.20	26.81	20.52	14.51
PAT margin <sup>(4)</sup> (%)	26.17	25.59	20.29	14.45

**Notes:-**

- (1) Mainly comprised realised/unrealised gain on foreign exchange. Our business is exposed to the risk of foreign exchange fluctuations as a significant portion of our revenue is denominated in foreign currencies especially USD. Please refer to Section 4.1.12 of this Prospectus for further details on the risks arising from foreign exchange fluctuations, Section 12.2.2(d) of this Prospectus for further details on other income, Section 12.2.2(e)(ii) on impact of foreign exchange and Section 30(b) of the Accountants' Report (i.e. Section 13 of this Prospectus) for the sensitivity analysis of the foreign currency risk.
- (2) Gross profit margin is calculated based on gross profit divided by revenue.
- (3) PBT margin is calculated based on PBT divided by revenue.
- (4) PAT margin is calculated based on PAT divided by revenue.

Please refer to Section 12.1 of this Prospectus for further discussion on our historical audited combined financial information.

**2.10 DIVIDEND POLICY**

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. Greatech Integration declared dividend of approximately RM1.127 million, RM0.182 million, RM3.000 million and RM3.400 million for the FYE 31 December 2015 to 2018 respectively.

Notwithstanding the above, our Group presently does not have a fixed dividend policy.

Further details on our dividend policy are disclosed in Section 12.5 of this Prospectus.

**3. PARTICULARS OF THE IPO****3.1 DETAILS OF THE IPO****3.1.1 Listing Scheme**

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged issued share capital on the ACE Market involves the following:-

- (a) Acquisition of Greatech Integration;
- (b) Public Issue; and
- (c) Listing.

**(a) Acquisition of Greatech Integration**

Our Company had entered into a conditional Share Sale Agreement dated 8 May 2018 to acquire the entire issued share capital of Greatech Integration of RM1,000,000 comprising 1,000,000 ordinary shares from the vendors for a purchase consideration of RM40.500 million. The said purchase consideration was entirely satisfied by the issuance of 506,249,999 new Shares at an issue price of RM0.08 per Share.

The abovementioned 506,249,999 new Shares were issued to the vendors as follows:-

<b>Vendors</b>	<b>No. of Greatech Integration ordinary shares acquired</b>	<b>Equity interest held in Greatech Integration (%)</b>	<b>Purchase consideration (RM)</b>	<b>No. of Greatech Technology Shares issued</b>
GTECH Holdings <sup>(a)</sup>	915,000	91.50	37,057,500	463,218,749
SmartCap Venture Sdn Bhd <sup>(b)</sup>	45,000 <sup>(d)</sup>	4.50	1,822,500	22,781,250
LLH Holdings Sdn Bhd <sup>(c)</sup>	40,000 <sup>(d)</sup>	4.00	1,620,000	20,250,000
<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>	<b>40,500,000</b>	<b>506,249,999</b>

The purchase consideration of RM40.500 million was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Greatech Integration as at 31 December 2017 of RM40.498 million. The Acquisition of Greatech Integration was completed on 21 March 2019 and Greatech Integration became a wholly-owned subsidiary of our Company.

Upon completion of the Acquisition of Greatech Integration, the issued share capital of our Company will increase to RM40,500,001 comprising 506,250,000 Shares.

**Notes:-**

- (a) GTECH Holdings is held by Tan Eng Kee and Khor Lean Heng with equity interest of 90% and 10%, respectively.

**3. PARTICULARS OF THE IPO (Cont'd)**

- (b) SmartCap Venture Sdn Bhd is held by Khoo Choon Keat and See Bee Hoon with equity interest of 50% each. Khoo Choon Keat and See Bee Hoon are shareholders and directors of KCK Consultancy Services Sdn Bhd. KCK Consultancy Services Sdn Bhd provided tax compliance services to Greatech Integration prior to its resignation on 23 August 2018. In addition, Khoo Choon Keat is one of the partners of KCK & Associates, who was the auditors for Greatech Integration for the FYE 31 December 2015 and ceased to be its auditors with effect from 8 May 2017.
- (c) LLH Holdings Sdn Bhd is held by Koay Lin Lin, Lee Choong Li and Lee Hong Wah with equity interest of 50%, 25% and 25%, respectively. Koay Lin Lin, Lee Choong Li and Lee Hong Wah are the employees of our Group.
- (d) SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd acquired the shares in Greatech Integration for RM4.500 million and RM2.000 million respectively from GTECH Holdings on 10 April 2018. The difference between the Issue Price and the price paid by SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd is illustrated below:-

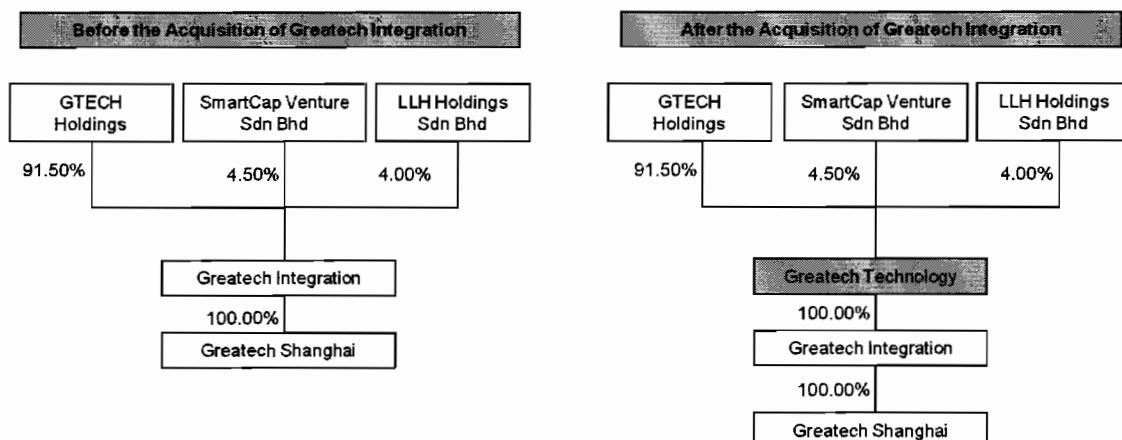
	<b>Cost of investment in Greatech Integration (RM)</b>	<b>No. of Greatech Technology Shares issued</b>	<b>Price paid (RM)</b>	<b>Difference between Issue Price and price paid (RM)</b>
	<b>(A)</b>	<b>(B)</b>	<b>(A)/(B)</b>	
SmartCap Venture Sdn Bhd	4,500,000	22,781,250	0.20	0.41
LLH Holdings Sdn Bhd	2,000,000	20,250,000	0.10	0.51

The above transactions were transacted on a willing-buyer willing-seller basis after taking into consideration the PAT of Greatech Integration for FYE 31 December 2017 of RM19.056 million and the audited NA of Greatech Integration as at 31 December 2017 of RM40.498 million.

SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd have voluntarily provided their undertakings not to sell, transfer or assign their entire shareholdings in Greatech Technology for a period of 6 months from the date of admission. Please refer to Section 8.2 of this Prospectus for further details on the moratorium on sale of shares.

### 3. PARTICULARS OF THE IPO (Cont'd)

Our Group structure before and after the Acquisition of Greatech Integration is illustrated below:-



#### (b) Public Issue

The Public Issue of 119,750,000 new Greatech Technology Shares, representing approximately 19.13% of our enlarged issued share capital upon Listing, at the Issue Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

##### (i) Malaysian Public

18,780,000 new Greatech Technology Shares, representing 3.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50% is to be set aside strictly for Bumiputera investors.

Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription by the following persons as follows:-

- (a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocation as described in Section 3.1.1(b)(ii) of this Prospectus;
- (b) Secondly, by our selected investors as described in Section 3.1.1(b)(iii) of this Prospectus; and
- (c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

##### (ii) Eligible Directors, employees and persons who have contributed to the success of our Group

9,390,000 new Greatech Technology Shares, representing 1.50% of our enlarged issued share capital, will be made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group.

We will allocate the Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group in the following manner:-

**3. PARTICULARS OF THE IPO (Cont'd)**

<b>Eligibility</b>	<b>No. of persons</b>	<b>Aggregate number of Issue Shares allocated<sup>(3)</sup></b>
Directors of Greotech Technology <sup>(1)</sup>	3	1,050,000
Employees <sup>(2)</sup>	259	7,670,500
Persons who have contributed to the success of our Group <sup>(3)</sup>	21	669,500
<b>Total</b>	<b>283</b>	<b>9,390,000</b>

**Notes:-**

- (1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.
- (2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-
  - (i) The employee must be a full time employee and on the payroll of our Group; and
  - (ii) The number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance/contribution as well as other factors deemed relevant by our Board.
- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our suppliers, shall be based on their contribution to our Group and as approved by our Board.

The number of Issue Shares to be allocated to our Directors is as follows:-

<b>Name</b>	<b>Designation</b>	<b>Number of Issue Shares allocated</b>
Ooi Hooi Kiang	Independent Non-Executive Chairman	350,000
Mariamah binti Daud	Independent Non-Executive Director	350,000
Ooi Ching Hock	Independent Non-Executive Director	350,000
<b>Total</b>		<b>1,050,000</b>

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription by the following persons as follows (subject always to the availability of the Issue Shares):-

- (a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group;
- (b) Secondly, by the Malaysian Public and our selected investors as described in Sections 3.1.1(b)(i) and 3.1.1(b)(iii) of this Prospectus respectively; and
- (c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.



**3. PARTICULARS OF THE IPO (Cont'd)****(iii) Placement to selected investors**

22,720,000 new Greatech Technology Shares, representing approximately 3.63% of our enlarged issued share capital, will be made available by way of placement to selected investors.

The Issue Shares reserved under the placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares have been/will be obtained from the respective selected investors.

**(iv) Placement to selected Bumiputera investors approved by the MITI**

68,860,000 new Greatech Technology Shares representing 11.00% of our enlarged issued share capital to be allocated by way of placement to identified Bumiputera investors approved by the MITI.

Any Issue Shares reserved under the placement to selected MITI approved Bumiputera investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares have been/will be obtained from the respective MITI approved Bumiputera investors.

In the event of under-subscription by the selected MITI approved Bumiputera investors and subject to a corresponding oversubscription by the Malaysian Public or oversubscription by selected investors, the remaining portion will be clawed-back and be allocated to the Malaysian Public to increase the participation of retail investors under Section 3.1.1(b)(i) of this Prospectus and/or placed to identified investors under Section 3.1.1(b)(iii) of this Prospectus.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants in view of broadening the shareholding base of our Company to meet the public spread requirements, and to establish a liquid and adequate market in the Shares. Applicants will be selected in a manner to be determined by our Directors.

There is no over-allotment or "greenshoe" option that will result in an increase in the amount of Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 3.5.4 of this Prospectus.

**3. PARTICULARS OF THE IPO (Cont'd)****(c) Listing**

The admission of Greotech Technology to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM112,057,501 comprising 626,000,000 Shares on the ACE Market have been approved by Bursa Securities.

	<b>No. of Shares</b>	<b>Share capital (RM)</b>
Issued share capital as at the date of this Prospectus	506,250,000	40,500,001
New Shares to be issued pursuant to the Public Issue	119,750,000	73,047,500
Less: Estimated listing expenses directly attributable to the Public Issue	N/A	(1,490,000) <sup>(a)</sup>
<b>Enlarged issued share capital upon Listing</b>	<b>626,000,000</b>	<b>112,057,501</b>
<b>Issue Price</b>		0.61
- <b>Pro forma consolidated NA per Share</b> <i>(based on our enlarged issued share capital after the IPO and after deducting the estimated listing expenses of approximately RM4.000 million)</i>		<b>RM</b> 0.22
- <b>Market capitalisation upon Listing</b> <i>(based on the Issue Price and our enlarged issued share capital after the IPO)</i>		381,860,000

**Note:-**

- (a) Computed after taking into account the Public Issue and after deducting estimated listing expenses of RM4,000,000, of which RM1,490,000 will be debited against share capital of our Company and the remaining expenses of RM2,510,000 will be expensed off to the statement of profit or loss and other comprehensive income.

The Issue Price is payable in full upon Application.

We only have 1 class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and distributions that may be declared, subsequent to the date of allotment of our Issue Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney. On a show of hands, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have 1 vote. On a poll, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have 1 vote for each Share held. A proxy may but need not be a member of our Company.

**3. PARTICULARS OF THE IPO (Cont'd)****3.2 BASIS OF ARRIVING AT THE ISSUE PRICE**

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the Issue Price, after taking into consideration the following factors:-

**(i) Financial and operating history**

Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 31 December 2018, we recorded a PAT of RM31.719 million representing a basic EPS of 6.27 sen (based on the existing issued share capital of 506,250,000 Shares) and 5.07 sen (based on the enlarged issued share capital of 626,000,000 Shares upon Listing) resulting in net PE Multiple of 9.73 times and 12.03 times respectively. Our detailed operating and financial history is outlined in Sections 5 and 12 of this Prospectus, respectively.

**(ii) Business strategies**

The business strategies of our Group are outlined in Section 5.7 of this Prospectus.

**(iii) Competitive strengths and industry prospects**

Our competitive strengths and the industry prospects are outlined in Sections 5.1.2 and 6 of this Prospectus, respectively.

**(iv) Pro forma consolidated NA**

The pro forma consolidated NA per Share as at 31 December 2018 of RM0.22 based on the enlarged issued share capital of 626,000,000 Shares in our Company upon Listing and after use of proceeds.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 4 of this Prospectus before deciding to invest in our Shares.

**3.3 DILUTION**

Dilution is the amount by which the Issue Price to be paid by applicants for our Issue Shares exceeds our NA per Share after IPO and is as follows:-

	<b>RM</b>
Issue Price	0.61
Pro forma consolidated NA per Share as at 31 December 2018 before Public Issue	0.14
Pro forma consolidated NA per Share after the Public Issue and use of proceeds	0.22
Increase in NA per Share attributable to existing shareholders	0.08
Dilution in NA per Share to new investors	0.39
Dilution in NA per Share as a percentage of the Issue Price	63.93%

**3. PARTICULARS OF THE IPO (Cont'd)**

Save as disclosed below, there is no acquisition of any existing equity securities in our Company by our Promoters, substantial shareholders, Directors and/or key senior management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:-

<b>Promoters, substantial shareholders, Directors and/or key senior management or persons connected with them</b>	<b>No. of Shares held before IPO</b>	<b>No. of Shares held from IPO</b>	<b>Total consideration RM</b>	<b>Effective cash cost per share RM</b>
<b>Promoter and substantial shareholder</b> GTECH Holdings <sup>#(1)</sup>	463,218,750	-	37,057,501 <sup>^</sup>	0.08
<b>Promoter, substantial shareholder and Director</b> Tan Eng Kee	-	-	-	-
<b>Persons connected with key senior management</b> LLH Holdings Sdn Bhd <sup>(2)</sup>	20,250,000	-	1,620,000 <sup>^</sup>	0.08
<b>Key senior management</b> Koay Lin Lin	-	350,000 <sup>*</sup>	213,500	0.61
Lee Choong Li	-	350,000 <sup>*</sup>	213,500	0.61

**Notes:-**

- # Includes 1 Share that was transferred from our Company's previous shareholder.
- (1) Tan Eng Kee is deemed interested in Greatech Technology by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.
- (2) Koay Lin Lin and Lee Choong Li are deemed interested in Greatech Technology by virtue of her/his direct shareholdings in LLH Holdings Sdn Bhd pursuant to Section 8(4) of the Act.
- <sup>^</sup> Based on the purchase consideration for the Acquisition of Greatech Integration.
- <sup>\*</sup> Assuming that all Pink Form Allocation is fully subscribed.

**3. PARTICULARS OF THE IPO (Cont'd)****3.4 USE OF PROCEEDS FROM THE IPO**

The total gross proceeds from the Public Issue will amount to RM73,047,500 based on the Issue Price. We expect the proceeds to be used in the following manner:-

Purposes	RM	%	Estimated time frame for use (from the Listing date)
Business expansion and development, and marketing activities	18,000,000	24.64	Within 48 months
Capital expenditure	5,000,000	6.85	Within 24 months
R&D expenditure	5,000,000	6.85	Within 24 months
Working capital	36,547,500	50.03	Within 30 months
Repayment of bank borrowings	4,500,000	6.16	Within 3 months
Estimated listing expenses	4,000,000	5.47	Immediately
<b>Total</b>	<b>73,047,500</b>	<b>100.00</b>	

Pending the eventual use of the proceeds raised from the Public Issue, the proceeds will be placed in interest bearing short-term deposits or money market instruments with licensed financial institutions.

**(1) Business expansion and development, and marketing activities**

We intend to allocate RM18,000,000, representing approximately 24.64% of the proceeds from our Public Issue, for our business expansion and development as well as marketing activities.

**(a) Business expansion and development**

One of our business strategies is to establish engineering sales and service support resources in the USA.

The allocation of proceeds from the Public Issue for the above-mentioned strategy to be used within 48 months from the listing date is set out below:-

Description	Total RM
Silicon Valley, California, USA <sup>(i)</sup>	10,300,000
Perrysburg, Ohio, USA <sup>(ii)</sup>	1,100,000
Buffalo, New York, USA <sup>(iii)</sup>	1,100,000
<b>Total</b>	<b>12,500,000</b>

**3. PARTICULARS OF THE IPO (Cont'd)****Notes:-**

- (i) We intend to establish an office in Silicon Valley, California in the 2<sup>nd</sup> half of 2019. We have identified Silicon Valley, California because we believe that the location is strategic. We will be within close proximity to our target customers. These target customers comprise existing and new customers in the consumer electronics and semiconductor sectors. This would provide us with opportunities to secure orders. The breakdown of the estimated costs for Silicon Valley, California's office for 48 months are as follows:-

<b>Description</b>	<b>Total RM</b>
Rental of office (approximately 200 sq ft)	500,000*
Gross salaries for 3 engineering sales and service support personnel	9,500,000^
Office fittings and equipment and related working capital	300,000
<b>Total</b>	<b>10,300,000</b>

**Notes:-**

\* Estimated at approximately RM10,000 per month (i.e. RM120,000 per annum), with annual increase in rental of 10%.

^ Estimated at approximately RM64,000 per month (i.e. RM768,000 per annum) for each engineering sales and service support personnel, with an annual increment of 10%. We intend to hire engineering sales and service support personnel that have at least 2-3 years of previous relevant working experience.

The engineering sales and service support personnel will be able to solicit sales, respond to sales and technical enquiries, and act as liaison between our Group and our customers.

- (ii) Our expansions in Perrysburg and Buffalo entail the hiring of 1 remote technical service support personnel in each of these locations to cater to our existing customers in the solar sector. The gross salary for a remote technical service support personnel that have at least 2-3 years of previous relevant working experience is estimated to be approximately RM22,000 per month (i.e. RM264,000 per annum) with an annual increment of 10%. We intend to begin the hiring of remote technical service support personnel in the 2<sup>nd</sup> half of 2019. As such, the proceeds allocated will be used for payment of salaries for the 2 remote technical service support personnel for 48 months.

**(b) Marketing activities**

In addition, we plan to carry out proactive marketing activities by participating in more exhibitions. During the financial years under review, our Group participated in exhibitions for the consumer electronics and semiconductor sectors and battery segment for the automotive applications. Moving forward, we have identified certain exhibitions, which are expected to take place between 2019 and 2022, mainly for the aforesaid sectors and segment as well as the solar sectors, in the USA and China. Our target customers will be corporations based in the USA.

**3. PARTICULARS OF THE IPO (Cont'd)**

The earmarked amount of RM5,500,000 for marketing activities will be used for 48 months from the listing date. We intend to participate in about 6 exhibitions per annum. As such, approximately RM0.230 million will be allocated per exhibition which translates into approximately RM1.375 million per annum for these exhibitions. The amount is allocated for, among others, the following:-

- travel and lodging expenses;
- exhibition registration fees; and
- booth related expenses which includes rental of larger booth space located at prominent area of the exhibition space and booth design fees.

The earmarked amount of RM5,500,000 for marketing activities is higher than the costs incurred for marketing activities undertaken by our Group in previous years because we intend to participate in more exhibitions, rent a larger space for booth set up and engage consultants for the design of the booth. Through these efforts, we aim to raise market awareness or profile of our Group and our capabilities to potential customers in these exhibitions.

In the event of the proceeds for business expansion and development, and marketing activities is lower than estimated, the excess will be used for working capital purposes. Any excess amount required for business expansion and development, and marketing activities will be allocated from internally generated funds and/or bank borrowings. Please refer to Section 5.7(i) of this Prospectus for further details on our business expansion and development, and marketing activities.

**(2) Capital expenditure**

On 21 March 2018, Greatech Integration had entered into the Sale and Purchase Agreement for the Acquisition of Plot 287A for the construction of a new operational facility. Plot 287A is located next to our current head office, namely Plot 287B.

This new operational facility will accommodate the height requirements of up to 8 metres in the assembly area as well as additional floor space required during the trial runs and testing stages. We plan to relocate our head office from Plot 287B to the new operational facility upon completion of the construction.

This new operational facility will have a total built-up area of approximately 74,701 sq ft (or 6,940 sq m) with approximately 31,356 sq ft (or 2,913 sq m) of working floor space for assembly operations. The remaining 43,345 sq ft (or 4,027 sq m) floor space will be used for office, walkway and hoisting area.

Please refer to Sections 5.7(ii) of this Prospectus for further information on the establishment of this new operational facility.

In view of the above, we intend to allocate RM5,000,000, representing approximately 6.85% of the proceeds from our Public Issue, for this new operational facility. The details are as follows:-

<b>Description</b>	<b>Total RM</b>
Partial payment for construction costs <sup>(i)</sup>	3,700,000
Fitting out works <sup>(ii)</sup>	1,300,000
<b>Total</b>	<b>5,000,000</b>

**3. PARTICULARS OF THE IPO (Cont'd)****Notes:-**

- (i) The total construction cost for this new operational facility is estimated to be approximately RM17,000,000. As such, the proceeds from our Public Issue of RM3,700,000 will be used to partly finance the construction cost while the remaining RM13,300,000 will be financed via bank borrowings.

As at the LPD, we have incurred a total of approximately RM15,190,426 and we have paid a total of approximately RM13,148,746 for the construction of this new operational facility using our internally generated funds. As such, the drawdown of the term loan and the proceeds from our Public Issue is to replenish our internally generated funds used to finance the construction cost we have incurred up to date.

- (ii) The total fitting out works is estimated to be approximately RM1,700,000. This includes purchase of office furniture and fittings including tables, chairs and cabinets, overhead crane, electrical installation and plaster ceiling installation. As such, the proceeds from our Public Issue of RM1,300,000 will be used to partly finance the cost for fitting out works while the remaining RM400,000 will be financed via internally generated funds.

Any excess amount required for capital expenditure will be used from internally generated funds and/or bank borrowings.

**(3) R&D expenditure**

We have budgeted a total of RM7,100,000 for FYE 31 December 2018 to 2020 to fund our R&D activities. We intend to allocate RM5,000,000, representing approximately 6.85% of the proceeds from our Public Issue, for our R&D expenditure for the FYE 31 December 2019 and 2020, the details are as follows:-

	Internally generated funds RM	IPO proceeds RM
<ul style="list-style-type: none"> <li><b>Production line system for the assembly of battery module and pack</b> <ul style="list-style-type: none"> <li>- Development of prototypes<sup>(i)</sup></li> <li>- Expansion of R&amp;D division<sup>(ii)</sup></li> <li>- Purchase of R&amp;D facilities<sup>(iii)</sup></li> </ul> </li> </ul>	<p>-</p> <p>1,250,000</p> <p>550,000</p> <p><b>1,800,000</b></p>	<p>1,500,000<sup>(iv)</sup></p> <p>800,000</p> <p>-</p> <p><b>2,300,000</b></p>
<ul style="list-style-type: none"> <li><b>Loading and unloading equipment to handle solar wafer</b> <ul style="list-style-type: none"> <li>- Development of prototypes<sup>(i)</sup></li> <li>- Expansion of R&amp;D division<sup>(ii)</sup></li> <li>- Purchase of R&amp;D facilities<sup>(iii)</sup></li> </ul> </li> </ul>	<p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>150,000</p> <p>1,000,000</p> <p>350,000</p> <p><b>1,500,000</b></p>
<ul style="list-style-type: none"> <li><b>Loading and unloading equipment to handle semiconductor panel substrate</b> <ul style="list-style-type: none"> <li>- Development of prototypes<sup>(i)</sup></li> <li>- Expansion of R&amp;D division<sup>(ii)</sup></li> <li>- Purchase of R&amp;D facilities<sup>(iii)</sup></li> </ul> </li> </ul>	<p>150,000</p> <p>150,000</p> <p>-</p> <p><b>300,000</b></p>	<p>-</p> <p>850,000</p> <p>350,000</p> <p><b>1,200,000</b></p>
<b>Total</b>	<b>2,100,000</b>	<b>5,000,000</b>



**3. PARTICULARS OF THE IPO (Cont'd)****Notes:-**

- (i) The cost for the development of prototypes mainly comprises the purchase of direct material and component, and engagement with subcontractors.
- (ii) We intend to have about 35, 20 and 20 employees, comprising engineers and technical personnel, for the product development of production line system for the assembly of battery module and pack, loading and unloading equipment to handle solar wafer, and loading and unloading equipment to handle semiconductor panel substrate, respectively.
- (iii) Purchase of R&D facilities comprises the purchases of calibration tools, hardware such as laptops and desktop computers, and software for engineering design.
- (iv) Including RM500,000 which will be used by 2020 for enhancement and/or improvement of our production line system for the assembly of battery modules and battery packs.

The proceeds allocated to each automated equipment prototype are based on factors including the automated equipment specifications, complexity for design and assembly, and the number of engineers and technicians involved in the R&D. The production line system for the assembly of battery module and pack consists of multiple automated equipment. As such, it has been allocated the highest amount from the R&D expenditure.

In the event of the proceeds for R&D expenditure is lower than estimated, the excess will be used for working capital purposes. Conversely, any excess amount required for our R&D division will be used from internally generated funds and/or bank borrowings.

Please refer to Section 5.7(iii) of this Prospectus on our business strategies in relation to product development and expansion.

**(4) Working capital**

Our Group's working capital requirement will increase in tandem with the growth of our business.

For the FYE 31 December 2015 to 2018, our Group has registered significant revenue growth at a CAGR of 117.32% from RM21.393 million in the FYE 31 December 2015 to RM219.582 million in the FYE 31 December 2018. Our continued momentum for the growth of our Group, until 2019, is also driven by our order book as at the LPD of RM91.018 million.

As set out in Section 5.7(ii) of this Prospectus, we commenced the construction of Plot 287A in May 2018. This facility is expected to be completed by 2<sup>nd</sup> half of 2019. The construction of the new operational facility is in anticipation of continuing sales orders. With the anticipated continued growth in sales orders, our Group requires substantial amount of working capital to fund the operations to ensure the smooth manufacture and delivery of our automated equipment.

In respect of the above, we intend to allocate approximately RM36,547,500, representing approximately 50.03% of the proceeds from our Public Issue to meet our Group's working capital requirements for 30 months from the listing date as follows:-

**3. PARTICULARS OF THE IPO (Cont'd)**

<b>Description</b>	<b>Total RM</b>
Purchase of direct material and components for our automated equipment <sup>(i)</sup>	29,547,500
Engagement of additional subcontractors <sup>(ii)</sup>	7,000,000
<b>Total</b>	<b>36,547,500</b>

**Notes:-**

- (i) Some of our foreign suppliers require upfront payment of between 30% - 100% prior to the delivery of the direct material and component for our automated equipment. Furthermore, there is a time gap of approximately 4 - 6 months between our payment to our suppliers for the purchase of the direct material and component, and the payment received from our customers for our automated equipment. Hence, arising from the upfront payment and aforesaid time gap, we would require substantial working capital to accommodate our order book and anticipated continued growth in sales orders.

For the FYE 31 December 2015 to 2018, our direct material and component cost represents the biggest portion of our cost of sales representing 48.82%, 25.43%, 59.87% and 58.01% of our cost of sales respectively.

These direct material and component includes metal materials (i.e. aluminium, mild steel and stainless steel materials) and mechanical and electrical control hardware and parts such as PLC, HMI unit, CPU, pneumatic parts, vision system and sensors, vacuum pumps, gear head components, motors, industrial robots, mechanical parts, retractable enclosures and other accessories. We source these materials from both local and foreign suppliers (including suppliers carrying brands specified by our customers).

- (ii) Also, in order to accommodate the timely delivery of the increase in demand for our automated equipment, we would engage additional subcontractors. Hence, the remaining RM7,000,000 of the IPO proceeds for working capital purposes will be used for the engagement of these additional subcontractors.

As set out in Section 5.4.4(ii) of this Prospectus, we engage subcontractors to carry out the following activities:-

- Manual machining process such as turning, milling, grinding;
- CNC machining services such as turning, wire cut and laser cutting process; and
- Finishing work of steel material and metal structure such as plating and powder coating.

We also engage additional subcontractors for the mechanical assembly of automated equipment at our assembly plants, electrical wiring and CNC milling services, bending and welding services.

For the FYE 31 December 2015 to 2018, our subcontractor cost has shown an increasing trend, representing 2.57%, 8.21%, 6.24% and 14.06% of our cost of sales respectively.

**3. PARTICULARS OF THE IPO (Cont'd)****(5) Repayment of bank borrowings**

We intend to allocate RM4,500,000, representing approximately 6.16% of the proceeds from our Public Issue, to repay bank borrowings which was used to purchase Plot 287C and for working capital purposes. The details are as set out in the table below:-

	Bank/ Banking facility	Purpose	Interest rate	Maturity date	Principal amount  RM	Balance as at the LPD  RM	Amount to be repaid from gross proceeds  RM
(i)	United Overseas Bank Berhad - Term Loan	Acquisition of Plot 287C (M)	Base Lending Rate - 2.20%	May 2035	4,000,000	3,496,009	3,400,000
(ii)	Alliance Islamic Bank Berhad - Term Loan	Working capital	Base Financing Rate + 1.50%	April 2021	3,000,000	1,349,902	1,100,000
<b>Total</b>						<b>4,845,911</b>	<b>4,500,000*</b>

**Note:-**

- \* The remaining balance for the repayment of bank borrowings will be paid off using internally generated funds.

The repayment of the above-mentioned bank borrowings are expected to have a positive financial impact on our Group with interest savings of approximately RM1,652,767 based on the existing prevailing interest rate of 4.87% and 8.42%, respectively, for the term loans (i) and (ii) mentioned above.

In the event the proceeds for actual repayment of bank borrowings are lower than estimated, the excess will be used for working capital purposes.

**(6) Estimated listing expenses**

Our listing expenses are estimated to be RM4,000,000, details which are as follows:-

Description	Total RM
Professional fees*	1,818,000
Fees to authorities	88,000
Estimated underwriting, placement and brokerage fees	1,490,000
Printing and advertisement	300,000
Contingencies^	304,000
<b>Total</b>	<b>4,000,000</b>

### 3. PARTICULARS OF THE IPO (Cont'd)

#### Notes:-

\* Includes advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and IMR.

^ Other incidental or related expenses in connection with the IPO, which includes translators, media related expenses, IPO event expenses, etc.

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

There is no minimum subscription to be raised from the IPO.

The financial impact of the use of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 is reflected in Section 12.3 of this Prospectus.

### 3.5 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

#### 3.5.1 Brokerage

We will bear the brokerage fees to be incurred on the issue of the 28,170,000 Issue Shares pursuant to the IPO under Sections 3.1.1(b)(i) and 3.1.1(b)(ii) of this Prospectus at the rate of 1.00% of the Issue Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

#### 3.5.2 Underwriting commission

AIBB, as our Sole Underwriter has agreed to underwrite 28,170,000 Issue Shares as set out in Sections 3.1.1(b)(i) and 3.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of up to 2.00% of the total value of the Shares underwritten at the Issue Price.

#### 3.5.3 Placement fee

AIBB, as our Placement Agent, has agreed to place out 91,580,000 Issue Shares available under the placement to selected investors as well as identified Bumiputera investors approved by the MITI as set out in Sections 3.1.1(b)(iii) and 3.1.1(b)(iv) of this Prospectus respectively, at the rate of up to 2.00% of the Issue Price for each Issue Share to be placed out by the Placement Agent.

#### 3.5.4 Salient terms of the Underwriting Agreement

Our Company had on 15 April 2019, entered into an Underwriting Agreement with the Sole Underwriter, whereby the Sole Underwriter agreed to underwrite 18,780,000 Issue Shares, which will be made available for application by the Malaysian Public ("**Public Tranche**") and 9,390,000 Issue Shares which will be made available for application by our eligible directors, employees and persons who have contributed to the success of our Group ("**Underwritten Shares**"), upon the terms and subject to the conditions therein contained.

A summary of the salient terms of the Underwriting Agreement which may allow the Sole Underwriter to **withdraw from its obligations** are as follows:-

##### (I) **Termination**

- (i) *The Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:-*

### 3. PARTICULARS OF THE IPO (Cont'd)

- (a) *there is any breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated within the notice given to the Company or by the Closing Date, whichever is earlier; or*
- (b) *there is withholding of information which is required to be disclosed to the Sole Underwriter pursuant to the Underwriting Agreement which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Issue Shares, and if capable of remedy, is not remedied within such number of days as stipulated within the notice given to the Company; or*
- (c) *there shall have occurred, happened or come into effect any of the following circumstances:-*
  - (aa) *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or the occurrence of any combination of any of the foregoing;*
  - (bb) *any new or material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Sole Underwriter or any event or series of events beyond the reasonable control of the Sole Underwriter;*
  - (cc) *any material and adverse change to the business or financial condition of the Company or the Group; or*
  - (dd) *approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Sole Underwriter,*  
*which would have or can reasonably be expected to have, a material adverse effect on the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or*
- (d) *there is failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement; or*
- (e) *the Closing Date is more than three (3) calendar months from the date of the Underwriting Agreement or any later date as the Company and the Sole Underwriter may mutually agree upon, the Underwriting Agreement will automatically lapse without the requirement for any notice in writing to be given to such effect and the Sole Underwriter will be released and discharged from its obligations.*
- (ii) *The Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if the success of the Listing is in the reasonable opinion of the Sole Underwriter seriously jeopardised by any of the following occurs:-*
  - (a) *the coming into force of any laws, governmental regulations or directives which seriously affects or is likely seriously affect the business of the Group;*
  - (b) *any material and adverse change in the condition (financial or otherwise) of the Group from that described in this Prospectus;*

### 3. PARTICULARS OF THE IPO (Cont'd)

- (c) *the Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by the Sole Underwriter and the Company;*
- (d) *any commencement of legal proceedings or action against the Company or any of its directors, which in the reasonable opinion of the Sole Underwriter, would have a material adverse effect or make it impracticable to market the Public Issue or to enforce contracts to allot and issue the Issue Shares;*
- (e) *if the SC or any other relevant authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Sole Underwriter (after consultation with the Company), impracticable to market the Public Issue or to enforce contracts to allot and transfer the Issue Shares;*
- (f) *there is any breach by the Company of any of its obligations under the Underwriting Agreement and where such breach is capable of remedy, the same not being remedied within two (2) Market Days from the date of a written notice to the Company by the Sole Underwriter; or*
- (g) *the placement arrangement shall have been terminated or rescinded in accordance with its terms.*

#### **(II) Force Majeure**

- (i) *It will be an event of force majeure if the Sole Underwriter is unable to perform its obligations in the Underwriting Agreement resulting from any event or series of events beyond the reasonable control of the Sole Underwriter, including without limitation any of the following:-*
  - (a) *acts of God;*
  - (b) *national disorder or a declaration of a state of national emergency;*
  - (c) *armed conflict or serious threat of the same;*
  - (d) *hostilities, embargo, detention, revolution, riot;*
  - (e) *any unavailability of transportation or severe economic dislocation;*
  - (f) *earthquake, outbreak of war, outbreak of disease, acts of terrorism;*
  - (g) *the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for three (3) or more consecutive Market Days;*
  - (h) *any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Sole Underwriter is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FBM KLCI is, at the close of normal trading on Bursa Securities, on any Market Day:-*
    - (aa) *on or after the date of the Underwriting Agreement; and*
    - (bb) *prior to the Closing Date,*

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**3. PARTICULARS OF THE IPO (Cont'd)**

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*lower than 85%, of the level of index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least four (4) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition.*

*(ii) In the event of a force majeure pursuant to Section 3.5.4(II)(i) above, the Sole Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date:-*

*(a) terminate the Underwriting Agreement by giving notice to the Company in the manner as set out in the Underwriting Agreement; or*

*(b) request for the Closing Date to be extended to such reasonable date as the Sole Underwriter may decide.*

**"Closing Date"** means the last day and time for the acceptance of and payment for the 18,780,000 Issue Shares, which will be made available for application by the Malaysian Public in accordance with this Prospectus and the application form or any such other date as may be extended in writing from time to time, subject to the prior approval of the Sole Underwriter.

#### 4. RISK FACTORS

**NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

#### 4.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

##### 4.1.1 We are dependent on certain major customers

We are dependent on our major customers namely First Solar group of companies and Panasonic by virtue of their revenue contribution for the FYE 31 December 2017 and 2018:-

- (i) First Solar group of companies, collectively accounted for 27.00% (RM5.776 million), 62.24% (RM14.130 million), 72.10% (RM67.712 million) and 87.61% (RM192.386 million) of our total revenue for the FYE 31 December 2015 to 2018 respectively.

First Solar group of companies is involved in the design, manufacture, marketing and distribution of solar modules. First Solar Vietnam Mfg. Co. Ltd. and First Solar Malaysia Sdn Bhd are the subsidiaries of First Solar, Inc., a listed entity on the Nasdaq Stock Market. We have 6, 7 and 10 years of relationship with First Solar, Inc., First Solar Vietnam Mfg. Co. Ltd. and First Solar Malaysia Sdn Bhd respectively. In June 2017, we, through Greatech Integration, entered into the MEPA with First Solar group of companies. The MEPA will expire on 31 December 2021 unless extended in writing by both parties. Please refer to Section 5.4.12(i) of this Prospectus for further details on the MEPA.

- (ii) Panasonic contributed 20.33% (RM19.092 million) and 8.71% (RM19.119 million) of our total revenue for the FYE 31 December 2017 and 2018 respectively. Panasonic is our new customer for the FYE 31 December 2017.

Panasonic is a division of Panasonic Corporation of North America, which is a subsidiary of Panasonic Corporation, a company listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange. Panasonic is involved in the manufacture and sale of solar cells and modules. In April 2017, we, through Greatech Integration entered into the EPSA with Panasonic. We have 1 year relationship with Panasonic. The EPSA is valid until the end of the warranty period of the loading and unloading equipment to handle solar wafer supplied pursuant to the EPSA. The warranty period is as specified under Section 5.4.12(ii) of this Prospectus. Please refer to Section 5.4.12(ii) of this Prospectus for further details on the EPSA.

Both of these customers collectively contributed 92.43% (RM86.804 million) and 96.32% (RM211.505 million) of our total revenue for the FYE 31 December 2017 and 2018 respectively.

In any event, the MEPA and the EPSA are subject to risk of early termination by First Solar group of companies and Panasonic respectively. Our inability to renew the MEPA or inability to secure purchase orders from Panasonic as well as any early termination by our customers may adversely impact our Group's business and financial performance.

Our ability to continue to secure purchase orders from major customers are based on several factors including, among others, our ability to provide automated equipment that meets the respective customer's specifications and requirements, competitive pricing of our products, timely delivery as well as continuing customer satisfaction with our products and services. Nevertheless, any delays, premature termination of confirmed orders, or decrease in the value of purchase orders or the loss of any of these major customers would adversely affect our future business operations and financial performance.



**4. RISK FACTORS (Cont'd)****4.1.2 The prospect of our business is dependent on the demand and performance of the solar sector as a key market for the FYE 31 December 2016 to 2018**

Our automated equipment form a critical part of our customers' manufacturing operations. For the financial years under review, our customers mainly operate in the solar sector. For the FYE 31 December 2015 to 2018, customers in the solar sector alone accounted for 37.41%, 74.96%, 92.58% and 96.55% of our total revenue, respectively.

The prospects of our business and/or financial performance may be affected by any unfavourable changes including, but not limited to, a slowdown in the performance and/or demand for our customers' products in the solar sector, imposition of any adverse local and/or foreign Government regulations in the solar sector either in the form of an increase in import tariffs and related duties in the markets that we serve as well as our customers' markets. In addition, the continuing decline in the prices of solar modules may impact on the commercial and financial viability of some of the solar module manufacturers, which may result in the consolidation of solar module manufacturers. This may reduce the number of our potential customers.

Any of these unfavourable changes or market conditions may affect the demand for our automated equipment and/or financial performance.

**4.1.3 We are dependent on our Executive Directors and key senior management for the continuing success of our Group**

The continuing success of our Group's business is dependent, to a significant extent, on the efforts, commitment and abilities of our Executive Directors and key senior management who play a significant role in the day-to-day operations as well as implementation of our business strategies.

Our Executive Directors, namely Tan Eng Kee and Khor Lean Heng, have been actively involved in our Group's operations, and their in-depth knowledge on industrial automation, is invaluable to our Group and our Group's business strategies.

Our Executive Directors are assisted by our key senior management team, who also have extensive knowledge and experience in our business. Our Executive Directors and key senior management are vital for the strategic direction, leadership, business planning and development, and management of our Group's operations, in addition to formulating and implementing strategies to drive the future growth of our Group.

The loss of services from any of our Executive Directors and/or key senior management team, without any suitable and prompt replacement may adversely impact our Group's business and financial performance. As such, our ability to retain and also attract competent and experienced personnel is crucial for our continued success, future business growth and expansion.

**4.1.4 Our financial performance are affected by the purchase orders we receive as we do not have long-term contractual agreements with our customers**

We do not have any long-term contractual agreements which could guarantee our future financial performance. Despite having entered into the MEPA and EPSA, our Group is still dependent upon the issuance of purchase orders subsequent to the MEPA and EPSA. The agreements with our customers are generally broad in nature, whereby our customers will purchase our products by way of purchase orders and on an as-needed basis. As such, the inability to secure purchase orders from new and existing customers will impact our Group's operating results.

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**4. RISK FACTORS (Cont'd)**


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**4.1.5 We are subject to the risk of product liability**

We are exposed to the risk of product liability claims including:-

**(i) Warranty in connection with defects of our automated equipment**

We are subject to a product warranty period of up to 24 months, after final acceptance by the customer of the automated equipment in connection with the defects in design, material and workmanship, including hardware, parts and components. Therefore, in the event of any failure or defects in the automated equipment after installation and commissioning, we are required to repair such defects or replace such components and spare parts with defects at our own costs.

In addition, we shall provide an additional warranty period of up to 24 months on the replacement of the components and spare parts with defects from the completion of the replacement work at our own costs.

There is no limit on the warranty amount for the defects of our automated equipment. It is our duty to correct any failure of the automated equipment by either replacing or repairing the defective part. A high number of defects would increase the costs of a project, and consequently may adversely affect the overall profitability of our Group.

**(ii) Warranty in connection with performance of our automated equipment**

We are subject to a warranty period of up to 12 months after final acceptance by the customer of the automated equipment in connection with the equipment performance as agreed with the customer. If our automated equipment fails to meet the expectations of the customer, we are liable to pay liquidated damages of up to a maximum of 10% of the purchase price.

In such situations, this may impact adversely on our customer relationships and future business opportunities.

For the financial years under review and up to the LPD, we have not experienced any material warranty claims for our automated equipment. Nevertheless, there is no assurance that we would not experience any product liability claims in the future.

**4.1.6 Our business is exposed to the risk of termination of secured orders without cause by our customers**

The agreements entered into with some of our major customers provide the customers with a right to terminate the agreements without cause upon written notice. In the event these major customers terminate the contracts without cause, we will negotiate a termination fee equal to verifiable costs incurred by our Company for all products and components manufactured or procured based on purchase orders secured by us in accordance with the provisions of the agreements.

In view of the above, despite receiving secured purchase orders from our customers, our business is exposed to the risk of termination without cause. This could be due to various reasons such as a change in market conditions and technology migration.

Although we may have an order book of RM91.018 million based on total amount of purchase orders secured, which has not been recognised in our revenue as at the LPD, our business is still subject to the risk of termination of orders by the customers which would adversely affect our financial performance. Further, although we can negotiate a termination fee with the customers, the termination fee is still subject to mutual agreement between the parties. We may have incurred significant amount of time, material and resources to carry out the work orders but there is no assurance that we would be able to obtain any payment and/or compensation from our customers for the work that we have performed to date.

**4. RISK FACTORS (Cont'd)**

For the purchase orders issued by our customers pursuant to the agreements during the financial years under review and up to the LPD, we have not had any termination of secured orders without cause by our customers.

**4.1.7 Our business and financial performance may be affected if there are delays in delivery of our automated equipment**

We have to adhere to certain agreed milestones for the completion and/or delivery of our automated equipment with customers. Based on the MEPA and EPSA, we are subject to the risk of claims and/or penalties pertaining to liquidated damages for late delivery. The penalty for late delivery is equal to the rate of 1% of the purchase price per week up to an aggregated maximum of 6% of the purchase price of the automated equipment. This may have an adverse effect on our financial performance.

For the FYE 31 December 2015 to 2018, and up to the LPD, we have not experienced any delays in the completion and/or delivery of automated equipment. Nevertheless, there is no assurance that we would not experience any liquidated damages claims pertaining to delays in the completion and/or delivery of our automated equipment to customers in the future.

**4.1.8 We may not be able to execute some of our business strategies which may adversely affect our business prospects and growth**

Our business strategies are focused on building on our key strengths and capitalising on our core business in automated equipment. The future growth of our business is dependent on our ability to implement and carry out our business strategies including the timely completion of new operational facility (i.e. Plot 287A). This said new operational facility will cater for our continuing business expansion. This is in addition to our intention for business expansion and development, and marketing activities and product development and expansion. We also intend to construct another new operational facility on Batu Kawan Land. Please refer to Section 5.7 for further details on our business strategies. We may not be able to implement our business strategies according to financial and business expectations in a timely manner, which may adversely affect our future business and financial performance.

**4.1.9 We may not have adequate insurance to cover all losses or liabilities that may arise as a result of our business operations**

We have secured insurances to cover against risks of, among others, fire, flood, burglary or accidents that may affect our business operations. However this may be insufficient to cover all the risks that are associated with our business operations including product liability. Any losses or damages in excess of our insured limits or in areas for which we were not fully insured, could have an adverse effect on our business, financial conditions and results of operations.

As at the LPD, the sum insured by the insurance policies amounted to approximately RM136.955 million. For the financial years under review and up to the LPD, we have not made any insurance claims pursuant to such insurance policies secured.

While we have insurance coverage for various aspects of our business, there is no assurance that it is sufficient to cover all the losses that we may suffer.

**4.1.10 We are subject to legal risks relating to the markets we serve**

We are subject to the potential impact of any future claims and proceedings which would be material to our business, financial conditions or results of operations. The cost in defending or initiating any claim or litigation proceedings in enforcing our rights under the agreement entered into with our customers, even if resolved in our favour, could be substantial, and such claim or litigation proceeding would divert our management and technical professionals' attention. Uncertainties resulting from the commencement and continuation of such claim or litigation proceeding could adversely affect our efforts and limit our ability to continue our operations.

**4. RISK FACTORS (Cont'd)**

For the financial years under review and up to the LPD, our Group has not been involved in any material legal claims or litigation proceeding.

**4.1.11 Our financial performance may be materially affected in the event of a revocation or expiry of our pioneer status**

We were granted a pioneer status by MITI for the activity of “automated handlers for front end solar wafer and solar panel”, which entitled us for the tax exemption from Malaysian income tax on income derived from these activities. The tax incentive period granted for the said pioneer status is for a period of 5 years beginning on 29 March 2013 to 28 March 2018, and subsequently extended to 28 March 2023.

Upon expiry of the pioneer status, our Group will revert to the applicable statutory tax rates. The expiry or revocation of the pioneer status will directly affect our financial performance.

**4.1.12 We are exposed to the risks arising from foreign exchange fluctuations which may adversely affect our financial performance**

Our business is exposed to the risk of foreign exchange fluctuations as a significant proportion of our revenue is denominated in foreign currencies especially USD. Any changes in the exchange rate between RM and USD would have an impact on our financial results and performance.

For the FYE 31 December 2018, 94.92% which is equivalent to RM208.436 million of our total revenue, were transacted in USD while 44.34%, which is equivalent to RM62.315 million of our total purchases, were transacted in USD, EUR, SGD, JPY and GBP.

Please refer to Section 12.2.2(e)(ii) of this Prospectus for further details on impact of foreign exchange.

Moving forward, any foreign exchange fluctuations against RM would continue to have an impact on our future financial results and performance.

**4.2 RISKS RELATING TO OUR INDUSTRY****4.2.1 We are subject to economic, political and regulatory risks in foreign countries that we export our products as well as in Malaysia**

For the FYE 31 December 2015 to 2018, foreign markets accounted for 81.83%, 37.01%, 80.96% and 89.99% of our total revenue respectively. Malaysia as a market accounted for 18.17%, 62.99%, 19.04% and 10.01% of our total revenue for the FYE 31 December 2015 to 2018 respectively. In this respect, any changes in the political, economic and regulatory conditions in Malaysia and in foreign countries where we export/delivered our products to, could adversely affect our financial performance. These uncertainties could include, but not limited to, changes in political leadership, risks of war or civil unrest, changes in import tariffs and related duties as well as regulatory structures. Similarly, any global or regional economic downturn would also affect overall business and consumer confidence as well as expenditure, which would subsequently affect the demand for our products and services.

In January 2018, the USA Government imposed a tariff on the imports of certain crystalline silicon solar cells and solar modules into the USA, effective February 2018. An import tariff of 30% was imposed on these types of products in 2018, and thereafter reducing by 5% every year for the next 3 years up to 2021. The import tariff is likely to impact on the demand for imported crystalline silicon solar cells and solar modules into the USA. In this respect, manufacturers of industrial automation systems that serves customers who are exporters of such crystalline silicon solar cells and solar modules into the USA market, may be affected by this tariff.

**4. RISK FACTORS (Cont'd)**

For the FYE 31 December 2017 and 2018, our Group manufactured automated equipment for a customer that has crystalline silicone solar cells and solar modules production facilities in the USA. Therefore, the import tariff does not apply to this production facility that is served by our Group. For information purpose, revenue contribution of the said customer accounted for 20.33% and 8.71% of our Group's total revenue for the FYE 31 December 2017 and 2018 respectively.

Any adverse economic, political and regulatory risks including changes in import tariffs may cause our customers to defer their expansion plans and/or, reduce their purchases of automated equipment, which would materially affect our financial performance or the industry.

**4.2.2 We are reliant on technical professionals and are subject to the risks associated with our ability to retain and continually recruit them**

Industrial automation is reliant on technical professionals which includes mechanical engineers, electrical engineers and software developers. As at 31 December 2018, we have 110 technical professionals in our Group. These technical professionals are critical in the design, manufacture, installation, commissioning or providing engineering support to our customers. If we are unable to retain or recruit new technical professionals to implement our business strategies, this would adversely affect our future financial performance. Please refer to Section 7.9 of this Prospectus for further details on our employees.

**4.2.3 We may be subject to the risk of technology obsolescence in equipment or parts and components**

As a manufacturer of automated equipment, we are subject to the risk of technological obsolescence due to the evolution or rapid changes in technology in the industries that we serve. Therefore, if we are unable to produce automated equipment that are in line with the rapid advancement in technological requirements of our customers, our business or financial conditions would be adversely affected.

In addition, based on the MEPA, we are subject to the risk of claims and/or penalties pertaining to obsolescence of parts and components for a period of 5 years after the acceptance date of the equipment or 3 years after the end of the warranty period, whichever occurs first. In such a situation, we would have to bear the cost of replacing those obsolete parts and components.

For the FYE 31 December 2015 to 2018, and up to the LPD, we have not experienced any claims related to obsolescence in automated equipment or parts and components. Nevertheless, there is no assurance that such claims may not occur in the future.

**4.3 RISKS RELATING TO INVESTING IN OUR SHARES****4.3.1 There has been no prior market for our Shares**

Prior to the IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. The Issue Price was determined after taking into consideration various factors including but not limited to our business strategies and our financial and operating history.

There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and the market price of our Shares will not decline below the Issue Price.

**4. RISK FACTORS (Cont'd)****4.3.2 Our Share price and trading volume may be volatile**

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:-

- (i) Variations in our results and operations;
- (ii) Success or failure in our management team in implementing business and growth strategies;
- (iii) Changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) Changes in conditions affecting the industry, the prevailing local and global economic conditions or stock market sentiments or other events or factors;
- (v) Additions or departures of key personnel;
- (vi) Fluctuations in stock market prices and volumes; or
- (vii) Involvement in litigation.

**4.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO**

As disclosed in Section 7.1.1 of this Prospectus, our Promoters will collectively hold in aggregate 74.00% of our enlarged issued share capital upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations.

Our Group has appointed 3 independent directors and set up an Audit and Risk Management Committee to ensure that any future transactions involving related parties are entered into on an arms-length basis and/or on normal commercial terms that are not more favourable to the related parties than those generally available to third parties and are not detrimental to our minority shareholders, and to facilitate good corporate governance while promoting greater corporate transparency.

**4.3.4 There may be a potential delay to or cancellation of our Listing**

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:-

- (i) The MITI approved Bumiputera investors fail to acquire the Shares allocated to them under the Public Issue;
- (ii) Our Sole Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;

#### 4. RISK FACTORS (Cont'd)

- (iii) The revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or
- (iv) We are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the issuance and allotment of our Issue Shares:-

- (a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our Issue Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (b) our Listing is aborted, investors will not receive any of our Issue Shares, all monies paid in respect of all applications for our Issue Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our Issue Shares:-

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:-
  - (aa) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
  - (bb) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our successful Listing.

## 5. INFORMATION ON OUR GROUP

### 5.1 INFORMATION ON OUR GROUP

#### 5.1.1 Overview and History

Our Company was incorporated in Malaysia under the Act on 5 March 2018 as a private limited company under the name of Greotech Technology Sdn Bhd and was subsequently converted to a public limited company on 21 May 2018. Our Company is an investment holding company.

We are primarily a manufacturer of equipment that are used to automate processes in production lines. Our products range from single automated equipment up to a production line system which comprises multiple automated equipment. These types of automated equipment are used in the manufacturing of solar cells, solar modules, semiconductors and consumer electronics. As part of our services, we design, manufacture, install and commission automated equipment.

For the FYE 31 December 2015 to 2018, the manufacture of automated equipment accounted for the main source of our revenue contributing 72.27%, 64.95%, 95.59% and 95.12% of our total revenue, respectively. Our other business activity is in the provision of parts and services, mainly for our own manufactured equipment. For the FYE 31 December 2015 to 2018, the provision of parts and services contributed 27.73%, 35.05%, 4.41% and 4.88% of our total revenue, respectively.

The table below sets out the key events in the history and development of our Group and business:-

Year	Events
<b>1997</b>	<ul style="list-style-type: none"> <li>Incorporation of Dynacut Engineering Sdn Bhd in Malaysia on 18 September 1997 as a private limited company before changing its name to Greotech Automation (M) Sdn Bhd in October 1998 and later to its current name, Greotech Integration in April 2005.</li> </ul>
<b>1998</b>	<ul style="list-style-type: none"> <li>We commenced business operations as a fabricator of machined parts and components used in the manufacture and assembly of hard disk drives. Subsequently we expanded into the manufacture of our first semi-automated assembly equipment for hard disk drives. We also made our first export of this said equipment to Thailand.</li> </ul>
<b>2002</b>	<ul style="list-style-type: none"> <li>We started to design and manufacture our first fully automated tape splicing equipment for semiconductor manufacturing, which has a splicing tool to join two separate length of tape containing semiconductors together.</li> </ul>
<b>2003</b>	<ul style="list-style-type: none"> <li>We expanded our range of automated equipment namely material handling equipment for semiconductor packages. This equipment incorporated functions such as loading and unloading, vision inspection and identification.</li> </ul>
<b>2004 – 2005</b>	<ul style="list-style-type: none"> <li>We expanded our range of automated equipment to handle semiconductor device including pick and place equipment, trimming and forming equipment.</li> </ul>
<b>2008</b>	<ul style="list-style-type: none"> <li>We made inroads into the solar sector when we supplied manual handling equipment and tools to a solar module manufacturer in Kulim, Kedah.</li> </ul>
<b>2013</b>	<ul style="list-style-type: none"> <li>Greotech Integration commenced its pioneer status granted by MITI under “automated handlers for front end solar wafer and solar panel” valid from 2013 up to 2018 and subsequently extended to 28 March 2023.</li> <li>We continued to expand our customer base to include a global original brand manufacturer of smart devices and computers. This was for the manufacture of an automated equipment to measure the distance and height of a home button on the smart device during final quality inspection.</li> </ul>



**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>Year</b>	<b>Events</b>
<b>2015</b>	<ul style="list-style-type: none"> <li>We secured additional orders for loading and unloading equipment to handle solar wafer with wafer sizes up to 156 mm x 156 mm, and thickness of 120 microns.</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>In April 2017, we entered into the EPSA with Panasonic for the sale of loading and unloading equipment to handle solar wafer.</li> <li>We expanded our business to design and manufacture production line systems. A production line system is a self-contained system comprising multiple automated equipment to perform a series of tasks. Please refer to Section 5.4.2(b) of this Prospectus for further details of the production line system.</li> </ul> <p>In June 2017, through Greatech Integration, we entered into the MEPA with First Solar group of companies. This agreement is for the sale of production line systems for solar modules to First Solar group of companies.</p> <p>Please refer to Section 5.4.12 of this Prospectus for further details on the MEPA and EPSA.</p> <ul style="list-style-type: none"> <li>During the same year, we expanded our capabilities to manufacture loading and unloading equipment to handle semiconductor wafers.</li> </ul>

**Key Awards, Certifications and Recognitions**

As at the LPD, we have obtained the following key award and certification:-

<b>Year</b>	<b>Award/Certification</b>
<b>2017</b>	<ul style="list-style-type: none"> <li>"5th position winner" of the Top 10 Excellent Eagle under the Golden Eagle Award 2017 organised by Nanyang Siang Pau.</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>Obtained ISO 9001:2015 certificate for "Design and Manufacturing of Automated Industrial Equipment" by Newera International Certification Sdn Bhd. This certificate is valid from 2018 to 2021.</li> <li>"Top Winner" of the 100 Excellent Eagles under the Golden Eagle Award 2018 organised by Nanyang Siang Pau.</li> </ul>

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.1.2 Our competitive strengths

Our competitive strengths are as follows:-

**(a) We have a track record of 21 years in industrial automation to serve as reference for new customers and projects**

We have accumulated a track record of approximately 21 years of experience in industrial automation since the manufacture of our semi-automated equipment for assembly of hard disk drives in 1998. This is in line with the commencement of our pioneer status for “automated and semi-automated machine and equipment for disk drive and semiconductor industries” in 1998.

Since then, we have expanded our industrial automation business to serve the solar, semiconductor and consumer electronics sectors. This is supported by the growth in our Group’s revenue from RM21.393 million in the FYE 31 December 2015 to RM219.582 million in the FYE 31 December 2018. Our business performance results demonstrate our continuing ability to serve as a reference. As at the LPD, we have an order book of RM91.018 million based on total amount of purchase orders secured, which has not been recognised in our revenue. In this respect, our track record provides us with a strong platform to address future business opportunities.

**(b) We have an experienced management team supported by in-house design and machining capabilities to grow our business**

We have an experienced management team headed by our CEO, Tan Eng Kee, who has approximately 28 years of working experience, of which 21 years of industrial automation experience was derived from our Group. He is supported by our COO, Khor Lean Heng, who brings with him approximately 21 years of experience in industrial automation.

On the technical side, as at 31 December 2018, we are supported by 110 technical professionals which include mechanical engineers, electrical engineers and software developers. They are headed by the following 3 Business Unit Managers under the technology and development department:-

- Chuah Soo Hoong, Business Unit Manager for the solar and semiconductor segments, with approximately 14 years of experience in mechanical design engineering.
- Yeap Han Keow, Business Unit Manager for thin film segment with approximately 14 years of experience in industrial automation.
- Tan Eng Seng, Business Unit Manager for the battery segment with approximately 14 years of experience in software engineering.

On the sales and marketing side, we are supported by 2 Strategy Account Managers, Lee Choong Li with approximately 20 years of experience in industrial automation and Lai Hao An with approximately 8 years of experience in industrial automation.

Our CFO, Koay Lin Lin, has approximately 22 years of experience in finance and accounting related functions, including 16 years of experience in human resource and administration.

Please refer to Sections 7.1.2, 7.2.2 and 7.4.2 of this Prospectus for further details on profiles of our Directors and key senior management.

We believe our experienced management and technical team will help sustain our business and provide the platform for future growth.

**5. INFORMATION ON OUR GROUP (Cont'd)****(c) We have the capabilities to provide customised solutions in automated equipment**

Our strengths are based on our expertise and capabilities in software development, robotics, electrical and mechanical engineering, and mechanical design to automate a spectrum of processes for the solar, semiconductor and consumer electronics sectors.

In this respect, we manufacture customised automated equipment and our services extend to installation and commissioning. Moving forward, we intend to continue to use these capabilities to expand our product range to address opportunities arising from other industry sectors such as battery segment for automotive applications. For further details on our overall business strategies, please refer to Section 5.7 of this Prospectus.

**(d) We have the capabilities to market our products and services directly to customers who are key players in their sectors**

During the financial years under review, our customers include some of the key players in their sectors, a testament of our ability to deliver products that meet customer requirements and specifications. These include some of the global manufacturers of solar cells and modules, smart devices and computers, and semiconductors. Please refer to Section 5.4.15 of this Prospectus for further details on our major customers.

We will continue to leverage from our core competency in automated equipment to serve our existing customers. Our ability to serve these global manufacturers will provide us with a platform for future references to secure new orders and customers.

**5.1.3 Share capital and changes in share capital**

As at the LPD, our issued share capital is RM40,500,001 comprising 506,250,000 ordinary shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:-

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Consideration</b>	<b>Nature of transaction</b>	<b>Cumulative issued share capital (RM)</b>
05.03.2018	1	Cash	Subscriber's share	1
21 March 2019	506,249,999	Otherwise than cash for the Acquisition of Greatech Integration	Acquisition of Greatech Integration	40,500,001

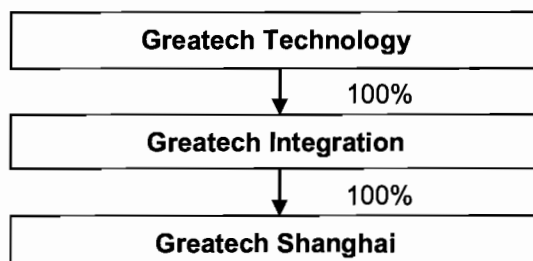
There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM112,057,501 comprising 626,000,000 Shares.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.1.4 Subsidiaries**

Our existing corporate Group structure is as follows:-



Details of our subsidiaries are set out below:-

Subsidiaries	Date and place of incorporation	Principal place of business	Date of commencement of business	Issued share capital	Effective equity interest (%)	Principal activities
Greatech Integration	18 September 1997/ Malaysia	Malaysia	November 1998*	1,000,000	100	Manufacture of automated equipment and provision of parts and services
Greatech Shanghai	10 March 2017/ PRC	PRC	N/A <sup>(1)</sup>	-	100	Dormant <sup>(1)</sup>

**Notes:-**

- \* Date of commencement of business refers to the date of commencement of business in the manufacture of automated equipment.
- (1) Intended business activities at the point of incorporation were in sales and service support. However, due to the change in our Group's business plans in view of the increase in the purchase orders from the existing customers, we do not intend to commence any business activities through Greatech Shanghai in the near future. Instead, we will focus on establishing engineering sales and service support resources in the USA and marketing activities as set out in Section 5.7(i) of this Prospectus. These activities will be carried out by Greatech Integration.

Further details on our material subsidiary are set out in Section 5.2 of this Prospectus below. As at the LPD, we do not have any associate company.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.2 INFORMATION ON OUR MATERIAL SUBSIDIARY****5.2.1 Greatech Integration****(a) Background, history and principal activities**

Greatech Integration was incorporated in Malaysia under the Companies Act 1965 on 18 September 1997 as a private limited liability company under the name of Dynacut Engineering Sdn Bhd and deemed registered under the Act. It subsequently changed its name to Greatech Automation (M) Sdn Bhd on 8 October 1998 and later to Greatech Integration (M) Sdn Bhd on 30 April 2005.

Greatech Integration commenced its business operations in the manufacture of automated equipment in November 1998.

It is currently principally involved in manufacture of automated equipment and provision of parts and services.

**(b) Share capital**

Greatech Integration's present issued share capital is RM1,000,000 comprising 1,000,000 ordinary shares.

Details of the changes in the issued share capital of Greatech Integration since incorporation up to the LPD are as follows:-

<b>Date of allotment</b>	<b>No. of shares allotted</b>	<b>Consideration</b>	<b>Nature of transaction</b>	<b>Cumulative issued share capital RM</b>
18.09.1997	2	Cash	Subscriber's shares	2
10.07.1999	299,998	Cash	Allotment of shares	300,000
20.08.2015	700,000	Cash	Allotment of shares	1,000,000

There were no discounts, special terms or installment payment terms given in consideration of the allotment.

As at the LPD, Greatech Integration does not have any outstanding warrants, options, convertible securities and uncalled capital.

**(c) Substantial shareholder**

As at the LPD, Greatech Integration is our wholly-owned subsidiary.

**(d) Subsidiary and associate company**

As at the LPD, Greatech Integration has a wholly-owned subsidiary, Greatech Shanghai.

As at the LPD, Greatech Integration does not have any associate company.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES**

Our Group's material capital expenditure or investments in Malaysia for the FYE 31 December 2015 to 2018 and up to the LPD are as follows:-

	Transaction value				
	<-----FYE 31 December----->				1 January 2019 up to the LPD
	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	RM'000
<b>Investments</b>					
Leasehold land	1,767	-	-	-	8,400
Leasehold buildings	3,960	-	-	-	-
Plant and machinery	1,187	253	6,066	1,782	23
Furniture, fittings, office equipment and computer system	467	513	682	1,175	136
Motor vehicle	-	358	222	211	638
Construction-in-progress	-	-	-	9,316	6,448
<b>Total</b>	<b>7,381</b>	<b>1,124</b>	<b>6,970</b>	<b>12,484</b>	<b>15,645</b>

Our material capital expenditure during the FYE 31 December 2015 to 2018, and up to the LPD comprised capital expenditure on leasehold land, leasehold buildings, plant and machinery, furniture, fittings, office equipment and computer system, motor vehicle and construction-in-progress. Our material capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

During the FYE 31 December 2015, our Group's capital expenditure incurred for leasehold land and leasehold buildings were due to the acquisition of Plot 287C for office, assembly plant and storage purposes. In addition, our Group's capital expenditure incurred for plant and machinery were mainly due to the purchase of a CNC milling machine for enhancement of our business operations.

Capital expenditure incurred for plant and machinery for the FYE 31 December 2017 was mainly due to the acquisition of machinery which includes 8 CNC milling machines, 1 waterjet cutting machine, 1 coordinate measuring machine and 2 robotic welding systems. In addition, our Group's capital expenditure incurred for furniture, fittings, office equipment and computer system were mainly due to the purchase of office equipment for Plot 4.

Capital expenditure incurred for plant and machinery for the FYE 31 December 2018 was mainly due to the acquisition of a CNC milling machine. In addition, our Group's capital expenditure incurred for furniture, fittings, office equipment and computer system were mainly due to the purchase of computer software for mechanical design purposes and computer hardware for new employees. For the FYE 31 December 2018, capital expenditure incurred for construction-in-progress was for Plot 287A.

For 1 January 2019 up to the LPD, the capital expenditure incurred for leasehold land was due to the Acquisition of Plot 287A. In addition, our Group's capital expenditure incurred for motor vehicle was mainly due to the acquisition of 4 new cars for our director and employees. Our Group's capital expenditure incurred for construction in progress for 1 January 2019 up to the LPD was in respect of Plot 287A.

Our Group had no material capital divestment for the FYE 31 December 2015 to 2018, and up to the LPD.

**5. INFORMATION ON OUR GROUP (Cont'd)**

As at the LPD, save for the material capital commitment as disclosed in Section 12.2.8 of this Prospectus, we have not undertaken any material capital expenditure and divestitures that is currently in progress.

**5.4 BUSINESS OVERVIEW****5.4.1 Our business model****(a) Business activities and strategies**

We are primarily a manufacturer of automated equipment. Our products range from single automated equipment up to a production line system, comprising multiple automated equipment. These are used in our customers' manufacturing line to automate processes.

Our other business activity is in the provision of parts and services, mainly for our own manufactured equipment.

Moving forward, we will continue to focus on our core competencies in the manufacturing of automated equipment.

**Our Business Activities and Strategies**

<b>Our Business Activities and Strategies</b>	
<b>Our Business Activities</b>	<b>Our Business Strategies<sup>(2)</sup></b>
<b>Manufacture of automated equipment</b> <ul style="list-style-type: none"> <li>• Single automated equipment</li> <li>• Production line system (comprising multiple automated equipment)</li> </ul>	<ul style="list-style-type: none"> <li>• Business expansion and development, and marketing activities</li> <li>• Establishing new operational facilities</li> <li>• Focusing on product development and expansion</li> </ul>
<b>Provision of parts and services</b> <ul style="list-style-type: none"> <li>• Supply of related spare parts and components</li> <li>• Others<sup>(1)</sup></li> </ul>	

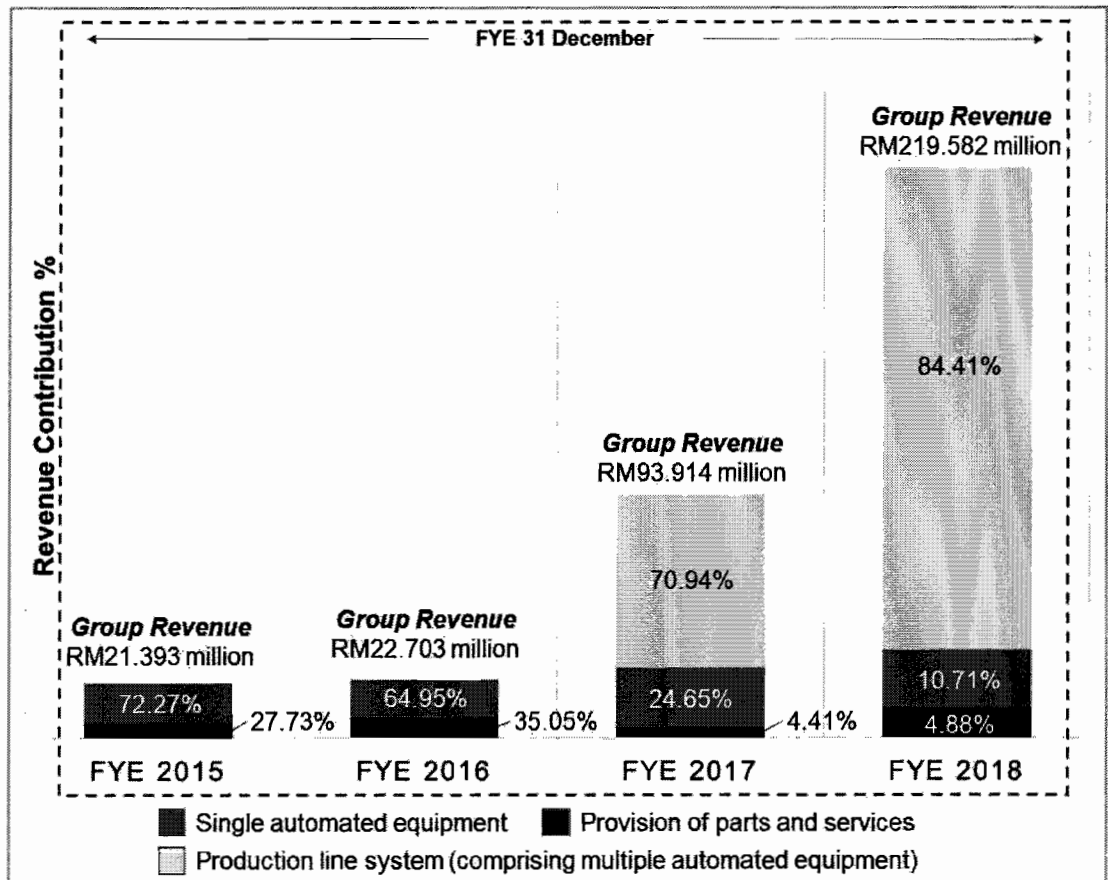
**Notes:-**

- (1) Others mainly include provision of modification works by upgrading or retrofitting on existing equipment, supply of metal racks and provision of engineering services including disassembly and reassembly of production lines.
- (2) Please refer to Section 5.7 for further details on our business strategies.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### (b) Revenue streams

The breakdown of our revenue by business activities for the FYE 31 December 2015 to 2018 is depicted in the following table:-



Please refer to Sections 5.4.2 and 12.2 of this Prospectus for details on our products and services and management's discussion and analysis of our Group's financial conditions.

### (c) Target industry sectors

For the FYE 31 December 2015 to 2018, our customers are mainly manufacturers of solar cells, solar modules, semiconductors and consumer electronics. Please refer to Section 5.4.15 for further details on our major customers.

### (d) Sales model

All our automated equipment sales are based on purchase orders.

Our Group have entered into master agreements which set out the general terms and conditions of the purchase of equipment by our customers. However, the sales of our equipment are still based on purchase orders.

Please refer to Section 5.4.12 for further details on the above master agreements.



## 5. INFORMATION ON OUR GROUP (Cont'd)

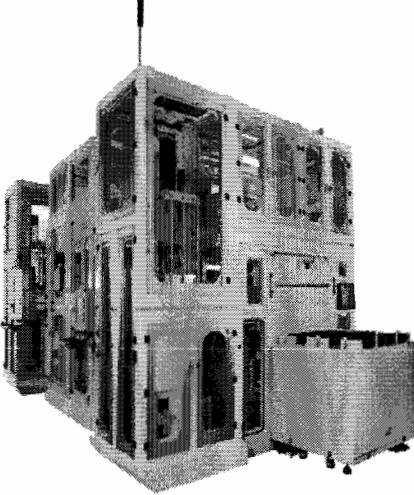

### 5.4.2 Our Products and Services

Details relating to our products and services are as follows:-

#### (a) Manufacture of single automated equipment

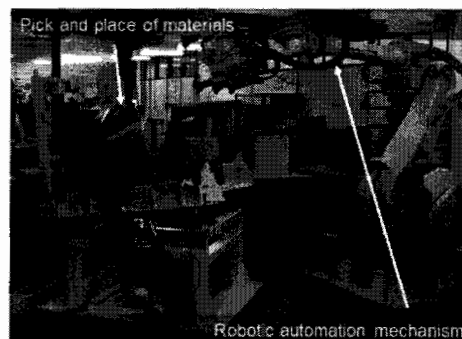
We manufacture automated equipment to carry out one or more functions in a single equipment. These types of single automated equipment are usually customised to meet the requirements of our customers. During the financial years under review, we have designed, manufactured, installed and commissioned this type of equipment to customers in the solar, semiconductor and consumer electronics sectors.

Our range of single automated equipment is as follows:-

Types of single automated equipment	Description
(i) Material handling equipment	
Loading and unloading equipment <sup>(1)</sup> to handle solar wafer	<p>The key features of this equipment include the following:-</p> <ul style="list-style-type: none"> <li>• motion controller to automate and perform movements and functions including pick and place;</li> <li>• visual inspection on defects; and</li> <li>• transfer solar wafer from one station to another station for further processing.</li> </ul> <p>This equipment is designed to handle solar wafer during the manufacturing of solar cell.</p> 
Loading and unloading equipment to handle semiconductor wafer	<p>The key features of this equipment include the following:-</p> <ul style="list-style-type: none"> <li>• robotics to pick up the semiconductor wafer and transport the wafer from one station to another station;</li> <li>• code reading capabilities for identification; and</li> <li>• alignment of the wafer position.</li> </ul> <p>This equipment is designed to handle semiconductor wafer during the manufacturing of fan-out WLP.</p> 

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>Types of single automated equipment</b>	<b>Description</b>
Robotic handling equipment	<p>Picking up and placing of solar modules in the production line, through programmed motion control.</p> <p>The key features of this equipment are as follows:-</p> <ul style="list-style-type: none"> <li>• scalable in size to cater for the expansion in production capacity;</li> <li>• programmed to handle various sizes of solar modules;</li> <li>• vision inspection for precise placement positioning; and</li> <li>• can be installed into an existing production line.</li> </ul>
Pick and place equipment	Pick and place mechanism to handle sealing materials which is a part used in the manufacturing of smart devices. These sealing materials are used to prevent water from permeating through the smart device.
(ii) Assembly equipment	Feeding mechanism to place a part such as screws into smart devices.
(iii) Inspection and measurement equipment	Inspect and measure the height of a home button of a smart device.

**Note:-**

- (1) In April 2017, we entered into the EPSA with Panasonic for the sale of loading and unloading equipment to handle solar wafer.

**(b) Production line systems (comprising multiple automated equipment)**

In 2017, we started to expand from the manufacture of single automated equipment to a production line system for the solar sector. A production line system is a self-contained system comprising multiple automated equipment to perform a series of tasks.

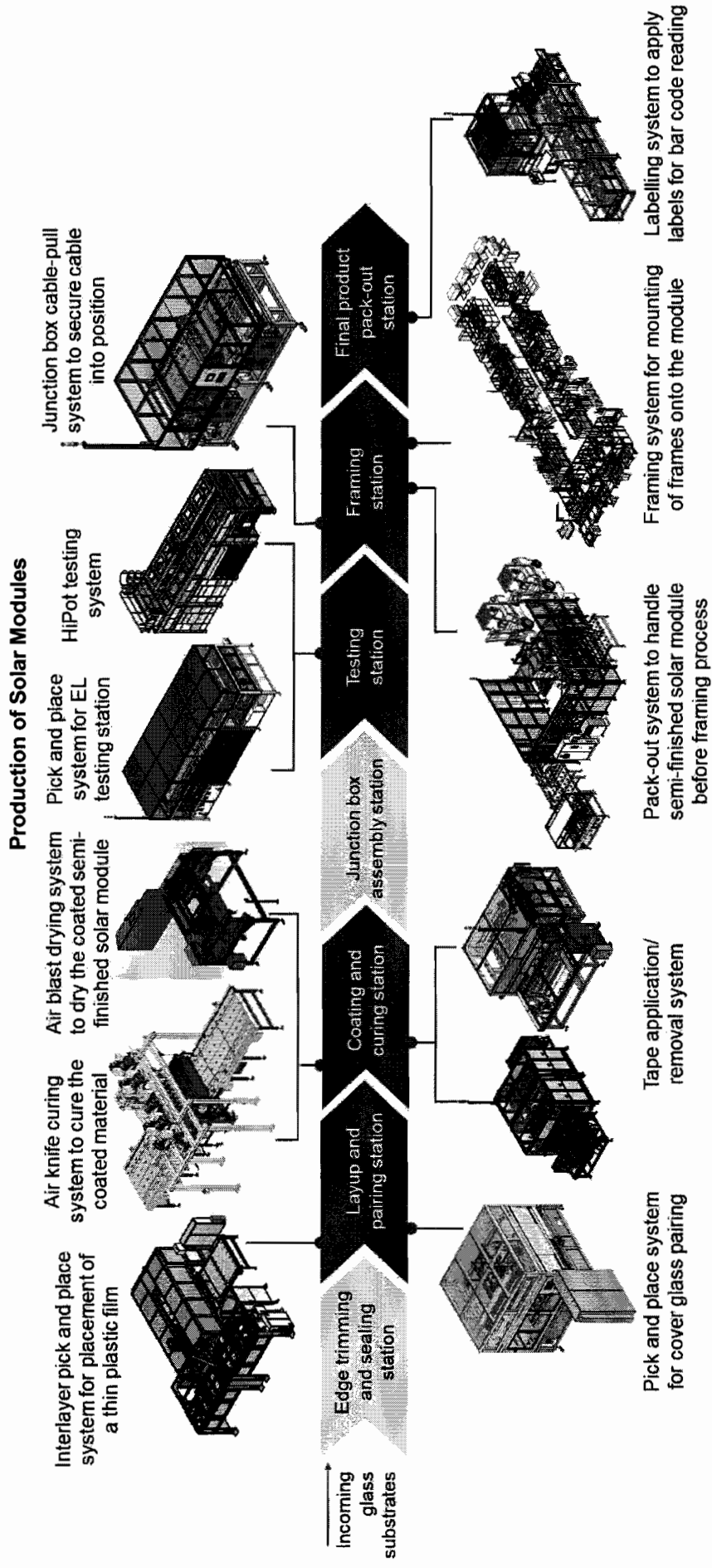
The production line systems manufactured by our Group are incorporated into our customer's manufacturing line for solar modules. This production line system was undertaken for First Solar group of companies' plants in the USA, Vietnam, and Malaysia. As at the LPD, we have installed 71 production line systems which are incorporated into our customers' manufacturing line used to manufacture solar modules.

Generally, the equipment will be shipped to the customers' premises and we will undertake onsite installation and commissioning works at customers' site.

Please refer to Section 5.4.12(i) of this Prospectus for further details on the MEPA which governs the sale and purchase of the production line systems.

## 5. INFORMATION ON OUR GROUP (Cont'd)

The following diagram depicts our production line system and areas used for the production line of solar modules.



**We manufacture production line systems including design, manufacturing, installation and commissioning these systems into the respective stations for the production of solar modules. The aggregated footprint of the 12 systems above is approximately 1,281 sq m (equivalent to 13,788 sq ft).**

**5. INFORMATION ON OUR GROUP (Cont'd)**

Our production line system is capable of handling solar module up to a size of 2,000 mm in length and 1,200 mm in width and total thickness approximately up to 5 mm. The details of the system are as follows:-

<b>System</b>	<b>General descriptions</b>	<b>Throughput (uph)</b>	<b>Placement accuracy/ Repeatability</b>
Interlayer pick and place system	<p>Consists of multiple equipment including material handling and vision inspection equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport semi-finished solar modules via conveyor system; and</li> <li>• pick and place equipment to pick-up and place a thin plastic film onto the semi-finished solar modules.</li> </ul> <p>The vision inspection equipment is for accurate placement of the thin plastic film onto the semi-finished solar modules.</p> <p>The footprint of this equipment is approximately 38 sq m (equivalent to 409 sq ft).</p>	Up to 194 uph	$\pm 1$ mm
Cover glass pairing system	<p>Consists of multiple equipment including material handling and vision inspection equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the semi-finished solar modules after the interlayer process via conveyor system; and</li> <li>• pick and place equipment to pick-up the cover glass and place it onto the semi-finished solar module, thus sandwiching the thin plastic film between the cover glass and the semi-finished solar module.</li> </ul> <p>The vision inspection equipment is for accurate placement of the cover glass onto the semi-finished solar module.</p> <p>The footprint of this system is approximately 8 sq m (equivalent to 86 sq ft).</p>	Up to 205 uph	$\pm 0.5$ mm

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>System</b>	<b>General descriptions</b>	<b>Throughput (uph)</b>	<b>Placement accuracy/ Repeatability</b>
Air knife curing system	<p>Consists of multiple equipment including material handling and air-drying equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the coated semi-finished solar module via conveyor system for curing; and</li> <li>• air-drying equipment to cure the coated material.</li> </ul> <p>The footprint of this equipment is approximately 23 sq m (equivalent to 248 sq ft).</p>	Up to 128 uph	N/A
Air blast drying system	<p>Consists of multiple equipment including material handling and air-drying equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the coated semi-finished solar module via conveyor system (after air knife curing system) into the air blast drying system; and</li> <li>• air-drying equipment to blow cool air to dry the coated semi-finished solar module.</li> </ul> <p>The footprint of this system is approximately 4 sq m (equivalent to 43 sq ft).</p>	N/A	N/A
Tape application/ removal system	<p>Consists of multiple equipment including material handling and vision inspection equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the semi-finished solar module via conveyor system into the tape application and tape removal system; and</li> <li>• pick and place equipment to pick up plastic tape and place it over the hole in the cover glass to prevent water from penetrating into the semi-finished solar module during the washing process; and</li> <li>• peeling equipment to peel-off the plastic tape after the washing process.</li> </ul>	Up to 205 uph for tape application system/up to 200 uph for tape removal system	± 2 mm for tape application system

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>System</b>	<b>General descriptions</b>	<b>Throughput (uph)</b>	<b>Placement accuracy/ Repeatability</b>
Tape application/ removal system (cont'd)	<p>The vision inspection equipment is for checking presence or absence of the plastic tape.</p> <p>The footprint of this system is approximately 10 sq m and 25 sq m (equivalent to approximately 108 sq ft and 269 sq ft) for tape application and removal system respectively.</p>		
Pick and place system for EL testing station	<p>Consists of multiple equipment including material handling equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the unframed semi-finished solar module via conveyor system into the EL testing station to detect any defects; and</li> <li>• pick and place equipment to pick up the unframed semi-finished solar module into the EL testing enclosure.</li> </ul> <p>The footprint of this system is approximately 20 sq m (equivalent to 215 sq ft).</p>	Up to 100 uph	± 1 mm
HiPot testing system	<p>Consists of multiple equipment including material handling and testing equipment as follows:-</p> <ul style="list-style-type: none"> <li>• load, unload and transport the unframed semi-finished solar module via conveyor system; and</li> <li>• testing equipment to perform various electrical tests in relation to the performance and efficiency of the solar module.</li> </ul> <p>The footprint of this system is approximately 51 sq m (equivalent to approximately 549 sq ft).</p>	Up to 100 uph	± 1 mm

## 5. INFORMATION ON OUR GROUP (Cont'd)

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Junction box cable-pull system	<p>Consists of multiple equipment including material handling and cable-pulling equipment as follows:-</p> <ul style="list-style-type: none"> <li>load, unload and transport the unframed semi-finished solar module into the junction box cable-pull system via conveyor system; and</li> <li>cable-pulling equipment with sensors to pull the junction box cable to a specific position.</li> </ul> <p>The sensor is to ensure that the cable is placed in the right position.</p> <p>The footprint of this system is approximately 6 sq m (equivalent to approximately 65 sq ft).</p>	Up to 225 uph	N/A
Pack-out system	<p>Consists of multiple equipment including material handling equipment as follows:-</p> <ul style="list-style-type: none"> <li>load, unload and transport the semi-finished solar module via conveyor system;</li> <li>pick and place equipment:- <ul style="list-style-type: none"> <li>to pick up the semi-finished solar module and placing it onto the metal rack prior to the framing process;</li> <li>to pick up the semi-finished solar module from the metal rack and transfer it to the framing system via conveyor system.</li> </ul> </li> </ul> <p>The footprint of this system is approximately 125 sq m (equivalent to 1,345 sq ft).</p>	Up to 200 uph	± 0.5 mm for placement accuracy and ± 0.05 mm for repeatability
Framing system	<p>Consists of multiple equipment including material handling and assembly equipment as follows:-</p> <ul style="list-style-type: none"> <li>load, unload and transport the tested and unframed semi-finished solar module via conveyor system into the framing system; and</li> </ul>	Up to 100 uph	± 0.5 mm

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>System</b>	<b>General descriptions</b>	<b>Throughput (uph)</b>	<b>Placement accuracy/ Repeatability</b>
Framing system (cont'd)	<ul style="list-style-type: none"> <li>assembly equipment to assemble aluminium frame and subsequently mount the assembled frame onto the back of the semi-finished solar module.</li> </ul> <p>The footprint of this system is approximately 939 sq m (equivalent to approximately 10,107 sq ft).</p>		
Labelling system	<p>Consists of multiple equipment including material handling and printing equipment as follows:-</p> <ul style="list-style-type: none"> <li>load, unload and transport the framed solar module via conveyor system into the labelling system;</li> <li>printing equipment for label printing; and;</li> <li>pick and place equipment to pick up the printed labels and stick the label onto the back of the framed solar module.</li> </ul> <p>The footprint of this system is approximately 32 sq m (equivalent to 344 sq ft).</p>	Up to 205 uph	± 3 mm for placement accuracy and repeatability

**(iii) Provision of parts and services**

Part of our businesses also includes providing parts and services, which includes, among others:-

- supply of related spare parts and components for our range of equipment including, among others, spare kits for our own equipment, plates and other fabricated metal parts;
- provision of modification works by upgrading or retrofitting on existing equipment;
- supply of metal racks; and
- provision of engineering services including disassembly and reassembly of production lines.



**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.3 Our principal markets**

The breakdown of our Group's revenue by principal markets, based on the billing country, is as follows:-

	<b>Audited</b>							
	<b>FYE 31 December</b>							
	<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>Local</b>	3,888	18.17	14,300	62.99	17,878	19.04	21,991	10.01
<b>Overseas</b>	17,505	81.83	8,403	37.01	76,036	80.96	197,591	89.99
<b>Total</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>

**Overseas**

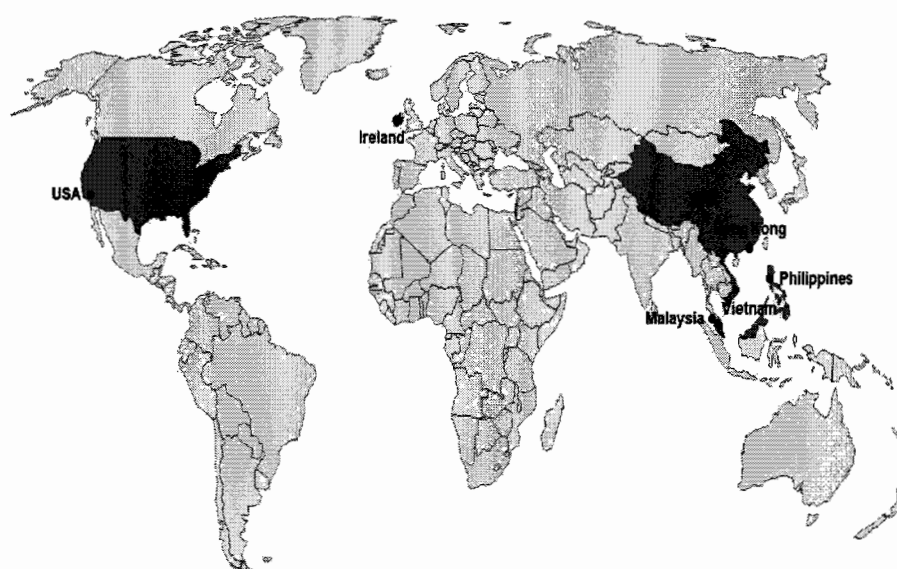
Vietnam	-	-	3	0.03	37,490	49.31	137,618	69.65
USA	4,175	23.85	3,687	43.88	34,052	44.78	55,694	28.19
Philippines	2	0.01	1	0.01	2,797	3.68	3,754	1.90
Ireland <sup>(1)</sup>	12,650	72.27	3,837	45.66	1,655	2.18	206	0.10
PRC	651	3.72	426	5.07	42	0.05	26	0.01
Hong Kong <sup>(1)</sup>	-	-	420	5.00	-	-	-	-
Others <sup>(2)</sup>	27	0.15	29	0.35	-	-	293	0.15
<b>Total</b>	<b>17,505</b>	<b>100.00</b>	<b>8,403</b>	<b>100.00</b>	<b>76,036</b>	<b>100.00</b>	<b>197,591</b>	<b>100.00</b>

**Notes:-**

(1) Products and services were delivered and performed in PRC.

(2) Others include Japan, Israel and Singapore.

**Principal Markets  
(FYE 31 December 2015 to 2018)**



**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.4 Key types, sources and availability of supplies**

The following are the major types of materials and services that we purchased for our business operations for the FYE 31 December 2015 to 2018:-

Purchases of Materials and Services								
←-----FYE 31 December-----→								
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Materials:-</b>	<b>7,477</b>	<b>95.10</b>	<b>6,001</b>	<b>84.63</b>	<b>40,526</b>	<b>85.97</b>	<b>114,402</b>	<b>81.39</b>
Parts and hardware <sup>(1)</sup>	6,361	80.91	4,741	66.86	33,922	71.96	108,210	76.98
Others <sup>(2)</sup>	1,116	14.19	1,260	17.77	6,604	14.01	6,192	4.41
<b>Services:-</b>	<b>385</b>	<b>4.90</b>	<b>1,090</b>	<b>15.37</b>	<b>6,613</b>	<b>14.03</b>	<b>26,163</b>	<b>18.61</b>
CNC machining services <sup>(3)</sup>	198	2.52	364	5.13	3,123	6.63	4,904	3.49
Other types of machining services <sup>(4)</sup>	175	2.23	389	5.49	3,046	6.46	11,233	7.99
Others <sup>(5)</sup>	12	0.15	337	4.75	444	0.94	10,026	7.13
<b>Total</b>	<b>7,862</b>	<b>100.00</b>	<b>7,091</b>	<b>100.00</b>	<b>47,139</b>	<b>100.00</b>	<b>140,565</b>	<b>100.00</b>

**Notes:-**

(1) Includes mechanical and electrical control hardware and parts such as the following:-

- PLC;
- HMI unit;
- CPU;
- pneumatic parts;
- vision system and sensors;
- vacuum pumps;
- gear head components;
- motors such as servo motors, direct current motors and motor drivers;
- industrial robots;
- mechanical parts;
- retractable enclosures; and
- other accessories.

(2) Other materials include steel materials, brackets, couplings, springs, and electrical parts such as wires, cables and switches as well as cutting tools and consumables such as inert gas used for welding and electrostatic discharge materials.

(3) CNC machining services include CNC turning, milling, wire cut and laser cutting services.

(4) Other types of machining services include turning, milling, grinding, bending, finishing and welding services.

(5) Other services include labour supply, laser engraving and mechanical design consultancy services.

**5. INFORMATION ON OUR GROUP (Cont'd)****(i) Materials**

For the past 4 financial years, purchases of input materials for the manufacture of automated equipment, and provision of parts and services accounted for 95.10%, 84.63%, 85.97% and 81.39% of our total purchases of materials and services respectively. The following are some of the main materials that we purchased for our business operations:-

- Parts and hardware such as electrical control hardware, vision systems, industrial robots and motors, which accounted for the largest share of our total purchases of materials and services. These parts and hardware are the main components of our automated equipment and these were sourced from local as well as overseas suppliers; and
- Others such as steel materials are used in the fabrication of metal structure, casing and mechanical parts.

Locally sourced materials including parts and hardware, and other materials accounted for 29.13%, 50.69%, 56.97% and 46.23% of our total purchases of materials for the FYE 31 December 2015 to 2018 respectively. Local sources include purchases from local manufacturers and/or foreign products with representatives in Malaysia. Imported materials accounted for 70.87%, 49.31%, 43.03% and 53.77% of our total purchases of materials for the FYE 31 December 2015 to 2018 respectively.

**(ii) Services**

We engaged subcontractors to perform certain machining services including CNC turning, milling, wire cut and laser cutting services as well as manual machining services such as turning, milling, grinding, bending, welding, and finishing services. These types of services accounted for 4.75%, 10.62%, 13.09% and 11.48% of our total purchases of materials and services for the FYE 31 December 2015 to 2018 respectively. In most cases, we mainly carry out CNC milling, bending and welding activities at our manufacturing facilities in Kedah. Depending on the level of orders received, we also engaged subcontractors to carry out these services as and when the need arises.

Other services include labour supply, laser engraving services as well as mechanical design consultancy services. These said other services accounted for 0.15%, 4.75%, 0.94% and 7.13% of our total purchases of materials and services for the FYE 31 December 2015 to 2018 respectively.

Local subcontractors accounted for 100.00%, 84.16%, 99.73% and 96.93% of our total outsourced services for the FYE 31 December 2015 to 2018 respectively. Overseas subcontractors accounted for 0.00%, 15.84%, 0.27% and 3.07% of our total outsourced services for the FYE 31 December 2015 to 2018 respectively.

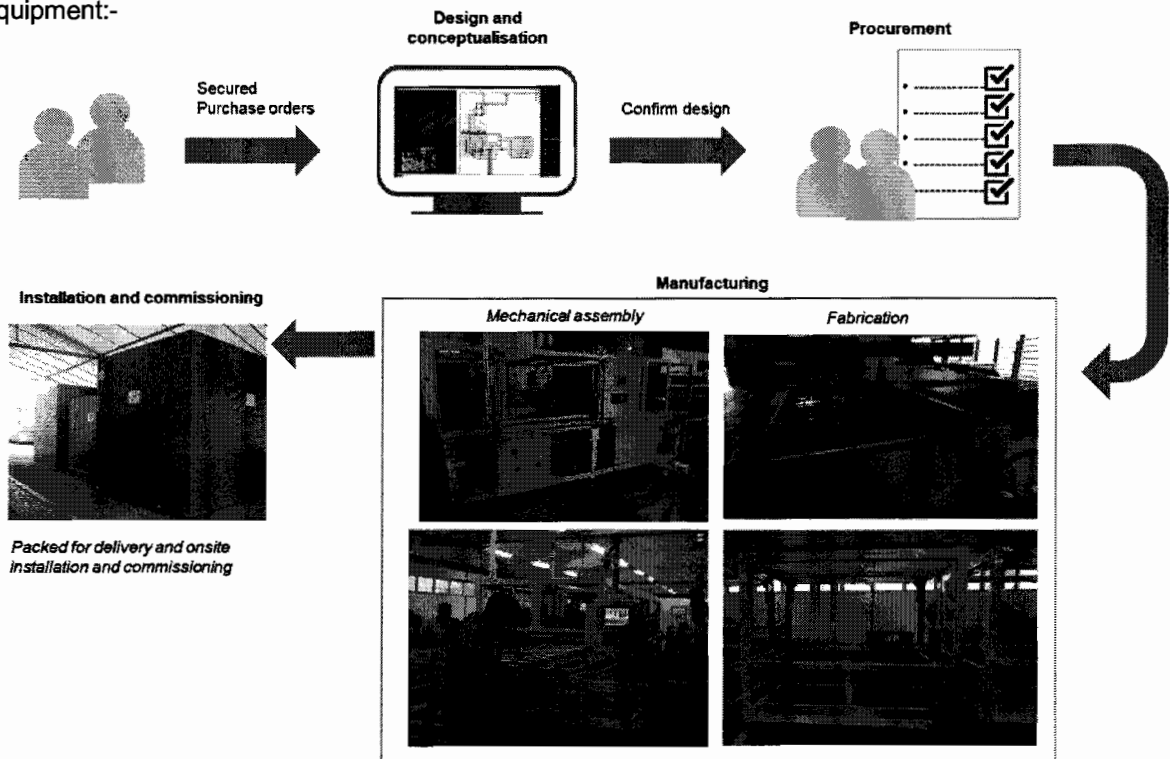
Thus far, we have not experienced any significant shortages in sourcing the abovementioned input materials or services. The prices of our key materials, such as steel materials, are subject to price fluctuations as a result of demand and supply conditions. We purchase these materials on a purchase order basis.

We have developed policies and procedures that guide our selection of suppliers. Prior to selection, all suppliers are evaluated in terms of financial performance, production capacity, ability to deliver products that meet our quality requirements, and ability to deliver in a timely manner. Our technical professionals are also responsible for carrying out relevant assessments on our current and potential suppliers, and subcontractors for inclusion in our approved supplier and subcontractor list.

## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.4.5 Process flow

The following diagram depicts the general process we undertake as a manufacturer of automated equipment:-



#### Design and conceptualisation

Upon securing the purchase orders, our engineers would have to discuss with the customer to understand the detailed specifications and requirements of the customer. We have an in-house technical and engineering support team to create a conceptual automation design based on our technical discussion with customers to meet their specifications and requirements. This covers production workflow, sequences, and physical functional components and system to be incorporated as well as overall equipment footprint and weight.

Some of the design parameters that have to be taken into consideration include the following:-

- specification and their functionalities;
- communications within the equipment to ensure they work in the desired timing and sequences;
- protocol to facilitate module interfaces and communications with each other as well as external devices and systems;
- scalability to allow ease of expansion or addition of modules at a later stage;
- HMI;
- collection and analysis of equipment performance data and statistics; and
- integration with other systems or network.

Our mechanical design covers electrical and software to integrate a series of systems into the equipment or production line to meet process requirements. Some of the systems include the following:-

- feeding and dispensing system;
- handling and transfer system;
- vision solutions for optical inspection and checking, as well as positioning, defect detection and testing;
- robotics for pick and place motion; and

## 5. INFORMATION ON OUR GROUP (Cont'd)

- others including marking and identification, measurement and control algorithms for real-time inspection and testing.

Our software development is used to synchronise motion, automate visual inspection and carry out measurement. The PLC and HMI will be incorporated into the CPU to control the processes and to ensure it meets motion control requirements and control tasks are maintained as follows:-

- precision positioning control with multi-axis coordination to perform pick and place, automated test and handling;
- accurate speed control using conveyors and motors;
- high speed input or output synchronisation through signal transition and responding;
- development of motion profile for interactive and precision movement; and
- others including real time control, data analysis and storage for management reporting, and performance monitoring system.

Software development is involved in the coding of all the instructions to run the automated equipment in accordance to specified conditions and parameters. The automated equipment are developed using common industry standard software tools including Windows operating system and object-oriented programming in C#. We use industry standard software tools and utilities to facilitate ease of software maintenance and upgrade.

### Procurement

Once the conceptual design is accepted and finalised with the customer, we will then proceed with the procurement of materials such as mechanical, electrical and electronic parts and components, steel materials, motors and cables.

### Manufacturing

With our in-house machinery and equipment such as CNC milling machines, bending and robotic welding systems, we carry out processing and fabrication of metal structures, casing and parts in our manufacturing facilities in Kedah. As we do not have the facilities to carry out some of the machining works, we engaged subcontractors to carry out certain works such as the following:-

- Manual machining process such as turning, milling and grinding; and
- CNC machining services such as turning, wire cut and laser cutting services.

The finishing work of sheet metals such as plating and powder coating are also outsourced to external parties as we do not have these facilities in-house. This is then followed by the assembly and integration of the mechanical and electrical parts and components as well as system integration. During the systems integration process, the customised software is then embedded into the automated equipment. We will then test and fine-tune the equipment to ensure it runs smoothly and in compliance to the specifications. We also engage external parties to carry out electrical wiring works who would then undertake the task at our premises.

### Installation and commissioning

We will perform final inspection on the completed equipment and acceptance test will be carried out at our premises. The equipment will then be shipped to the customers' premises and we will undertake onsite installation and commissioning works at customers' site. Our engineers and technical team will carry out the configuration and installation of the relevant equipment, connection to other production line equipment, instrument calibration, acceptance testing and commissioning of the production line to ensure it is operational. In addition, we provide on-site support services and training including proper operation, maintenance, basic trouble shooting, as well as handover manuals and technical documentation in relation to our products.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.6 Quality control procedure**

We place emphasis on the quality of our automated equipment and are accredited with the following ISO quality management system:-

Standard	Scope	Issuing party	Validity period
ISO 9001:2015	Design and manufacturing of automated industrial equipment	Newera International Certification Sdn Bhd	31 May 2018 to 30 May 2021

Having complied with ISO management systems, we have adopted the following approach to ensure that quality standards are maintained and adhered to:-

- design has to be verified by our technical personnel to ensure that it is in accordance to customers' specifications;
- incoming materials will have to undergo quality checks and inspection before incorporating into our equipment;
- completed automated equipment will have to undergo final inspection by our engineers and technicians;
- acceptance test is performed to ensure that the equipment is operating and the system is tested before delivery to the customer; and
- final acceptance test is conducted at the customers' site after installation is completed to ensure that the automated equipment meet the customers' specifications.

As at the LPD, we have a team of 13 personnel who are involved in quality assurance and control activities.

**5.4.7 R&D**

For the FYE 31 December 2015 to 2017, our automated equipment are customised to the requirements and specifications of our customers. Therefore, product development activities are undertaken based on confirmed purchase orders from customers. In this respect, our product development process is undertaken jointly and in consultation with customers from conceptual design through to pilot runs and acceptance testing.

As part of our business strategies, we intend to adopt a proactive sales approach to market our range of automated equipment including development of prototypes. Prototypes are sample models of automated equipment built on conceptual design. These said prototypes are intended to be used as a marketing tool to potential customers. In this respect, we have set-up an R&D division in May 2018 where we commenced preliminary R&D activities with initial conceptualisation of prototypes of production line system for the assembly of battery modules and battery packs. R&D is part of our Technology and Development Department to focus on the development of new products as well as enhancement or modifications of our existing range of products. For the FYE 31 December 2018, we have incurred RM0.673 million for the R&D activities, representing 0.31% of our total revenue for the financial year under review.

As at the LPD, we have engaged a team of 27 personnel in our R&D division involved in undertaking the above said tasks. The R&D division is headed by the respective Business Unit Managers, namely Chuah Soo Hoong, Yeap Han Keow and Tan Eng Seng. Please refer to Section 5.7(iii) of this Prospectus for further details on our business strategies pertaining to the product development and expansion.

**5.4.8 Technology**

We use various types of technologies in our automated equipment including the following:-

## 5. INFORMATION ON OUR GROUP (Cont'd)

### (i) Vision systems

Vision systems provide imaging-based inspection, evaluation and processing capabilities. The key components of vision systems include one or more cameras that capture images for analysis as well as image processing hardware and software, which interpret the images and execute the next action steps.

We incorporate vision systems in our automated equipment for the following:-

- To ensure accurate placement positioning or alignment checks; and
- To process images and provides identification for sorting.

Vision systems eliminate costly errors, improve productivity and ensure consistency in product quality.

### (ii) Robotics

Robotics refers to the technology that involves design, construction and operation of robotic systems. It is commonly designed to carry out repetitive tasks and is controlled through programmable software, which dictates its action.

We employ robotics technology in manufacturing our automated equipment, for example, robotic arms. Robotic arms are used in the handling equipment to pick and place solar module for manufacturing as well as for stacking and storage.

Robotics technology enables us to increase productivity and reduce labour cost. In addition, robotics are able to perform work at constant speed and achieve precise actions with accuracy.

#### 5.4.9 Modes of marketing, distribution and sales

Given the nature of our industry which involves the customisation of automated equipment and dealing with commercially sensitive information pertaining to the customers' respective manufacturing operations, we market our product and services directly to potential customers.

In line with our direct sales approach with customers, we mainly distribute our products directly to our customers. In addition, we engaged a sales representative as our agent based in California, USA to cover USA, Mexico and Canada markets. For the past 4 financial years under review, this said agent mainly services one of our customers in the USA and its role is to procure sales including responding to technical enquiries. This is specifically relating to our loading and unloading equipment to handle solar wafer. In view of our intention to establish an office in Silicon Valley, California, moving forward, we do not intend to continue with the appointment of the agent upon establishment of the office in Silicon Valley, California.

Other informal marketing activities include attending exhibitions and seminars to meet up with existing or potential customers. Part of our sales and marketing efforts involve technical discussion with customers which gives us the opportunity to demonstrate our technical knowledge, experience and capabilities in either providing automated equipment or meeting the technical specifications of customers.

Our marketing strategy also involves promoting our products and services to a wider segment of potential customers by participating in exhibitions. The following are the exhibitions we participated in 2018:-

- ATX West 2018, which is an exhibition for the consumer electronics sector, in Anaheim, California (February 2018);
- SEMICON West 2018, which is an exhibition for the semiconductor sector, in San Francisco, California (July 2018); and
- The Battery Show 2018, which is an exhibition for the battery segment for the automotive applications, in Novi, Michigan (September 2018).

This will be supplemented by a targeted approach with existing and potential customers from a dedicated team comprising of business development and technical support personnel in selected countries. As at the LPD, we have a dedicated sales and marketing team which consists of 6 sales and marketing personnel, headed by our CEO, Tan Eng Kee.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.10 Major approvals, licences and permits obtained**

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:-

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Warehouse Licence issued under Section 65 of the Customs Act 1967 for warehousing of slave rack & back end automation production line for solar panel and related components at Lot No. 1515, Lot No. 1516, Lot No. 1521, Lot No. 1523, Lot No. 1524, Plot 4 and Plot 16A.	Royal Malaysian Customs Department	K16-G6- 201000000003	14 December 2017/ 31 December 2019	(i) Issuance of this licence is subjected to the conditions imposed by the Director General of Customs under Customs Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Noted and complied
					(ii) Renewal of the licence shall be made to the Customs Office in writing/online at least 1 month before the expiry date of the existing licence and subject to any condition imposed by the Director General of Customs.	Noted and to be complied
					(iii) No goods other than goods specified in the licence may be stored in any licensed warehouse, duty free shop or inland clearance depot.	Noted and complied



## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Warehouse Manufacturing Licence issued under Section 65A of the Customs Act 1967 for carrying on manufacturing process and other operation for slave rack & back end automation production line for solar panel and related components at Lot No. 1515, Lot No. 1516, Lot No. 1521, Lot No. 1523, Lot No. 1524, Plot 4 and Plot 16A.	Royal Malaysian Customs Department	K16-G6- 201000000003A	14 December 2017/ 31 December 2019	(i) Issuance of this licence is subjected to the conditions imposed by the Director General of Customs under Customs Act 1967, Sales Tax Act 1972, Service Act 1975 and Excise Act 1976.	Noted and complied
					(ii) Renewal of the licence shall be made to the Customs Office in writing/online at least 1 month before the expiry date of the existing licence and subject to any condition imposed by the Director General of Customs.	Noted and to be complied
					(iii) No goods other than goods specified in the licence may be stored in any licensed warehouse, duty free shop or inland clearance depot.	Noted and complied

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Business Premises Licence at Plot 287B and Plot 287C for:- (i) processing of electric and mechanic works; and (ii) advertising signboard without lighting.	Pulau Pinang City Council	KOM000005511	10 January 2019/ 31 December 2019 (Licence shall be renewed before or at the end of February of each year)	None	N/A
	Business Premises Licence at Lot No. 1515 for:- (i) processing stainless steel/iron; and (ii) office.	Kulim Municipal Council	L0016045-01	27 March 2019/ 26 September 2019 (Licence shall be renewed on or before the expiry date of the license)	None	N/A

**5. INFORMATION ON OUR GROUP (Cont'd)**

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Non-Food Factory Licence at Lot No. 1516 for:- (i) advertising signboard without lighting; (ii) warehouse/store; (iii) engineering/electrical/mechanical works; (iv) producing/renewing products using metal; (v) processing area (factory); and (vi) office.	Kulim Municipal Council	L0011807-01	1 January 2019/ 31 December 2019 (License shall be renewed on or before the expiry date of the license)	None	N/A
Greatech Integration	Business Premises Licence at Lot No. 1521 for:- (i) advertising signboard with lighting; and (ii) warehouse factory.	Kulim Municipal Council	L0020805-01	29 October 2018/ 28 October 2019 (License shall be renewed on or before the expiry date of the license)	None	N/A

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatch Integration	Business Premises Licence at Lot No. 1523 for:- (i) warehouse factory; (ii) processing area (factory); and (iii) office.	Kulim Municipal Council	L0013805-01	19 March 2019/ 18 March 2020 (License shall be renewed on or before the expiry date of the license)	None	N/A
Greatch Integration	Business Premises Licence at Lot No. 1524 for:- (i) advertising signboard without lighting; (ii) assembly of heavy machinery; (iii) processing area (factory); and (iv) office.	Kulim Municipal Council	L0019955-01	15 February 2019/ 14 August 2019 (License shall be renewed on or before the expiry date of the license)	None	N/A
Greatch Integration	Business Premises Licence at Plot 4 for:- (i) assembling/processing machinery; of (ii) warehouse factory; and (iii) office.	Kulim Municipal Council	L0019936-01	1 August 2018/ 31 July 2019 (License shall be renewed on or before the expiry date of the license)	None	N/A

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Business Premises Licence at Plot 16A for:- (i) advertising signboard without lighting; (ii) assembling of motor vehicle/machineries; and (iii) warehouse/store.	Kulim Municipal Council	L0020619-01	14 January 2019/ 13 January 2020 (Licence shall be renewed on or before the expiry date of the licence)	None	N/A
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 22 September 2010 at the place of manufacturing at Lot No. 1515 and Lot No. 1516 for, among others, back end automation production line for solar panel and related components.	MITI	A 018232 (Serial No. A 030945)	12 July 2011/ This licence does not need to be renewed and is valid until it is revoked.	Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 22 September 2010 at the place of manufacturing at Lot No. 1523 for, among others, back end automation production line for solar panel and related components.	MITI	A 018233 (Serial No. A 030946)	12 July 2011/ This licence does not need to be renewed and is valid until it is revoked.	Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	<p>Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 20 February 2014 at the place of manufacturing at Plot 287B for the manufacturing of the product specified among others:-</p> <p>(i) back end automation production line for solar panel and related components; and</p> <p>(ii) automated production machine for manufacturing of smart phone, tablets, playing device, reading device and related components of electrical &amp; electronic industry.</p>	MITI	A 019466 (Serial No. A 033015)	<p>25 February 2014/ This license does not need to be renewed and is valid until it is revoked.</p>	Greatech Integration must notify MITI and MIDA for any disposal of shares.	Noted and to be complied
Greatech Integration	<p>Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 4 November 2013 at Lot No. 1515 and Lot No. 1516 for automated production machine for manufacturing of smart phone, tablets, playing device, reading device and related components of electrical and electronics industry.</p>	MITI	A 018232 (Serial No. A 033124)	<p>3 April 2014/ This license does not need to be renewed and is valid until it is revoked.</p>	<p>(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.</p> <p>(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.</p>	<p>Noted and to be complied</p> <p>Noted and complied</p>

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 4 November 2013 at the place of manufacturing at Lot No. 1523 for automated production machine for manufacturing of smart phone, tablets, playing device, reading device and related components of electrical and electronics industry.	MITI	A 018233 (Serial No. A 033125)	3 April 2014/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.	Noted and to be complied  Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 22 June 2015 at the place of manufacturing at Plot 287C for among others:-  (i) back end automation production line for solar panel and related components;  (ii) automated production machine for manufacturing of smart phone, tablets, playing device, reading device and related components of electrical and electronics industry.	MITI	A 020180 (Serial No. A 034125)	22 June 2015/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.	Noted and to be complied  Noted and complied

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing at Lot No. 1515 and Lot No. 1516 for the manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 018232 (Serial No. A 035253)	7 March 2017/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied   Noted and complied   Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing at Lot No. 1523 for the manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 018233 (Serial No. A 035254)	7 March 2017/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied   Noted and complied   Noted and complied



## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing of the factory automation machine and related components for the manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 019466 (Serial No. A 035255)	7 March 2017/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.  (ii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied  Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 020180 (Serial No. A 035256)	7 March 2017/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied  Noted and complied  Noted and complied

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 12 April 2017 at the place of manufacturing at Lot No. 1524 for the manufacturing of the product, among others:-  (i) automated production machine and related components for manufacturing of smart phone, tablets, playing device, reading device;  (ii) back end automation production line for solar panel and related components;  (iii) front end automation production line for wafer solar and related components;  (iv) automated machine and equipment for manufacturing of lithium - ion battery and related components;  (v) automated machine and equipment for manufacturing of inkjet printer, 3D printer and related components; and  (vi) factory automation machine and related components for manufacturing of products embedded with IoT technology.	MITI	A 020911 (Serial No. A 035428)	31 May 2017/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.  (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied  Noted and complied  Noted and complied

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 16 October 2017 at the place of manufacturing at Plot 4 for the manufacturing of the product, among others:-	MITI	A 021087 Serial No. A 035713)	30 November 2017/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied
	(i) automated production machine and related components for manufacturing of smart phones, tablets, playing device, and reading device;				(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.	Noted and complied
	(ii) back end automation production line for solar panel and related components;				(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied
	(iii) front end automation production line for wafer solar and related components;					
	(iv) automated machine and equipment for manufacturing of lithium – ion battery and related components;					

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
	<p>(v) automated machine and equipment for manufacturing of inkjet printer, 3D printer and related components; and</p> <p>(vi) factory automation machine and related components for manufacturing of products embedded with IoT technology.</p>				(iv) Greatech Integration shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
Greatech Integration	<p>Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at Plot 16A for the manufacturing of the product, among others:-</p> <p>(i) automated production machine and related components for manufacturing of smart phones, tablets, playing device and reading device;</p> <p>(ii) back end automation production line for solar panel and related components;</p> <p>(iii) front end automation production line for wafer solar and related components;</p>	MITI	A 021295 (Serial No. A 036054)	23 May 2018/ This licence does not need to be renewed and is valid until it is revoked.	<p>(i) Greatech must notify MITI and MIDA for any disposal of its shares.</p> <p>(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.</p> <p>(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.</p>	<p>Noted and to be complied</p> <p>Noted and complied</p> <p>Noted and complied</p>

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
	<p>(iv) automated machine and equipment for manufacturing of lithium-ion battery and related components;</p> <p>(v) automated machine and equipment for manufacturing of inkjet printer, 3D printer and related components;</p> <p>(vi) factory automation machine and related components for manufacturing of products embedded with IoT technology; and</p> <p>(vii) robotic handling system and related components.</p>				(iv) Greatech shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
Greatech Integration	<p>Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at Lot No. 1521 for the manufacturing of the product, among others:-</p> <p>(i) automated production machine and related components for manufacturing of smart phones, tablets, playing device and reading device;</p>	MITI	A 021296 (Serial No. A 036055)	23 May 2018/ This licence does not need to be renewed and is valid until it is revoked.	<p>(i) Greatech must notify MITI and MIDA for any disposal of its shares.</p> <p>(ii) Greatech shall comply with the Environmental Quality Act 1974 and applicable regulations.</p>	<p>Noted and to be complied</p> <p>Noted and complied</p>

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
	(ii) back end automation production line for solar panel and related components;				(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied
	(iii) front end automation production line for wafer solar and related components;					
	(iv) automated machine and equipment for manufacturing of lithium-ion battery and related components;				(iv) Greatech shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
	(v) automated machine and equipment for manufacturing of inkjet printer, 3D printer and related components;					
	(vi) factory automation machine and related components for manufacturing of products embedded with IoT technology; and					
	(vii) robotic handling system and related components.					
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at Lot No. 1515 and Lot No. 1516 for the manufacturing of robotic handling system and related components.	MITI	A 018232 (Serial No. A 036048)	23 May 2018/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied  Noted and complied
					(iv) Greatech Integration shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at the place of manufacturing at Lot No. 1523 for the manufacturing of robotic handling system and related components.	MITI	A 018233 (Serial No. A 036049)	23 May 2018/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

**5. INFORMATION ON OUR GROUP (Cont'd)**

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					<p>(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.</p> <p>(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.</p> <p>(iv) Greatech Integration shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.</p>	<p>Noted and complied</p> <p>Noted and complied</p> <p>Noted and complied</p>
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at the place of manufacturing at Lot No. 1524 for the manufacturing of robotic handling system and related components.	MITI	A 020911 (Serial No. A 036050)	23 May 2018/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied



5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					(ii) Greatech shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied  Noted and complied
					(iv) Greatech shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at the place of manufacturing at Plot 4 for the manufacturing of robotic handling system and related components.	MITI	A 021087 (Serial No. A 036051)	23 May 2018/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

## 5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					<p>(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.</p> <p>(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.</p> <p>(iv) Greatech Integration shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.</p>	<p>Noted and complied</p> <p>Noted and complied</p> <p>Noted and complied</p>
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at the place of manufacturing at Plot 287B for the manufacturing of robotic handling system and related components.	MITI	A 019466 (Serial No. A 036052)	23 May 2018/ This licence does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

## 5. INFORMATION ON OUR GROUP (Cont'd)


Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					(ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations.  (iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied  Noted and complied
					(iv) Greatech Integration shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 5 April 2018 at the place of manufacturing at Plot 287C for the manufacturing of robotic handling system and related components.	MITI	A 020180 (Serial No. A 036053)	23 May 2018/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares.	Noted and to be complied

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
					(ii) Greatech shall comply with the Environmental Quality Act 1974 and applicable regulations.	Noted and complied
					(iii) The total full time employees of the company shall comprise of at least 80% Malaysian. Employment of the foreign employees including the outsourced workers is subject to the current policies.	Noted and complied
					(iv) Greatech shall submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and Malaysian Industrial Development Authority (Incorporation) Act 1965 when required by MIDA.	Noted and complied

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.11 Intellectual property rights, patents, trademarks and registrations**

Save as disclosed below, as at the LPD, there is no other intellectual property rights registered and/or in the process of registration which is in favour of Greatech Technology Group and no trademark is used in the carrying out of its business:-

Company	Trademark	Class	Application number/ Trademark number	Approving authority	Status/ Registration validity
Greatech Technology	 GREATECH	7	2018011684	Intellectual Property Corporation of Malaysia	Application filed on 18 September 2018. Pending approval from Intellectual Property Corporation of Malaysia.

**5.4.12 Contracts/arrangements on which our Group is materially dependent**

Save as disclosed below, our Group is not dependent on any material contracts or agreements including industrial, commercial and financial contracts or arrangements, which are material to our business or profitability:-

**(i) MEPA**

<b>Parties to MEPA</b>	Greatech Integration and First Solar group of companies.
<b>Description</b>	The MEPA is intended to be a master agreement between the parties and sets out the general terms and conditions governing the purchase and sale of certain equipment and related services, including design, manufacture, testing, installation, training and post installation support, as set out in one or more schedules that may be executed by the parties.
<b>Term/duration</b>	27 June 2017 to 31 December 2021, unless terminated or extended pursuant to the terms of the MEPA.
<b>Payment terms</b>	(i) 30% upon confirmation of order and receipt of accurate invoice; (ii) 50% upon pre-delivery demonstration at Greatech Integration's plant and receipt of accurate invoice; and (iii) 20% upon acceptance by First Solar group of companies in writing, completion of training and receipt of accurate invoice.  Payment of the above shall be payable within 30 days from date of invoice.
<b>Main products</b>	Production line systems.
<b>Liquidated damages</b>	1% of the purchase price per full week and per tool for late delivery and/or failure in performance of equipment as per the equipment specification. Maximum liquidated damages are up to 6% and 10% of the purchase price for late delivery and failure in performance of equipment respectively.

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>Termination/ events of default</b>	<p>If an event of default occurs and is continuing with respect to a party, then the other party, in its sole discretion, may, in addition to its other rights and remedies under this MEPA, terminate the MEPA or exercise such other remedies it may have at law or in equity.</p> <p>In the event that either party has materially breached the MEPA or any schedule, the other party may serve a notice of termination of the MEPA or of such schedule, which notice shall specify the nature of the breach. Unless the breaching party has cured the breach, the termination will become effective 30 days after the date of such notice. If a schedule, but not the MEPA, is terminated, then all other schedules and the MEPA shall remain in full force and effect.</p> <p><u>Events of Default</u></p> <p>(i) Conduct of Greatech Integration that is materially prejudicial to public image of the solar photovoltaic industry, including, but not limited to, violation of any environmental laws or regulations of any jurisdiction in which Greatech Integration's conducts business or maintains manufacturing operations.</p> <p>(ii) Breach of warranty that cannot be remedied.</p> <p>(iii) Event of circumstance, the occurrence of which shall entitle the non-breaching party to exercise the termination rights.</p> <p>In the event First Solar group of companies terminates the MEPA or any schedules for convenience upon written notice to Greatech Integration, the parties will negotiate a termination fee equal to the verifiable actual, reasonable direct costs incurred by Greatech Integration, plus 15% of the aggregate of the incurred costs for all products and components manufactured or procured prior to the date of the First Solar group of companies notice of termination.</p>
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**(ii) EPSA**

<b>Parties EPSA to</b>	Greatech Integration and Panasonic
<b>Description</b>	Greatech Integration to provide loading and unloading equipment to handle solar wafer and to perform the related services to Panasonic in accordance with the EPSA.
<b>Term/duration</b>	<p>From 15 April 2017 until the end of the warranty period, unless terminated earlier.</p> <p>Warranty period means:-</p> <p>(i) in the case of installation and commissioning of the loading and unloading equipment, the end of 24 months after the respective systems satisfy the final acceptance test;</p> <p>(ii) in relation to the performance of the applicable services, the end of 24 months after the performance of such services; and</p> <p>(iii) upon acceptance by Panasonic of the good and marketable title to all products, free and clear of all liens, title defects or other encumbrances.</p>

**5. INFORMATION ON OUR GROUP (Cont'd)**

<b>Payment terms</b>	<p>(i) 30% upon confirmation of order;</p> <p>(ii) 20% due upon completion of assembly of equipment;</p> <p>(iii) 30% upon completion of site acceptance test at Greatech Integration's plant; and</p> <p>(iv) 20% due upon completion of installation and final acceptance test.</p> <p>Payment of the above shall be payable within 30 days from the date of invoice.</p>
<b>Main products</b>	Loading and unloading equipment to handle solar wafer.
<b>Liquidated damages</b>	1% of the individual system purchase price for each week, up to a maximum of 4 weeks, for each systems that included in the products that does not meet the final acceptance test criteria as per the EPSA.
<b>Termination/ events of default</b>	<p>Panasonic may terminate this EPSA as to another party without cause upon 30 days written notice to Greatech Integration. In the event Panasonic terminates the EPSA without cause, Panasonic agrees to pay Greatech Integration for any non-cancellable obligations incurred by Greatech Integration prior to the date of the notice of termination relating to Panasonic's products. Greatech Integration agrees to use commercially reasonable efforts to ensure that Greatech Integration does not incur costs past the date on the notice of termination issued by Panasonic.</p> <p>Either party may terminate the EPSA upon notice to the other party if at any time that party:-</p> <p>(i) become insolvent, is a party to a bankruptcy proceeding as a debtor or is otherwise unable to pay its debts as they become due, or</p> <p>(ii) commits a material breach of any term of the EPSA and fails to cure such breach within 30 days after receipt of notice of the same.</p> <p>Greatech Integration will not be granted any extension of time to remedy the following breaches and it will tantamount a breach of the terms of the EPSA:-</p> <p>(i) Greatech Integration's failure to achieve timely with the final acceptance test;</p> <p>(ii) Greatech Integration's failure to comply timely with its warranties obligations; or</p> <p>(iii) Greatech Integration's breach of any obligation under Article 11 (Patent Indemnity) of EPSA.</p> <p>Any termination due to the above shall be effective upon notice to the defaulting party.</p>

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.13 Interruptions to business and operations**

Our Group has not experienced any interruption in business which had a significant effect on operations during the 12-month period prior to the date of this Prospectus.

**5.4.14 Seasonality**

We do not experience any material seasonality or cyclicity in our business as the demand for our products and services are neither subject to seasonal fluctuations nor cyclical variations.

**5.4.15 Major customers**

Our top 5 major customers for each of the FYE 31 December 2015 to 2018 are as follows:-

**FYE 31 December 2015**

Major customers	Main type of products delivered	RM'000	% of total revenue <sup>@</sup>	Length of business relationship (years) <sup>^^</sup>
Customer Z <sup>(1)^</sup>	Single automated equipment and provision of parts and services	12,650	59.13	2
First Solar Malaysia Sdn Bhd	Single automated equipment, and provision of parts and services	3,838	17.94	7
Customer X <sup>(2)^</sup>	Single automated equipment	2,105	9.84	*
First Solar, Inc.	Single automated equipment, and provision of parts and services	1,938	9.06	3
Tech-Full Computer (Changshu) Co., Ltd.	Single automated equipment	628	2.94	*
<b>Total</b>		<b>21,159</b>	<b>98.91</b>	



**5. INFORMATION ON OUR GROUP (Cont'd)****FYE 31 December 2016**

<b>Major customers</b>	<b>Main type of products delivered</b>	<b>RM'000</b>	<b>% of total revenue<sup>@</sup></b>	<b>Length of business relationship (years)<sup>^^</sup></b>
First Solar Malaysia Sdn Bhd	Single automated equipment, and provision of parts and services	13,403	59.04	8
Customer Z <sup>(1)^</sup>	Single automated equipment and provision of parts and services	3,837	16.90	3
Customer Y <sup>(2)^</sup>	Single automated equipment	2,888	12.72	1
HP Malaysia Manufacturing Sdn Bhd	Provision of parts and services	811	3.57	1
First Solar, Inc.	Single automated equipment, and provision of parts and services	727	3.20	4
<b>Total</b>		<b>21,666</b>	<b>95.43</b>	

**FYE 31 December 2017**

<b>Major customers</b>	<b>Main type of products delivered</b>	<b>RM'000</b>	<b>% of total revenue<sup>@</sup></b>	<b>Length of business relationship (years)<sup>^^</sup></b>
First Solar Vietnam Mfg. Co. Ltd	Production line systems	37,490	39.92	6
Panasonic <sup>(2)</sup>	Single automated equipment	19,092	20.33	*
First Solar Malaysia Sdn Bhd	Production line systems and provision of parts and services	15,426	16.43	9
First Solar, Inc.	Production line systems, single automated equipment, and provision of parts and services	14,796	15.75	5
Deca Technologies Inc.	Single automated equipment	2,795	2.98	*
<b>Total</b>		<b>89,599</b>	<b>95.41</b>	

**5. INFORMATION ON OUR GROUP (Cont'd)****FYE 31 December 2018**

<b>Major customers</b>	<b>Main type of products delivered</b>	<b>RM'000</b>	<b>% of total revenue<sup>@</sup></b>	<b>Length of business relationship (years)<sup>^^</sup></b>
First Solar Vietnam Mfg. Co. Ltd	Production line systems and provision of parts and services	137,615	62.67	7
First Solar, Inc.	Production line systems and provision of parts and services	36,040	16.41	6
Panasonic <sup>(2)</sup>	Single automated equipment	19,119	8.71	1
First Solar Malaysia Sdn Bhd	Production line systems and provision of parts and services	18,731	8.53	10
Deca Technologies Inc.	Single automated equipment	3,754	1.71	1
<b>Total</b>		<b>215,259</b>	<b>98.03</b>	

**Notes:-**

<sup>@</sup> Total revenue for the FYE 31 December 2015 to 2018 were RM21.393 million, RM22.703 million, RM93.914 million and RM219.582 million, respectively.

(1) Customer Z is a subsidiary of a global original brand manufacturer of smart devices and computers.

(2) In the FYE 31 December 2015, Greatech Integration manufactured single automated equipment for Customer X, which is a subsidiary of Customer Y.

Customer X is a solar panel technology and manufacturing company.

Customer Y is incorporated in the USA and is engaged in the design, manufacture, installation and sale or lease of solar energy systems to residential, commercial educational and governmental customers, or sale of electricity generated by solar energy systems to customers.

Subsequently in 2016, Customer Y was acquired by a USA-based company listed on the Nasdaq Stock Market, who is involved in the design and manufacture of electric vehicles, as well as design, manufacture and installation of energy generation and storage systems, and sales of solar electricity. In the same year, Panasonic signed an agreement with the parent company of Customer Y, whereby Panasonic would manufacture solar cells and modules for the parent company of Customer Y.

<sup>^</sup> Customers Z and Y are not part of the same group of companies.  
Customers Z and X are not part of the same group of companies.

<sup>^^</sup> Length of business relationship is determined as at the respective FYE.

<sup>\*</sup> Length of business relationship is less than 1 year as at the respective FYE.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Our Group is dependent on the following major customers by virtue of percentage contribution to our Group's total revenue as follows:-

- (i) 27.00%, 62.24%, 72.10%, 87.61% for the FYE 31 December 2015 to 2018 respectively from First Solar group of companies; and
- (ii) 20.33% and 8.71% for the FYE 31 December 2017 and 2018 respectively from Panasonic.

Please refer to Section 4.1.1 of this Prospectus on the risk factor pertaining to the dependency on our certain major customers. Save for the above, we are not dependent on any other major customers.

Revenue contribution from Customers X, Y and Z decreased over the financial years under review are as follows:-

Major customers	% of total revenue			
	<-----FYE 31 December----->			
	2015	2016	2017	2018
Customer X	9.84	-	-	-
Customer Y	0.57	12.72	-	-
Customer Z	59.13	16.90	1.76	0.09

In view of the decreasing contribution, our Group is not dependent on Customers X, Y or Z.

We attempt to continuously maintain active communication with our customers on their requirements. This allows us to serve our customers better. In addition, our response helps to strengthen the business relationships with these major customers.

We are continuously seeking to expand our customer base. In that regard, our Group intends to enter into other industry sectors set out in Section 5.7(iii) of this Prospectus. Our good relationships with our major customers, coupled with our business strategies, will be a platform for us to have a broader customer base moving forward and address new opportunities arising from other industry sectors.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders has any interest, direct or indirect, in any of our major customers.

**5. INFORMATION ON OUR GROUP (Cont'd)****5.4.16 Major suppliers**

Our top 5 major suppliers for each of the FYE 31 December 2015 to 2018 are as follows:-

**FYE 31 December 2015**

Major suppliers	Types of products/ services offered	RM'000	% of total purchases <sup>@</sup>	Length of business relationship (years) <sup>^</sup>
Micro-Epsilon Messtechnik GmbH & Co	Sensors	2,540	32.31	1
Marygrove Awnings Inc.	Retractable enclosures	1,431	18.20	3
Nippon Bearing Co., Ltd	Mechanical parts	391	4.97	1
C.T.Stabil Sdn Bhd	Electrostatic discharge plastic materials	323	4.11	3
Plant & Mill Motion Control Sdn Bhd	Servo motors	236	3.00	5
<b>Total</b>		<b>4,921</b>	<b>62.59</b>	

**FYE 31 December 2016**

Major suppliers	Types of products/ services offered	RM'000	% of total purchases <sup>@</sup>	Length of business relationship (years) <sup>^</sup>
Nippon Bearing Co., Ltd	Mechanical parts	824	11.62	2
Plant & Mill Supplies Pte Ltd	Servo motors	668	9.42	6
Rengo Precision Engineering	Subcontracted machining services	231	3.26	2
Keyence (Malaysia) Sdn Bhd	Vision system	225	3.17	16
Straub Design Company	Patch tape applicators	173	2.44	4
<b>Total</b>		<b>2,121</b>	<b>29.91</b>	

**5. INFORMATION ON OUR GROUP (Cont'd)****FYE 31 December 2017**

Major suppliers	Types of products/ services offered	RM'000	% of total purchases <sup>@</sup>	Length of business relationship (years) <sup>^</sup>
Applied Motion Technology Sdn Bhd	Control systems	3,750	7.96	17
EU Automation Pte Ltd	Control systems	2,488	5.28	*
SMC Automation (Malaysia) Sdn Bhd (formerly known as SMC Pneumatics (SEA) Sdn Bhd)	Pneumatic parts	2,119	4.50	19
Festo Sdn Bhd	Pneumatic parts	1,966	4.17	19
Cognex Ireland Ltd	Vision system	1,863	3.95	1
<b>Total</b>		<b>12,186</b>	<b>25.86</b>	

**FYE 31 December 2018**

Major suppliers	Types of products/ services offered	RM'000	% of total purchases <sup>@</sup>	Length of business relationship (years) <sup>^</sup>
Precision Valve & Automation, Inc	Fluid dispenser	19,718	14.03	6
Straub Design Company	Patch tape applicators	15,182	10.80	6
Applied Motion Technology Sdn Bhd	Control systems	9,888	7.03	18
SMC Automation (Malaysia) Sdn Bhd (formerly known as SMC Pneumatics (SEA) Sdn Bhd)	Pneumatic parts	8,430	6.00	20
EU Automation Pte Ltd	Control systems	4,250	3.02	1
<b>Total</b>		<b>57,468</b>	<b>40.88</b>	

**Notes:-**

<sup>@</sup> Total purchases for the FYE 31 December 2015 to 2018 were RM7.862 million, RM7.091 million, RM47.139 million and RM140.565 million respectively.

**5. INFORMATION ON OUR GROUP (Cont'd)**

<sup>^</sup> Length of business relationship is determined as at the respective FYE.

<sup>\*</sup> Length of business relationship is less than 1 year as at the respective FYE.

We are not dependent on any suppliers by virtue of their contributions to our total purchases of materials and services for the financial years under review. Further, as mentioned in Section 5.4.4 of this Prospectus, supplies of parts and hardware, and other input materials as mentioned above are generally readily available and we are able to obtain these materials from both local and foreign suppliers.

As at the LPD, none of our Directors, Promoters and/or substantial shareholders has any interest, direct or indirect, in any of our major suppliers.

**5.5 KEY MACHINERY AND EQUIPMENT**

As at 31 December 2018, our Group's key machinery and equipment owned and used are as follows:-

Key machinery and equipment	Description	No. of unit(s)	Carrying amount as at 31 December 2018 RM'000	Average remaining useful lives (years) <sup>^</sup>
Auto and semi-auto cutting machine	For the cutting of steel tubes and bars	4	78	4
CNC milling machines	Computer numerical control process of cutting and shaping steel materials	21	6,890	5
CNC turret punch press machine	Computer numerical control of punching process to form shapes within steel materials	1	-*	-
Coordinate measuring machine	To check the accuracy of measurement of a work piece	2	421	4
Hydraulic ironworker	For the punching, shearing, notching and bending of a steel materials	1	36	8
Hydraulic brake press	To bend steel sheets	1	-*	-
Waterjet cutting machine	To cut steel materials to form shapes	2	365	6
Robotic welding system	To weld processed steel materials to form the final product	2	440	9
<b>Total</b>		<b>34</b>	<b>8,230</b>	

**5. INFORMATION ON OUR GROUP (Cont'd)****Notes:-**

- \* The CNC turret punch press machine and hydraulic press brake have been fully depreciated as at 31 December 2018.
- ^ With timely preventive maintenance, the average lifespan of these key machinery and equipment may be prolonged.

**5.6 OPERATING CAPACITY AND OUTPUT**

Our production capacity for our automated equipment are based on a combination of the following factors including:-

- the size of the project;
- floor space required for assembly and testing;
- height required in the assembly area;
- complexity of the automated equipment to be manufactured; and
- availability of human resources.

As the assembly of automated equipment are dependent on availability of floor space, we have used existing floor space to provide an indication of production capacity and utilisation rate. Some of our automated equipment for the solar sector are large in size and requires a certain ceiling height for assembly purposes, therefore these activities can only be carried out at Plot 16A and Plot 4.

Generally, our existing assembly facilities are well utilised for the FYE 31 December 2018 with the exception of Plot 287B and Plot 287C (Ground floor), which is used for the assembly of smaller sized automated equipment that has a shorter lead time. The space in Plot 287C (Level 1) is no longer used as an assembly facility and has been converted to office space since June 2018. Our operating capacity and utilisation rate for the FYE 31 December 2018, based on the availability of floor space are estimated as follows:-

**FYE 31 December 2018**

<b>Assembly facilities<sup>^</sup></b>	<b>Space capacity<sup>(1)</sup> (SFM*)</b>	<b>Actual space occupied<sup>(2)</sup> (SFM*)</b>	<b>Utilisation rate<sup>(3)</sup></b>
Plot 16A	336,000	312,000	93%
Plot 287B	55,104	36,540	66%
Plot 287C			
- <i>Ground floor</i>	52,800	34,380	65%
- <i>Level 1<sup>(4)</sup></i>	22,500	2,100	9%
Plot 4	302,400	262,190	87%

**Notes:-**

- \* SFM = sq ft month
- ^ The ceiling height in each assembly facilities are as follows:-
  - (i) Plot 16A = 5.0 metres;

**5. INFORMATION ON OUR GROUP (Cont'd)**

- (ii) Plot 287B = 3.0 metres;
- (iii) Plot 287C (Ground floor) = 3.3 metres;
- (iv) Plot 287C (Level 1) = 2.7 metres; and
- (v) Plot 4 = 4.8 metres.

- (1) The space capacity = total available working floor space (sq ft) × the number of available working months in FYE 31 December 2018.

The total available working floor space per month in each assembly facilities are as follows:-

- (i) Plot 16A = 28,000 sq ft;
- (ii) Plot 287B = 4,592 sq ft;
- (iii) Plot 287C (Ground floor) = 4,400 sq ft;
- (iv) Plot 287C (Level 1) = 4,500 sq ft; and
- (v) Plot 4 = 25,200 sq ft

- (2) The actual space occupied = the number of units occupied × the floor space required for each automated equipment × the number of months in which the automated equipment occupying the space.
- (3) Utilisation rate = Actual space occupied/Space capacity.
- (4) Since June 2018, the space in Plot 287C (Level 1) is no longer used as an assembly facility and has been converted to office space. In this respect, the available working floor space which was used for assembly purposes was only 5 months, from January to May 2018.



## 5. INFORMATION ON OUR GROUP (Cont'd)

### 5.7 BUSINESS STRATEGIES

Our business strategies are driven by our intention to continue to serve the solar, semiconductor and consumer electronics sectors as well as entering new industry segment namely the battery segment.

We will continue to leverage on our core competency and strengths in the manufacturing of automated equipment to embark on the following strategies to strengthen our position in the market as well as to expand our business operations.



#### (i) Business expansion and development, and marketing activities

##### (a) Business expansion and development

One of our business strategies is to establish engineering sales and service support resources in the USA.

- (i) We intend to establish an office in Silicon Valley, California in the 2<sup>nd</sup> half of 2019. This is to provide engineering sales and service support to our existing and new customers in the semiconductor and consumer electronics sectors. As such, we intend to hire 3 engineering sales and service support personnel in Silicon Valley, California to provide pre-sales technical assistance for the preparation of technical proposals with the intention of securing new sales orders.
- (ii) To enable us to serve our existing customers in the solar sector better, we intend to hire 2 technical service support personnel, 1 in Perrysburg and 1 in Buffalo. Part of our product offerings is the provision of post-sales technical support and assistance to our customers upon the completion of installation and commissioning works. Hence, we envisaged the hiring of technical service support personnel will allow us to have, among others, a faster response time to these customers, where we can directly interact with them. We intend to begin the hiring of technical service support personnel in the 2<sup>nd</sup> half of 2019.

The establishment of engineering sales and service support resources in the USA is to cater for our existing products and new products arising from our product development and expansion efforts as set out in Section 5.7(iii) of this Prospectus.

In this respect, we will be using RM12.500 million from our IPO proceeds to fund our sales and service support resources in the USA.

##### (b) Marketing activities

In addition, we plan to carry out proactive marketing activities by participating in more exhibitions. During the financial years under review, our Group participated in exhibitions for the consumer electronics and semiconductor sectors and battery segment for the automotive applications. Moving forward, we have identified certain exhibitions, which are expected to take place between 2019 and 2022, mainly for the aforesaid sectors and segment as well as the solar sector, in the USA and China. Our target customers will be corporations based in the USA. Our participation in exhibitions in China is also to target

## 5. INFORMATION ON OUR GROUP (Cont'd)

customers based in the USA but with their manufacturing facilities or related companies in China. Through such exhibitions, we aim to raise market awareness of our Group and our capabilities as well as giving us the opportunity to secure orders from these USA based customers.

In view of this, we have allocated a total of RM5.500 million from IPO proceeds to fund the cost of our future exhibitions from 2019 to 2022.

Please refer to Section 3.4 of this Prospectus for further details on the use of proceeds from the IPO for the business expansion and development, and marketing activities.

### (ii) Establishing new operational facilities

Part of our business strategies is to establish new operational facilities to cater for our Group's continuing business expansion.

#### On-going construction of operational facility

On 21 March 2018, Greatech Integration had entered into the Sale and Purchase Agreement for the Acquisition of Plot 287A for the construction of a new operational facility. Plot 287A is located next to our current head office, namely Plot 287B.

Pursuant to the Sale and Purchase Agreement, Greatech Integration was granted early vacant possession of Plot 287A for the commencement of construction work wherein the seller, GTECH Automation Solutions, agreed to execute any necessary documents for the purpose of submission of planning permission, building plan for the construction work, alteration, additions and improvements on Plot 287A at Greatech Integration's own expense.

We commenced construction of the new operational facility in May 2018. This new operational facility will accommodate the height requirements of up to 8 metres in the assembly area as well as additional floor space required during the trial runs and testing stages. We plan to relocate our head office from Plot 287B to the new operational facility upon completion of the construction.

Upon the relocation of our head office, Plot 287B will be used as a warehouse to store our direct material and component, and semi-finished automated equipment while Plot 287C will continue to be used for assembly operations and office.

The key milestones in relation to the construction of our new operational facility on Plot 287A are as set out below:-

23 January 2018	<ul style="list-style-type: none"> <li>Approval of building plan for construction from Majlis Bandaraya Pulau Pinang.</li> </ul>
March 2019	<ul style="list-style-type: none"> <li>Completion of physical works for construction of building.</li> </ul>
March 2019 up to the LPD	<ul style="list-style-type: none"> <li>Commencement of interior fit out and finishing works.</li> </ul>
LPD to 1 <sup>st</sup> half of 2019	<ul style="list-style-type: none"> <li>Target submission of application for CCC.</li> <li>Expected completion of interior fit out and finishing works.</li> </ul>
2 <sup>nd</sup> half of 2019	<ul style="list-style-type: none"> <li>Expected approval and issuance of CCC.</li> <li>Target submission of application to MIDA for manufacturing license.</li> <li>Expected issuance of manufacturing license.</li> <li>Expected relocation into new operational facility and commencement of operations.</li> </ul>

**5. INFORMATION ON OUR GROUP (Cont'd)**

This additional facility will cater for our continuing business expansion in providing automated equipment to existing and new customers in the solar, semiconductor and consumer electronics sectors as well as new industry sectors such as battery segment for the automotive applications. Our R&D division was recently established in May 2018 to focus on product development. This is in line with the upcoming Industry 4.0 practices for manufacturing applications where automation will be a key consideration for the manufacturing industry.

For further information, please refer to Section 5.7(iii) of this Prospectus for information on product development.

The total cost for the new operational facility is estimated to be RM27.100 million including land cost, construction cost and fitting out works. Details of the estimated cost are as follows:-

	<-----To be funded by----->			
	<b>Total estimated cost RM'000</b>	<b>Internally generated funds RM'000</b>	<b>Bank borrowings RM'000</b>	<b>IPO proceeds RM'000</b>
Land cost	8,400	900	7,500	-
Construction cost	17,000	-	13,300	3,700
Fitting out works	1,700	400	-	1,300
<b>Total</b>	<b>27,100</b>	<b>1,300</b>	<b>20,800</b>	<b>5,000</b>

Please refer to Section 3.4 of this Prospectus for further details on the use of proceeds from the IPO for the capital expenditure for the construction cost and fitting out works.

**Acquisition of a new piece of land**

On 22 April 2019, we received a letter of offer from PDC for the Acquisition of Batu Kawan Land. The Acquisition of Batu Kawan Land is for the construction of a new operational facility. As our assembly operations in Kulim, Kedah (Plot 4 and Plot 16A) are on rented premises with total rental of RM0.898 million per annum (for the FYE 31 December 2018), this is part of our management's plan to relocate these respective assembly activities into this new facility. The relocation would enable us to reduce our rental commitment and dependency on rented premises as well as to be closer to our head office in Bayan Lepas, Pulau Pinang. The acquisition cost of the Batu Kawan Land would be approximately RM8.246 million. The acquisition cost will be funded via bank borrowings and/or internally generated funds. As at 22 April 2019, we have not engaged any consultants/architects for the construction of this operational facility. As such, the construction cost cannot be estimated at this juncture.

The construction of this new operational facility is expected to commence by the 2<sup>nd</sup> half of 2019 subject to the approval of planning permission and building plans from the relevant authorities. The physical construction of building is expected to be completed by the 2<sup>nd</sup> half of 2020.

**(iii) Focusing on product development and expansion**

Premised on our strategy to continue to serve customers in the solar, semiconductor and consumer electronics sector as well as to enter the battery segment for automotive applications, we intend to undertake product development activities for these sectors.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Moving forward, our R&D division is focused on new product development and enhancing existing products with the aim of strengthening our business position in the industry. As part of our business strategy, we will adopt a proactive sales approach to market our new range of products to existing and new customers in the solar, semiconductor and consumer electronics sectors as well as new industry sectors such as battery segment for the automotive applications.

We have budgeted a total of RM7.100 million to fund our R&D activities including the following:-

- Development of 3 prototypes between 2018 and 2020, which are sample models of automated equipment built on conceptual design. These prototypes serve as a marketing tool which are intended to be used for demonstration to our potential customers in the solar and semiconductor sectors as well as new industry sector namely the battery segment.
- Expansion of R&D division whereby we intend to expand our existing development team from various disciplines such as mechanical and electrical engineering and software development, as well as other technical personnel to assemble prototype equipment.
- Purchase of R&D facilities which includes purchases of calibration tools, hardware and software.

Details of the estimated expenditure for the R&D activities are as follows:-

<b>FYE 31 December</b>	<b>Total estimated cost RM'000</b>	<b>Internally generated funds RM'000</b>	<b>IPO proceeds RM'000</b>
2018	1,800	1,800	-
2019	3,300	-	3,300
2020	2,000	300	1,700 <sup>(1)</sup>
<b>Total</b>	<b>7,100</b>	<b>2,100</b>	<b>5,000</b>

**Note:-**

- (1) Including RM0.500 million which will be used by year 2020 for enhancement and/or improvement of our production line system for the assembly of battery modules and battery packs.

Please refer to Section 3.4 of this Prospectus for further details on the use of proceeds from the IPO for product development and expansion.

In May 2018, we commenced preliminary R&D activities with initial conceptualisation of prototypes of production line system for the assembly of battery modules and battery packs. This new range of automated equipment will be the platform for us to address new opportunities arising from other industry sectors such as battery segment for automotive applications.

## 5. INFORMATION ON OUR GROUP (Cont'd)

We intend to develop prototypes of the following products:-

**(a) Production line system for the assembly of battery modules and packs for the battery segment**

Part of our product development plans is to address new opportunities in providing automated equipment for the assembly of battery modules and packs. These types of battery modules are to be used in the automotive industry.

During the financial years under review, our Group had not commenced the manufacturing of production line system for the assembly of battery modules and packs for the battery segment for the automotive applications.

Our R&D activities will cover development of 1 prototype for the assembly of battery modules and packs. This would include various motion control systems to perform loading, sorting, stacking, inserting and joining processes. As part of the conceptual development, we will incorporate some of the key processes into the prototype:-

- module assembly, which will include multiple automated equipment such as material handling equipment to load incoming battery cells, and assembly equipment to put together individual battery cells into a larger module;
- battery pack assembly will include automated equipment such as loading and unloading equipment to handle battery module, and pick and place equipment to stack multiple modules into a pack form;
- electrical and mechanical assembly will include assembly equipment to perform the electrical wiring works and to install switching devices onto the battery pack; and
- finishing processes including handling equipment to transport final battery packs for charging, and inspection and testing equipment for electrical function tests within the production line.

**(b) Loading and unloading equipment for the solar and semiconductor sectors**

**(i) Loading and unloading equipment to handle solar wafer**

We have experience in manufacturing loading and unloading equipment to handle solar wafer during the chemical vapour deposition process in the manufacturing of solar cells. This is a coating technique that uses chemical process to form a thin layer of material onto the solar wafer.

Part of our strategies is to leverage on our experience and expand our product range within the solar sector.

In this respect, we will initiate the development of 1 prototype that loads and unloads solar wafer for a different type of coating process, namely physical vapour deposition (PVD) process. Physical vapour deposition process uses physical forces to deposit a thin layer of material onto the solar wafer.

**5. INFORMATION ON OUR GROUP (Cont'd)**

Moving forward, the development of this new equipment will take into consideration the following variables, including:-

- Size of this said loading and unloading equipment;
- Different types of wafer handling options to hold a few hundred wafers; and
- To handle various sizes of wafers.

**(ii) Loading and unloading equipment to handle semiconductor panel substrate**

During the financial years under review, we have manufactured loading and unloading equipment to handle semiconductor wafers in circular shape with diameters up to 300 mm.

Moving forward, we plan to expand on our product range to handle larger size wafer in the form of a panel.

We plan to develop 1 prototype of the equipment to load and unload a large square semiconductor panel substrate with lengths up to 600 mm. Some of the handling consideration factors for this said loading and unloading equipment include minimising stress on the semiconductor panel substrate and reducing distortion of the semiconductor panel substrate to achieve uniformity during production.

Our product development milestones are as follows:-

	<b>Commencement/ Expected commencement date</b>	<b>Targeted date for marketing purposes</b>
• Production line system for the assembly of battery module and pack	May 2018	1 <sup>st</sup> half of 2019
• Loading and unloading equipment to handle solar wafer	1 <sup>st</sup> half of 2019	2 <sup>nd</sup> half of 2019
• Loading and unloading equipment to handle semiconductor panel substrate	1 <sup>st</sup> half of 2020	2 <sup>nd</sup> half of 2020

Our prospects and business strategies are supported by the performance of the following selected user-industry sectors:-

- **Solar sector**

Between 2013 and 2017, the global cumulative PV installed capacity grew at a CAGR of 31.0% from 137 GW in 2013 to 403 GW in 2017. Moving forward, the global cumulative PV installed capacity is expected to reach 1 terawatt by 2023.

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**5. INFORMATION ON OUR GROUP (Cont'd)**

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- **Semiconductor and consumer electronics sectors**

Between 2014 and 2018, global sales of semiconductors increased at a CAGR of 8.7%, from USD335.8 billion in 2014 to USD468.8 billion in 2018. The global sales of semiconductors are expected to grow at 2.6% in 2019. The growth in 2019 is expected to be contributed by optoelectronics and sensors, driven by the continuing demand in light emitting diodes (LED) products used in electronic products and automotive, and the increasing interconnectivity of devices. In addition, the trends in consumer electronics such as the introduction of fifth generation (5G), increasing connectivity of devices in the home and advancement of wearables will continue to drive the demand for semiconductors.

- **Lithium-ion batteries**

Lithium-ion batteries are rechargeable batteries, commonly used in consumer electronic devices such as mobile phones, tablets and laptop computers. Lithium-ion batteries are also used for other applications including, among others, electric vehicles, military, aerospace as well as solar power generation. Demand for electric vehicles has been increasing and this is supported by a CAGR of 72.0% in the global electric passenger cars on the road between 2013 and 2017.

*(Source: Industry Overview)*

Please refer to Section 6 of this Prospectus for further details on these user-industry sectors.

## 6. INDUSTRY OVERVIEW



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Creating Winning Business Solutions

15 April 2019

The Board of Directors  
Greatech Technology Berhad  
Plot 287B, Lengkok Kampung Jawa 1  
Bayan Lepas Free Industrial Zone Phase 3  
11900 Bayan Lepas  
Penang, Malaysia

**Vital Factor Consulting Sdn Bhd**  
(Company No.: 266797-T)

V Square @ PJ City Centre (VSQ)  
Block 6 Level 6, Jalan Utara  
46200 Petaling Jaya  
Selangor, Malaysia

Tel (603) 7931 3188  
Fax (603) 7931 2188  
[www.vitalfactor.com](http://www.vitalfactor.com)

Dear Sirs/Madam

### **Independent Assessment of the Industrial Automation System Industry Focusing on Photovoltaic Sector**

We, Vital Factor Consulting Sdn Bhd, are an independent business consulting and market research company in Malaysia. We commenced our business in 1993 and, among others, our services include development of business plans incorporating financial assessments, information memorandums, commercial due diligence, feasibility and financial viability studies, and market and industry studies. We have been involved in corporate exercises since 1996, including initial public offerings and reverse takeovers for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities), acting as the independent business and market research consultants.

We have been engaged to provide an independent industry assessment on the above subject for inclusion into the prospectus of Greatech Technology Berhad relation to its proposed listing on the ACE Market of Bursa Securities. We have prepared this report in an independent and objective manner and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Our report includes assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information, primary market research, and after careful analysis of data and information, the industry is subjected to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wong Wai Ling  
Director

Wong Wai Ling has a Bachelor of Arts degree from Monash University, Australia and a Graduate Diploma in Management Studies from the University of Melbourne, Australia. She has more than 20 years of experience in business consulting and market research including initial public offering for companies seeking listing on Bursa Securities.



## 6. INDUSTRY OVERVIEW (Cont'd)



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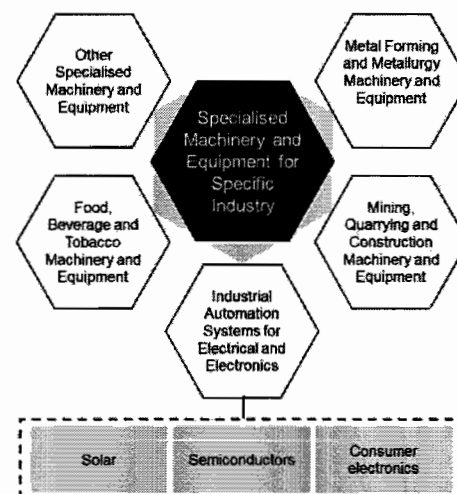
## INDEPENDENT ASSESSMENT OF THE INDUSTRIAL AUTOMATION SYSTEM INDUSTRY FOCUSING ON PHOTOVOLTAIC SECTOR

### 1. INTRODUCTION AND FOCUS OF REPORT

- Greatech Technology Berhad and its subsidiaries (Greatech Group) is a manufacturer of automated equipment for solar, semiconductor and consumer electronics sectors. As 92.6% and 96.6% of Greatech Group's revenue for FYE 2017 and FYE 2018 were derived from customers in the solar sector, this report will focus, to a large extent, on the performance of the solar sector. The term solar is used interchangeably with photovoltaic in the context of this report.

### 2. INDUSTRIAL AUTOMATION SYSTEM INDUSTRY

- Industrial automation systems refer to a single automated equipment and/or an integrated set of machinery and equipment to perform a series of processing or manufacturing tasks. Industrial automation systems play a critical role in the manufacturing industry as most high-volume operations involve highly automated processes. This is due to the need to reduce per unit product costs, attain high volume output within a short timeframe, increase product quality, and in some situations handle small items at high speed.
- Greatech Group operates within the industrial automation systems for electrical and electronics (E&E), which is part of the total umbrella under specialised machinery and equipment.



Specialised machinery and equipment refers to those that are designed and customised to fulfill the needs of a specific industry including agriculture, metal, mining and quarrying, food and beverage, textile and apparel, E&E and others.

Greatech Group is involved in this segment of the industry

- Automation plays a critical role in the manufacturing of E&E products as most of the work cannot be done manually due to miniaturisation where precision at micron levels are quite commonly required and components are too small or fragile to be handled manually. In addition, industrial automation enables the manufacturing of E&E products to be undertaken in large volume and completed in a relatively short period of time. Greatech Group mainly manufactures automated equipment for the manufacturing of solar cells and solar modules.
- E&E industrial automation systems include machineries for the manufacture of semiconductors and machineries to assemble E&E devices. Common types of machinery and their functions used in the E&E industry include assembly, handling and test equipment.
- However, industrial automation systems for solar modules are focused on large items, but automation is still required to perform precision processes with high output and product quality particularly in terms of minimising contamination and damage due to handling.
- Malaysia's E&E industry is the largest contributor to the country's overall manufacturing sector which drives Malaysia's economy. In 2018, E&E exports accounted for 45.6% of Malaysia's total manufactured goods export. Industrial automation systems play a major role in E&E manufacturing.

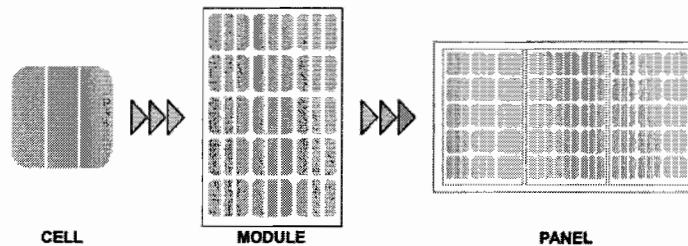
## 6. INDUSTRY OVERVIEW (Cont'd)



### 3. OVERVIEW OF THE PHOTOVOLTAIC (PV) SECTOR

- The following section provides a brief overview of the PV or solar sector as a user-industry of Greatech Group's automated equipment.
- PV is the process of converting sunlight directly into electricity using solar cells, sometimes known as PV cell. It excludes solar energy used for illumination and heating.

Solar cell, solar module and solar panel



- A solar cell is made up of semiconductors that converts the sun's light directly to electricity. It is the basic building block of a solar module or solar panels. However, each solar cell is small and generates a very small amount of electricity. These cells are then placed and connected together to become a solar module. The number of cells in a module varies and may contain 36, 48, 60 or 72 cells. These modules are then placed and connected together to become a solar panel. A solar array comprises many solar panels connected together and may cover a larger surface area depending on the amount of electricity required to be generated.
- The PV sector is a growing subsector of the E&E industry in Malaysia. This is supported by the fact that Malaysia has developed a solar industry cluster comprising upstream polysilicon production, ingot and wafer manufacturing, solar cell and solar module manufacturing, through to downstream activities including systems integration. Some of the major foreign cell and/or module manufacturers with manufacturing facilities in Malaysia include, among others, First Solar Malaysia Sdn Bhd, Panasonic Energy Malaysia Sdn Bhd, Jinko Solar Technology Sdn Bhd, Longi (Kuching) Sdn Bhd, JA Solar Malaysia Sdn Bhd and Hanwha Q Cells Malaysia Sdn Bhd. In 2017, Malaysia was the third largest manufacturers of solar cells and solar modules in the world which accounted for 7% and 6% of the total global production in terms of GW respectively.
- The Malaysian Government has implemented several initiatives to increase the use of solar energy as a renewable energy source. These initiatives include net energy metering, supply agreement of renewable energy programme and installation of large-scale solar projects. The net energy metering scheme allows consumers to offset their electricity usage against the electricity generated through its PV system. Any excess electricity generated through its PV system will be exported to the grid. For the net energy metering scheme, consumers can choose to lease their PV system by paying monthly leasing fees via their electricity bills. This leasing programme is referred to as the supply agreement of renewable energy programme. In February 2019, the Energy Commission called for bids from the private sector for an estimated RM2 billion worth of projects under the third phase of the large scale solar projects with a targeted PV installed capacity of 500 megawatt (MW). These initiatives are expected to drive the growth of the solar industry in Malaysia.
- Globally, solar energy using PV is the fastest growing source of renewable energy driven by rapid deployment in Asia particularly China, Japan and India. Demand for the solar can be demonstrated in the cumulative PV installed capacity. In 2017, the global cumulative PV installed capacity reached 403 Gigawatt (GW) with China leading the world with a cumulative PV installed capacity of 131 GW. The rapid growth in China's solar sector was largely driven by government

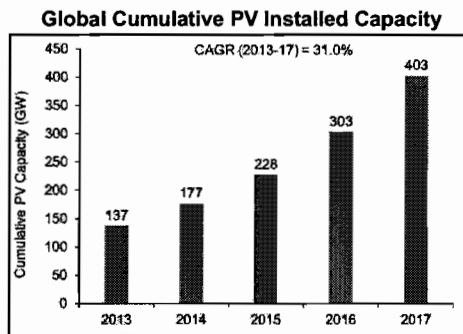
## 6. INDUSTRY OVERVIEW (Cont'd)



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incentive schemes in the form of guaranteed electricity prices at which the government will buy from solar utility companies. United States comes in second with a cumulative PV installed capacity of 51 GW, followed by Japan at 49 GW in 2017.

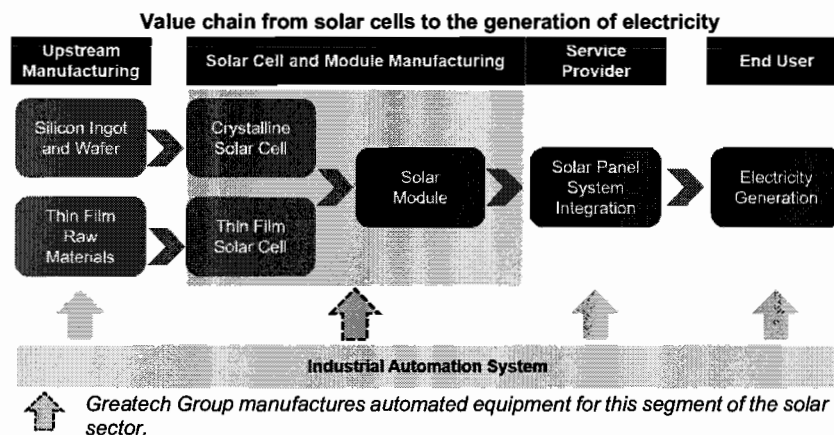
- Between 2013 and 2017, global cumulative PV installed capacity grew at a CAGR of 31.0% amounting to 403 GW in 2017. In 2018, the growth in the global cumulative PV installed capacity in the immediate term may be affected by China's policy to restructure the country's solar incentive schemes, including a reduction in subsidies and halting of new solar utility scale projects in the country.
- Moving forward, the global cumulative PV installed capacity is expected to reach 1 terawatt by 2023. It is expected that the future growth in cumulative PV installed capacity will continue to be driven by China despite its policy changes.



(Source: Vital Factor analysis)

### 3.1 Solar Cell and Solar Module Manufacturing

- There are two main methods of manufacturing solar cells. One of the methods is to slice wafers from a solid semiconductor ingot mainly made from silicon, these wafers are referred to as crystalline silicon. The other method is to deposit a thin film of PV materials, for example cadmium telluride, copper indium gallium selenide, amorphous silicon and gallium arsenide, onto a substrate such as a glass panel. This is also referred to as thin film solar cells.



- Greatech Group's automated equipment is used for the manufacturing of solar cells and modules. These include single automated equipment such as loading and unloading equipment, robotic handling equipment up to production line systems.

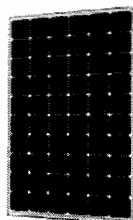
### 3.2 Types of Solar Panels

- Various types of solar panels are being used in the industry for their individual advantages. The following is a table listing the benefits and drawbacks of the major types of solar panels.

## 6. INDUSTRY OVERVIEW (Cont'd)



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(a)



(b)



(c)

	Crystalline Silicon Solar		(c) Thin Film Solar		
	(a) Monocrystalline	(b) Polycrystalline	Amorphous	Cadmium Telluride	Copper Indium Gallium Selenide
<b>Production Method</b>	The Czochralski process which form silicon ingots (cylindrical/oval shape), then four sides are cut to form silicon wafers	Raw silicon is melted and poured into a square mould, cooled and cut into perfect square wafers	Laser scribing a template is carried out onto a glass. The respective material is deposited onto the glass, trimmed, laminated then framed		
<b>Module Appearance</b>	The solar cells are in squares with rounded edges	The solar cells are perfectly square	The module has a homogenous appearance		
<b>Efficiency</b>	18-25%	13-16%	6-8%	9-11%	10-12%
<b>Cost</b>	Most expensive	Less expensive than monocrystalline but more than thin film	Least costly		
<b>Temperature Tolerance</b>	Performance drops at high temperatures but tolerates better than polycrystalline	Slightly lower heat tolerance than monocrystalline	Tolerates extreme heat	Heat has low impact on performance	

- The above are the most common types of solar panels namely crystalline silicon solar and thin film solar. Although thin film solar panels are the least costly among these types of different solar panels, they require a larger surface area to generate the same power output as their efficiency level is lower compared to crystalline silicon solar panels. Crystalline silicon solar panels also last longer compared to thin film solar panels.
- Other types of PV systems include building integrated solar panels known as building-integrated photovoltaics (BIPV) can either be crystalline silicon solar panels or thin film solar panels. The solar panels are installed onto the building structure or other parts of the building such as roof, windows and walls.

## 3.3 Solar Module Production Line

- In general, a solar module production line in either crystalline silicon solar or thin film solar can be divided into two segments as follows:

Crystalline Silicon Solar (solar cell and module manufacturing)		Thin Film Solar (solar module manufacturing)	
Solar cell	Refers to the fabrication and processing of solar cells including chemical and thermal processing. It starts with incoming raw wafer and ends with finished cell sorting.	Chemical coating	Refers to the laser scribing process for isolation and thin film deposition onto a glass substrate or flexible thin metal substrate.
Solar module	It starts with preparation works for encapsulation of solar cells onto glass substrates. It then undergoes various processes such as interconnection, lamination,	Finishing	It is mainly carrying out further processes on the laminated solar module (without the frame and junction box), including edge trimming, pairing with cover glass and interlayer

## 6. INDUSTRY OVERVIEW (Cont'd)



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Crystalline Silicon Solar (solar cell and module manufacturing)	Thin Film Solar (solar module manufacturing)
curing, assembly with junction box and framing followed by testing of finished module.	placement, trimming, junction box mounting and framing followed by final testing.

- For crystalline silicon solar, Greatech Group manufactures loading and unloading equipment to handle solar wafer, which falls within the solar cell manufacturing segment. As for thin film solar, Greatech Group started manufacturing production line systems in the FYE 2017. These production line systems comprise multiple equipment, which falls within the finishing segment of the solar module manufacturing line.

### 4. DEMAND DEPENDENCIES

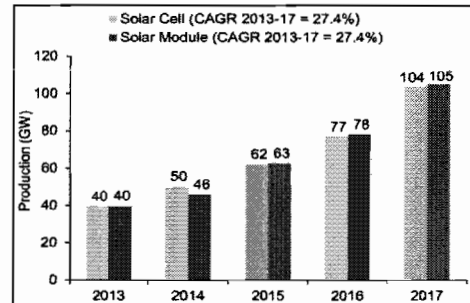
- The performance of manufacturers of industrial automation systems is, to a large extent, dependent on the performance of user-industries. For FYE 2018, Greatech Group's export revenue accounted for 90.0% of its total revenue, while local sales in Malaysia accounted for 10.0%. Therefore, the following is an analysis of the global and local performance of its user-industry.

#### 4.1 Performance of the Solar Cell and Solar Module Manufacturing Sector

##### 4.1.1 Global Production, Imports and Exports of Solar Cells and Solar Modules

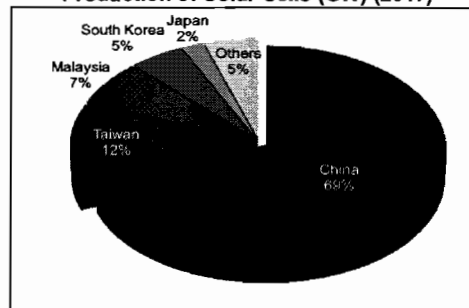
- As Greatech Group's automated equipment are used in the manufacture of solar cells and solar modules, the demand for the Group's automated equipment will be dependent on the performance of the manufacturing of solar cells and solar modules.
- The global production of solar cell and solar module both recorded CAGR of 27.4% respectively between 2013 and 2017. In 2017, the global production of solar cell and solar module reached 104 GW and 105 GW respectively.
- In 2017, China was the largest producing country for solar cells and solar modules, which accounted for 69% and 72% of the total global production respectively. In the same year, Malaysia was the third largest producer of solar cells and solar modules in the world, which accounted for 7% and 6% of the total global production in terms of GW respectively.

**Global Solar Cell and Solar Module Production**

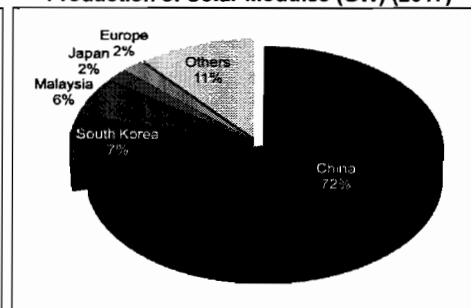


Note: Above are the latest available statistics.  
(Source: Vital Factor analysis)

**Production of Solar Cells (GW) (2017)**



**Production of Solar Modules (GW) (2017)**



(Source: Vital Factor analysis)

## 6. INDUSTRY OVERVIEW (Cont'd)



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- The increase in the production of solar cells and solar modules indicates continuing demand for these types of products, therefore creating opportunities for manufacturers of industrial automation systems that are used in the production of solar cells and solar modules.
- The global imports and exports of solar cells and solar modules also provide indicators for the demand of these types of products. Solar cells and solar modules fall under the category of photosensitive semiconductor devices, which include light-emitting diodes. The following statistics are global imports and exports of photosensitive semiconductor devices, including solar cells and solar modules:

Global Imports and Exports of Photosensitive Semiconductor Devices\*

	2013	2014	2015	2016	2017	CAGR (2013-17)	Growth (2017)
Imports	51,459	54,815	55,754	55,621	54,563	1.5%	-1.9%
Exports	50,573	54,527	56,941	53,138	50,614	#	-4.7%

\* Including solar cells and solar modules, as well as light-emitting diodes; # Negligible.

Notes: All units in USD million, except percentages. Latest available statistics. (Source: Vital Factor analysis)

- In 2017, China was the largest exporter contributing 32.3% of the total export of photosensitive semiconductor devices, followed by Korea which accounted 9.1% of the total exports. The largest importer of the said products in 2017 was also China followed by USA which accounted for 17.1% and 14.2% of the total imports respectively.

#### 4.1.2 Developments pertaining to import tariff imposed on certain crystalline silicon solar cells and solar modules into the USA market

- In January 2018, the United States Government imposed a tariff on the imports of certain crystalline silicon solar cells and solar modules into the USA, effective February 2018 (excluding thin film solar cells and solar modules). An import tariff of 30% was imposed on these types of products in 2018, and thereafter reducing by 5% every year for the next three years up to 2021. The import tariff is likely to impact on the demand for imported crystalline silicon solar cells and solar modules into the USA. In this respect, manufacturers of industrial automation systems that serves customers who are exporters of such crystalline silicon solar cells and solar modules into the USA market, may be affected by this tariff. Subsequent to the import tariff imposed in February 2018, the United States Government has given exemptions to some types of crystalline silicone solar cells and modules.
- For FYE 2017 and FYE 2018, Greatech Group serves a customer who is a manufacturer of crystalline silicon solar cells and solar modules with production facilities in the USA. For the FYE 2017 and FYE 2018, revenue contribution from this customer accounted for 20.3% and 8.7% of Greatech Group's total revenue respectively.

#### 4.1.3 Decreasing price trend of solar modules and financial impact on solar module manufacturers

- Globally, prices of solar modules have been declining mainly due to production capacity increasing faster than demand in terms of installation. In 2017, global solar module production capacity increased from 105 GW per year in 2016 to 133 GW per year in 2017, or 26.7% increase. The increase in production capacity may place some competitive pressure on the pricing of solar modules, which may adversely impact on solar module manufacturers who are unable to reduce costs relative to the drop in prices. This may result in a consolidation of solar module manufacturers. (Source: Vital Factor analysis)

In 2017, the largest increase in global production capacity was from China. China's PV module production capacity rose from 79 GW per year in 2016 to 105 GW per year in 2017, or 33.0% increase. (Source: Vital Factor analysis)

## 6. INDUSTRY OVERVIEW (Cont'd)



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## 5. PERFORMANCE OF THE INDUSTRIAL AUTOMATION SYSTEM INDUSTRY

- Greotech Group is involved in the manufacturing of automated equipment, mainly for the solar sector. The exports of these automated equipment fall under the category "machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays".
- The following statistics are global imports and exports of machineries under this category:

Global Imports and Exports of Machineries

	2013	2014	2015	2016	2017	CAGR (2013-17)	Growth (2017)
Imports	44,331	51,789	50,943	59,631	80,997	16.3%	35.8%
Exports	42,820	47,478	48,668	56,277	76,476	15.6%	35.9%

Notes: All units in USD million, except percentages. Latest available statistics. (Source: Vital Factor analysis)

- The following statistics are Malaysia's imports and exports of machineries under this category:

Malaysia's Imports and Exports of Machineries

	2014	2015	2016	2017	2018	CAGR (2014-18)	Growth (2018)
Imports	2,244	2,645	3,141	5,645	4,752	20.6%	-15.8%
Exports	1,536	2,128	2,866	4,187	4,193	28.5%	0.1%

Notes: All units in RM million, except percentages. (Source: Department of Statistics, Malaysia)

- The growth in the global imports and exports of machineries under this category indicate continuing demand for these products.

## 6. COMPETITIVE ANALYSIS

## 6.1 Operators in the Industrial Automation System Industry

- The following table is a list of selected public listed companies on Bursa Securities that are involved in the manufacture of industrial automation systems, which are sorted in descending order of revenue.

Public Listed Companies and Greotech Group

Company name	FYE	Revenue (RM'000)	Net Profit (RM'000)
Pentamaster Corporation Berhad <sup>(1)(4)</sup>	31/12/18	422,201	94,019
Vitrox Corporation Berhad <sup>(4)</sup>	31/12/18	394,684	105,484
<b>Greotech Group<sup>(1)</sup></b>	<b>31/12/18</b>	<b>219,582</b>	<b>31,719</b>
SAM Meerkat (M) Sdn Bhd <sup>(1)(2)</sup>	31/3/18	166,883	19,504
Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad) <sup>(4)</sup>	31/12/18	160,390	44,372
Genetec Technology Berhad <sup>(1)</sup>	31/3/18	101,028	5,117
Elsoft Research Berhad <sup>(4)</sup>	31/12/18	78,150	39,917
MMS Ventures Berhad <sup>(4)</sup>	31/12/18	47,873	8,974
Visdynamics Holdings Berhad	31/10/18	41,394	8,169
Aemulus Holdings Berhad	30/9/18	36,958	5,296
QES Mechatronic Sdn Bhd <sup>(3)</sup>	31/12/17	25,434	5,377
AT Systematization Berhad	31/3/18	23,086	-5,985

## 6. INDUSTRY OVERVIEW (Cont'd)



*(Source: Audited figures from annual reports of respective listed companies, unaudited figures announced on Bursa Malaysia Berhad's website, Companies Commission of Malaysia (CCM) and Greatech Group)*

Notes:

- (1) In addition to test and inspection equipment, these companies are involved in the manufacture of production line systems for the E&E industry and/or other industries for example automotive, pharmaceutical, food and beverage.
  - (2) Subsidiary of SAM Engineering & Equipment (M) Berhad, a listed entity on Bursa Securities.
  - (3) Subsidiary of QES Group Berhad, a listed entity on Bursa Securities, also formally known as Creden Mechatronic Sdn Bhd. Latest available financial figures from CCM.
  - (4) Unaudited figures from quarterly reports announced on Bursa Malaysia Berhad's website.
- The above comparative group of public listed companies were selected based on the following criteria:
    - These companies must be involved in the automation of one or more manufacturing processes including, among others, inspection, testing, assembly and/or material handling functions;
    - These companies serve either one or a combination of user-industries sectors within semiconductor, and/or solar and/or consumer electronics.
    - These companies may also be involved in other business activities or serve additional industry sectors.
  - The methodology used to compile the above list of companies include secondary market research (such as published documents, websites and industry directories), and primary market research (involving direct communications). While there may be other companies with similar activities, the above are some of the public listed companies that are comparable to Greatech Group.

### 6.2 Market Size

- In 2017, the market size for the manufacture of industrial automation systems based on the revenue of operators in the industry (including public listed and private companies) in Malaysia was estimated at **RM3.7 billion**. *(Source: Vital Factor analysis)*
- The market size above was derived based on revenue of public listed and private companies in Malaysia that are involved in the manufacture of industrial automation systems using latest available financial figures from sources including CCM and Annual Reports of respective companies. Revenue from Greatech Group was derived from audited combined financial statements for FYE 2017. The list of companies for market size (public listed and private companies) are selected based on similar criteria and methodology as stated in Section 6.1.

### 6.3 Market Share

- In 2017, Greatech Group had a market share of approximately **3%** for the manufacture of industrial automation systems based on the above market size in Malaysia. This was based on the Group's revenue of RM93.9 million for FYE 31 December 2017. *(Source: Vital Factor analysis)*
- Market share was calculated using Greatech Group's revenue of RM93.9 million divided by the market size of RM3 billion. Revenue from Greatech Group was derived from audited combined financial statements for FYE 31 December 2017. Note that for FYE 31 December 2018, Greatech Group's revenue was RM219.6 million.

## 7. AREAS OF GROWTH AND OPPORTUNITIES

- Part of Greatech Group's business strategy is to serve existing and new customers in the solar, semiconductor and consumer electronics sectors as well as address future business opportunities by extending its expertise in automated equipment for the manufacturing of lithium-ion battery. The Malaysian Government's support for digitalisation and automation in the



## 6. INDUSTRY OVERVIEW (Cont'd)



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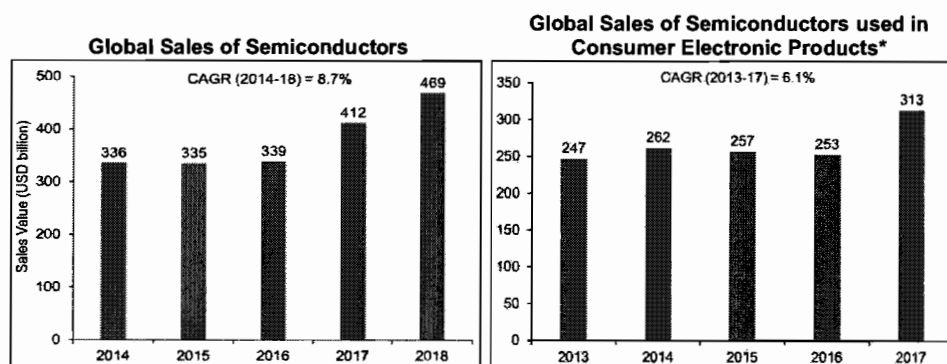
manufacturing industry will also continue to provide opportunities for operators in the industrial automation system industry.

### 7.1 Lithium-ion Batteries

- Lithium-ion batteries are rechargeable batteries and are mainly used in applications that require lightweight and high-energy density solutions. These batteries are commonly used in consumer electronic devices such as mobile phones, tablets and laptop computers. Lithium-ion batteries are also used other applications including among others, electric vehicles, military and aerospace applications. Lithium-ion batteries are used in solar power generation applications where the batteries are used to store excess power for use during periods with low or no sunlight. Between 2013 and 2017, the global imports of lithium-ion batteries recorded a CAGR of 6.9%, from US\$2.3 billion in 2013 to US\$3.0 billion in 2017. Between 2013 and 2017, the global exports of lithium-ion batteries grew at a CAGR of 6.4%, from US\$2.2 billion in 2013 to US\$2.8 billion in 2017.
- The consumer electronics sector is one of the largest markets for lithium-ion batteries. Battery is one of the critical components to power consumer electronic products. The development of smart devices such as smartphones are constantly evolving, as operators in the industry continue to introduce new applications and functions to differentiate among themselves. Between 2014 and 2018, the sales of smartphones worldwide increased at a CAGR of 5.7%.
- The demand for electric vehicles has been increasing, supported by the CAGR of 72.0% in the global electric passenger cars on the road between 2013 and 2017. It is forecasted that by 2040, electric vehicles will account for 55% of total new car sales and 33% of the total global vehicles. Demand for lithium-ion battery for electric vehicles is expected to grow at a CAGR of 34.3% between 2016 and 2030, reaching 1,300 GWh in 2030.
- The rise in demand from these user-industries augurs well for the demand for lithium-ion batteries. This will in turn provide opportunities for providers of industrial automation systems for the manufacturing of lithium-ion batteries.

### 7.2 Semiconductors and Consumer Electronics

- Semiconductors are made up of mostly very small components placed within an electrical circuit to perform some functions. Some of the common examples of semiconductors include diodes, light emitting diodes (LED), transistors, solar cells and sensors. Semiconductors are used in all electronic devices including consumer electronics such as smartphones, tablets devices, wearables and computers, as well as other applications such as automotive electronics and electrical products.



\* Latest available statistics. (Source: Vital Factor analysis)

## 6. INDUSTRY OVERVIEW (Cont'd)



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- Between 2014 and 2018, global sales of semiconductors increased at a CAGR of 8.7%, from US\$335.8 billion in 2014 to US\$468.8 billion in 2018. The global sales of semiconductors are expected to grow at 2.6% in 2019. The growth in 2019 is expected to be contributed by optoelectronics and sensors, driven by the continuing demand in LED products used in electronic products and automotive, and the increasing interconnectivity of devices. The increase in global sales of semiconductors will also stimulate the demand for industrial automation systems.
- The consumer electronics sector is the largest user market for semiconductors. In 2017, the global sales of semiconductors used in consumer electronic products accounted for 75.9% of the total global sales of semiconductors. Between 2013 and 2017, the global sales of semiconductors for consumer electronics products grew at a CAGR of 6.1%, from US\$246.9 billion in 2013 to US\$312.9 billion in 2017. In 2017, the global sales of semiconductors used in consumer electronic products grew by 23.9%.
- Some of the key drivers will come from among others, the following trends in consumer electronics:
  - the introduction of fifth generation (5G) of mobile internet connectivity in smart phones over the next few years offering faster speed and increasing connectivity to other devices.
  - increasing trend towards connectivity of devices in the home including, among others, smart televisions, home audio systems, robot vacuum cleaners, home security systems and lightings using smart devices that are controlled remotely.
  - the advancement of wearables from fitness band to smart watches with digital payment features which enables the consumer to make payment electronically.

These trends in consumer electronics will continue to drive the demand for semiconductors such as sensors, microcontrollers, memory storage devices and wireless devices. Similarly, these trends may give rise to the demand for industrial automation systems as a supporting industry.

### 7.3 Industry 4.0

- Industry 4.0 refers to the fourth industrial revolution. It refers to the digitalisation of the manufacturing and production industry, which involves the use of technology and real-time data to improve productivity as well as reduce costs. It incorporates advanced robotics and automation, Internet of Things (IoT), big data and analytics as well as cloud computing technology.
- In a digitalised factory environment, the machinery and equipment are digitally interconnected and are able to improve processes through self-optimisation and autonomous decision making. In addition, the collection and analysis of real time data from the entire manufacturing network, enables the management to make more informed decision and help to improve manufacturing process. The integration of new technology, digitalisation and automation of manufacturing process are aimed at increasing efficiency, improving productivity and quality while reducing cost.
- Under the Budget 2018, the Malaysian Government has proposed various tax incentives to support and encourage the adoption of Industry 4.0. These includes extension of the incentive period for accelerated capital allowance on automation equipment until 2020, accelerated capital allowance incentive for manufacturing and manufacturing-related services sectors, as well as capital allowance for ICT equipment and development of computer software.
- The adoption and transformation to Industry 4.0 in the E&E manufacturing sectors will continue to create opportunities for operators in the industrial automation system industry.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

### 7.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 7.1.1 Promoters' and/or substantial shareholders' shareholdings

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before and after the IPO are as follows:-

Place of incorporation/ Nationality	Before the IPO / As at the LPD			After the IPO		
	Direct	% <sup>@</sup>	Indirect	Direct	% <sup>#</sup>	Indirect
	No. of Shares		No. of Shares	No. of Shares		No. of Shares
<b>Promoters and substantial shareholders</b>						
GTECH Holdings*	463,218,750	91.50	-	463,218,750	74.00	-
Tan Eng Kee	-	-	463,218,750 <sup>(a)</sup>	-	-	463,218,750 <sup>(a)</sup>
						74.00
<b>Promoter</b>						
Khor Lean Heng	-	-	-	-	-	-

#### Notes:-

@ Based on our issued share capital of 506,250,000 Shares after Acquisition of Greatech Integration, but before the IPO.

# Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.

\* GTECH Holdings is held by Tan Eng Kee and Khor Lean Heng with equity interest of 90% and 10% respectively.

(a) Deemed interested by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.1.2 Profile of Promoters and/or substantial shareholders

#### **Tan Eng Kee**

*Promoter, substantial shareholder, Executive Director and CEO*

Tan Eng Kee, Malaysian, aged 49, is our CEO. He was appointed to our Board on 14 May 2018.

Tan Eng Kee obtained a Certificate in Mechanical Engineering from Politeknik Sultan Abdul Halim Mu'adzam Shah, Kedah in 1991. He brings with him approximately 28 years of working experience, of which 21 years of industrial automation experience was derived from our Group.

His career started in 1991 when he joined Prodelcon Sdn Bhd, a precision tooling company as a Production Planner before he took up the position as a Sales Executive in the same company until 1993. Subsequently, he left Prodelcon Sdn Bhd to establish Greatech (M) Sdn Bhd as one of the company's shareholders and directors in 1993. Greatech (M) Sdn Bhd was principally involved in the manufacturing of component parts for engineering equipment before cessation of business in 2001.

In September 1997, he established Greatech Integration as one of the shareholders and directors of the company. The initial focus of the business was in industrial automation primarily manufacturing of semi-automated and automated equipment for the consumer electronics sector when the company commenced operations in November 1998. As a director of the company then, he was responsible for business development and through his continuing marketing efforts, the company expanded into the manufacturing of automated equipment for the semiconductor and solar sectors in 2002 and 2010 respectively.

He assumed his position as CEO in January 2013. As our CEO, he is instrumental in the growth and development of our Group where he contributed significantly in penetrating foreign markets as well as our Group's expansion into the solar sector. He is currently responsible for driving the future direction of our Group and development of our business strategies.

#### **Khor Lean Heng**

*Promoter, Executive Director and COO*

Khor Lean Heng, Malaysian, aged 49, is our COO. He was appointed to our Board on 14 May 2018.

Khor Lean Heng obtained a Sijil Pelajaran Malaysia Vokasional from SMV Lorong Batu Lanchang, Penang in 1988. He brings with him approximately 21 years of experience in industrial automation.

His career started when he joined Dynacraft Sdn Bhd, a manufacturer of lead frames and microelectronic packaging systems in 1989 as a Machinist. He left the company in 1990 and took up the position of Machinist at Progressive Engineering Technology Sdn Bhd. In 1992, he was promoted to Supervisor and he was in charge of Carbide Grinding Department. In 1995, he left the company and took up the position as a Manager at Greatech (M) Sdn Bhd, a company principally involved in the manufacturing of component parts for engineering equipment, where he was responsible for the operations of the company. Greatech (M) Sdn Bhd ceased operations in 2001. While he was a Manager at Greatech (M) Sdn Bhd, he also took up the position as a Manager in Greatech Integration in October 1997, where he was responsible for operations of the company. In October 2000, he was appointed to the board of Greatech Integration as a director.

Since he joined Greatech Integration, he has been actively involved in the manufacturing operations including production floor planning and scheduling to ensure timely delivery to customers. He assumed his position as COO in January 2018 and is mainly responsible for implementation of the business strategies, managing the supply chain and manufacturing operations of our Group.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### **GTECH Holdings**

*Promoter and substantial shareholder*

GTECH Holdings was incorporated in Malaysia under the Companies Act 1965 on 8 October 1997 as a private limited liability company under the name Greotech Holdings Sdn Bhd and deemed registered under the Act.

As at the LPD, the issued share capital of GTECH Holdings is RM10 comprising 10 ordinary shares. The principal activity of GTECH Holdings is investment holding of Greotech Technology and GTECH Automation Solutions.

As at the LPD, the directors and shareholders and their respective shareholdings in GTECH Holdings are as follows:-

Directors and shareholders	Direct interest in GTECH Holdings	
	No. of shares	%
Tan Eng Kee	9	90
Khor Lean Heng	1	10

As at the LPD, GTECH Holdings has two subsidiaries namely Greotech Technology and GTECH Automation Solutions.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.1.3 Changes in our Promoters' and/or substantial shareholders' shareholdings

The changes in our Promoters' and/or substantial shareholders' shareholdings in our Company since incorporation to the LPD are as follows:-

	As at incorporation			After the Acquisition of Greatech Integration			After IPO		
	<-----Direct----->	<--Indirect-->	%	<-----Direct----->	<--Indirect-->	% <sup>@</sup>	<-----Direct----->	<--Indirect-->	% <sup>#</sup>
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	% <sup>@</sup>	No. of Shares	No. of Shares	% <sup>#</sup>
<b>Substantial shareholder</b>									
Lee Jui Hong	1	100.00	-	-	-	-	-	-	-
<b>Promoters and substantial shareholders</b>									
GTECH Holdings*	-	-	-	463,218,750 <sup>^</sup>	91.50	-	463,218,750 <sup>^</sup>	74.00	-
Tan Eng Kee	-	-	-	-	-	463,218,750 <sup>(a)</sup>	-	463,218,750 <sup>(a)</sup>	74.00
<b>Promoter</b>									
Khor Lean Heng	-	-	-	-	-	-	-	-	-

#### Notes:-

@ Based on our issued share capital of 506,250,000 Shares after Acquisition of Greatech Integration, but before the IPO.

# Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.

\* GTECH Holdings is held by Tan Eng Kee and Khor Lean Heng with equity interest of 90% and 10%, respectively.

<sup>^</sup> Includes 1 share that was transferred from our Company's previous shareholder, Lee Jui Hong.

(a) Deemed interested by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.

As at the LPD, our Promoters and/or substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between Greatech Technology and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of Greatech Technology.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.1.4 Promoters and/or substantial shareholders' remuneration and benefits

Save for the dividends to be paid or proposed to be paid, if any, and the issuance of Greatech Technology Shares by our Company as consideration pursuant to the Acquisition of Greatech Integration to our Promoters and/or substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and/or substantial shareholders for services rendered to our Group in all capacities for the FYE 31 December 2018 and FYE 31 December 2019 as set out in Section 7.2.6 of this Prospectus, there are no other amount or benefits that has been paid or intended to be paid to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus.

## 7.2 DIRECTORS

### 7.2.1 Our Board comprises the following members:-

Name	Age	Nationality	Date of appointment	Designation	
Ooi Hooi Kiang (F)	50	Malaysian	20 August 2018	Independent Chairman	Non-Executive
Tan Eng Kee (M)	49	Malaysian	14 May 2018	CEO, Executive Director	
Khor Lean Heng (M)	49	Malaysian	14 May 2018	COO, Executive Director	
Mariamah binti Daud (F)	54	Malaysian	20 August 2018	Independent Director	Non-Executive
Ooi Ching Hock (M)	58	Malaysian	20 August 2018	Independent Director	Non-Executive

#### Notes:-

(M) Male.

(F) Female.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.2.2 Profiles

The profiles of the Directors of our Group are as follows:-

#### **Ooi Hooi Kiang**

*Independent Non-Executive Chairman*

Ooi Hooi Kiang, Malaysian, aged 50, is our Independent Non-Executive Chairman. She was appointed to our Board on 20 August 2018.

She graduated from the University of Florida, USA with a Masters in Accounting in 1994. She is a member of the Malaysian Institute of Accountants since 2013. She started her career in auditing with Coopers & Lybrand LLP (now known as PricewaterhouseCoopers) in 1995 as an Audit Assistant and was promoted to Audit Senior in 1997.

In 1999, she joined KE-ZAN Securities Sdn Bhd as an Accountant. In 2000, she left KE-ZAN Securities Sdn Bhd and joined Kuala Lumpur City Securities Sdn Bhd, as Head of Operations of Alor Setar branch and subsequently promoted to Head of Kangar branch in 2001. In 2002, she moved back to Penang to join PM Securities Sdn Bhd where she worked as Head of Operations and subsequently, she was promoted to Head of branch in 2007.

In 2008, she left PM Securities Sdn Bhd to join Tamouh Investment LLC, a property development company located in Abu Dhabi, United Arab Emirates. She worked in Abu Dhabi as a Manager of Planning and Corporate Reporting. During her tenure with Tamouh Investment LLC, she was in charge of overall operations of the finance department. She returned to Malaysia in 2011 and joined Mercury Securities Sdn Bhd as Head of Operations.

In 2012, she joined Olympia Industries Berhad as a Senior Manager in the group finance department. In 2013, she joined JWPB Sdn Bhd as their CFO and left in 2014 to join Anchor Resources Limited, a company listed on Singapore Stock Exchange, as a CFO. She left the company in 2018 and joined PG Automotive Holdings Pte Ltd as a CFO.

#### **Tan Eng Kee**

*Promoter, substantial shareholder, Executive Director and CEO*

Please refer to Section 7.1.2 of this Prospectus for his profile.

#### **Khor Lean Heng**

*Promoter, Executive Director and COO*

Please refer to Section 7.1.2 of this Prospectus for his profile.

#### **Mariamah binti Daud**

*Independent Non-Executive Director*

Mariamah binti Daud, Malaysian, aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 20 August 2018.

She graduated in 1987 from the College of Arts and Sciences of Syracuse University, New York, USA with a Bachelor of Arts degree in Economics.

After completing her studies, she ventured into many entrepreneurial activities centred on food business. Prior to joining the Malaysian Technology Development Corporation Sdn Bhd ("**MTDC**"), she worked as an Administrative Assistant in Earthwin Corporation Sdn Bhd and Ferrovest Corporation Sdn Bhd.



## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Her career with MTDC started in 1993 as a Public Relations Executive. She was promoted to Senior Executive of Corporate and Technology Transfer Division in 1995 and Assistant Manager of Technology Promotion Unit in 1996. She was later appointed as Manager of Technology Development Division in 1997.

In 1999, she was promoted to Senior Manager of Corporate Communications Department and was transferred to the Government-Industry Technology Services Department in 2001 and headed the department until 2006. She became the Director of Technology Development Division in 2008, Director of Technology Transfer & Commercialisation Division in 2011 and she was transferred to the Corporate Services Division in 2014.

She is currently the Director of Nurturing, Incubation, Commercialisation and Entrepreneurship (NICE) Division of MTDC, a role she assumed since 2016. As the Director of NICE Division, she oversees the day-to-day operations of the Technology Acquisition Fund/Commercialisation of R&D Fund/Halal Technology Development Fund Department, Technology Incubator Department and Technopreneur Development Department. In addition to funding services, these departments also provide value added services such as nurturing, coaching and mentoring to companies that have been funded by MTDC.

### **Ooi Ching Hock**

*Independent Non-Executive Director*

Ooi Ching Hock, Malaysian, aged 58, is our Independent Non-Executive Director. He was appointed to our Board on 20 August 2018.

He graduated in 1986 with a Bachelor of Engineering Degree (Honours) in Electrical Engineering from the University of Malaya. He started his career in 1986 as an Engineer at National Semiconductor Sdn Bhd. In 1990, he left and joined Maxtor Singapore Ltd as an Engineer. In 1992, he joined Read-Rite (Malaysia) Sdn Bhd as Senior Manager. Subsequently, in 1998, he joined AV Industries Sdn Bhd as the Senior Manager and was promoted as director in 2002 and left the company in the same year.

Between 2003 and 2004, he was a General Manager in Prolyx Microelectronics Sdn Bhd. In 2004, he set up Pelangi Biz Enterprise which was involved in online e-learning services. Subsequently, he joined JCS Automation Pte Ltd in 2005 in Singapore as Operation Director. In 2007, he took up the position as Manager at Sincoat Pte Ltd, a company based in Singapore to set up semi-automated spray painting operations for mobile phones in PRC. In 2008, he left Sincoat Pte Ltd to join JCS-Echigo Pte Ltd as Operations Director until 2009. In 2010, he joined JCS Technologies Pte Ltd as a Technical Officer for a period of 6 months. Subsequently, he joined Coraza Systems Malaysia Sdn Bhd in 2010 as the General Manager of the company until 2011.

After leaving Coraza Systems Malaysia Sdn Bhd in 2011, he took approximately 2 years break. He was trading in shares during this break period. In 2013, he rejoined Coraza Systems Malaysia Sdn Bhd as a Senior Manager of the Operations Department until 2015. In 2016, he worked as a freelancer, conducting business learning seminars.

Since 2017, he has been a director of Bizlearning Solutions Sdn Bhd, a company involved in promoting business learning seminars and Biz Connect Sdn Bhd, a company involved in investment in various industries such as genetic engineering, e-commerce and other industries.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors as at the LPD and after the IPO are as follows:-

Directors	Nationality	As at the LPD			After the IPO <sup>^</sup>		
		<-----Direct----->	<-----Indirect----->	% <sup>@</sup>	<-----Direct----->	<-----Indirect----->	% <sup>#</sup>
		No. of Shares	No. of Shares	% <sup>@</sup>	No. of Shares	No. of Shares	% <sup>#</sup>
Ooi Hooi Kiang	Malaysian	-	-	-	350,000	-	0.06
Tan Eng Kee	Malaysian	-	- 463,218,750 <sup>(a)</sup>	91.50	-	- 463,218,750 <sup>(a)</sup>	74.00
Khor Lean Heng	Malaysian	-	-	-	-	-	-
Mariamah binti Daud	Malaysian	-	-	-	350,000	-	0.06
Ooi Ching Hock	Malaysian	-	-	-	350,000	-	0.06

#### Notes:-

- <sup>^</sup> Assuming that all Pink Form Allocation is fully subscribed.
- <sup>@</sup> Based on our issued share capital of 506,250,000 Shares after Acquisition of Greatech Integration, but before the IPO.
- <sup>#</sup> Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.
- (a) Deemed interested by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**
**7.2.4 Principal business activities and directorships in other corporations for the past 5 years**

Save as disclosed below, none of our Directors have any principal business activities and directorships in any other corporations for the past 5 years preceding the LPD:-

<b>Director</b>	<b>Company</b>	<b>Position held</b>	<b>Date appointed as Director</b>	<b>Date resigned as Director</b>	<b>Direct and indirect equity interest (%)</b>	<b>Principal activities</b>
Ooi Hooi Kiang	Angka Mining Sdn Bhd	Director	13.10.2017	31.01.2019	N/A	Exploration of mining projects
	IPS Strategic Advisors Sdn Bhd	Director	06.02.2009	30.01.2018	N/A	Dissolved on 25 January 2019 <sup>(1)</sup>
	Stonetrade Sdn Bhd	Director	08.05.2018	31.01.2019	N/A	Trading and processing of dimension stones
Tan Eng Kee	GTECH Automation Solutions	Director	18.03.1999	N/A	Direct: - Indirect: 100.00	Dormant <sup>(2)</sup>
	GTECH Holdings	Director and Shareholder	08.10.1997	N/A	Direct: 90.00 Indirect: -	Investment holding of Greatech Technology and GTECH Automation Solutions
	Greatech (M) Sdn Bhd	Director and Shareholder	29.05.1993	N/A	Direct: 47.00 Indirect: -	Dissolved on 27 March 2018 <sup>(3)</sup>
Khor Lean Heng	GTECH Automation Solutions	Director	18.03.1999	N/A	Direct: - Indirect: -	Dormant <sup>(2)</sup>

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Director	Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Khor Lean Heng (Cont'd)	GTECH Holdings	Director and Shareholder	12.10.2000	N/A	Direct: 10.00 Indirect: -	Investment holding of Greatech Technology and GTECH Automation Solutions
	Greatech (M) Sdn Bhd	Director and Shareholder	11.06.1997	N/A	Direct: 10.00 Indirect: -	Dissolved on 27 March 2018 <sup>(3)</sup>
Ooi Ching Hock	Biz Connect Sdn Bhd	Director and Shareholder	18.05.2016	N/A	Direct: 21.74 Indirect: -	Investment in shares
	Trillion Dynasty Sdn Bhd	Director and Shareholder	28.06.2016	N/A	Direct: 7.41 Indirect: -	Investment in shares
	Biz Learning Solutions Sdn Bhd	Director and Shareholder	04.05.2017	N/A	Direct: 40.00 Indirect: -	Marketing and promotion of business seminars
	Genetech Healthcare Sdn Bhd	Director and Shareholder	19.12.2017	N/A	Direct: 20.00 Indirect: -	Investment in shares

**Notes:-**

- (1) Previously involved in the management and consultancy services.
- (2) Previously involved in the manufacturing of engineering equipment and component parts for engineering equipment.
- (3) Previously involved in the manufacturing of component parts for engineering equipment.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**7.2.5 Involvement of our Executive Directors in other businesses or corporations**

Save as disclosed in Section 7.2.4 of this Prospectus, our Executive Directors are not involved in other businesses or corporations. The involvements of our Executive Directors in other businesses or corporations are not expected to affect the operations of our Group as our Executive Directors are principally involved in the day-to-day operations of our Group.

In addition, the other businesses or corporations in which our Executive Directors are also the directors are either investment holding, dissolved or dormant. Hence, this would not affect their performance in our Group.

**7.2.6 Directors' remuneration and benefits**

The details of the remuneration and benefits paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 31 December 2018 and 2019 are as follows:-

FYE 31 December 2018	Fees RM'000	Salary RM'000	Bonus RM'000	Leave buy-off RM'000	Allowances RM'000	EPF RM'000	SOCSSO RM'000	Benefits-in-kind RM'000	Total RM'000
<b>Non-Executive Directors</b>									
Ooi Hooi Kiang	60*	-	-	-	1	-	-	-	61
Mariamah binti Daud	60*	-	-	-	1	-	-	-	61
Ooi Ching Hock	25	-	-	-	1	-	-	-	26
<b>Executive Directors</b>									
Tan Eng Kee	-	395	105	21	-	65	1	24	611
Khor Lean Heng	-	300	75	15	-	46	1	9	446

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Proposed for FYE 31 December 2019	Fees RM'000	Salary RM'000	Bonus RM'000	Leave buy-off RM'000	Allowances RM'000	EPF RM'000	SOCSSO RM'000	Benefits-in-kind RM'000	Total RM'000
<b>Non-Executive Directors</b>									
Ooi Hooi Kiang	60	-	-	-	6	-	-	-	66
Mariamah binti Daud	60	-	-	-	6	-	-	-	66
Ooi Ching Hock	60	-	-	-	6	-	-	-	66
<b>Executive Directors</b>									
Tan Eng Kee	35	540	- <sup>^</sup>	-	-	98	1	24	698
Khor Lean Heng	35	386	- <sup>^</sup>	-	-	70	1	18	510

**Notes:-**

\* RM35,000 being the directors' fees paid to Ooi Hooi Kiang and Mariamah binti Daud as directors of Greatech Integration. Our Group had identified them to be Independent Non-Executive Directors prior to the Listing. As such, Ooi Hooi Kiang and Mariamah binti Daud were appointed as directors of Greatech Integration on 1 August 2017 and subsequently resigned from the board of Greatech Integration on 20 August 2018.

Pursuant thereto, Ooi Hooi Kiang and Mariamah binti Daud were appointed as Independent Non-Executive Chairman and Independent Non-Executive Director of Greatech Technology respectively on 20 August 2018.

<sup>^</sup> The bonus will be determined later based on the individual's performance as well as our Group's cash flows and business performance at the time of assessment.

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits of our Directors, must be considered and recommended by the Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees and/or benefits must be further approved by our shareholders at a general meeting.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.3 BOARD PRACTICES

#### 7.3.1 Directorship

As at 22 April 2019 (date of 1<sup>st</sup> AGM), the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:-

Name	Designation	Date of expiration of the current term of office	No. of years in office
Ooi Hooi Kiang	Independent Non-Executive Chairman	At the 2 <sup>nd</sup> AGM to be held in the year 2020	Less than 1 year
Tan Eng Kee	CEO, Executive Director	At the 3 <sup>rd</sup> AGM to be held in the year 2021	Less than 1 year
Khor Lean Heng	COO, Executive Director	At the 2 <sup>nd</sup> AGM to be held in the year 2020	Less than 1 year
Mariamah binti Daud	Independent Non-Executive Director	At the 3 <sup>rd</sup> AGM to be held in the year 2021	Less than 1 year
Ooi Ching Hock	Independent Non-Executive Director	At the 4 <sup>th</sup> AGM to be held in the year 2022	Less than 1 year

In accordance with the Company's Constitution, all the Directors shall retire from office at the first AGM and 1/3 of our Board will retire by rotation at every AGM of our Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next AGM and shall then be eligible for re-election. None of the Directors has been appointed for a fixed term.

#### 7.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 20 August 2018 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:-

Name	Designation	Directorship
Mariamah binti Daud	Chairman	Independent Non-Executive Director
Ooi Hooi Kiang	Member	Independent Non-Executive Chairman
Ooi Ching Hock	Member	Independent Non-Executive Director

The main functions of the Audit and Risk Management Committee include among others, the review of audit plans and audit reports with our external auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope, functions, competency and resources of the internal audit function of which the internal auditors should report directly to the Audit and Risk Management Committee, review of the quarterly and yearly financial statements, appointment and re-appointment of the external auditors and review of related party transactions, review of the adequacy and effectiveness of risk management and internal control systems instituted within our Group and review of the adequacy and effectiveness of risk management framework and ongoing activities for identifying, evaluating, monitoring and mitigating risks.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.3.3 Remuneration Committee

Our Remuneration Committee was established on 20 August 2018 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Ooi Hooi Kiang Mariamah binti Daud Ooi Ching Hock	Chairman Member Member	Independent Non-Executive Chairman Independent Non-Executive Director Independent Non-Executive Director

The main functions of the Remuneration Committee include among others, the recommendation to our Board regarding the remuneration packages of the Executive Directors, assisting our Board in assessing the responsibility and commitment undertaken by our Board members and assisting our Board in ensuring the remuneration of the Executive Directors are reflective of the responsibility and commitment of the Directors concerned.

### 7.3.4 Nominating Committee

Our Nominating Committee was established on 20 August 2018 and its members are appointed by our Board. Our Nominating Committee comprises the following members:-

Name	Designation	Directorship
Mariamah binti Daud Ooi Hooi Kiang Ooi Ching Hock	Chairman Member Member	Independent Non-Executive Director Independent Non-Executive Chairman Independent Non-Executive Director

The main functions of the Nominating Committee include among others, the review of all nominations for the appointment or re-appointment of members of our Board and to determine the selection criteria, review of the structure, size and composition of our Board, and to ensure that all our Directors undergo appropriate introduction and training programmes.



**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**7.4 KEY SENIOR MANAGEMENT**

**7.4.1 Key senior managements' shareholdings**

The details of our key senior management and their direct and indirect shareholdings in our Company as at the LPD and after the IPO are as follows:-

Key senior management	Designation	Nationality	Before the IPO / As at the LPD			After the IPO <sup>^</sup>		
			<-----Direct----->	<-----Indirect----->	%@	<-----Direct----->	<-----Indirect----->	%#
			No. of Shares	No. of Shares	%@	No. of Shares	No. of Shares	%#
Koay Lin Lin	CFO	Malaysian	-	20,250,000 <sup>(a)</sup>	4.00	350,000	20,250,000 <sup>(a)</sup>	3.23
Lee Choong Li	Strategy Account Manager (Thin Film and Electronics)	Malaysian	-	20,250,000 <sup>(a)</sup>	4.00	350,000	20,250,000 <sup>(a)</sup>	3.23
Lai Hao An	Strategy Account Manager (Solar Wafer)	Malaysian	-	-	-	175,000	-	-
Chuah Soo Hoong	Business Unit Manager (Solar and Semiconductor Wafer)	Malaysian	-	-	-	350,000	-	-
Yeap Han Keow	Business Unit Manager (Thin Film)	Malaysian	-	-	-	350,000	-	-
Tan Eng Seng	Business Unit Manager (Battery)	Malaysian	-	-	-	350,000	-	-

**Notes:-**

- <sup>^</sup> Assuming that all Pink Form Allocation is fully subscribed.
- @ Based on our issued share capital of 506,250,000 Shares after Acquisition of Greatech Integration, but before the IPO.
- # Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.
- (a) Deemed interested by virtue of his/her direct shareholdings in LLH Holdings Sdn Bhd pursuant to Section 8(4) of the Act.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.4.2 Profiles

The profiles of the key senior management of our Group are as follows:-

#### **Koay Lin Lin** CFO

Koay Lin Lin, Malaysian, aged 46, is our CFO.

She obtained National Vocational Qualification in Accounting from the Association of Accounting Technicians, United Kingdom in 1994. She became a member of the Association of Chartered Certified Accountants, United Kingdom and she is a member of the Malaysian Institute of Accountants since 2000. She commenced her career in 1997 as Audit Assistant at Coopers & Lybrand LLP (now known as PricewaterhouseCoopers), an audit firm in Penang and she was promoted to the position of Audit Semi Senior shortly in the same year. She was involved in audit assignments of private and public listed companies. In 1999, she was promoted to Audit Senior and was responsible to lead audit assignments.

In April 2000, she left PricewaterhouseCoopers and joined Greatech Integration as a Finance Assistant Manager and was mainly responsible for overseeing the accounting and finance matters of Greatech Integration. She was subsequently promoted to Finance Manager in March 2001 before she took up her position as Finance and Administration Manager in August 2003.

Her responsibilities include human resources and administration, management information systems, finance and accounting functions of Greatech Integration. She assumed her current position as our CFO in January 2018 where she is mainly responsible for overseeing the finance, human resources and administrative matters as well as management information systems of our Group.

#### **Lee Choong Li** *Strategy Account Manager (Thin Film and Electronics)*

Lee Choong Li, Malaysian, aged 44, is our Strategy Account Manager (Thin Film and Electronics).

He completed his secondary education at Methodist Boys' School, Penang in 1993. He subsequently attended electrical engineering course at Institut Teknologi dan Pengurusan Lebu Victoria Penang in between 1994 and 1997. His career started in 1997 as a Machinist at Greatech (M) Sdn Bhd. Subsequently, he joined Greatech Integration as Assembly Technician in 1998 whereby he was in charge of the mechanical assembly of jigs and fixtures and semi automated equipment. In the same year, he became a Sales Engineer, where he was involved in sales and marketing activities of the company. While he was a Sales Engineer in Greatech Integration, in 2003, he also took up the position as an Assistant Factory Manager in Greatech Automation (Thailand) Co Ltd. He was mainly responsible for the general management of the production facilities of Greatech Automation (Thailand) Co Ltd until 2008.

Subsequently, he left both, Greatech Integration and Greatech Automation (Thailand) Co Ltd, and carried out his own business in the sale of water filters. In May 2010, he rejoined Greatech Integration as Business Manager where he was mainly involved in the sales and marketing activities of Greatech Integration. In January 2018, he was promoted to his current position as Strategy Account Manager where he oversees our Group's thin film and electronics segments. He is mainly responsible for liaising with our existing customers in the thin film and electronics sector, ensuring that their requirements are met, managing on-site support and resolving maintenance and technical issues.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### **Lai Hao An**

*Strategy Account Manager (Solar Wafer)*

Lai Hao An, Malaysian, aged 30, is our Strategy Account Manager (Solar Wafer).

He obtained a Diploma in Mechatronic Engineering from the Penang Skill Development Centre in 2010. He commenced his career in March 2010 as a Junior Assembly Technician in Greotech Integration where he was responsible for assembly of automated equipment. He left Greotech Integration in August 2010 to further his studies in mechatronics engineering. He subsequently graduated from the Staffordshire University in the United Kingdom with a Bachelor of Engineering (Honours) Degree in Mechatronics in 2011. He then rejoined Greotech Integration in September 2011 as a Mechanical Designer, mainly responsible for the engineering design of automated equipment. He was promoted to technical sales engineer in January 2014 before assuming his current position as Strategy Account Manager for the solar wafer segment in January 2018. He is mainly responsible for meeting customers' requirements, managing on-site support and resolving maintenance and technical issues.

### **Chuah Soo Hoong**

*Business Unit Manager (Solar and Semiconductor Wafer)*

Chuah Soo Hoong, Malaysian, aged 37, is our Business Unit Manager (Solar and Semiconductor Wafer).

He obtained a Certificate of Mechanical Engineering from Polytechnic Seberang Prai, Penang in 2003 and a Diploma in Mechanical Engineering from Polytechnic Sultan Abdul Halim Mu'adzam Shah in Kedah in 2005. Upon the completion of his Diploma in 2005, he joined Pentamaster Technology (M) Sdn Bhd as Mechanical Design Engineer. He left in 2008 and joined Moon Stationery (M) Sdn Bhd as an Automation and Equipment Engineer. In 2009, he joined AEM Microtronics (M) Sdn Bhd as a Mechanical Design Engineer. In 2010, he took up the position as Senior Mechanical Design Engineer at I-Testnology Sdn Bhd and as Mechanical Design Engineer at Micro Modular System Sdn Bhd in 2011. He left in 2012 and joined Genetec Technology Berhad as Staff Engineer and Assistant Manager. Throughout his entire career, he is mainly responsible for the engineering design in the projects he was involved in.

In January 2016, he joined Greotech Integration as Senior Mechanical Designer and was promoted to Assistant Technology and Development Manager in January 2017, where he was mainly responsible for leading a team of engineers in the design of automated equipment. In January 2018, he was promoted to Business Unit Manager for solar and semiconductor wafer. His main responsibilities include mechanical and software development, planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the project.

**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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**Yeap Han Keow**

*Business Unit Manager (Thin Film)*

Yeap Han Keow, Malaysian, aged 34, is our Business Unit Manager (Thin Film).

He attended electrical engineering course in Institut Teknologi dan Pengurusan Lebu Victoria Penang in between 2003 and 2005. He subsequently commenced his career as a Technician in Jabil Global Services in 2005. He left Jabil Global Services and joined Greatech Integration in August 2005 as an Electrical Assembly Technician where he was mainly involved in the machine wiring systems, troubleshooting and product development. At the same time, he continued his studies and obtained a Diploma in Electrical Engineering from Institut Teknologi dan Pengurusan Lebu Victoria Penang in 2008. He was also responsible for on-site preventive maintenance and for the commissioning of the automated equipment. He was promoted to Software and Control Engineer in September 2007, specialising in control systems design and software programming for automated equipment.

In January 2015, he was promoted to Assistant Software Manager, where he was responsible for managing and overseeing the software department. In January 2018, he was promoted to Business Unit Manager for the thin film segment. His roles and responsibilities are to manage the team and projects which includes planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the project.

**Tan Eng Seng**

*Business Unit Manager (Battery)*

Tan Eng Seng, Malaysian, aged 36, is our Business Unit Manager (Battery).

He graduated in 2003 from Tunku Abdul Rahman College with a Diploma in Science. In 2005, he obtained a Bachelor of Computer Science with Honours from University Tunku Abdul Rahman. His career started in 2005 as a Field Staff at Manpower Staffing Services (M) Sdn Bhd, where he was involved in testing of products and entering results of any software defects into the system. In 2007, he joined Micro View Technologies Sdn Bhd as a Software Development Engineer, where he was responsible for machine vision and software development. He left Micro View Technologies Sdn Bhd in 2008 and joined Micro Modular System Sdn Bhd as a Software Development Engineer, where he was responsible for the software development, modification and upgrading of existing industrial automation machines and systems. Subsequently, he left in 2011 to take up the position as an Engineer at STEC Technology Sdn Bhd (which was subsequently acquired by HGST Technologies Malaysia Sdn Bhd), where he was involved in the automation and simplification of the manufacturing process by setting up a test automation framework, which was used across the production line in the factory.

He left and joined Greatech Integration in March 2014 as Assistant Software Manager, where he was mainly responsible for project and team management. In January 2018, he was promoted to Business Unit Manager for the battery segment. His roles and responsibilities are to manage the team and projects which includes planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the project.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 7.4.3 Involvement of our key senior management in other businesses/corporations

Save as disclosed below, none of our other key senior management personnel have any principal business activities and directorship in any other businesses/ corporations for the past 5 years preceding the LPD:-

Key senior management	Company	Position held	Direct and indirect equity interest (%)	Date resigned	Principal activities
Koay Lin Lin	LLH Holdings Sdn Bhd	Director and Shareholder	Direct: 50.00 Indirect: -	N/A	Investment holding of Greatech Technology
Lee Choong Li	LLH Holdings Sdn Bhd	Director and Shareholder	Direct: 25.00 Indirect: -	N/A	Investment holding of Greatech Technology

The involvement of the above key senior management in LLH Holdings Sdn Bhd as director and shareholder are not expected to affect the operations of our Group as they are principally involved in the day-to-day operations of our Group and their involvement in LLH Holdings Sdn Bhd is minimal. Further, LLH Holdings Sdn Bhd is an investment holding company of shares, and their involvement in the abovementioned company does not affect contribution to our Group or negatively impact their ability as key senior management of our Group.

### 7.4.4 Key senior management's remuneration and benefits

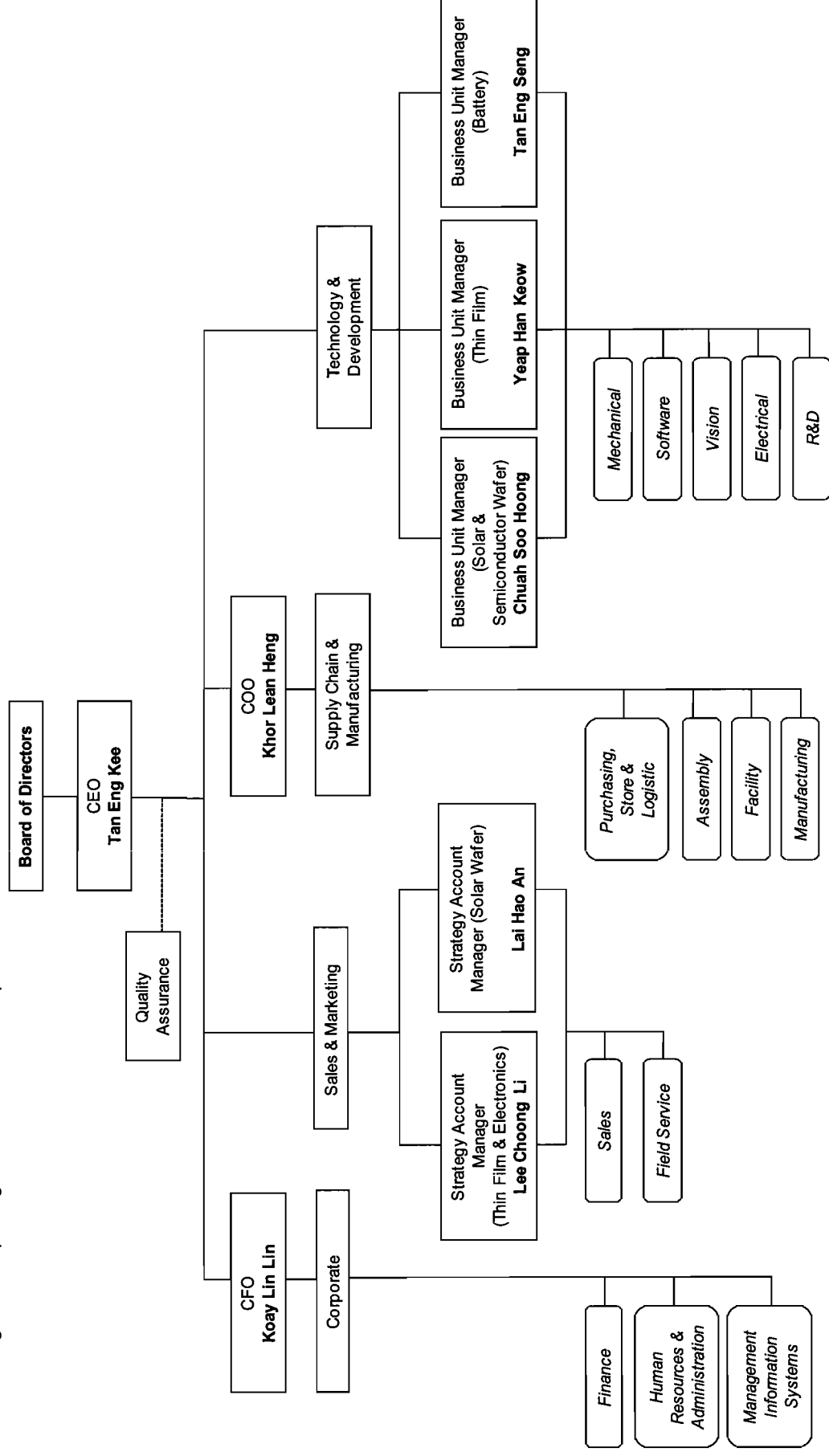
The aggregate remuneration and benefits paid and proposed to be paid to our key senior management for services rendered to our Group in all capacities for the FYE 31 December 2018 and 2019 are as follows:-

Key senior management	Remuneration band	
	FYE 31 December 2018 RM'000	Proposed for the FYE 31 December 2019 RM'000
Koay Lin Lin	300-350	350-400
Lee Choong Li	150-200	150-200
Lai Hao An	50-100	50-100
Chuah Soo Hoong	150-200	150-200
Yeap Han Keow	150-200	150-200
Tan Eng Seng	100-150	150-200

7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

7.4.5 Management reporting system

The management reporting structure of our Group is as follows:-



**7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**7.5 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**

None of our Promoters, Directors and key senior management is or was involved in any of the following events, whether within or outside Malaysia:-

- (i) A petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he was a partner, or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) Charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceedings in the last 10 years;
- (iv) Any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) The subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market in the last 10 years;
- (vi) The subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) The subject of any current investigation or disciplinary proceeding, or has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) Any unsatisfied judgment against him.

**7.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS**

There are no family relationships and associations among our Promoters, substantial shareholders, Directors and key senior management.

**7.7 SERVICE AGREEMENTS**

As at the LPD, none of our Directors and/or key senior management has any existing or proposed service agreement with our Group.

**7.8 MANAGEMENT SUCCESSION PLAN**

Our Board believes that the success of our Group depends on the ability and retention of our key senior management personnel. Therefore, we have made efforts to train our employees and remunerate them accordingly. Our future success will also depend on our ability to attract and retain skilled personnel.

## 7. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

We have a management succession plan consisting of:-

- (i) Structured career planning and development;
- (ii) Competitive remuneration and employee benefits; and
- (iii) Continuous training and development.

Additionally, our key senior management team, comprising Koay Lin Lin, Lee Choong Li, Lai Hao An, Chuah Soo Hoong, Yeap Han Keow and Tan Eng Seng, has clearly defined leadership roles and responsibilities within corporate affairs (finance, human resources and administration and management information systems), sales and marketing and technology and development respectively. Our key senior management team has been set up to provide structured and resilient support to our CEO and COO to facilitate the growth of our Group.

As part of our management succession plan, we have put in place a process to groom new management staff to gradually assume the responsibilities of key senior management. Our Group's strategy for management continuity is driven by our top management who is responsible for identifying key competencies and recruitment of candidates with knowledge and expertise of our business to enhance operations.

### 7.9 MANAGEMENT AND EMPLOYEES

All of the employees in our Group are based in Malaysia. As at 31 December 2018, the number of employees in our Group is as follows:-

Department	Number of Employees as at 31 December 2018
Directors	5
Quality Assurance	8
Sales and Marketing	2
Finance	8
Human Resources & Administration	8
Management Information Systems	1
Manufacturing	103
Assembly	69
Purchasing, Store & Logistics	25
Facility	2
Safety & Health	1
Technology & Development	110
Field Service	7
<b>Total</b>	<b>349</b>

As at 31 December 2018, our Group had 20 foreign employees consists of 16 Nepal, 3 India and 1 Philippines national, and 1 contractual employee.

None of our employees are member of any union nor have there been any major industrial disputes in the past.



**8. APPROVALS AND CONDITIONS****8.1 APPROVALS FROM RELEVANT AUTHORITIES****8.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 30 January 2019, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital of Greatech Technology of RM112,057,501 comprising 626,000,000 Shares on the ACE Market. The approval from Bursa Securities is subject to the following conditions:-

Details of conditions imposed	Status of compliance
<p>(i) Submission of the following information with respect to the moratorium on the shareholdings of the promoters and/or vendors to Bursa Depository:-</p> <p>(a) Name of shareholders;</p> <p>(b) Number of Shares; and</p> <p>(c) Date of expiry of the moratorium for each block of Shares.</p>	To be complied prior to Listing.
<p>(ii) Approvals from other relevant authorities have been obtained for implementation of the listing proposal;</p>	Complied.
<p>(iii) Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;</p>	To be complied prior to Listing.
<p>(iv) Furnish Bursa Securities a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire issued share capital of Greatech Technology on the first day of Listing;</p>	To be complied upon Listing.
<p>(v) Any director of the Company that has not attended the Mandatory Accreditation Programme must do so prior to Listing of the Company;</p>	To be complied prior to Listing.
<p>(vi) In relation to the public offering to be undertaken by Greatech Technology, please announce at least 2 Market Days prior to the Listing date, the result of the offering including the following:-</p> <p>(a) Level of subscription of public balloting and placement;</p> <p>(b) Basis of allotment/allocation;</p> <p>(c) A table showing the distribution for placement tranche, in format attached in Appendix I of the approval letter of Bursa Securities; and</p> <p>(d) Disclosure of placees who become substantial shareholders of Greatech Technology arising from the public offering, if any.</p> <p>AIBB to ensure that the overall distribution of Greatech Technology's securities is properly carried out to mitigate any disorderly trading in the secondary market; and</p>	To be complied prior to Listing.

**8. APPROVALS AND CONDITIONS (Cont'd)**

Details of conditions imposed	Status of compliance
(vii) Greatech Technology and AIBB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Greatech Technology to the Official List.	To be complied upon Listing.

**8.1.2 SC**

Our Listing Scheme is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 30 January 2019, approved the resultant equity structure of Greatech Technology pursuant to our Listing under the equity requirement for public listed companies, subject to the following condition:-

Condition	Status of compliance
Greatech Technology allocating Shares equivalent to at least 12.50% of the enlarged issued share capital at the point of Listing to Bumiputera investors. This includes the Shares offered under the balloted public offer portion, of which at least 50% are to be offered to Bumiputera investors.	To be complied upon Listing.

The SC had noted the effects of the Listing on the equity structure of our Group as follows:-

Category of shareholders	As at 1 October 2018		After Listing	
	No. of Shares	% of issued share capital	No. of Shares	% of enlarged issued share capital
Bumiputera	-	-	78,250,000 <sup>(1)</sup>	12.50
Non-Bumiputera	1	100.00	547,750,000	87.50
<b>Malaysians</b>	<b>1</b>	<b>100.00</b>	<b>626,000,000</b>	<b>100.00</b>
Foreigners	-	-	-	-
<b>Total</b>	<b>1</b>	<b>100.00</b>	<b>626,000,000</b>	<b>100.00</b>

**Note:-**

- (1) Based on the assumption that the Shares allocated to Bumiputera investors shall be fully subscribed as follows:-

Category	No. of Shares
Bumiputera public investors via balloting	9,390,000
Private placement to selected Bumiputera investors approved by MITI	68,860,000
<b>Total</b>	<b>78,250,000</b>

**8.1.3 MITI**

The MITI had, vide its letter dated 22 November 2018, taken note of and has no objection to our Listing on the ACE Market.

**8. APPROVALS AND CONDITIONS (Cont'd)****8.1.4 The SAC**

The SAC had, vide its letter dated 30 April 2019, classified our Shares as Shariah-compliant based on the latest audited combined financial statements of Greatech Technology for the FYE 31 December 2018.

**8.2 MORATORIUM ON SALE OF SHARES**

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:-

- (i) The moratorium applies to our Promoters' entire shareholdings for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) Upon the expiry of the First 6-Month Moratorium, we must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our issued ordinary share capital remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and
- (iii) Upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one third per annum (on a straight line basis) of our Shares held under moratorium.

Our Promoters have provided written undertakings that they will not sell, transfer or assign any part of their interest in the Shares during the moratorium period.

The shareholders of GTECH Holdings, namely Tan Eng Kee and Khor Lean Heng, have furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their shareholdings in GTECH Holdings during the moratorium period.

In addition to the moratorium imposed on Shares held by our Promoters, SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd have voluntarily provided their undertakings not to sell, transfer or assign their entire shareholdings in Greatech Technology of 3.64% and 3.23% respectively for a period of 6 months from the date of admission.

Details of our Shares which will be subject to moratorium are as follows:-

Name of shareholder	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	% of enlarged issued share capital <sup>^</sup>	No. of Shares	% of enlarged issued share capital <sup>^</sup>
GTECH Holdings	463,218,750	74.00	281,700,000	45.00
SmartCap Venture Sdn Bhd	22,781,250	3.64	-	-
LLH Holdings Sdn Bhd	20,250,000	3.23	-	-
<b>Total</b>	<b>506,250,000</b>	<b>80.87</b>	<b>281,700,000</b>	<b>45.00</b>

**Note:-**

<sup>^</sup> Based on our enlarged issued share capital of 626,000,000 Shares after our IPO.

**8. APPROVALS AND CONDITIONS (Cont'd)**

The moratorium, which is fully acknowledged by GTECH Holdings, SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd, is specifically endorsed on our share certificate representing their shareholdings which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

**8.3 RELIEF FROM COMPLYING WITH CERTAIN REQUIREMENTS OF THE PROSPECTUS GUIDELINES – EQUITY**

The SC had, vide its letter dated 15 October 2018, approved our application for relief from complying with the following paragraphs of the Prospectus Guidelines:-

<b>Guidelines</b>	<b>Relief sought</b>	<b>Conditions</b>
(i) Paragraph 5.02(h)(i), Division 1, Part II;	Relief from having to disclose in the Prospectus, the "Total Project Price" of the EPSA.	Nil.
(ii) Paragraph 13.01(b)(i), Division 1, Part II; and	(a) Relief to redact the "Total Project Price" and "Product Unit Price" in the EPSA, when making the EPSA available for public inspection; and	Nil.
	(b) Relief to exclude all details in Annex 6 (which relates to Panasonic's product technical specifications) of the EPSA, other than the table of contents, when making the EPSA available for public inspection.	Nil.
(iii) Paragraph 5.10, Division 1, Part II.	Relief from having to disclose the name of 3 of Greatech Technology's major customers in the Prospectus.	Nil.

## 9. OTHER INFORMATION

### 9.1 INFORMATION ON MATERIAL LAND AND BUILDINGS

#### 9.1.1 Properties owned

A summary of the material land and buildings owned by our Group for our operations as at the LPD is as follows:-

Registered /Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition <sup>^</sup> / Approximate age of building	Date of issuance of certificate of fitness or CCC	Land/ Gross built-up area (sq ft)*	Carrying amount as at 31 December 2018 RM'000
Greotech Integration	Plot 287B, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang <sup>^^</sup>	<b>Description</b> Industrial land with an individual designed factory premises comprising the following:- (i) double storey detached office block; (ii) an annexed single storey detached factory; and (iii) a guard house	<b>Category of land use</b> Industry  <b>Tenure of property</b> 60 years expiring on 29 May 2051 (approximately 32 years unexpired lease term)	<b>Restrictions in interest</b> (i) This land cannot be transferred, charged, leased or sub-leased without the written consent of the State Authority  (ii) This land cannot be sub- divided or partitioned  <b>Material encumbrance(s)</b> (i) Partial lease to Tenaga Nasional Berhad  (ii) Charged to Alliance Islamic Bank Berhad  (iii) Charged to Alliance Bank Malaysia Berhad	<b>Date of acquisition</b> 5 November 2014  <b>Approximate age of building</b> 26 years	28 August 2018	33,044/ 20,064	6,049

## 9. OTHER INFORMATION (Cont'd)

Registered /Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition^/ Approximate age of building	Date of issuance of certificate of fitness or CCC	Land/ Gross built-up area (sq ft)*	Carrying amount as at 31 December 2018 RM'000
Greotech Integration	Plot 287C, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang^^	<b>Description</b> Industrial land with an individual designed factory premises comprising the following:-	<b>Category of land use</b> Industry	<b>Restrictions in interest</b> (i) This land cannot be transferred, charged, leased or sub-leased without the written consent of the State Authority	<b>Date of acquisition</b> 6 February 2015	28 June 2018	30,053/ 24,283	6,783
		(i) double storey detached office block;	<b>Tenure of property</b> 60 years expiring on 29 May 2051	(ii) This land cannot be sub- divided or partitioned	<b>Approximate age of building</b> 26 years			
		(ii) an annexed double storey detached factory; and (iii) a guard house	(approximately 32 years unexpired lease term)	<b>Material encumbrance(s)</b> (i) Partial lease to Tenaga Nasional Berhad (ii) Charged to United Overseas Bank (Malaysia) Bhd				
		<b>Existing use</b> Used as office, assembly plant and storage						
Greotech Integration	Plot 287A, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3,	<b>Description</b> Industrial land with an individual designed factory premises comprising the following:-	<b>Category of land use</b> Industry	<b>Restrictions in interest</b> This land cannot be transferred, charged, leased, sub-leased or any kind of transactions without the written consent of the State Authority	<b>Date of acquisition</b> 21 March 2018	N/A	69,599/ 74,701	**-

## 9. OTHER INFORMATION (Cont'd)

Registered /Beneficial owner	Property address	Description and existing use	Category of land use/ Tenure of property	Restrictions in interest/ Material encumbrance(s)	Date of acquisition <sup>^</sup> / Approximate age of building	Date of issuance of certificate of fitness or CCC	Land/ Gross built-up area (sq ft)*	Carrying amount as at 31 December 2018 RM'000
	11900 Bayan Lepas, Pulau Pinang	(i) double storey factory; and (ii) three storey office block.  <b>Existing use</b> The land is currently under construction of a new operational facility.	<b>Tenure of property</b> 44 years expiring on 29 May 2051 (approximately 32 years unexpired lease term)	<b>Material encumbrance(s)</b> Charged to Malaysian Industrial Development Finance Berhad N/A	<b>Approximate age of building</b> N/A			

## Notes:-

- <sup>^</sup> Based on the date of the sale and purchase agreement entered into between Greatech Integration and the respective vendors.
- \* Conversion of original measurement of properties in sq m to sq ft at 1 sq m = 10.7639 sq ft
- <sup>^^</sup> The express condition of the Plot 287B and Plot 287C provides that the landowner shall ensure that 30% of the workforce must be Bumiputera. As at the LPD, our Group has complied with this express condition.
- <sup>\*\*</sup> The sale and purchase of Plot 287A was completed on 24 January 2019. Hence, there is no carrying amount recorded as at 31 December 2018.

**Acquisition of Batu Kawan Land**

On 22 April 2019, we received a letter of offer from PDC for the Acquisition of Batu Kawan Land, in which Greatech Integration would enter into a sale and purchase agreement with PDC on or before 20 May 2019 based on terms to be mutually agreed. Based on the land search result conducted, the Batu Kawan Land cannot be transferred, charged, leased or sub-leased, rented or any kind of transactions without the written consent of the State Authority. Please refer to Section 5.7(ii) of this Prospectus for further details on the Acquisition of Batu Kawan Land.

## 9. OTHER INFORMATION (Cont'd)

### 9.1.2 Properties rented

A summary of the material land and buildings rented by our Group for our operations as at the LPD is as follows:-

Landlord	Tenant	Property address	Description and Existing use	Land/ Gross built-up area (sq ft)*	Tenure	Rental per annum RM'000
Lee Tong Neoh Guan	Greatech Integration	No. 1515 (Plot 12), Lorong Makmur 3/2, Kawasan Makmur, 09600 Lunas, Kedah	<u>Description</u> A detached single storey factory  <u>Existing use</u> Used as office, manufacturing plant and storage	24,822/10,200	15 April 2018 to 14 April 2020	50
JKG Berhad	Greatech Integration	No. 1516 (Plot 13), Lorong Makmur 3/2, Kawasan Makmur, 09600 Lunas, Kedah	<u>Description</u> A detached single storey factory  <u>Existing use</u> Used as office, manufacturing plant and storage	23,056/10,200	15 August 2018 to 14 August 2020	72
JKG Berhad	Greatech Integration	Lot No. 1521 (Plot 18), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah	<u>Description</u> A detached single storey factory  <u>Existing use</u> Used as office and warehouse	19,020/9,000	15 January 2018 to 14 January 2020	58
JKG Berhad	Greatech Integration	No. 1523 (Plot 20), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah	<u>Description</u> A detached single storey factory  <u>Existing use</u> Used as office, manufacturing plant and storage	17,405/9,000	1 June 2018 to 31 May 2020	69



## 9. OTHER INFORMATION (Cont'd)

Landlord	Tenant	Property address	Description and Existing use	Land/ Gross built-up area (sq ft)*	Tenure	Rental per annum RM'000	
JKG Berhad	Land	Greatech Integration	No. 1524 (Plot 21), Lorong Makmur 3/2, Kawasan Perindustrian Makmur, 09600 Lunas, Kedah	<b>Description</b> A detached single storey factory	16,598/ 9,000	15 March 2019 to 14 March 2021	60
			<b>Existing use</b> Used as office, manufacturing plant and storage				
Bernas Wirama Sdn Bhd	Greatech Integration	Plot 4, Jalan Perusahaan Kawasan Perusahaan Kulim, Mk. Sg. Seluang, 09000 Kulim, Kedah	<b>Description</b> A detached single storey factory and double storey office	227,119^/ 42,500^^	1 June 2018 to 31 May 2020	408 (for the first year) and 434 (for the second year)	509
			<b>Existing use</b> Used as assembly plant				
Swawang Properties Sdn Bhd	Greatech Integration	No. 16A, Lorong Perusahaan 6, Kawasan Perindustrian Kulim, 09000 Kulim, Kedah	<b>Description</b> A single storey factory	619,248^/ 50,000^^	1 September 2018 to 31 August 2019		
			<b>Existing use</b> Used as assembly plant				

## Notes:-

\* Conversion of original measurement of properties in sq m to sq ft at 1 sq m = 10.7639 sq ft.

^ Represents the land area of Plot 4 Land and Plot 16A Land respectively.

^^ Represents the approximate gross built-up area of Plot 4 and Plot 16A which is rented by Greatech Integration as stated in the tenancy agreements of Plot 4 and Plot 16A respectively. There are other buildings erected on the respective Plot 4 Land and Plot 16A Land which are owned by the respective landlord but are not rented by Greatech Integration.

**9. OTHER INFORMATION (Cont'd)**

**9.1.3 Regulatory requirements and environmental issue**

As at the LPD, there is no breach of any property or land use conditions and/or non-compliance with any regulatory requirement, land rules, building regulations and environmental issue which may materially affect our Group's operation and usage of properties owned and rented by our Group as set out in Sections 9.1.1 and 9.1.2 of this Prospectus.

**10. RELATED PARTY TRANSACTIONS**

Pursuant to the Listing Requirements, subject to certain exemptions, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). "Major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

After the Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. The interested person shall abstain from voting on resolution(s) pertaining to the respective transaction. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12 month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation/asset or of various parcels of land contiguous to each other.

**10.1 RELATED PARTY TRANSACTIONS****10.1.1 Transactions that are material to our Group**

Save as disclosed below, our Directors have confirmed that there are no other material related party transactions that we had entered into with related parties in respect of the past 4 FYE 31 December 2015 to 2018 and up to the LPD:-

Transacting parties	Nature of transaction	Value for the FYE 31 December				Value from 1 January 2019 up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000		
Greatech Integration and GTECH Automation Solutions	Acquisition of Plot 287A	-	-	-	840	7,560	Tan Eng Kee, our Executive Director, Promoter and substantial shareholder, is a director of GTECH Automation Solutions.  Khor Lean Heng, our Executive Director and Promoter, is a director of GTECH Automation Solutions.

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

Transacting parties	Nature of transaction	Value for the FYE 31 December				Value from 1 January 2019 up to the LPD RM'000	Interested related parties
		2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000		
							GTECH Holdings, our Promoter and substantial shareholder is the holding company of GTECH Automation Solutions. GTECH Holdings is held by Tan Eng Kee and Khor Lean Heng with equity interest of 90% and 10%, respectively.

The above transaction was transacted on an arm's length basis and based on normal commercial terms which are not more favourable to the related party. The Directors are of the opinion that the above transaction was transacted in the best interests of our Group.

Upon Listing, the Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will seek such relevant shareholders' approval where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

**10.1.2 Transactions that are unusual in nature or condition**

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the past 4 FYE 31 December 2015 to 2018 and up to the LPD.

**10.1.3 Outstanding loans and/or financial assistance made to or for the benefit of the related parties**

Our Directors have confirmed that there are no outstanding loans (including guarantees of any kind) and/or financial assistance made by us to or for the benefit of the related parties for the past 4 FYE 31 December 2015 to 2018 and up to the LPD.

**11. CONFLICT OF INTEREST****11.1 CONFLICT OF INTEREST**

None of our other Directors and/or substantial shareholders has any other interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers or suppliers of our Group.

**11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST****11.2.1 Principal Adviser, Sponsor, Sole Underwriter and Placement Agent**

AIBB and/or its related companies ("**Alliance Bank Malaysia Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading and credit transaction services business. The Alliance Bank Malaysia Group has engaged and may in the future, engage in transactions with and perform services for Greatech Technology Group and/or the Greatech Technology Group's affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Alliance Bank Malaysia Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of the Greatech Technology Group, its shareholders, and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Greatech Technology Group and/or its affiliates, and may trade or otherwise effect transactions for its own account or account of its other customer in debt or equity securities or loans of any member of the Greatech Technology Group and/or its affiliates. This is the result of the businesses of Alliance Bank Malaysia Group generally acting independently of each other and accordingly, there may be situations where parts of the Alliance Bank Malaysia Group now have or in the future, may have an interest or take actions that may conflict with the interest of the Greatech Technology Group. Nonetheless, Alliance Bank Malaysia Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

For information, the total outstanding financing to the Greatech Technology Group amounting to RM1.554 million, represents 2.22% of the combined net assets of Greatech Technology as at 31 December 2018, and 0.03% of the latest available audited consolidated net assets of Alliance Bank Malaysia Berhad as at 31 March 2018.

AIBB has confirmed that there is no conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent to our Group in relation to the Listing. The Underwriting Agreement, which certain details are set out in Section 3.5.4 of this Prospectus, was entered into on arm's length basis and on market terms.

**11.2.2 Solicitors for the Listing**

Azman Davidson & Co has confirmed that there is no conflict of interest in its capacity as the Solicitors to our Group in relation to the Listing.

**11.2.3 External Auditors and Reporting Accountants**

Messrs. BDO PLT has confirmed that there is no conflict of interest in its capacity as the External Auditors and Reporting Accountants to our Group in relation to the Listing.

**11.2.4 Independent Market Researcher**

Vital Factor has confirmed that there is no conflict of interest in its capacity as the IMR to our Group in relation to the Listing.

## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL AUDITED COMBINED FINANCIAL INFORMATION

The historical audited combined financial information of our Group for the FYE 31 December 2015 to 2018 have been extracted from the Accountants' Report set out in Section 13 of this Prospectus, which deals with the audited combined financial statements of our Group for the same financial years under review.

You should read the historical audited combined financial information below together with:-

- Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects set out in Section 12.2 of this Prospectus; and
- Accountants' Report set out in Section 13 of this Prospectus.

**(a) Historical audited combined statements of profit or loss and other comprehensive income of our Group**

	<b>&lt;-----Audited-----&gt;</b>			
	<b>&lt;-----FYE 31 December-----&gt;</b>			
	<b>2015 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2018 RM'000</b>
Revenue	21,393	22,703	93,914	219,582
Cost of sales	(12,896)	(10,829)	(60,187)	(174,349)
<b>Gross profit</b>	<b>8,497</b>	<b>11,874</b>	<b>33,727</b>	<b>45,233</b>
Other income	2,257 <sup>(1)</sup>	488 <sup>(1)</sup>	357	7,529 <sup>(1)</sup>
Administrative and marketing expenses	(4,928)	(5,749)	(14,267)	(20,340)
Finance costs	(222)	(527)	(549)	(561)
<b>PBT</b>	<b>5,604</b>	<b>6,086</b>	<b>19,268</b>	<b>31,861</b>
Tax expense	(6)	(277)	(212)	(142)
<b>PAT</b>	<b>5,598</b>	<b>5,809</b>	<b>19,056</b>	<b>31,719</b>
Other comprehensive income	-	3,827	-	-
<b>Total comprehensive income</b>	<b>5,598</b>	<b>9,636</b>	<b>19,056</b>	<b>31,719</b>
PAT attributable to:-				
- Common controlling shareholder of the combining entities	5,598	5,809	19,056	31,719
	<b>5,598</b>	<b>5,809</b>	<b>19,056</b>	<b>31,719</b>
Total comprehensive income attributable to:-				
- Common controlling shareholder of the combining entities	5,598	9,636	19,056	31,719
	<b>5,598</b>	<b>9,636</b>	<b>19,056</b>	<b>31,719</b>

**12. FINANCIAL INFORMATION (Cont'd)**

	<b>&lt;-----Audited-----&gt;</b>			
	<b>&lt;-----FYE 31 December-----&gt;</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Depreciation and amortisation (RM'000)	1,037	1,113	1,643	2,418
Assumed no. of Shares in issue <sup>(2)</sup> ('000)	506,250	506,250	506,250	506,250
Basic and diluted EPS <sup>(3)</sup> (sen)	1.11	1.15	3.76	6.27
Gross profit margin <sup>(4)</sup> (%)	39.72	52.30	35.91	20.60
PBT margin <sup>(5)</sup> (%)	26.20	26.81	20.52	14.51
PAT margin <sup>(6)</sup> (%)	26.17	25.59	20.29	14.45

**Notes:-**

- (1) Mainly comprised realised/unrealised gain on foreign exchange. Our business is exposed to the risk of foreign exchange fluctuations as a significant portion of our revenue is denominated in foreign currencies especially USD. Please refer to Section 4.1.12 of this Prospectus for further details on the risks arising from foreign exchange fluctuations, Section 12.2.2(d) of this Prospectus for further details on other income, Section 12.2.2(e)(ii) on impact of foreign exchange and Section 30(b) of the Accountants' Report (i.e. Section 13 of this Prospectus) for the sensitivity analysis of the foreign currency risk.
- (2) The assumed number of Shares in issue after Acquisition of Greatech Integration but before Public Issue.
- (3) Basic EPS is calculated based on PAT divided by the assumed number of Shares in issue. No dilution of EPS.
- (4) Gross profit margin is calculated based on gross profit divided by revenue.
- (5) PBT margin is calculated based on PBT divided by revenue.
- (6) PAT margin is calculated based on PAT divided by revenue.

**(b) Historical audited combined statements of financial position of our Group**

	<b>&lt;-----Audited-----&gt;</b>			
	<b>&lt;-----FYE 31 December-----&gt;</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSET</b>				
PPE	13,558	18,638	24,737	35,543
<b>TOTAL NON-CURRENT ASSET</b>	<b>13,558</b>	<b>18,638</b>	<b>24,737</b>	<b>35,543</b>
<b>CURRENT ASSETS</b>				
Inventories	2,336	6,276	7,499	3,594
Trade and other receivables	5,614	7,389	61,680	47,530
Current tax assets	-	-	142	694
Short term funds	-	-	7,073	52,609
Cash and bank balances	3,558	5,418	4,218	12,384
<b>TOTAL CURRENT ASSETS</b>	<b>11,508</b>	<b>19,083</b>	<b>80,612</b>	<b>116,811</b>
<b>TOTAL ASSETS</b>	<b>25,066</b>	<b>37,721</b>	<b>105,349</b>	<b>152,354</b>

**12. FINANCIAL INFORMATION (Cont'd)**

	<-----Audited----->			
	<-----FYE 31 December----->			
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY ATTRIBUTABLE TO COMMON CONTROLLING SHAREHOLDER OF THE COMBINING ENTITIES</b>				
Invested equity	1,000	1,000	1,000	1,000
Reserves	13,988	23,442	39,498	68,866
<b>TOTAL EQUITY</b>	<b>14,988</b>	<b>24,442</b>	<b>40,498</b>	<b>69,866</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	4,229	5,943	7,122	5,701
Deferred tax liabilities	-	1,606	-	-
Government grant	-	-	691	791
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,229</b>	<b>7,549</b>	<b>7,813</b>	<b>6,492</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	4,087	3,973	48,032	50,687
Provision for warranties	-	-	6,880	22,734
Borrowings	903	1,751	2,020	2,442
Government grant	-	-	106	133
Current tax liabilities	859	6	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,849</b>	<b>5,730</b>	<b>57,038</b>	<b>75,996</b>
<b>TOTAL LIABILITIES</b>	<b>10,078</b>	<b>13,279</b>	<b>64,851</b>	<b>82,488</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,066</b>	<b>37,721</b>	<b>105,349</b>	<b>152,354</b>
No. of ordinary shares in issue ('000)	1,000	1,000	1,000	1,000
Net assets (RM'000)	14,988	24,442	40,498	69,866
Net assets per share (RM)	14.99	24.44	40.50	69.87



**12. FINANCIAL INFORMATION (Cont'd)****12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS, RESULTS OF OPERATIONS AND PROSPECTS**

Investors should read the following management's discussion and analysis of our Group's financial conditions and results of operations in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

The management's discussion and analysis contains data derived from our audited combined financial statements as well as forward-looking statements that involves risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 4 of this Prospectus.

**12.2.1 Overview of our operations****(a) Principal activities**

We are primarily a manufacturer of automated equipment that are used to automate processes in production lines. Our products range from single automated equipment up to a production line system which comprises multiple automated equipment. These types of automated equipment are used in the manufacturing of solar cells, solar modules, semiconductors and consumer electronics. Our other business activity is in the provision of parts and services, mainly for our own manufactured equipment.

**(b) Revenue**

Our Group's revenue for the financial years under review can be segregated into the following segments:-

**(i) Manufacture of production line systems**

In 2017, we started to expand from single automated equipment to a production line system for the solar sector. A production line system is a self-contained system comprising multiple automated equipment to perform a series of task. The production line systems manufactured by our Group are incorporated into our customer's manufacturing line for solar module. Please refer to Section 5.4.2 of this Prospectus for further details on our production line systems.

The revenue recognition for our production line systems in the FYE 31 December 2017 is as follows:-

For contract based revenue, contract revenue and expenses from our production line systems are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs would exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable would be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

**12. FINANCIAL INFORMATION (Cont'd)**

The revenue recognition for our production line systems in the FYE 31 December 2018 is as follows:-

Our Group recognises revenue from construction contracts over time if it creates an asset with no alternative use to our Group and our Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

**(ii) Manufacture of single automated equipment**

We manufacture automated equipment to carry out one or more functions in a single equipment. These types of single automated equipment are usually customised to meet the requirements of our customers. Please refer to Section 5.4.2 of this Prospectus for further details on our single automated equipment.

The revenue recognition for our single automated equipment in the FYE 31 December 2015 to 2017 is as follows:-

- (1) For contract based revenue, contract revenue and expenses from our single automated equipment are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs would exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable would be recoverable and contract costs are recognised as an expense in the period in which they are incurred; and

- (2) For revenue relating to some of our single automated equipment, the revenue is recognised when significant risks and rewards of ownership of the equipment have been transferred to the customer and where our Group retains neither continuity managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers, net of discounts.

The revenue recognition for our single automated equipment in the FYE 31 December 2018 is as follows:-

- (1) Our Group recognises revenue from construction contracts over time if it creates an asset with no alternative use to our Group and our Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation; and
- (2) For revenue relating to some of our single automated equipment, the revenue is recognised when our Group satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

**(iii) Provision of parts and services**

Our other business activity is in the provision of parts and services, mainly for our own manufactured equipment.

**12. FINANCIAL INFORMATION (Cont'd)**

The revenue recognition for our provision of parts and services in the FYE 31 December 2015 to 2017 is as follows:-

Revenue from the provision of parts is recognised when the significant risks and rewards of ownership have been transferred to the customer and where our Group retains neither continuity managerial involvement over the goods, which coincides with the delivery of goods, net of discounts.

Revenue from rendering of services is recognised upon performance of services, net of discounts.

The revenue recognition for our provision of parts and services in the FYE 31 December 2018 is as follows:-

Revenue from the provision of parts is recognised when our Group satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

Revenue from rendering of services is recognised upon performance of services and the customer receives and consumes the benefits provided by our Group, and our Group has a present right to payment for the services.

During the financial years under review, our Group's revenue is derived from both local and overseas markets. Revenue from the overseas markets is mainly from Vietnam, USA, Philippines, Ireland, PRC and Hong Kong.

**(c) Cost of sales**

Our Group's cost of sales mainly comprises the following:-

**(i) Direct material and component cost**

Direct material and component includes metal material (i.e. aluminium, mild steel and stainless steel material) and mechanical and electrical control hardware and parts such as PLC, HMI unit, CPU, pneumatic parts, vision system and sensors, vacuum pumps, gear head component, motors, industrial robots, mechanical parts, retractable enclosures and other accessories. We source these materials from both local and foreign suppliers, including suppliers carrying the brands specified by our customers.

**(ii) Direct labour cost**

Direct labour cost mainly consist of salaries, bonuses, EPF contributions and other staff-related benefits for engineers, factory workers and assembly personnel.

**(iii) Production overheads**

Production overheads mainly comprises upkeep of machinery and equipment, factory rental, utilities expenses, depreciation on manufacturing related assets (such as plant and machinery and buildings), packaging and freight expenses.

**(iv) Subcontractor cost**

We engage subcontractors to carry out the following activities:-

- Manual machining process such as turning, milling and grinding;
- CNC machining services such as turning, wire cut and laser cutting process; and

**12. FINANCIAL INFORMATION (Cont'd)**

- Finishing work of steel material and metal structure such as plating and powder coating.

We also engage subcontractors for the mechanical assembly of automated equipment at our assembly plant, electrical wiring and CNC milling services, bending and welding services. The level of these subcontractor works will depend on the level of orders received.

**(v) Provision for warranties**

Our Group provides warranties on certain automated equipment for a period of up to 24 months from the final acceptance date by customers and undertake to repair or replace items that fail to perform according to the customers' satisfaction.

**(d) Other income**

Other income mainly includes realised and unrealised gain on foreign exchange.

**(e) Administrative and marketing expenses**

Administrative and marketing expenses mainly include share-based payment transaction, bad debts written off, employee benefits and travelling expenses.

**(f) Finance cost**

Our finance cost mainly consist of interest charges on term loans for the purchase of leasehold land and building, working capital purposes, hire purchase for the purchase of machineries and motor vehicles as well as bank overdrafts and bankers' acceptance used in our ordinary course of business.

**12.2.2 Review of operations****(a) Revenue**

Our Group's revenue for the financial years under review was generated by our wholly-owned subsidiary, Greotech Integration:-

**(i) Analysis of contribution to revenue by business activities**

The breakdown of our Group's revenue by business activities is as follows:-

Business activities	Audited							
	FYE 31 December							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Automated equipment	15,460	72.27	14,746	64.95	89,768	95.59	208,875	95.12
Provision of parts and services	5,933	27.73	7,957	35.05	4,146	4.41	10,707	4.88
<b>Total revenue</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>

**12. FINANCIAL INFORMATION (Cont'd)****(ii) Analysis of revenue by geographical location**

The breakdown of our Group's revenue by geographical location, based on the billing country, is as follows:-

<-----Audited----->								
<-----FYE 31 December----->								
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Local</b>	3,888	18.17	14,300	62.99	17,878	19.04	21,991	10.01
<b>Overseas</b>	17,505	81.83	8,403	37.01	76,036	80.96	197,591	89.99
<b>Total</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>

**Overseas**

Vietnam	-	-	3	0.03	37,490	49.31	137,618	69.65
USA	4,175	23.85	3,687	43.88	34,052	44.78	55,694	28.19
Philippines	2	0.01	1	0.01	2,797	3.68	3,754	1.90
Ireland <sup>(1)</sup>	12,650	72.27	3,837	45.66	1,655	2.18	206	0.10
PRC	651	3.72	426	5.07	42	0.05	26	0.01
Hong Kong <sup>(1)</sup>	-	-	420	5.00	-	-	-	-
Others <sup>(2)</sup>	27	0.15	29	0.35	-	-	293	0.15
<b>Total</b>	<b>17,505</b>	<b>100.00</b>	<b>8,403</b>	<b>100.00</b>	<b>76,036</b>	<b>100.00</b>	<b>197,591</b>	<b>100.00</b>

**Notes:-**

- (1) Products and services were delivered and performed in PRC.  
 (2) Others include Japan, Israel and Singapore.

**12. FINANCIAL INFORMATION (Cont'd)****Commentary:-****FYE 31 December 2016**

	<-----Audited----->				<-----FYE 31 December----->	
	2015		2016		Increase / (Decrease)	
<b>Business activities</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b><u>Automated equipment</u></b>						
➤ Production line systems	-	-	-	-	-	-
➤ Single automated equipment	15,460	72.27	14,746	64.95	(714)	(4.62)
	15,460	72.27	14,746	64.95	(714)	
<b><u>Provision of parts and services</u></b>	5,933	27.73	7,957	35.05	2,024	34.11
<b>Total revenue</b>	<b>21,393</b>	<b>100.00</b>	<b>22,703</b>	<b>100.00</b>	<b>1,310</b>	<b>6.12</b>

For the financial year under review, our Group's revenue increased by RM1.310 million or 6.12% to RM22.703 million as compared to RM21.393 million in the FYE 31 December 2015. The increase in revenue was mainly due to the increase in revenue from the provision of parts and services by RM2.024 million or 34.11%, which mainly arose from the net effect of the following:-

- (i) increase in revenue from the sale of metal racks to a USA-owned solar module manufacturer based in Malaysia amounting to RM3.516 million. Our Group did not supply these metal racks to the customer in the FYE 31 December 2015. During the FYE 31 December 2016, our customer required these metal racks to store their solar modules and are ordered on an as needed basis (e.g. upon wear and tear damage or upon changes in physical specifications of the solar modules);
- (ii) decrease in revenue from the provision of on-site service support to a subsidiary of a global original brand manufacturer of smart devices and computers by RM0.491 million from RM1.010 million in the FYE 31 December 2015 to RM0.519 million in the FYE 31 December 2016; and
- (iii) decrease in revenue from the provision of metal parts to a USA-owned solar module manufacturer based in Malaysia by RM0.433 million from RM0.681 million in the FYE 31 December 2015 to RM0.248 million in the FYE 31 December 2016.

A significant portion of our revenue amounting to RM14.300 million or 62.99% was generated from the local market. This was mainly due to the secure of order for automated equipment and sale of metal racks amounting to RM13.403 million in the FYE 31 December 2016 from a USA-owned solar module manufacturer based in Malaysia.

**12. FINANCIAL INFORMATION (Cont'd)****Commentary:-****FYE 31 December 2017**

	<-----Audited----->					
	<-----FYE 31 December----->					
	2016		2017		Increase / (Decrease)	
Business activities	RM'000	%	RM'000	%	RM'000	%
<b><u>Automated equipment</u></b>						
➤ Production line systems	-	-	66,624	70.94	66,624	N/A*
➤ Single automated equipment	14,746	64.95	23,144	24.65	8,398	56.95
	14,746	64.95	89,768	95.59	75,022	
<b><u>Provision of parts and services</u></b>	7,957	35.05	4,146	4.41	(3,811)	(47.89)
<b>Total revenue</b>	<b>22,703</b>	<b>100.00</b>	<b>93,914</b>	<b>100.00</b>	<b>71,211</b>	<b>313.66</b>

**Note:-**

\* Our production line systems activity commenced in the FYE 31 December 2017.

For the financial year under review, our Group's revenue increased by RM71.211 million or 313.66% to RM93.914 million in the FYE 31 December 2017 as compared to RM22.703 million in the FYE 31 December 2016.

The revenue contribution from automated equipment increased by RM75.022 million or 508.76% from RM14.746 million in FYE 31 December 2016 as compared to RM89.768 million in the FYE 31 December 2017. The increase in revenue from automated equipment was mainly attributed to the following:-

- (i) our expansion into the design and manufacture of production line systems for the solar sector. We received these orders from USA-owned solar module manufacturers. These production line systems are for our customers' manufacturing plants in USA, Vietnam and Malaysia. The production line systems for our overseas markets (i.e. USA and Vietnam) amounted to RM51.372 million;
- (ii) increase in revenue for the manufacture of loading and unloading equipment to handle solar wafer equipment by RM16.344 million or 565.93% from RM2.888 million in the FYE 31 December 2016 to RM19.232 million in the FYE 31 December 2017 from a USA-based solar cell and module manufacturer; and
- (iii) we secured orders for the manufacture of a loading and unloading equipment to handle semiconductor wafer amounting to RM2.795 million in the FYE 31 December 2017 from a Philippines-based company involved in the design, fabrication and testing of WLP.

In line with the above increase in revenue from our automated equipment activity which primarily comprise overseas markets, our overseas markets contribution increased by RM67.633 million or 804.87% to RM76.036 million in the FYE 31 December 2017.

The increase in revenue from automated equipment was partially offset by the decrease in revenue from provision of parts and services amounting to RM3.811 million or 47.89% mainly due to a decrease in revenue contribution from a USA-owned solar module manufacturer based in Malaysia.

**12. FINANCIAL INFORMATION (Cont'd)****Commentary:-****FYE 31 December 2018**

Business activities	<-----Audited----->					
	<-----FYE 31 December----->					
	2017		2018		Increase / (Decrease)	
	RM'000	%	RM'000	%	RM'000	%
<b><u>Automated equipment</u></b>						
➤ Production line systems	66,624	70.94	185,358	84.41	118,734	178.22
➤ Single automated equipment	23,144	24.65	23,517	10.71	373	1.61
	89,768	95.59	208,875	95.12	119,107	
<b><u>Provision of parts and services</u></b>	4,146	4.41	10,707	4.88	6,561	158.25
<b>Total revenue</b>	<b>93,914</b>	<b>100.00</b>	<b>219,582</b>	<b>100.00</b>	<b>125,668</b>	<b>133.81</b>

For the financial year under review, our Group's revenue increased by RM125.668 million or 133.81% to RM219.582 million in the FYE 31 December 2018 as compared to RM93.914 million in the FYE 31 December 2017.

The revenue contribution from automated equipment increased by RM119.107 million or 132.68% from RM89.768 million in FYE 31 December 2017 as compared to RM208.875 million in the FYE 31 December 2018. The increase in revenue from automated equipment was mainly attributed to the increase in revenue for the manufacture of production line systems for the solar sector by RM118.734 million or 178.22% from RM66.624 million in the FYE 31 December 2017 to RM185.358 million in the FYE 31 December 2018 for USA-owned solar module manufacturers. These production line systems are for our customers' manufacturing plants in USA, Vietnam and Malaysia. We completed and delivered more production line systems for the financial year under review including framing systems that has much bigger footprint and higher revenue. For the previous financial year, we have only commenced design work for the framing system. The production line systems for our overseas markets (i.e. USA and Vietnam) amounted to RM169.121 million.

In line with the above increase in revenue from our automated equipment activity which primarily comprise overseas markets, our overseas markets contribution increased by RM121.555 million or 159.87% to RM197.591 million in the FYE 31 December 2018.

In addition, the increase in revenue from provision of parts and services by RM6.561 million or 158.25% was mainly contributed by a USA-owned solar module manufacturer. The sale of parts were for production line systems delivered to our customer's manufacturing plants in USA, Malaysia and Vietnam as spare kits for wear and tear damages.



**12. FINANCIAL INFORMATION (Cont'd)****(b) Cost of sales****(i) Analysis of cost of sales by cost component:-**

A breakdown of our cost of sales by cost component for the financial years under review is as follows:-

Type of cost component	<-----Audited----->							
	<-----FYE 31 December----->							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct material and component cost	6,296	48.82	2,754	25.43	36,034	59.87	101,133	58.01
Subcontractor cost	331	2.57	889	8.21	3,756	6.24	24,519	14.06
Production overheads	1,952	15.14	2,131	19.68	4,627	7.69	16,845	9.66
Direct labour cost	4,317	33.47	5,055	46.68	8,890	14.77	15,965	9.16
Provision of warranties	-	-	-	-	6,880	11.43	15,887	9.11
<b>Total cost of sales</b>	<b>12,896</b>	<b>100.00</b>	<b>10,829</b>	<b>100.00</b>	<b>60,187</b>	<b>100.00</b>	<b>174,349</b>	<b>100.00</b>

**(ii) Analysis of cost of sales by business activities:-**

A breakdown of our cost of sales by business activities for the financial years under review is as follows:-

Business activities	<-----Audited----->							
	<-----FYE 31 December----->							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Automated equipment	9,729	75.44	7,185	66.35	58,182	96.67	165,417	94.88
Provision of parts and services	3,167	24.56	3,644	33.65	2,005	3.33	8,932	5.12
<b>Total cost of sales</b>	<b>12,896</b>	<b>100.00</b>	<b>10,829</b>	<b>100.00</b>	<b>60,187</b>	<b>100.00</b>	<b>174,349</b>	<b>100.00</b>

**Commentary:-****Direct material and component cost****FYE 31 December 2016**

Direct material and component cost decreased by RM3.542 million or 56.26% to RM2.754 million for the FYE 31 December 2016. The decrease was mainly due to the change in the mix of the manufacturing of automated equipment from assembly equipment and inspection and measurement equipment for consumer electronics sector, to loading and unloading equipment to handle solar wafer. The direct material and component required for the loading and unloading equipment manufactured during the FYE 31 December 2016 were less expensive than the direct material and component required for assembly equipment and inspection and measurement equipment in the previous year.

**12. FINANCIAL INFORMATION (Cont'd)**

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**FYE 31 December 2017**

Direct material and component cost increased by RM33.280 million or 1,208.42% to RM36.034 million for the FYE 31 December 2017. During the FYE 31 December 2017, we expanded our business to manufacture production line systems. The increase was directly related to the revenue increase in production line systems and certain material and component which were purchased from suppliers carrying the brands specified by our customers.

**FYE 31 December 2018**

Direct material and component cost increased by RM65.099 million or 180.66% to RM101.133 million for the FYE 31 December 2018. The increase was in line with the increase in revenue from manufacture of production line systems.

**Subcontractor cost****FYE 31 December 2016**

For the FYE 31 December 2016, our subcontractor cost increased by RM0.558 million or 168.58%. This was mainly due to the engagement of additional subcontractors for manual machining process such as milling, CNC machining services such as turning and milling, finishing and assembly related services for the manufacture of loading and unloading equipment to handle solar wafer.

**FYE 31 December 2017**

For the FYE 31 December 2017, our subcontractor cost increased by RM2.867 million or 322.50% mainly due to the increase in orders represented by the increase of RM71.211 million in our Group's revenue. This was mainly due to the engagement of additional subcontractors for manual machining process such as milling, CNC machining services such as turning and milling services, finishing services and assembly related services for the manufacture of production line systems and loading and unloading equipment to handle solar wafer.

**FYE 31 December 2018**

For the FYE 31 December 2018, our subcontractor cost increased by RM20.763 million or 552.80% mainly due to the increase in orders represented by the increase of RM125.668 million in our Group's revenue. This was mainly due to the engagement of additional subcontractors for manual machining process such as turning and milling, CNC machining services such as turning and milling services, welding services and assembly related services for the manufacture of production line systems and loading and unloading equipment to handle solar wafer.

**12. FINANCIAL INFORMATION (Cont'd)****Production overheads****FYE 31 December 2016**

For the FYE 31 December 2016, there was an increase in production overheads by RM0.179 million or 9.17% to RM2.131 million as compared to the FYE 31 December 2015. This was mainly due to the increase in utility expenses during the financial year under review.

**FYE 31 December 2017**

For the FYE 31 December 2017, production overheads increased by RM2.496 million or 117.13% to RM4.627 million as compared to FYE 31 December 2016. This was mainly due to the increase in orders, which is represented by the increase of RM71.211 million in our Group's revenue. In line with the increase of orders, production related expenses such as utility expenses, freight expenses, depreciation, upkeep of machinery and equipment and tools expenses had also increased. In addition, our Group incurred additional rental expenses amounting to RM0.444 million arising from the newly rented premises namely:-

- Lot No. 1524 in March 2017;
- Plot 4 in June 2017; and
- Plot 16A in September 2017.

These newly rented premises are to cater for the growth in orders received for automated equipment for the solar sector.

**FYE 31 December 2018**

For FYE 31 December 2018, there was an increase in production overheads by RM12.218 million or 264.06% to RM16.845 million as compared to the FYE 31 December 2017. In line with the increase in orders, production related expenses such as travelling expenses, utility expenses, freight and packing expenses, depreciation, upkeep of machinery and equipment and tools expenses had also increased. In addition, our Group incurred full year rental expenses amounting to RM0.953 million arising from the rented premises namely:-

- Plot 4 in June 2017;
- Plot 16A in September 2017; and
- Lot No. 1521 in January 2018.

**12. FINANCIAL INFORMATION (Cont'd)****Direct labour cost****FYE 31 December 2016**

Direct labour cost for the FYE 31 December 2016 increased by RM0.738 million or 17.10% as compared to FYE 31 December 2015 of RM4.317 million mainly due to salary increment during the financial year under review.

**FYE 31 December 2017**

Direct labour cost for the FYE 31 December 2017 increased by RM3.835 million or 75.87% as compared to FYE 31 December 2016 of RM5.055 million mainly due to the increase in headcount by 108 employees from 108 employees in the FYE 31 December 2016 to 216 employees in the FYE 31 December 2017. The increase was mainly from our manufacturing, assembly and technology & development departments for the manufacture of production line systems.

**FYE 31 December 2018**

Direct labour cost for the FYE 31 December 2018 increased by RM7.075 million or 79.58% as compared to the FYE 31 December 2017 of RM8.890 million mainly due to the increase in headcount by 82 employees from 216 employees in the FYE 31 December 2017 to 298 employees in the FYE 31 December 2018. The increase was mainly from our manufacturing, assembly and technology & development departments. The increase in headcount was to accommodate the execution of the increase in purchase orders received for the manufacture of production line systems.

**Provision for warranties****FYE 31 December 2016**

There was no provision for warranties for the FYE 31 December 2016.

**FYE 31 December 2017**

During the FYE 31 December 2017, our Group had a provision for warranties amounting to RM6.880 million for warranty on certain products for a period of up to 24 months for our production line systems and single automated equipment sold mainly pursuant to purchase orders under the MEPA and EPSA.

**FYE 31 December 2018**

For the FYE 31 December 2018, our Group had a provision for warranties amounting to RM15.887 million for warranty on certain products for a period of up to 24 months for our production line systems and single automated equipment sold mainly pursuant to purchase orders under the MEPA and EPSA.

**12. FINANCIAL INFORMATION (Cont'd)****(c) Gross profit and gross profit margin analysis****(i) Analysis of gross profit and gross profit margins by business activities:-**

Gross profit	-----Audited----->							
	-----FYE 31 December----->							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Automated equipment	5,731	67.45	7,561	63.68	31,586	93.65	43,458	96.08
Provision of parts and services	2,766	32.55	4,313	36.32	2,141	6.35	1,775	3.92
<b>Total gross profit</b>	<b>8,497</b>	<b>100.00</b>	<b>11,874</b>	<b>100.00</b>	<b>33,727</b>	<b>100.00</b>	<b>45,233</b>	<b>100.00</b>
<b>Gross profit margin</b>		<b>%</b>		<b>%</b>		<b>%</b>		<b>%</b>
Automated equipment		37.07		51.27		35.19		20.81
Provision of parts and services		46.62		54.20		51.64		16.58
<b>Gross profit margin</b>		<b>39.72</b>		<b>52.30</b>		<b>35.91</b>		<b>20.60</b>

We manufacture customised automated equipment to meet the requirements of our customers. Our Group's revenue increased significantly from the FYE 31 December 2016 to the FYE 31 December 2018 arising from the orders secured under the MEPA and EPSA (2016: RM22.703 million; 2017: RM93.914 million; and 2018: RM219.582 million). Notwithstanding the aforesaid increase in revenue, the gross profit margins recognised by our Group for the MEPA and EPSA are dependent on the percentage of completion of work done for the FYE 31 December 2017 and performance obligation met under MFRS 15 for the FYE 31 December 2018. Our Group has identified 3 separate stages from the MEPA and EPSA, which are as follows:-

**(i) Design stage**

During the design stage, our customer would benefit from the customised design produced by our Group on its own as stipulated in the contract. The customer remains the ownership, title and interests of the customised design.

**(ii) Fabrication and assembly stage**

During the fabrication and assembly stage, we manufacture and deliver the identifiable promised automated equipment to the customer.

**(iii) Final acceptance by customer after installation**

Upon the satisfaction of the final acceptance test, the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from the automated equipment.

During the design stage, our Group usually only incurs direct labour and production overheads costs. Thus, the gross profit margin is usually higher at the design stage due to lower cost of sales as compared to the other stages. Subsequently, gross profit margins are lower in the fabrication and assembly stages, and final acceptance by customer after installation, when the direct material and components cost and subcontractor cost come into effect.

**12. FINANCIAL INFORMATION (Cont'd)****Commentary:-****FYE 31 December 2016**

Our gross profit increased by RM3.377 million from RM8.497 million for the FYE 31 December 2015 to RM11.874 million for the FYE 31 December 2016. Our overall gross profit margin increased to 52.30% for the FYE 31 December 2016 as compared to 39.72% for the FYE 31 December 2015.

The overall increase in gross profit margin was mainly due to the following:-

- (i) change in the mix of the manufacturing of automated equipment from assembly equipment and inspection and measurement equipment for consumer electronics sector, to loading and unloading equipment to handle solar wafer. The direct material and component required for the loading and unloading equipment manufactured during the FYE 31 December 2016 were less expensive than the direct material and component required for assembly equipment and inspection and measurement equipment in the previous year;
- (ii) higher selling price for the sale of an assembly equipment to a USA-owned solar module manufacturer based in Malaysia. The higher selling price arose after negotiations from the customer arising from the short period of time given by the customer to deliver the assembly equipment; and
- (iii) lower cost incurred for the sale of a one-off assembly equipment due to the customer's migration in technology. Our customer had decided not to proceed with the manufacturing of the said equipment. As such, as agreed with the customer, we were able to bill up to 65.00% of the total value of the purchase order based on the project milestone completed (whereby we had commenced the manufacturing of the said equipment which entailed completing the design and early stage assembly), with minimum cost incurred.

**FYE 31 December 2017**

Our Group recorded an increase in gross profit by RM21.853 million or 184.04% from RM11.874 million for the FYE 31 December 2016 to RM33.727 million for the FYE 31 December 2017. The increase was mainly due to the increase in orders represented by the increase of RM71.211 million in our Group's revenue.

However, our Group's gross profit margin decreased by 16.39% from 52.30% for the FYE 31 December 2016 to 35.91% for the FYE 31 December 2017. The decrease in gross profit margin was mainly due to the following:-

- (i) inventories written off of RM2.873 million. The inventories arose in anticipation of purchase orders to be received from an existing customer for the manufacture of automated equipment. Our Group commenced the manufacturing of this automated equipment in FYE 31 December 2016 due to the short period of time given by the customer to deliver the automated equipment. However, as the orders were not placed by the customer, the inventories amounting to RM2.873 million were written off in the FYE 31 December 2017 ("**Inventories Written-Off 2017**"); and
- (ii) provision for warranties amounting to RM6.880 million for warranty on certain products for a period of up to 24 months for our production line systems and single automated equipment sold mainly pursuant to purchase orders under the MEPA and EPSA.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 31 December 2018**

Our Group recorded an increase in gross profit by RM11.506 million or 34.12% from RM33.727 million in the FYE 31 December 2017 to RM45.233 million for the FYE 31 December 2018. The increase was mainly due to the increase in orders represented by the increase of RM125.668 million in our Group's revenue.

However, our Group's gross profit margin decreased by 15.31% from 35.91% for the FYE 31 December 2017 to 20.60% for the FYE 31 December 2018. The decrease in gross profit margin was mainly due to the following:-

- (i) increase in direct material and component cost as majority of our Group's secured orders (i.e. manufacturing of production line systems and single automated equipment arising from the MEPA and EPSA respectively) were in the fabrication and assembly stages, and delivered in the FYE 31 December 2018. For the previous FYE 31 December 2017, majority of our Group's secured orders were at the design stage, where only direct labour and production overheads were incurred;
- (ii) the engagement of more subcontractors mainly for the mechanical assembly and electrical wiring of automated equipment at our assembly plant during the financial year under review. We have our own assembly personnel for the assembly activities. However, due to the increase in orders and to ensure timely delivery of our automated equipment, we also subcontracted the assembly activities; and
- (iii) decrease in gross profit margin for provision of parts and services mainly arising from the change in the products mix. In the FYE 31 December 2017, we provided engineering services for the relocation of production lines which generated higher gross profit margin as compared to supply of spare parts and component.

**(d) Other key factors affecting the profitability of our Group**

The other key factors affecting the profitability of our Group include those factors discussed below and other sections in this Prospectus, in particular the risk factors under Section 4 of this Prospectus:-

**(i) Other income**

Our Group's other income was RM2.257 million, RM0.488 million, RM0.357 million and RM7.529 million for the FYE 31 December 2015 to 2018, respectively, and consisted of the following:-

<-----Audited----->								
<-----FYE 31 December----->								
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Unrealised gain on foreign exchange	959	42.49	125	25.61	-	-	-	-
Realised gain on foreign exchange	1,178	52.19	111	22.75	-	-	6,364	84.53
Others*	120	5.32	252	51.64	357 <sup>(1)</sup>	100.00	1,165 <sup>(2)</sup>	15.47
<b>Total</b>	<b>2,257</b>	<b>100.00</b>	<b>488</b>	<b>100.00</b>	<b>357</b>	<b>100.00</b>	<b>7,529</b>	<b>100.00</b>

**12. FINANCIAL INFORMATION (Cont'd)****Notes:-**

- \* Others mainly include interest income, amortisation of government grant (grant from MIDA for the purchase and/or upgrade of plant and machinery for the FYE 31 December 2017 and FYE 31 December 2018), dividend income, waiver of debts, gain on disposal of PPE, fair value gain on short term funds, sales of scrap, staff medical and travelling insurance claims and, reversal of impairment loss on trade receivables.
- (1) Mainly comprises interest income amounting to RM0.204 million for the FYE 31 December 2017.
- (2) Mainly comprises dividend income arising from cash placed in Islamic short term money market funds, sales of scrap and reversal of impairment loss on trade receivables amounting to RM0.341 million, RM0.304 million and RM0.242 million respectively.

**Commentary:-****FYE 31 December 2016**

For the FYE 31 December 2016, the decrease in other income by RM1.769 million or 78.38% to RM0.488 million as compared to the FYE 31 December 2015 of RM2.257 million were mainly due to the decrease in realised and unrealised gain on foreign exchange from RM1.178 million and RM0.959 million to RM0.111 million and RM0.125 million, respectively. This was mainly due to the stabilisation of exchange rates between RM against USD. Further, we had a waiver of debt amounting to RM0.112 million mainly due to rectification of accounting entries from prior years relating to creditors and accrual made to a few of our creditors from prior years which was not claimed.

**FYE 31 December 2017**

For the FYE 31 December 2017, the decrease in other income by RM0.131 million or 26.84% to RM0.357 million as compared to the FYE 31 December 2016 of RM0.488 million were mainly due to the absences of realised and unrealised gain on foreign exchange and waiver of debts in the FYE 31 December 2017. The decrease in other income is partially offset by the increase in interest income of RM0.156 million or 325.00% to RM0.204 million.

**FYE 31 December 2018**

For the FYE 31 December 2018, the increase in other income by RM7.172 million or 2,008.96% to RM7.529 million as compared to the FYE 31 December 2017 of RM0.357 million were mainly due to the following:-

- (i) realised gain on foreign exchange amounting to RM6.364 million as compared to realised loss on foreign exchange during the FYE 31 December 2017. This was mainly due to the depreciation of exchange rates between RM against USD. As 94.92% of our sales were transacted in USD for the financial year under review, the aforesaid depreciation of RM translated into a realised gain on foreign exchange for our Group; and
- (ii) there was an increase in dividend income from RM0.018 million to RM0.341 million due to additional placement of cash in Islamic short term money market funds during the financial year under review. In addition, there was an increase in sales of scrap from RM0.053 million to RM0.304 million which was in line with the increase in revenue for the manufacture of production line systems.



**12. FINANCIAL INFORMATION (Cont'd)****(ii) Administrative and marketing expenses**

Administrative and marketing expenses for the FYE 31 December 2015 to 2018 was RM4.928 million, RM5.749 million, RM14.267 million and RM20.340 million respectively, and consisted of the following:-

	-----Audited----->							
	-----FYE 31 December----->							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Employee benefits	2,490	50.53	2,664	46.34	3,036	21.28	4,927	24.22
Share-based payment transaction	-	-	-	-	-	-	4,085	20.08
Unrealised loss on foreign exchange	-	-	-	-	804	5.64	2,962	14.56
Marketing expenses	174	3.53	360	6.26	423	2.96	1,817	8.93
Professional and consultant fees	145	2.94	256	4.45	1,344	9.42	1,716	8.44
Travelling expenses	1,369	27.78	1,312	22.82	2,008	14.07	937	4.61
Depreciation	273	5.54	382	6.65	498	3.49	780	3.84
Research and development expenses	-	-	-	-	-	-	673	3.31
Impairment loss on trade receivables	-	-	-	-	-	-	523	2.57
Bad debts written off	-	-	-	-	3,694	25.89	-	-
Realised loss on foreign exchange	-	-	-	-	1,425	9.99	-	-
Others*	477	9.68	775	13.48	1,035	7.26	1,920	9.44
<b>Total</b>	<b>4,928</b>	<b>100.00</b>	<b>5,749</b>	<b>100.00</b>	<b>14,267</b>	<b>100.00</b>	<b>20,340</b>	<b>100.00</b>

**Note:-**

- \* Others mainly include upkeep and maintenance, penalty, utilities, processing fee, security fee, printing and stationery and, sundry expenses. Penalty is mainly due to an under estimation of tax payables and late filing of tax returns.

**Commentary:-****FYE 31 December 2016**

For the FYE 31 December 2016, the increase in administrative and marketing expenses by RM0.821 million or 16.66% from RM4.928 million for the FYE 31 December 2015 to RM5.749 million for the FYE 31 December 2016 was mainly due to the following:-

- (i) increase in marketing expenses by RM0.186 million or 106.90% due to agent fees paid for the engagement of a sales representative to provide services to one of our customers in the USA, which is mainly to procure sales including responding to technical enquiries relating to our loading and unloading equipment to handle solar wafer;

**12. FINANCIAL INFORMATION (Cont'd)**

- (ii) increase in employee benefits by RM0.174 million or 6.99% to RM2.664 million due to salary increment;
- (iii) increase in professional and consultant fees by RM0.111 million or 76.55% mainly due to legal fees paid for preparation of banking facility agreement entered during the financial year under review; and
- (iv) increase in other administrative and marketing expenses which is mainly due to increase in penalty by RM0.156 million or 156.00% to RM0.256 million in the FYE 31 December 2016. This is mainly due to the under estimation of tax payables and late filing of tax returns.

**FYE 31 December 2017**

For the FYE 31 December 2017, the increase in administrative and marketing expenses by RM8.518 million or 148.16% from RM5.749 million for the FYE 31 December 2016 to RM14.267 million for the FYE 31 December 2017 was mainly due to the following:-

- (i) bad debts written off amounting to RM3.694 million during the financial year under review arising from orders received for our inspection and measurement equipment during the FYE 31 December 2014. Despite constant efforts taken by our Group to recover the amount outstanding including follow-up calls and emails, the amount outstanding remains unpaid by the customer;
- (ii) realised and unrealised loss on foreign exchange amounting to RM1.425 million and RM0.804 million respectively due to appreciation of RM against USD as 92.71% of our Group's revenue were transacted in USD for the financial year under review;
- (iii) increase in travelling expenses by RM0.696 million or 53.05% mainly due to expenses incurred for the installation and commissioning of the production line systems and loading and unloading equipment to handle solar wafer to the USA;
- (iv) increase in employee benefits by RM0.372 million or 13.96% mainly due to salary increment and increase in head count by 17 employees from 23 employees in the FYE 31 December 2016 to 40 employees in the FYE 31 December 2017. The increase was mainly from our purchasing, store & logistics and finance departments; and
- (v) increase in professional and consultant fees by RM1.088 million or 425.00% mainly due to professional fees incurred for the IPO.

**FYE 31 December 2018**

For the FYE 31 December 2018, the increase in administrative and marketing expenses by RM6.073 million or 42.57% from RM14.267 million for the FYE 31 December 2017 to RM20.340 million for the FYE 31 December 2018 was mainly due to the following:-

- (i) share-based payment transaction under MFRS 2 amounting to RM4.085 million due to the disposal of shares in Greotech Integration by GTECH Holdings to LLH Holdings Sdn Bhd and SmartCap Venture Sdn Bhd. The share-based payment transaction represents fair value of the services received from employees and others providing similar services in exchange for the equity instruments granted at the measurement date;

**12. FINANCIAL INFORMATION (Cont'd)**

- (ii) unrealised loss on foreign exchange amounting to RM2.962 million due to appreciation of RM against USD during December 2018;
- (iii) increase in employee benefits by RM1.891 million or 62.29% to RM4.927 million due to salary increment and increase in headcount by 11 employees from 40 employees in the FYE 31 December 2017 to 51 employees in the FYE 31 December 2018. The increase was mainly from our purchasing, store & logistics departments;
- (iv) increase in marketing expenses by RM1.394 million or 329.55% due to agent fees paid for the engagement of a sales representative to provide services to one of our customers in the USA, which is mainly to procure sales including responding to technical enquiries relating to our loading and unloading equipment to handle solar wafer;
- (v) research and development expenses amounting to RM0.673 million as our Group had set-up an R&D division in May 2018 where we commenced preliminary R&D activities with initial conceptualisation of prototypes of production line system for the assembly of battery modules and battery packs; and
- (vi) impairment loss on trade receivables of RM0.523 million due to application of MFRS 9 *Financial Instruments*.

The increase in administrative and marketing expenses was partially offset by the absence of bad debt written-off and realised loss on foreign exchange during the financial year under review as compared to the FYE 31 December 2017.

**(iii) Finance cost**

Finance cost for the FYE 31 December 2015 to 2018 was RM0.222 million, RM0.527 million, RM0.549 million and RM0.561 million respectively. The finance cost incurred was for financing facilities used by our Group which include term loans, hire purchase creditors, bank overdrafts and bankers' acceptance.

Finance cost increased by RM0.305 million or 137.39% from RM0.222 million in the FYE 31 December 2015 to RM0.527 million in the FYE 31 December 2016. This was mainly due to the drawdown of new banking facilities for working capital purposes during the financial year under review.

**(iv) Taxation****(a) Income tax**

Income tax expense	<-----Audited----->			
	<-----FYE 31 December----->			
	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Income tax expense	6	277	212	142
Effective tax rate (%)	0.11	4.55	1.10	0.45

For the FYE 31 December 2015 to 2018, the effective tax rate was lower than the statutory tax rate due to the pioneer status granted by the MITI under the Promotion of Investment Act, 1986 which exempts 100% of the statutory income from certain activities of Greatech Integration from Malaysian taxation.

Our Group was granted the following pioneer status for the following products:-

**12. FINANCIAL INFORMATION (Cont'd)**

- Back end automation production line for solar panel and related component which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 21 August 2006 to 20 August 2011 and subsequently extended to 20 August 2016;
- Automated production machine and related component for manufacturing of smart phone, tablets, playing device and reading device which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 and expired on 28 March 2018; and
- Automated handlers for front end solar wafer and solar panel which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 to 28 March 2018 and subsequently extended to 28 March 2023.

**(b) Other tax related information**

For the FYE 31 December 2015 to 2017, Greatech Integration settled all the outstanding tax liabilities including the penalties imposed by the IRB pursuant to Section 112(3) of Income Tax Act 1967 for failing to submit the tax return in accordance with Subsection 77A(1) of Income Tax Act 1967. The delay in submission of the tax returns was mainly due to differing objectives and expectations on the management and operation of Greatech Integration between the directors (who are also shareholders) prior to 2007. This misalignment had caused disruptions in the overall operations and administration of Greatech Integration, including late filing of annual returns and late lodgement of accounts which resulted in late submission of tax returns. In year 2007, the former director decided to resign as a director to pursue his own interest.

The penalties imposed on Greatech Integration by the IRB during FYE 31 December 2015 to 2017 for the late submission of tax returns and underestimation of tax for FYE 2003 to 2015 are as follows:-

<b>FYE 31 December 2015</b>	<b>FYE 31 December 2016</b>	<b>FYE 31 December 2017</b>
RM80,446	RM341,641	RM7,077

To prevent recurrence of the non-compliances in the future, our Group has implemented the following:-

- Appropriate briefing has been provided to our Directors and key senior management on the various guidelines, rules and regulations which include areas on practice of good corporate governance, roles and responsibilities of directors and key senior management, obligations of a public listed company post-listing;
- Enhanced our internal controls and implemented appropriate internal controls systems after the engagement of a third party internal control reviewer;
- Our Group's finance department will regularly report to the Audit and Risk Management Committee on the compliance with tax submissions; and
- The Audit and Risk Management Committee will review the adequacy and effectiveness of risk management and internal control systems instituted within our Group.

**12. FINANCIAL INFORMATION (Cont'd)**

As at the LPD, the current tax agent of our Group has confirmed that Greatech Integration:-

- has settled all its outstanding tax liabilities;
- has not been audited or investigated by the IRB;
- has not been involved in any dispute with the IRB concerning taxation.

**(v) PBT and PAT****FYE 31 December 2016**

Our Group recorded an increase in PBT of RM0.482 million during the FYE 31 December 2016 mainly contributed by the increase in gross profit. The increase was partially offset by lower other income and higher administrative and marketing expenses during the financial year under review. As such, our PBT margin improved marginally to 26.81% in the FYE 31 December 2016 as compared to 26.20% in the FYE 31 December 2015.

Our Group's PAT increased by RM0.211 million to RM5.809 million in the FYE 31 December 2016 as compared to RM5.598 million in the FYE 31 December 2015. Our Group recorded a PAT margin of 25.59% in the FYE 31 December 2016 (FYE 31 December 2015: 26.17%).

For the FYE 31 December 2016, other comprehensive income amounting to RM3.827 million was due to the revaluation of Plot 287B and Plot 287C.

**FYE 31 December 2017**

Our Group's PBT increased by RM13.182 million or 216.60% from RM6.086 million in the FYE 31 December 2016 to RM19.268 million in the FYE 31 December 2017, which was in line with the increase in revenue and gross profit for the financial year under review.

However, our Group's PBT margin decreased to 20.52% in the FYE 31 December 2017 from 26.81% in the FYE 31 December 2016. This was in line with the decrease in the gross profit margin to 35.91% in the FYE 31 December 2017 as compared to 52.30% in the FYE 31 December 2016.

Our Group's PAT increased by RM13.247 million or 228.04% from RM5.809 million in the FYE 31 December 2016 to RM19.056 million in the FYE 31 December 2017. Our Group recorded a PAT margin of 20.29% in the FYE 31 December 2017 (FYE 31 December 2016: 25.59%).

**FYE 31 December 2018**

Our Group's PBT increased by RM12.593 million or 65.36% from RM19.268 million in the FYE 31 December 2017 to RM31.861 million in the FYE 31 December 2018 mainly contributed by the increase in gross profit. The increase was partially offset by higher administrative and marketing expenses during the financial year under review.

However, our Group's PBT margin decreased to 14.51% in the FYE 31 December 2018 from 20.52% in the FYE 31 December 2017. This was mainly due to lower gross profit margin of 20.60% in the FYE 31 December 2018 (FYE 31 December 2017: 35.91%).

**12. FINANCIAL INFORMATION (Cont'd)**

Our Group's PAT increased by RM12.663 million or 66.45% from RM19.056 million in the FYE 31 December 2017 to RM31.719 million in the FYE 31 December 2018. Our Group recorded a PAT margin of 14.45% in the FYE 31 December 2018 (FYE 31 December 2017: 20.29%).

**(e) Significant factors materially affecting our operations and financial results**

In addition to the factors and trends set out in Section 12.2.10 of this Prospectus, some of the following factors that may have an impact to our operations and financial results are as follows:-

**(i) Dependency on certain major customers**

Our Group is dependent on our major customers, namely First Solar group of companies and Panasonic. Please refer to Section 5.4.15 of this Prospectus for further details on our major customers. Therefore, any interruptions in securing purchase orders from these major customers or the loss of any of these major customers including, but not limited to, delays or deferment of purchase orders, and/or decrease in the value or number of purchase orders would adversely impact on our business operations and financial performance.

Please refer to Section 4.1.1 of this Prospectus for further details on this risk factor.

**(ii) Impact of foreign exchange**

Our export sales are predominantly in USD, whilst some of our purchases of direct material and component cost are denominated in USD, EUR, SGD, JPY, GBP and RMB. As a result, we are exposed to fluctuations in foreign exchange rates and any adverse movements in the foreign exchange markets may have a negative impact on our business performance, financial position and operating results.

**12. FINANCIAL INFORMATION (Cont'd)**

The exposures of our purchases and sales in RM value equivalent for the FYE 31 December 2015 to 2018 are as follows:-

**Exposure of purchases in RM value equivalent**

Transaction currency	-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	% of total purchases*	RM'000	% of total purchases*	RM'000	% of total purchases*
USD	4,642	59.04	2,153	30.36	14,476	30.71
EUR	78	0.99	26	0.37	468	0.99
SGD	187	2.38	80	1.13	1,068	2.27
JPY	391	4.97	870	12.27	1,445	3.07
GBP	-	-	-	-	-	-
RMB	2	0.03	3	0.04	-	-
					54,032	38.44
					5,037	3.58
					2,145	1.53
					587	0.42
					514	0.37
					-	-

**Note:-**

\* Total purchases for the FYE 31 December 2015 to 2018 were RM7.862 million, RM7.091 million, RM47.139 million and RM140.565 million respectively.

**Exposure of revenue in RM value equivalent**

Transaction currency	-----FYE 31 December----->					
	2015		2016		2017	
	RM'000	% of total revenue@	RM'000	% of total revenue@	RM'000	% of total revenue@
USD	17,518	81.89	17,436	76.80	87,064	92.71
					208,436	94.92

**Note:-**

@ Total revenue for the FYE 31 December 2015 to 2018 were RM21.393 million, RM22.703 million, RM93.914 million and RM219.582 million respectively.

**12. FINANCIAL INFORMATION (Cont'd)**

In view that our sales is typically denominated in USD, we maintain our cash inflow in a USD-denominated bank account where it will be used to settle the portion of cost of operation which are payable in USD. This provides our Group with a natural foreign currency hedge. We also maintain other foreign currency accounts, namely in EUR, SGD and JPY for payments of our foreign purchases.

As at the LPD, we do not utilise any financial instruments for hedging purposes. We constantly monitor and review our Group's need to hedge. Should this exposure become substantial, we will consider hedging our position. As at the LPD, our Group has a forward exchange contract which has not been utilised.

Our net gain or loss from realised and unrealised on foreign exchange for the FYE 31 December 2015 to 2018 are as follows:-

	<-----FYE 31 December----->			
	2015	2016	2017	2018
	RM'000	RM'000	RM'000	RM'000
Realised gain/(loss) on foreign exchange	1,178	111	(1,425)	6,364
Unrealised gain/(loss) on foreign exchange	959	125	(804)	(2,962)
<b>Net gain/(loss) on foreign exchange</b>	<b>2,137</b>	<b>236</b>	<b>(2,229)</b>	<b>3,402</b>

Our Group is subjected to foreign exchange rate fluctuations through revenue earned that is denominated in USD and purchases denominated in USD, EUR, SGD, JPY, GBP and RMB. As such, fluctuations in foreign exchange rates between RM and USD, EUR, SGD, JPY, GBP and RMB may have an impact on our reported income as they are required to be converted into RM in our financial statements.

**(iii) Impact of government/economic/fiscal/monetary policies**

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 4 of this Prospectus. Save as disclosed in Sections 4, 6 and 12 of this Prospectus, there is no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the FYE 31 December 2015 to 2018.

**(iv) Timely completion of our orders**

Our cash flow is dependent on the timely completion of our orders as the billing to customers is on a progressive basis based on the milestone agreed with customers. Completion of our orders is dependent on various external factors inherent in our industry mainly availability of direct material and component and satisfactory performance of the appointed subcontractors. Any adverse developments which lead to any delay in completing our orders may adversely impact our financial performance and cash flows.

**(v) Provision for warranties**

During the FYE 31 December 2017, our Group began to provide warranties on certain products for the period of up to 24 months for our automated equipment, which are our production line systems and single automated equipment from the date of final acceptance by customers. Provision for warranties is recognised based on the estimated liabilities to repair or replace products when the underlying products or services are sold. Our financial performance may be materially affected if there is any substantial claim not provided for in future.



**12. FINANCIAL INFORMATION (Cont'd)****(vi) Impact of interest rates**

As at 31 December 2018, our Group's total borrowings which stood at RM8.143 million comprise of term loans and hire purchase creditors at the interest rate of 8.42% and 2.90% per annum respectively.

Our Group's objective in managing our interest rate expenses is to ensure an acceptable level of exposure to interest rate fluctuations.

As at the LPD, our borrowings have fixed and determinable payments. Save for the hire purchase creditors, which are charged on a fixed rate, the interest rates for our term loans are based on the prevailing bank's base lending rate or base financing rate plus/minus a margin agreed upon by our bankers when the respective loans and financings were granted.

There is no material impact from the fluctuations of interest rate on our historical profits for the FYE 31 December 2015 to 2018.

**(vii) Impact of inflation**

There was no material impact of inflation on our Group's financial results for the FYE 31 December 2015 to 2018. Nevertheless, there can be no assurance that future inflation would not have an impact on our business and performance.

**(viii) Impact of commodity prices**

As at the LPD, we are not directly affected by fluctuations in commodity prices.

**(f) Significant changes**

Save as disclosed in this Prospectus, there are no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FYE 31 December 2018 and up to the LPD.

**12.2.3 Liquidity and capital resources**

Our operations are funded by a combination of internal and external sources of funds. Our Group's internal sources of funds comprise of share capital, cash generated from our operating activities and cash and bank balances, while our external sources of funds are mainly from bank borrowings.

The interest rate of the bank borrowings is based on prevailing market rates.

The decision to utilise either internally generated funds or bank borrowings for our business operations depends on, among others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rate of bank borrowings.

**12. FINANCIAL INFORMATION (Cont'd)**

The table below sets out the summary of our Group's historical audited combined statements of cash flows for the financial years under review:-

	<-----Audited-----> <-----FYE 31 December----->			
	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Net cash from operating activities	8,465	572	13,061	76,110
Net cash used in investing activities	(8,860)	(991)	(4,076)	(12,943)
Net cash from/(used in) financing activities	2,323	1,428	(1,419)	(7,629)
<b>Net changes in cash and cash equivalents</b>	<b>1,928</b>	<b>1,009</b>	<b>7,566</b>	<b>55,538</b>
Effect of exchange rate changes on cash and cash equivalents	37	2	(1,057)	(2,722)
<b>Cash and cash equivalents at beginning of the financial years</b>	<b>(28)</b>	<b>1,937</b>	<b>2,948</b>	<b>9,457</b>
<b>Cash and cash equivalents at end of the financial years</b>	<b>1,937</b>	<b>2,948</b>	<b>9,457</b>	<b>62,273</b>

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances, subject to availability of distributable reserves and compliance with financial covenants.

**Net cash from operating activities****FYE 31 December 2015**

For the FYE 31 December 2015, our operating cash flows before working capital changes were RM5.869 million. After adjusting for the following key items for working capital changes, our net cash from operating activities was RM8.465 million:-

- increase in our inventories by RM1.853 million due to the automated equipment which were completed in the end of FYE 31 December 2015 but was only delivered to the customer in the FYE 31 December 2016;
- decrease in trade and other receivables by RM5.395 million mainly due to the decrease in trade receivables by RM5.126 million which was in line with the decrease in revenue by RM19.041 million during the financial year under review; and
- decrease in trade and other payables by RM0.625 million mainly due to the decrease in trade payables by RM0.516 million which was in line with the decrease in purchases during the financial year under review.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 31 December 2016**

For the FYE 31 December 2016, our operating cash flows before working capital changes were RM7.378 million. After adjusting for the following key items for working capital changes, our net cash from operating activities was RM0.572 million:-

- increase in our inventories by RM3.940 million mainly due to the:-
  - (i) increase in work-in-progress for the manufacture of automated equipment;
  - (ii) orders of certain direct material and component in advance for the manufacture of loading and unloading equipment to handle solar wafer taking into consideration the longer delivery period from our suppliers to us and processing time; and
  - (iii) Inventories Written-Off 2017;
- increase in trade and other receivables by RM1.616 million mainly due to the increase in trade receivables by RM0.949 million due to higher sales in the last quarter of the financial year under review;
- income tax paid for prior years amounting to RM0.733 million; and
- interest paid amounting to RM0.527 million comprising mainly interest on term loans of RM0.345 million.

**FYE 31 December 2017**

For the FYE 31 December 2017, our operating cash flows before working capital changes were RM35.444 million. After adjusting for the following key items, our net cash from operating activities was RM13.061 million:-

- increase in our inventories by RM4.096 million mainly due to the purchase of direct material and component to facilitate a timely delivery of production line systems pursuant to the MEPA in the FYE 31 December 2018. This was partially offset by Inventories Written-Off 2017;
- increase in trade and other receivables by RM58.337 million due to increase in trade receivables by RM36.484 million which is in line with the increase in revenue generated in the financial year under review. Other receivables also increased by RM21.853 million mainly due to down payment made to overseas suppliers for purchases of direct material and component for use in our production line systems and loading and unloading equipment to handle solar wafer;
- increase in trade and other payables by RM42.361 million mainly due to increase in trade payables by RM42.432 million which is in line with the increase in purchase;
- income tax paid amounting to RM1.979 million mainly due to under estimation of taxation in the FYE 31 December 2016; and
- interest paid amounting to RM0.549 million comprising mainly interest on term loans of RM0.388 million.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 31 December 2018**

For the FYE 31 December 2018, our operating cash flows before working capital changes were RM57.889 million. After adjusting for the following key items, our net cash from operating activities was RM76.110 million:-

- decrease in our inventories by RM3.905 million mainly due to lesser direct material and component purchased towards the financial year end. In addition, most of the direct material and component purchased have been used for the manufacture of production line systems pursuant to the MEPA which have commenced fabrication and assembly to facilitate a timely delivery in the FYE 31 December 2019;
- decrease in trade and other receivables by RM12.560 million due to decrease in trade receivables by RM6.381 million mainly due to lesser billings to customers for the months of November and December 2018 as most of our works were already billed in earlier months and we have received majority of the payments from our customers prior to year end.

Other receivables also decreased by RM6.179 million mainly due to decrease in advance payment made to overseas suppliers. The advance payment made to overseas suppliers has decreased upon the delivery of direct material and component purchased for our production line systems;

- increase in trade and other payables by RM2.991 million mainly due to increase in other payables and accruals by RM2.903 million. This was mainly due to the cost incurred for construction of Plot 287A and increase in provision of bonus;
- income tax paid amounting to RM0.694 million for the FYE 31 December 2018; and
- interest paid amounting to RM0.561 million comprising mainly interest on term loans of RM0.326 million.

**Net cash used in investing activities****FYE 31 December 2015**

For the FYE 31 December 2015, we recorded net cash used in investing activities of RM8.860 million. This was due to purchase of PPE amounting to RM7.640 million comprising primarily Plot 287C and CNC milling machine and increase in deposits pledged with licensed bank amounting to RM1.220 million.

**FYE 31 December 2016**

Net cash used in investing activities for the FYE 31 December 2016 were RM0.991 million which was mainly due to the purchase of computer software for mechanical design purposes, motor vehicles, plant and machinery comprising primarily cutting machine and coordinate measuring machine amounting to RM1.007 million.

**FYE 31 December 2017**

For the FYE 31 December 2017, our Group recorded net cash used in investing activities of RM4.076 million which was mainly due to outflow of RM4.011 million from the purchase of office equipment, electrical installation, and plant and machinery such as CNC milling machine and robotic welding systems.

**FYE 31 December 2018**

Net cash used in investing activities for the FYE 31 December 2018 were RM12.943 million which was mainly due to outflow of RM11.955 million from the purchase of computer software for

**12. FINANCIAL INFORMATION (Cont'd)**

mechanical design purposes, computer hardware for new employees, a CNC milling machine and cost incurred for construction in progress of Plot 287A and increase in fixed deposits pledged with licensed banks amounting to RM0.988 million.

**Net cash from/(used in) financing activities****FYE 31 December 2015**

The net cash from financing activities of RM2.323 million in the FYE 31 December 2015 was mainly due to inflow of RM5.400 million from the following:-

- proceeds from banking facilities namely bankers' acceptance and term loan amounting to RM0.700 million and RM4.000 million for working capital purposes and acquisition of Plot 287C respectively; and
- proceeds of RM0.700 million from issuance of 700,000 shares in Greatech Integration to GTECH Holdings.

Such inflow was however, offset by outflow of RM3.077 million from the following:-

- payment of dividends amounting to RM1.127 million; and
- repayment of banking facilities such as bankers' acceptance, hire purchase creditors and term loans amounting to RM1.118 million, RM0.689 million and RM0.143 million respectively.

**FYE 31 December 2016**

During the FYE 31 December 2016, the net cash from financing activities of RM1.428 million was mainly due to the inflow of RM5.130 million from proceeds from bankers' acceptance and term loan. Such inflow was however, mainly offset by outflow of RM3.520 million relating to repayment of bankers' acceptance, hire purchase creditors and term loans.

**FYE 31 December 2017**

During the FYE 31 December 2017, the net cash used in financing activities of RM1.419 million was mainly due to outflow of RM1.979 million relating to repayment of bankers' acceptance, hire purchase creditors and term loans. There was also payment of dividends amounting to RM0.697 million during the financial year under review. It was partially offset by the receipt of government grant amounting to RM0.860 million for acquisition of plant and machinery.

**FYE 31 December 2018**

During the FYE 31 December 2018, the net cash used in financing activities of RM7.629 million was due to the outflow of RM4.809 million relating to repayment of bankers' acceptance, hire purchase creditors and term loans and payment of dividends amounting to RM5.703 million. It was partially offset by inflow of RM2.641 million from bankers' acceptance proceeds.

Our Board is of the opinion that after taking into consideration the existing level of cash and cash equivalents and the gross proceeds from the Public Issue, our Group would have adequate working capital for a period of 12 months from the date of this Prospectus.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.4 Borrowings**

As at 31 December 2018, our total outstanding borrowings amounted to RM8.143 million comprising hire purchase creditors and term loans, all of which are interest-bearing and secured, can be analysed further as follows:-

	<b>Payable within 12 months</b>	<b>Payable after 12 months</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
- Hire purchase creditors	1,674	1,373	3,047
- Term loans	768	4,328	5,096
<b>Total borrowings</b>	<b>2,442</b>	<b>5,701</b>	<b>8,143</b>
Gearing ratio as at 31 December 2018 (times)^			0.12

**Note:-**

^ Computed based on total borrowings over our pro forma shareholders' equity (after the Acquisition of Greotech Integration but before the Public Issue and use of proceeds) as at 31 December 2018 of RM69.866 million.

Our Directors evaluate and closely monitor the financial position of our Group prior to entering into any financing facilities in order to meet repayment obligations. As at 31 December 2018, a total of RM2.442 million of our borrowings are payable within 12 months whilst the remaining RM5.701 million are payable after 12 months.

As at the LPD, we do not have any foreign currency borrowings. Our Group has not defaulted on payments of either interest and/or principal sum in respect of any bank borrowings throughout the past 4 FYE 31 December 2015 to 2018 and up to the LPD. We do not encounter seasonality in our borrowings trend and there are no restriction on our committed borrowing facilities, i.e. term loans and hire purchase.

As at the LPD, we have banking facilities available to our Group amounting to RM47.113 million, out of which RM18.613 million has been used.

**12.2.5 Type of financial instruments used**

Financial instruments, from an accounting perspective, may primarily include trade receivables, other receivables and deposits, short-term funds, fixed deposits with licensed banks, cash and bank balances, trade payables, other payables and accruals and hire purchase creditors as shown in our combined statements of financial position. The abovementioned financial instruments are used in our Group's ordinary course of business.

As at the LPD, we do not use any financial instrument for hedging purposes.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.6 Treasury policies and objectives**

We finance our operations through a combination of internally and externally generated funds. Internally generated funds comprise mainly cash generated from operations and share capital, while externally generated funds comprise mainly short-term and long-term bank borrowings.

The primary objective of our capital management is to ensure sustainable shareholders' equity to ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain its debt-to-equity ratio at an optimal level based on the business requirements and prevailing economic conditions.

Our short-term and long-term bank borrowings, which are available to our Group, consist of hire purchase creditors to finance the purchase of machineries and motor vehicles, term loans for the purchase of leasehold land and building, working capital purposes as well as bankers' acceptance and bank overdrafts used in our ordinary course of business. The interest rates for our bank borrowings are based on the market rates prevailing at the dates of the respective transactions.

**12.2.7 Breach of terms and conditions or covenants associated with credit arrangement or bank loan**

As at the LPD, neither we nor our subsidiaries are in breach of any terms and conditions and covenants associated with credit arrangements or bank loans, which can materially affect our financial results, financial position or business operations, or the investments by holders of securities in our Company.

**12.2.8 Material commitment**

As at the LPD, save as disclosed below, we do not have any material capital commitment:-

	<b>Amount RM'000</b>
- Approved and contracted for	6,597
<b>Total</b>	<b>6,597</b>

As at the LPD, the material capital commitments of our Group relate to the construction of new operational facility (Plot 287A), purchase of new motor vehicle, computer software and, plant and machineries amounting to approximately RM5.048 million, RM0.300 million, RM0.602 million and RM0.647 million respectively. We intend to fund the above capital commitments via a combination of bank borrowings and/or internally generated funds. In addition, the construction of new operational facility (Plot 287A) will be partly financed by the proceeds raised from our Public Issue. Please refer to Section 3.4 of this Prospectus for further details on the use of proceeds for capital expenditure.

**12.2.9 Material contingent liabilities**

As at the LPD, there is no indirect and/or material contingent liabilities incurred by our Group, which may have a substantial impact on the financial position of our Group.

**12. FINANCIAL INFORMATION (Cont'd)****12.2.10 Trend information****(a) Business and financial prospects**

The financial performance of our Company for the FYE 31 December 2015 to 2018 has so far been and/or is expected to be mainly influenced by the significant factors affecting our Company's financial performance as described in Section 12.2.2(e) of this Prospectus. Except as disclosed in this Section, Section 4, Section 5 and Section 6 of this Prospectus, our Directors confirm that to the best of their knowledge and belief after due enquiry, there are no:-

- (i) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group other than those disclosed in this Section and Sections 4 and 5 of this Prospectus;
- (ii) material commitments for capital expenditure, save as disclosed in Section 12.2.8 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in Sections 4 and 12 of this Prospectus; and
- (iv) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of the future financial performance and position other than those disclosed in this Section and Section 4 of this Prospectus.

Given the industry overview as set out in Section 6 of this Prospectus, our Group's competitive strengths as set out in Section 5.1.2 of this Prospectus and our Group's dedication to implement the business strategies as set out in Section 5.7 of this Prospectus, our Board is optimistic about the future prospects of our Group.

**(b) Order book**

Our order book is based on the total amount of purchase orders secured, which has not been recognised in our revenue as at the LPD. The order book amount is expected to be recognised during the FYE 31 December 2019 (LPD till 31 December 2019).

**Business activities**

**FYE 31 December  
2019 (LPD till 31  
December 2019)  
RM'000**

Production Line System	85,407
Single Automated Equipment	5,611
<b>Total</b>	<b>91,018</b>

**Note:-**

- \* Based on exchange rate of USD1 = RM4.1095 as at the LPD (Source: Bank Negara Malaysia).



**12. FINANCIAL INFORMATION (Cont'd)****12.2.11 Other key financial ratios**

The key financial ratios of our Group are as follows:-

	<-----FYE 31 December----->			
	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
<b>Trade receivables</b>				
Revenue	21,393	22,703	93,914	219,582
Trade receivables	5,278	6,386	15,697	5,442
<b>Trade receivables turnover period (days)<sup>(a)</sup></b>	<b>90</b>	<b>103</b>	<b>61</b>	<b>9</b>
<b>Trade payables</b>				
Cost of sales	12,896	10,829	60,187	174,349
Trade payables	1,055	1,020	20,456	28,425
<b>Trade payables turnover period (days)<sup>(b)</sup></b>	<b>30</b>	<b>34</b>	<b>124</b>	<b>60</b>
<b>Inventories</b>				
Cost of sales	12,896	10,829	60,187	174,349
<i>Inventories at cost:-</i>				
Raw material	263	3,413	7,499	3,594
Work-in-progress	79	2,863	-	-
Finished goods	1,994	-	-	-
	2,336	6,276	7,499	3,594
<b>Inventories turnover period (days)<sup>(c)</sup></b>	<b>66</b>	<b>212</b>	<b>45</b>	<b>8</b>
<b>Current ratio (times)<sup>^</sup></b>	<b>1.97</b>	<b>3.33</b>	<b>1.41</b>	<b>1.54</b>
<b>Gearing ratio (times)<sup>*</sup></b>	<b>0.34</b>	<b>0.31</b>	<b>0.23</b>	<b>0.12</b>

**Notes:-**

- (a) For the FYE 31 December 2015 to 2018, calculated based on trade receivables of the respective financial years over the revenue of the respective financial years, multiplied by 365 days.
- (b) For the FYE 31 December 2015 to 2018, calculated based on trade payables of the respective financial years over the cost of sales of the respective financial years, multiplied by 365 days.
- (c) For the FYE 31 December 2015 to 2018, calculated based on inventories of the respective financial years over the cost of sales of the respective financial years, multiplied by 365 days.
- <sup>^</sup> Computed based on historical audited combined financial statements.
- <sup>\*</sup> Calculated based on combined total borrowings over combined shareholders' equity extracted from the historical audited combined financial statements as at the respective financial year ends. Borrowings comprise hire purchase creditors, term loans, bankers' acceptances and bank overdrafts.

**12. FINANCIAL INFORMATION (Cont'd)****Trade receivables**

As at 31 December 2018, the trade receivables of our Group amounted to RM5.442 million, the ageing analysis in respect of trade receivables (excluding contract assets) which are analysed as follows:-

	<b>Within credit period</b>	<b>&lt;-----Exceed credit period by-----&gt;</b>					<b>Total</b>
	<b>10 – 90 days</b>	<b>1 – 30 days</b>	<b>31 – 60 days</b>	<b>61 – 90 days</b>	<b>&gt; 90 days</b>		
Trade receivables, gross (RM'000)	3,179	1,737	111	-	415		5,442
Less: Loss allowance (RM'000)	(69)	(37)	(2)	-	(415)		(523)
<b>Net trade receivables (RM'000)</b>	<b>3,110</b>	<b>1,700</b>	<b>109</b>	<b>-</b>	<b>-</b>		<b>4,919</b>
 % of trade receivables, gross to trade receivables, gross	 58.42	 31.92	 2.04	 -	 7.62		 100.00
 Subsequent collection as at the LPD (RM'000)	 3,156	 1,737	 111	 -	 415		 5,419
Trade receivables, gross net of subsequent collections (RM'000)	23	-	-	-	-		23
Trade receivables, gross net of subsequent collection to trade receivables, gross (%)	0.72	-	-	-	-		0.42

Our normal credit terms range from 10 to 90 days. Credit terms granted to customers are assessed and approved on a case-by-case basis, taking into consideration factors such as the relationship with the customer, its payment history and credit worthiness.

Our trade receivables turnover period was within the range of credit period granted to the customers for the FYE 31 December 2015 and FYE 31 December 2017.

The increase in trade receivables turnover period for the FYE 31 December 2016 to 103 days from 90 days in the FYE 31 December 2015 was due to higher sales in the last quarter of FYE 31 December 2016 (which was not cyclical) and the outstanding debts owing by a customer amounting to RM3.694 million. Despite constant efforts taken by us to recover the amount outstanding including follow-up calls and emails during the FYE 31 December 2016 and FYE 31 December 2017, the amount outstanding remain unpaid by the customer. As such, the bad debts amounting to RM3.694 million were written off during the FYE 31 December 2017.

The decrease in trade receivables turnover period for the FYE 31 December 2018 to 9 days from 61 days in the FYE 31 December 2017 was mainly due to lesser billings to customers for the months of November and December 2018 as most of our works were already billed in earlier months and we have received majority of the payments from our customers prior to year end.

As at 31 December 2018, 58.42% of our trade receivables are within the credit terms granted. Subsequent to 31 December 2018 and up to LPD, we have collected RM5.419 million, representing 99.58% of the trade receivables, gross as at 31 December 2018.

**12. FINANCIAL INFORMATION (Cont'd)****Trade payables**

As at 31 December 2018, the trade payables of our Group amounted to RM28.425 million, the ageing of which are analysed as follows:-

	Within credit period	<-----Exceed credit period by----->					Total	Subsequent payment as at the LPD
	30 – 90 days	1 – 30 days	31 – 60 days	61 – 90 days	> 90 days			
Trade payables (RM'000)	27,110	941	315	59	-	28,425		28,325
% of total trade payables	95.37	3.31	1.11	0.21	-	100.00		99.65

The normal credit term extended by our suppliers and subcontractors ranges from 30 days to 90 days.

Our trade payables turnover days were between 30 days to 34 days for the FYE 31 December 2015 and 2016, which is within the credit period given by our suppliers and subcontractors. However, trade payables turnover increased to 124 days for the FYE 31 December 2017 mainly due to the purchases of direct material and component amounting to approximately RM29.997 million in the 4<sup>th</sup> quarter of 2017. This purchase was to facilitate a timely delivery of production line systems pursuant to the MEPA in the FYE 31 December 2018. In turn, our trade payables turnover days decreased from 124 days to 60 days for the FYE 31 December 2018 accordingly, which is within the credit period given by our suppliers and subcontractors.

For the FYE 31 December 2015 and 2016, our Group mainly involved in the sale of automated equipment for the semiconductor and consumer electronics sectors. Subsequently, in the FYE 31 December 2017 and 2018, our Group mainly involved in the sale of automated equipment arising from the MEPA and EPSA for the solar sector. As the direct material and components used differs for the manufacture of different types of automated equipment, the credit period granted depends on the suppliers that provide the required direct material and components.

Moving forward, the trade payables turnover period of our Group is envisaged to be in line with that of in the FYE 31 December 2018.

As at the LPD, RM1.314 million or 99.92% of the trade payables balance exceeding credit period have been paid.

As at the LPD, there are no disputes in respect of trade payables and no legal action has been initiated by our suppliers and subcontractors to demand for payment.

**Inventories**

Our inventories mainly comprise direct material and component such as electrical control and mechanical hardware and metal material, work-in-progress and finished goods.

The inventories turnover period increased from 66 days in the FYE 31 December 2015 to 212 days in the FYE 31 December 2016 due mainly to the following:-

- (i) Our Group ordered certain direct material and component in advance for the manufacture of loading and unloading equipment to handle solar wafer taking into consideration the longer delivery period from our suppliers to us and processing time. As we commenced manufacture of the said equipment, which was expected to be delivered in the subsequent financial year, it resulted in an increase in work-in-progress; and
- (ii) Inventories Written-Off 2017.

**12. FINANCIAL INFORMATION (Cont'd)**

The inventories turnover period for the FYE 31 December 2016 would have been 91 days after excluding the Inventories Written-Off 2017.

Our Group's inventories turnover period for the FYE 31 December 2017 decreased by 167 days to 45 days as compared to the FYE 31 December 2016. This was mainly due to the substantial increase in cost of sales in the FYE 31 December 2017 and Inventories Written-Off 2017. The increase in cost of sales was mainly due to the purchase of direct material and component which was mainly used for the manufacture of automated equipment pursuant to the MEPA and EPSA during the financial year under review.

The inventories turnover period decreased from 45 days in the FYE 31 December 2017 to 8 days in the FYE 31 December 2018. This was mainly due to most of the direct material and component purchased have been used for the manufacture of production line systems pursuant to the MEPA which have commenced fabrication and assembly to facilitate a timely delivery in the FYE 31 December 2019.

**Current ratio**

Our current ratio increased from 1.97 times in the FYE 31 December 2015 to 3.33 times in the FYE 31 December 2016, which was attributed by the increase in current assets coupled with a slight decrease in current liabilities. The profit made in the FYE 31 December 2016 and the drawdown of a term loan (non-current liabilities) has provided our Group with additional liquidity to meet our Group's working capital requirements. This has caused an increase in the current assets. The increase in current assets was mainly due to the following:-

- (i) Increase in closing inventories during the financial year under review. This was mainly due to our Group ordered certain direct material and component in advance for the manufacture of loading and unloading equipment to handle solar wafer taking into consideration the longer delivery period from our suppliers to us and processing time. As we commenced manufacture of the said equipment, which was expected to be delivered in the subsequent financial year, it resulted in an increase in work-in-progress;
- (ii) Increase in trade receivables, which is in line with the increase in revenue; and
- (iii) Increase in cash and bank balances.

Current ratio decreased from 3.33 times in the FYE 31 December 2016 to 1.41 times in the FYE 31 December 2017. This was mainly due to the higher increase in our trade and other payables as compared to the increase in our trade and other receivables. The increase in trade payables was in line with the increase in cost of sales. In addition, the increase in other payables was mainly due to provision amounting to RM6.880 million for warranty on certain products for a period of up to 24 months for our production line systems and single automated equipment sold mainly pursuant to purchase orders under the MEPA and EPSA.

Our current ratio increased by 0.13 times from 1.41 times in the FYE 31 December 2017 to 1.54 times in the FYE 31 December 2018 mainly due to the substantial increase in our current asset which was attributed to the increase in short term funds and cash and bank balances amounting to RM53.702 million as compared to the increase in current liabilities which was mainly attributed by the increase in provision of warranties amounting to RM15.854 million.

**Gearing ratio**

The gearing ratio for the FYE 31 December 2015 and 2016 was fairly constant at 0.34 times and 0.31 times respectively.

Our Group's gearing ratio for the FYE 31 December 2017 and the FYE 31 December 2018 had improved to 0.23 times and 0.12 times respectively due to improvement of shareholders' funds as a result of the profits for the financial years under review.

## 12. FINANCIAL INFORMATION (Cont'd)

### 12.3 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*(Prepared for inclusion in this Prospectus)*



Tel : +604 227 6888  
Fax: +604 229 8118  
www.bdo.my

51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Penang  
Malaysia

The Board of Directors  
Greatech Technology Berhad  
Plot 287B  
Lengkok Kampung Jawa Satu  
Bayan Lepas Free Industrial Zone  
Phase 3, 11900 Bayan Lepas  
Pulau Pinang

Date: **16 APR 2019**

Our ref: BDO/LBT/TCH/TZH

Dear Sirs

Greatech Technology Berhad ("Greatech Technology" or "the Company") and its subsidiaries ("Greatech Technology Group", "Pro Forma Group" or "the Group")

**Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 31 December 2018**

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of the Group prepared by the Board of Directors of the Company. The Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 together with the accompanying notes thereon, for which we have stamped for the purpose of identification only, have been prepared for inclusion in the prospectus of Greatech Technology in connection with the listing of and quotation for the entire enlarged issued share capital of Greatech Technology on the ACE Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position and are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors for illustrative purposes only, to illustrate the impact of the transactions as set out in Note 1.3 to the Pro Forma Consolidated Statements of Financial Position on the financial position of the Group as at 31 December 2018 had the transactions been effected as at 31 December 2018.

#### **Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position**

The Board of Directors is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 and the related notes on the basis as described in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position.

#### **Reporting Accountants' Independence and Quality Control**

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

BDO PLT (LLP0018825-LCA & AF 0206), Chartered Accountants, a limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO PLT (LLP0018825-LCA & AF 0206), was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

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**12. FINANCIAL INFORMATION (Cont'd)**

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**Reporting Accountants' Independence and Quality Control (continued)**

Our firm applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis described in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted statements of financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 31 December 2018, would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines involves performing procedures to assess whether the applicable criteria on the basis used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (a) The related pro forma adjustments give appropriate effect to those criteria; and
- (b) The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted statements of financial position.

12. FINANCIAL INFORMATION (Cont'd)



**Reporting Accountants' Responsibility (continued)**

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Pro Forma Consolidated Statements of Financial Position of the Group have been compiled, in all material respects, on the basis described in Note 1 and Note 2 of the Pro Forma Consolidated Statements of Financial Position.

**Other Matters**

This report has been prepared solely for the purpose stated above, in connection with the admission to the Official List and listing of and quotation for the entire enlarged issued share capital of Greotech Technology on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'BDO PLT'.

BDO PLT  
LLP0018825-LCA & AF 0206  
Chartered Accountants

Penang

A handwritten signature in black ink, appearing to be 'Lee Beng Tuan'.

Lee Beng Tuan  
03271/07/2020 J  
Chartered Accountant

## 12. FINANCIAL INFORMATION (Cont'd)

**Greatech Technology Berhad (Company No. 1270647 – H)**  
*Pro Forma Consolidated Statements of Financial Position*

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

The Pro Forma Consolidated Statements of Financial Position ("SOPF") of the Group as at 31 December 2018 have been prepared for illustrative purposes only to show the effects on the audited SOPF of Greatech Technology Group as at 31 December 2018 based on the assumptions that the Listing Scheme as set out in Note 1.3 to the Pro Forma Consolidated Statements of Financial Position had been effected on 31 December 2018.

	Note	Audited as at 31 December 2018 RM'000	Adjustments for Acquisition RM'000	Pro Forma I After the Acquisition RM'000	Adjustments for IPO RM'000	Pro Forma II After Pro Forma I and IPO RM'000	Adjustments for Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000
<b>ASSETS</b>								
<b>Non-current asset</b>								
Property, plant and equipment	3	-	35,543	35,543	-	35,543	3,700	39,243
<b>Current assets</b>								
Inventories		-	3,594	3,594	-	3,594	-	3,594
Trade and other receivables		-	47,530	47,530	-	47,530	-	47,530
Current tax assets		-	694	694	-	694	-	694
Short term funds		-	52,609	52,609	-	52,609	-	52,609
Cash and bank balances	4	2	12,382	12,384	73,048	85,432	(11,220)	74,212
<b>TOTAL ASSETS</b>		2	116,809	116,811	73,048	189,859	(11,220)	178,639
		2	152,352	152,354	73,048	225,402	(7,520)	217,882
<b>EQUITY AND LIABILITIES</b>								
<b>Equity attributable to owners of the parent</b>								
Share capital	5	*	40,500	40,500	73,048	113,548	(1,490)	112,058
Reserves	5	(113)	29,479	29,366	-	29,366	(900)	28,466
		(113)	69,979	69,866	73,048	142,914	(2,390)	140,524



## 12. FINANCIAL INFORMATION (Cont'd)

**Greatech Technology Berhad (Company No. 1270647 – H)**  
*Pro Forma Consolidated Statements of Financial Position*

## PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (continued)

	Note	Audited as at 31 December 2018 RM'000	Adjustments for Acquisition RM'000	Pro Forma I After the Acquisition RM'000	Adjustments for IPO RM'000	Pro Forma II After Pro Forma I and IPO RM'000	Adjustments for Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000
<b>LIABILITIES</b>								
<b>Non-current liabilities</b>								
Borrowings	6	-	5,701 791	5,701 791	-	5,701 791	(3,732)	1,969 791
Government grant		-	6,492	6,492	-	6,492	(3,732)	2,760
<b>Current liabilities</b>								
Trade and other payables	7	115	50,572	50,687	-	50,687	(630)	50,057
Provision for warranties		-	22,734	22,734	-	22,734	-	22,734
Borrowings	6	-	2,442	2,442	-	2,442	(768)	1,674
Government grant		-	133	133	-	133	-	133
<b>TOTAL LIABILITIES</b>		115	75,881	75,996	-	75,996	(1,398)	74,598
<b>TOTAL EQUITY AND LIABILITIES</b>		115	82,373	82,488	-	82,488	(5,130)	77,358
		2	152,352	152,354	73,048	225,402	(7,520)	217,882
Net (liabilities)/assets (RM'000)	(113)			69,866		142,914		140,524
Number of ordinary shares assumed in issue ('000)	**			506,250		626,000		626,000
Net (liabilities)/assets attributable to equity holders per ordinary share (RM)	(113)			0.14		0.23		0.22

\* RMI

\*\* One (1) ordinary share

**12. FINANCIAL INFORMATION (Cont'd)**

*Greatech Technology Berhad (Company No. 1270647 – H)*  
*Pro Forma Consolidated Statements of Financial Position*

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME****1.1 Pro Forma Group**

The Pro Forma Consolidated Statements of Financial Position of Greatech Technology Berhad (“Greatech Technology” or “the Company”) and its subsidiaries (collectively referred to as “Greatech Technology Group”, “Pro Forma Group” or “the Group”) together with the accompanying notes are prepared for illustrative purposes only.

**1.2 Basis of Preparation**

The Pro Forma Consolidated Statements of Financial Position of the Group has been prepared on the basis consistent with the accounting policies adopted by the Group, in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

The Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 have been prepared for illustrative purpose only to show the effects of the transactions as described in Note 1.3 with the assumption that these transactions were completed on 31 December 2018. The Pro Forma Consolidated Statements of Financial Position is not necessarily indicative of the financial position that would have been attained had the listing scheme actually occurred at the respective dates. Accordingly, such information, because of its nature, may not be reflective of the actual financial position of the Group and does not purport to predict the future financial position of the Group.

The audited combined financial statements of Greatech Technology Group for the financial year ended 31 December 2018 were not subject to any audit qualification.

The Group is regarded as a continuing entity resulting from the reorganisation exercise as set out in Note 1.3.1 to the Pro Forma Consolidated Statements of Financial Position because the management of all the entities within the Group, which took part in the reorganisation exercise were under the common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting as if the merger had been effected throughout the current financial period.

**12. FINANCIAL INFORMATION (Cont'd)**

*Greotech Technology Berhad (Company No. 1270647 – H)  
Pro Forma Consolidated Statements of Financial Position*

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(continued)**

**1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (continued)**

**1.3 Listing Scheme**

In conjunction with and as an integral part of the admission to the Official List and the listing of and quotation for the entire enlarged issued share capital of Greotech Technology on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing”), the Company had undertaken the Acquisition and proposed to undertake the Initial Public Offering (“IPO”) as follows:

**1.3.1 Acquisition**

The acquisition by Greotech Technology of the entire issued share capital of Greotech Integration (M) Sdn. Bhd. (“Greotech Integration”) of RM1,000,000 comprising 1,000,000 ordinary shares, for a purchase consideration of RM40,500,000, which was satisfied via the issuance of 506,249,999 new ordinary shares at an issue price of RM0.08 per new ordinary share. Upon completion of the acquisition of Greotech Integration, Greotech Integration is a wholly owned subsidiary of Greotech Technology.

**1.3.2 IPO**

**(a) Public issue**

Public issue of 119,750,000 new Greotech Technology shares, representing 19.13% of the enlarged number of issued shares of the Company, at an indicative issue price of RM0.61 per share.

**(b) Listing**

The admission to the Official List and the listing of and quotation for its entire enlarged issued share capital of RM112,057,501 comprising 626,000,000 shares on the ACE Market of Bursa Securities upon completion of the public issue.

**1.3.3 Utilisation of Proceeds from IPO**

The gross proceeds from the IPO of RM73,047,500 are expected to be used as follows:

	RM'000
Business expansion and development, and marketing activities	18,000
Capital expenditure	5,000
Research and Development expenditure	5,000
Working capital	36,548
Repayment of borrowings	4,500
Estimated listing expenses <sup>#</sup>	4,000
	<u>73,048</u>

<sup>#</sup> The estimated listing expenses totaling RM4,000,000 to be borne by the Company comprise, amongst others, underwriting, placement and brokerage fees, professional fees and miscellaneous expenses. A total of RM1,490,000 is directly attributable to the public issue and as such, will be debited against the share capital of the Company and the remaining expenses of RM2,510,000 will be expensed off to the statement of profit or loss and other comprehensive income. As at 31 December 2018, RM980,000 of listing expenses have already been paid and RM630,000 have been accrued and included in the trade and other payables. As such, listing expenses of RM1,610,000 have been expensed off to the statement of profit or loss and other comprehensive income.

**12. FINANCIAL INFORMATION (Cont'd)**

*Greatech Technology Berhad (Company No. 1270647 - H)*  
*Pro Forma Consolidated Statements of Financial Position*

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(continued)**

**2. PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**2.1 Pro Forma I**

Pro Forma I incorporates the effects of the Acquisition as set out in Note 1.3.1 to the Pro Forma Consolidated Statements of Financial Position.

**2.2 Pro Forma II**

Pro Forma II incorporates the effects of Pro Forma I and effect after the completion of the IPO as set out in Note 1.3.2 to the Pro Forma Consolidated Statements of Financial Position.

**2.3 Pro Forma III**

Pro Forma III incorporates the effects of Pro Forma II and effect after the utilisation of proceeds from IPO as set out in Note 1.3.3 to the Pro Forma Consolidated Statements of Financial Position.

**3. PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment are as follows:

	<b>RM'000</b>
As at 31 December 2018	-
Adjustments for Acquisition	<u>35,543</u>
<b>Pro Forma I</b>	<b>35,543</b>
IPO	<u>-</u>
<b>Pro Forma II</b>	<b>35,543</b>
Proposed utilisation of proceeds	
- Construction of new operational facility in Bayan Lepas, Penang	<u>3,700</u>
<b>Pro Forma III</b>	<b><u>39,243</u></b>

**12. FINANCIAL INFORMATION (Cont'd)**

*Greatech Technology Berhad (Company No. 1270647 - H)*  
*Pro Forma Consolidated Statements of Financial Position*

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(continued)**

**4. CASH AND BANK BALANCES**

The movements of cash and bank balances are as follows:

	RM'000
As at 31 December 2018	2
Adjustments for Acquisition	12,382
<b>Pro Forma I</b>	<b>12,384</b>
IPO	73,048
<b>Pro Forma II</b>	<b>85,432</b>
Proposed utilisation of proceeds	
- Construction of new operational facility in Bayan Lepas, Penang	(3,700)
- Estimated listing expenses#	(3,020)
- Repayment of borrowings	(4,500)
<b>Pro Forma III</b>	<b>74,212</b>

# the estimated listing expenses was reduced by the amount paid of RM980,000 in the financial year ended 31 December 2017 and 31 December 2018.

**5. SHARE CAPITAL AND RESERVES**

The movements in the share capital and reserves are as follows:

	Share capital RM'000	Reserves # RM'000	Total RM'000
As at 31 December 2018	*	(113)	(113)
Adjustments for Acquisition	40,500	29,479	69,979
<b>Pro Forma I</b>	<b>40,500</b>	<b>29,366</b>	<b>69,866</b>
IPO	73,048	-	73,048
<b>Pro Forma II</b>	<b>113,548</b>	<b>29,366</b>	<b>142,914</b>
Proposed utilisation of proceeds			
- Estimated listing expenses	(1,490)	(900)	(2,390)
<b>Pro Forma III</b>	<b>112,058</b>	<b>28,466</b>	<b>140,524</b>

\* represents RM1.

**12. FINANCIAL INFORMATION (Cont'd)****Greotech Technology Berhad (Company No. 1270647 - H)**  
**Pro Forma Consolidated Statements of Financial Position****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(continued)****5. SHARE CAPITAL AND RESERVES (continued)**

# Reserves comprise reorganisation debit reserve, exchange translation reserve, revaluation reserve and (accumulated loss)/retained earnings as follows:

	Reorgani- sation debit reserve RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	(Accumu- lated loss)/Re- tained earnings RM'000	Total RM'000
As at 31 December 2018	-	-	-	(113)	(113)
Adjustments for Acquisition	(39,500)	^	3,605	65,374	29,479
Pro Forma I	(39,500)	^	3,605	65,261	29,366
IPO	-	-	-	-	-
Pro Forma II	(39,500)	^	3,605	65,261	29,366
Proposed utilisation of proceeds - Estimated listing expenses	-	-	-	(900)	(900)
Pro Forma III	(39,500)	^	3,605	64,361	28,466

^ represents RM396.

**6. BORROWINGS**

The movements of borrowings are as follows:

	Non-current liabilities RM'000	Current liabilities RM'000
As at 31 December 2018	-	-
Adjustments for Acquisition	5,701	2,442
Pro Forma I	5,701	2,442
IPO	-	-
Pro Forma II	5,701	2,442
Proposed utilisation of proceeds - Repayment of borrowings	(3,732)	(768)
Pro Forma III	1,969	1,674

**12. FINANCIAL INFORMATION (Cont'd)**

*Greatech Technology Berhad (Company No. 1270647 - H)*  
*Pro Forma Consolidated Statements of Financial Position*

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(continued)**

**7. TRADE AND OTHER PAYABLES**

The movements of trade and other payables are as follows:

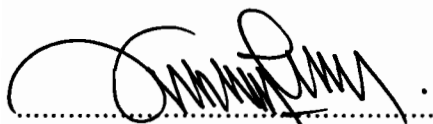
	<b>RM'000</b>
As at 31 December 2018	115
Adjustments for Acquisition	<u>50,572</u>
<b>Pro Forma I</b>	<b>50,687</b>
IPO	<u>-</u>
<b>Pro Forma II</b>	<b>50,687</b>
Proposed utilisation of proceeds	
- Reversal of accrued estimated listing expenses	<u>(630)</u>
<b>Pro Forma III</b>	<b><u>50,057</u></b>

**12. FINANCIAL INFORMATION (Cont'd)**

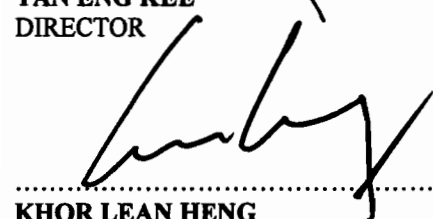
*Greatech Technology Berhad (Company No. 1270647 - H)*  
*Pro Forma Consolidated Statements of Financial Position*

**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors in accordance with a resolution dated **16 APR 2019**



**TAN ENG KEE**  
DIRECTOR



**KHOR LEAN HENG**  
DIRECTOR

Penang



**12. FINANCIAL INFORMATION (Cont'd)****12.4 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our Group's capitalisation and indebtedness:-

- (i) as at 31 March 2019, after taking into account the Acquisitions but before Public Issue and utilisation of proceeds; and
- (ii) as adjusted for the proceeds arising from our Public Issue and use of proceeds from Public Issue.

	(Unaudited) As at 31 March 2019 RM'000	After Public Issue and use of proceeds RM'000
<b>Indebtedness:-</b>		
<b><u>Current</u></b>		
<i>Secured and guaranteed</i>		
Hire purchase creditors	1,772	1,772
Term loans	783	-
	<u>2,555</u>	<u>1,772</u>
<b><u>Non-current</u></b>		
<i>Secured and guaranteed</i>		
Hire purchase creditors	1,016	1,016
Term loans	4,126	409 <sup>(a)</sup>
	<u>5,142</u>	<u>1,425</u>
<b>Total Indebtedness</b>	<b>7,697</b>	<b>3,197</b>
Shareholders' equity	<u>82,414</u>	<u>153,072</u>
<b>Total capitalisation and indebtedness</b>	<b>90,111</b>	<b>156,269</b>
Gearing ratio (times)*	0.09	0.02

**Notes:-**

- (a) The remaining balance of RM0.409 million will be paid off using internally generated funds.

\* Computed based on total indebtedness over our shareholders' equity.

**12. FINANCIAL INFORMATION (Cont'd)****12.5 DIVIDEND POLICY**

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Greatech Integration declared dividend of approximately RM1.127 million, RM0.182 million, RM3.000 million and RM3.400 million for the FYE 31 December 2015 to 2018 respectively.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business. Our Directors will take into consideration, among others, the following factors when recommending dividends for approval by our shareholders or when declaring any dividends:-

- (i) The availability of adequate reserves and cash flows;
- (ii) Our operating cash flow requirements and financing commitments;
- (iii) Our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;
- (iv) Our Company is solvent as the Act requires;
- (v) Any material impact of tax laws and other regulatory requirements; and
- (vi) Prior written consent from financial institutions, where required.

However, investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. There is no dividend restriction being imposed on our Group currently.

### 13. ACCOUNTANTS' REPORT



Tel : +604 227 6888  
Fax: +604 229 8118  
www.bdo.my

51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Penang  
Malaysia

The Board of Directors  
Greatech Technology Berhad  
Plot 287B  
Lengkok Kampung Jawa Satu  
Bayan Lepas Free Industrial Zone  
Phase 3, 11900 Bayan Lepas  
Pulau Pinang

Date: 16 APR 2019

Our ref: BDO/LBT/TCH/TZH

Dear Sirs

**Reporting Accountants' Opinion on the Financial Information Contained in the Accountants' Report ("This Report") of Greatech Technology Berhad ("Greatech Technology" or "the Company or the Group")**

#### Opinion

We have audited the financial information of Greatech Technology Berhad which comprise the combined statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 of the Group as defined in Note 3, and combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 and notes to the combined financial statements as set out on pages 4 to 85 (collectively referred to herein as "the Combined Financial Statements").

The historical financial information have been prepared for inclusion in the prospectus of the Company ("Prospectus") in connection with the admission to the Official List and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. This report is given for the purposes of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

In our opinion, the combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 and of their financial performance and their cash flows for each of the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Group and Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

BDO PLT (LLP0018825-LCA & AF 0206), Chartered Accountants, a limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO PLT (LLP0018825-LCA & AF 0206), was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**Directors' Responsibilities for the Combined Financial Statements**

The Directors of the Company are responsible for the preparation of the combined financial statements that gives a true and fair view in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

13. ACCOUNTANTS' REPORT (Cont'd)



**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other Matters**

This report is made solely to the Directors of the Company, as a body for the abovementioned purpose. We do not assume responsibility to any other person for the content of this opinion.

We did not come across any significant events between the dates of the most recent audited financial statements used in the preparation of the Accountants' Report and the date of this report, which would affect materially the contents of this report.

BDO PLT  
LLP0018825-LCA & AF 0206  
Chartered Accountants

Penang

Dated: **1 6 APR 2019**

Lee Beng Tuan  
03271/07/2020 J  
Chartered Accountant

**13. ACCOUNTANTS' REPORT (Cont'd)**

**GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)

**ACCOUNTANTS' REPORT****COMBINED STATEMENTS OF FINANCIAL POSITION**

The audited combined statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below:

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>ASSETS</b>					
<b>Non-current asset</b>					
Property, plant and equipment	6	35,543	24,737	18,638	13,558
<b>Current assets</b>					
Inventories	7	3,594	7,499	6,276	2,336
Trade and other receivables	8	47,530	61,680	7,389	5,614
Current tax assets		694	142	0	0
Short term funds	9	52,609	7,073	0	0
Cash and bank balances	10	12,384	4,218	5,418	3,558
		116,811	80,612	19,083	11,508
<b>TOTAL ASSETS</b>		<b>152,354</b>	<b>105,349</b>	<b>37,721</b>	<b>25,066</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to the common controlling shareholder of the combining entities</b>					
Invested equity		1,000	1,000	1,000	1,000
Reserves	11	68,866	39,498	23,442	13,988
<b>TOTAL EQUITY</b>		<b>69,866</b>	<b>40,498</b>	<b>24,442</b>	<b>14,988</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF FINANCIAL POSITION (continued)**

The audited combined statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	13	5,701	7,122	5,943	4,229
Deferred tax liabilities	16	0	0	1,606	0
Government grant	17	791	691	0	0
		6,492	7,813	7,549	4,229
<b>Current liabilities</b>					
Trade and other payables	18	50,687	48,032	3,973	4,087
Provision for warranties	19	22,734	6,880	0	0
Borrowings	13	2,442	2,020	1,751	903
Government grant	17	133	106	0	0
Current tax liabilities		0	0	6	859
		75,996	57,038	5,730	5,849
<b>TOTAL LIABILITIES</b>		<b>82,488</b>	<b>64,851</b>	<b>13,279</b>	<b>10,078</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>152,354</b>	<b>105,349</b>	<b>37,721</b>	<b>25,066</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

The audited combined statements of profit or loss and other comprehensive income for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below:

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Revenue	21	219,582	93,914	22,703	21,393
Cost of sales		<u>(174,349)</u>	<u>(60,187)</u>	<u>(10,829)</u>	<u>(12,896)</u>
Gross profit		45,233	33,727	11,874	8,497
Other income		7,529	357	488	2,257
Administrative and marketing expenses		(20,340)	(14,267)	(5,749)	(4,928)
Finance cost	22	<u>(561)</u>	<u>(549)</u>	<u>(527)</u>	<u>(222)</u>
Profit before tax		31,861	19,268	6,086	5,604
Tax expense	23	<u>(142)</u>	<u>(212)</u>	<u>(277)</u>	<u>(6)</u>
Profit for the financial years		<u>31,719</u>	<u>19,056</u>	<u>5,809</u>	<u>5,598</u>



**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)**

The audited combined statements of profit or loss and other comprehensive income for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Profit for the financial years		31,719	19,056	5,809	5,598
<b>Other comprehensive income</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		*	*	0	0
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Revaluation surplus on property, plant and equipment		0	0	3,827	0
<b>Total comprehensive income</b>		<b>31,719</b>	<b>19,056</b>	<b>9,636</b>	<b>5,598</b>
<b>Profit attributable to common controlling shareholder of the combining entities</b>		<b>31,719</b>	<b>19,056</b>	<b>5,809</b>	<b>5,598</b>
<b>Total comprehensive income attributable to common controlling shareholder of the combining entities</b>		<b>31,719</b>	<b>19,056</b>	<b>9,636</b>	<b>5,598</b>
<b>Earnings per ordinary share attributable to common controlling shareholder of the combining entities</b>					
Basic and diluted (sen)	25	5.07	3.04	0.92	0.89

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY**

The audited combined statements of changes in equity for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below:

		<b>[---Non-distributable---]</b>	<b>Distributable</b>	
	<b>Note</b>	<b>Invested equity RM'000</b>	<b>Revaluation reserve RM'000</b>	<b>Retained earnings RM'000</b>
				<b>Total equity RM'000</b>
<b>Balance as at 1 January 2015</b>		300	0	9,517
Profit for the financial year		0	0	5,598
Other comprehensive income, net of tax		0	0	0
<b>Total comprehensive income</b>		0	0	5,598
<b>Transactions with owners</b>				
Dividends paid	26	0	0	(1,127)
Issuance of ordinary shares		700	0	0
<b>Total transactions with owners</b>		700	0	(1,127)
<b>Balance as at 31 December 2015</b>		1,000	0	13,988
<b>Balance as at 1 January 2016</b>		1,000	0	13,988
Profit for the financial year		0	0	5,809
Gross revaluation increase of properties	12	0	5,036	0
Deferred tax relating to revalued properties	16	0	(1,209)	0
<b>Total comprehensive income</b>		0	3,827	5,809
<b>Transaction with owners</b>				
Dividend paid	26	0	0	(182)
<b>Total transaction with owners</b>		0	0	(182)
<b>Balance as at 31 December 2016</b>		1,000	3,827	19,615

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)**

The audited combined statements of changes in equity for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	[-----Non-distributable-----]			Distributable	Total equity RM'000
		Invested equity RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2017		1,000	0	3,827	19,615	24,442
Profit for the financial year		0	0	0	19,056	19,056
Realisation of revaluation surplus	12	0	0	(111)	111	0
Other comprehensive income, net of tax		0	*	0	0	*
Total comprehensive income		0	*	(111)	19,167	19,056
Transaction with owner						
Dividends paid	26	0	0	0	(3,000)	(3,000)
Total transaction with owner		0	0	0	(3,000)	(3,000)
Balance as at 31 December 2017		1,000	*	3,716	35,782	40,498

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)**

The audited combined statements of changes in equity for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	[-----Non-distributable-----]			Distributable Retained earnings RM'000	Total equity RM'000
		Invested equity RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000		
<b>Balance as at 1 January 2018</b>		1,000	*	3,716	35,782	40,498
Adjustments on initial application of:						
- MFRS 9	34.3	0	0	0	(242)	(242)
- MFRS 15	34.3	0	0	0	(2,794)	(2,794)
<b>Total adjustments</b>		0	0	0	(3,036)	(3,036)
<b>Restated balance as at 1 January 2018</b>		1,000	*	3,716	32,746	37,462
Profit for the financial year		0	0	0	31,719	31,719
Realisation of revaluation surplus	12	0	0	(111)	111	0
Other comprehensive income, net of tax		0	*	0	0	*
<b>Total comprehensive income</b>		0	*	(111)	31,830	31,719
Transactions with owners						
Issuance of ordinary share		*	0	0	0	*
Dividends paid	26	0	0	0	(3,400)	(3,400)
Share-based payment transaction	11(c)	0	0	0	4,085	4,085
<b>Total transactions with owners</b>		*	0	0	685	685
<b>Balance as at 31 December 2018</b>		1,000	*	3,605	65,261	69,866

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS**

The audited combined statements of cash flows for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below:

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		31,861	19,268	6,086	5,604
Adjustments for:					
Amortisation of government grant	17	(115)	(63)	0	0
Bad debts written off		0	3,694	*	0
Deposit written off		0	0	0	5
Depreciation of property, plant and equipment	6	2,418	1,643	1,113	1,037
Gain on disposal of property, plant and equipment		0	0	(63)	0
Impairment loss on trade receivables	8(e)	523	0	0	0
Interest expense	22	561	549	527	222
Interest income		(53)	(204)	(48)	(40)
Inventories written off		0	2,873	0	0
Property, plant and equipment written off		2	0	*	0
Provision for warranties	19	15,887	6,880	0	0
Reversal of impairment loss on trade receivables	8(e)	(242)	0	0	0
Share-based payment transaction	11(c)	4,085	0	0	0
Unrealised loss/(gain) on foreign exchange		2,962	804	(125)	(959)
Waiver of debts		0	0	(112)	0
Operating profit before changes in working capital		57,889	35,444	7,378	5,869
Changes in working capital:					
Decrease/(Increase) in inventories		3,905	(4,096)	(3,940)	(1,853)
Decrease/(Increase) in trade and other receivables		12,560	(58,337)	(1,616)	5,395
Increase/(Decrease) in trade and other payables		2,991	42,361	(38)	(625)
Warranties paid		(33)	0	0	0
Cash generated from operations		77,312	15,372	1,784	8,786

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (continued)**

The audited combined statements of cash flows for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations		77,312	15,372	1,784	8,786
Interest received		53	204	48	40
Interest paid		(561)	(549)	(527)	(222)
Tax paid		(694)	(1,979)	(733)	(139)
Tax refunded		0	13	0	0
Net cash from operating activities		<u>76,110</u>	<u>13,061</u>	<u>572</u>	<u>8,465</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		0	0	63	0
Purchase of property, plant and equipment	6(b)	(11,955)	(4,011)	(1,007)	(7,640)
Net changes in deposits pledged with licensed banks		<u>(988)</u>	<u>(65)</u>	<u>(47)</u>	<u>(1,220)</u>
Net cash used in investing activities		<u>(12,943)</u>	<u>(4,076)</u>	<u>(991)</u>	<u>(8,860)</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (continued)**

The audited combined statements of cash flows for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

	Note	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid		(5,703)	(697)	(182)	(1,127)
Government grant received	17	242	860	0	0
Proceeds from:					
- issuance of ordinary shares		*	0	0	700
- bankers' acceptances		2,641	397	2,130	700
- term loan		0	0	3,000	4,000
- trust receipts		0	0	33	0
Repayment of:					
- hire purchase creditors		(1,449)	(824)	(1,024)	(689)
- bankers' acceptances		(2,641)	(484)	(2,043)	(1,118)
- term loans		(719)	(671)	(453)	(143)
- trust receipts		0	0	(33)	0
Net cash(used in)/from financing activities		<u>(7,629)</u>	<u>(1,419)</u>	<u>1,428</u>	<u>2,323</u>
Net changes in cash and cash equivalents		55,538	7,566	1,009	1,928
Effects of exchange rate changes on cash and cash equivalents		(2,722)	(1,057)	2	37
Cash and cash equivalents at beginning of financial years		<u>9,457</u>	<u>2,948</u>	<u>1,937</u>	<u>(28)</u>
Cash and cash equivalents at end of financial years	10(c)	<u>62,273</u>	<u>9,457</u>	<u>2,948</u>	<u>1,937</u>

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)**COMBINED STATEMENTS OF CASH FLOWS (continued)**

The audited combined statements of cash flows for the financial years ended 31 December 2015, 31 December 2016, 31 December 2017 and 31 December 2018 are set out below (continued):

***Reconciliation of Liabilities Arising from Financing Activities***

	Bankers' acceptances [-----] RM'000	Hire purchase creditors Note 13 RM'000	Term loans [-----] RM'000
Balance as at 1 January 2015	418	1,367	82
Cash flows	(418)	(175)	3,857
Balance as at 31 December 2015	0	1,192	3,939
Balance as at 1 January 2016	0	1,192	3,939
Cash flows	87	(874)	2,547
Balance as at 31 December 2016	87	318	6,486
Balance as at 1 January 2017	87	318	6,486
Cash flows	(87)	2,907	(671)
Balance as at 31 December 2017	0	3,225	5,815
Balance as at 1 January 2018	0	3,225	5,815
Cash flows	0	(178)	(719)
Balance as at 31 December 2018	0	3,047	5,096



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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**GREATECH TECHNOLOGY BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. On 21 May 2018, the Company converted its legal form from a private limited liability company to a public limited liability company.

The registered office of the Company is located at Suite 18.05, MWE Plaza, No.8, Lebuhraya Farquhar, 10200 Pulau Pinang.

The principal place of business of the Company is located at Plot 287B, Lengkong Kampung Jawa Satu, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Pulau Pinang.

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Group and of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

**2. PRINCIPAL ACTIVITIES**

The principal activity of the Company is investment holding and provision of management services.

The principal activity of the combining entities are set out in Note 5 to the combined financial statements.

**3. BASIS OF PREPARATION**

The combined financial statements have been prepared pursuant to the listing exercise of the Company on the ACE Market of Bursa Malaysia Securities Berhad (hereinafter defined as "the Listing").

The combined financial statements consist of the financial statements of the Company and its combining entities as disclosed in Note 5 to the combined financial statements, which were under common control of Tan Eng Kee throughout the reporting periods. The common control of the Group has established by virtue of Tan Eng Kee being the Chief Executive Officer, major shareholder and promoter of the Group.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information as presented in the combined financial statements may not correspond with the consolidated financial statements of the Group, after incorporating/effecting the relevant acquisitions. Consequently, such financial information from the combined financial statements does not purport to predict the financial positions, results of operation and cash flows of the combining entities.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****3. BASIS OF PREPARATION (continued)**

The combined financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

Greatech Integration (M) Sdn. Bhd. ("Greatech Integration") previously applied Private Entity Reporting Standards ("PERs") during the financial year ended 31 December 2015.

Greatech Integration adopted MFRSs and IFRSs for the first-time during the financial year ended 31 December 2016.

The combined financial statements of the Group are prepared using the audited financial statements of the respective companies within the Group for the relevant financial years and their auditors are as follows:

<b>Company</b>	<b>Relevant Financial Years/Periods</b>	<b>Auditors</b>
Greatech Technology	Financial period from 5 March 2018 (Date of incorporation) to 31 December 2018	BDO PLT*
Greatech Integration	Financial year ended ("FYE") 31 December 2015 FYE 31 December 2016 FYE 31 December 2017 FYE 31 December 2018	KCK & Associates BDO BDO BDO PLT*
Greatech Integration (Shanghai) Limited ("Greatech Shanghai")	Financial period from 10 March 2017 (Date of incorporation) to 31 December 2017 FYPE 31 December 2018	Shanghai WSP Certified Public Accountants Shanghai WSP Certified Public Accountants

There were no audited financial statements for Greatech Technology for the FYE 31 December 2015, FYE 31 December 2016 and FYE 31 December 2017 as Greatech Technology was only incorporated on 5 March 2018. The financial statements of Greatech Technology for the financial period from 5 March 2018 (Date of incorporation) to 31 December 2018 were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The financial statements of Greatech Integration for the financial year ended 31 December 2015 have been re-audited by BDO, for the purpose of inclusion into the combined financial statements of Greatech Technology. The financial statements were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

There were no audited financial statements for Greatech Shanghai for the FYE 31 December 2015 and FYE 31 December 2016 as Greatech Shanghai was only incorporated on 10 March 2017. The financial statements of Greatech Shanghai for the financial period from 10 March 2017 (Date of incorporation) to 31 December 2017 and FYE 31 December 2018 were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The audited financial statements of all the companies within the Group for the Relevant Financial Years/Periods reported above were not subject to any qualification or modification.

\* BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES****4.1 Basis of accounting**

The Group applied MFRS 15 *Revenue from Contracts with Customers* and MFRS 9 *Financial Instruments* for the first time during the current financial year, using the cumulative effect method as at 1 January 2018. Consequently, the comparative information were not restated and are not comparable to the financial information of the current financial year.

The combined financial statements have been prepared under the historical cost convention except as otherwise stated in the combined financial statements.

The preparation of the combined financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. The Directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

**4.2 Basis of combination**

The combined financial statements consist of the financial statements of the Company and the combining entities which are under common control as disclosed in Note 5 to the combined financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. The combined financial statements reflect external transactions only.

**4.2.1 Business combinations under common control**

Business combination involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the merger entities are reflected at their carrying amounts reported in the individual combined financial statements.

In a business combination under common control, any differences between the cost of the merger and the share capital of the 'acquired' entity are reflected within equity as reorganisation debit reserve.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2.1 Business combinations under common control (continued)**

The combined statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full financial year and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

**4.2.2 Business combinations not under common control**

Business combinations not under common control are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 or MFRS 9 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139 or MFRS 9. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.2.2 Business combinations not under common control (continued)**

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

**4.3 Property, plant and equipment and depreciation**

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for leasehold land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. Leasehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.3 Property, plant and equipment and depreciation (continued)**

Leasehold land and buildings are revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Leasehold land	34.5 years
Leasehold buildings	34.5 years
Plant and machinery	10%
Furniture, fittings, office equipment and computer software	10% - 20%
Motor vehicles	20%
Electrical installation	10%
Tools and equipment	10%
Renovation	10%

Construction-in-progress represents office and factory buildings under construction and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.6 to the combined financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any is transferred directly to retained earnings.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.4 Leases and hire purchase****(a) Finance leases and hire purchase**

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

**(b) Operating leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

**(c) Leases of land and buildings**

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

**4.5 Investments in subsidiaries**

A subsidiary is an entity in which the Group are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Investments in subsidiaries (continued)**

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment loss, if any. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

**4.6 Impairment of non-financial assets**

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries) and inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash flows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.7 Construction contracts**

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

This Standard will be superseded by MFRS 15 *Revenue from Contracts with Customers* for period beginning on or after 1 January 2018.

**4.8 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**4.9 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issuance of the financial instrument.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial instruments (continued)****(a) Financial assets**

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 *Financial Instruments* for the financial year ended 31 December 2018 and MFRS 139 *Financial Instruments: Recognition and Measurement* for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 are as below:

**Categories in the financial year ended 31 December 2018**

A financial asset is classified into the following three (3) categories after initial recognition for the purpose of subsequent measurement:

**(i) Financial assets at amortised cost**

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and have contractual terms of financial assets which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets classified as amortised cost are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

**(ii) Financial assets at fair value through other comprehensive income**

Financial assets that are debt instruments are measured at fair value through other comprehensive income if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms of financial assets which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets measured at fair value through other comprehensive income are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

**(iii) Financial assets at fair value through profit or loss**

Financial assets that are debt instruments that are designated as fair value through profit or loss or are not classified as amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial Instruments (continued)****(a) Financial assets (continued)****Categories in the financial year ended 31 December 2018 (continued)**

A financial asset is classified into the following three (3) categories after initial recognition for the purpose of subsequent measurement (continued):

**(iii) Financial assets at fair value through profit or loss (continued)**

Equity instruments are classified as financial assets measured at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of its short term commitments. For the purpose of the combined statement of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial instruments (continued)****(a) Financial assets (continued)****Categories in the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017**

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

**(i) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

**(ii) Held-to-maturity investments**

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

**(iii) Loans and receivables**

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial instruments (continued)****(a) Financial assets (continued)****Categories in the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 (continued)**

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement (continued):

**(iv) Available-for-sale financial assets**

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of its short term commitments. For the purpose of the combined statement of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial instruments (continued)****(b) Financial liabilities**

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

**(i) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

**(ii) Other financial liabilities**

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.9 Financial instruments (continued)****(c) Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

**4.10 Impairment of financial assets****Recognition and measurement in the financial year ended 31 December 2018**

At each financial year end, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group makes reference to the historical bad debts, ageing profiles of the counter parties on an individual and collective basis and past historical repayment trends to assess deterioration in credit quality of a financial asset. The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on payment profile of the sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customers to settle the receivables. The methodology and assumptions are reviewed regularly and the Group will adjust the historical loss rates based on expected changes in macroeconomic factors.

The amount of loss allowance is measured as the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive.

The Group measures the loss allowance on trade receivables based on the two-step approach as follows:

**(a) 12-months expected credit loss**

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.10 Impairment of financial assets (continued)***Recognition and measurement in the financial year ended 31 December 2018 (continued)*

The Group measures the loss allowance on trade receivables based on the two-step approach as follows (continued):

**(b) Lifetime expected credit loss**

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the loss allowance by the Group. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group reverts the loss allowance measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group applies the simplified approach in accordance with *MFRS 9 Financial Instruments* and measures the loss allowance based on a lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of a loss allowance account and the amount of loss allowance is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the loss allowance account.

*Recognition and measurement in the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017*

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.



### 13. ACCOUNTANTS' REPORT (Cont'd)

#### NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 4.12 Income taxes

Income taxes include all taxes on taxable profit.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

###### (a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

###### (b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.12 Income taxes (continued)****(b) Deferred tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) The same taxable entity; or
- (ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

**4.13 Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for warranties is recognised based on the estimated liabilities to repair or replace parts and components when the underlying products are sold. The estimated liability is based on historical warranty data and a weighting of all possible outcome against their associated probabilities.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.14 Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

**4.15 Employee benefits****(a) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

**(b) Defined contribution plans**

The Group makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.16 Share-based payments**

The Group involved in an equity-settled share-based transaction, under which the Group receives services from employees and others providing similar services as consideration for equity instruments of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted.

If the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, the Group shall presume that services rendered by the counterparty as consideration for the equity instruments have been received. In this case, on grant date the entity shall recognise the services received in full, with a corresponding increase in equity.

**4.17 Foreign currencies****(a) Functional and presentation currency**

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

**(b) Foreign currency translations and balances**

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

**(c) Foreign operations**

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.17 Foreign currencies (continued)****(c) Foreign operations (continued)**

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

**4.18 Revenue recognition****Recognition in the financial year ended 31 December 2018**

The Group applied the five-step model for revenue recognition under MFRS 15 *Revenue from Contracts with Customers* effective from 1 January 2018. The adoption of this Standard results in changes in the accounting policy for revenue recognition.

The Group recognises revenue from contracts with customers based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group satisfies a performance obligation.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.18 Revenue recognition (continued)***Recognition in financial year ended 31 December 2018 (continued)*

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

- (i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, net of discounts and rebates. The following describes the performance obligation in contracts with customers:

**(a) Contract revenue**

The Group recognises revenue from construction contracts over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

**(b) Sale of goods**

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

**(c) Services**

Revenue from rendering of services is recognised upon performance of services and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

**(d) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.18 Revenue recognition (continued)****Recognition in the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

**(a) Contract revenue**

Contract revenue and expenses are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs would exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable would be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

**(b) Sale of goods**

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers, net of discounts.

**(c) Services**

Revenue from rendering of services is recognised upon performance of services, net of discounts.

**(d) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

### 13. ACCOUNTANTS' REPORT (Cont'd)

#### NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.19 Government grants

Government grants are recognised in the financial statements when there is reasonable assurance that:

- (a) The Group would comply with the conditions attached to the grant; and
- (b) The grants would be received.

Government grants relating to costs are deferred and recognised as income in profit or loss on a straight line basis over the periods necessary to match them with the related costs that they are intended to compensate.

Government grants related to assets are presented in the statements of financial position as deferred revenue and recognised in profit or loss on a systematic basis over the useful life of the asset.

##### 4.20 Operating segments

Operating segments are defined as components of the Group that:

- (a) Engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenue.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
  - (i) The combined reported profit of all operating segments that did not report a loss; and
  - (ii) The combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.20 Operating segments (continued)**

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

**4.21 Fair value measurements**

The fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

**4.22 Earnings per ordinary share****(a) Basic**

Basic earnings per ordinary share for the financial years is calculated by dividing the profit for the financial years attributable to common controlling shareholder of the combining entities by the expected number of ordinary shares of the Company upon the completion of the Listing.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.22 Earnings per ordinary share (continued)****(b) Diluted**

Diluted earnings per ordinary share for the financial years is calculated by dividing the profit for the financial years attributable to common controlling shareholders of the combining entities by the expected number of ordinary shares of the Company upon the completion of the Listing adjusted for the effects of dilutive potential ordinary shares.

**5. COMBINING ENTITIES**

Name of company	2018	Effective interest in equity		2015
		2017	2016	
Greatech Integration (M) Sdn. Bhd.	100%	100%	100%	100%

**Principal activities**

Designing and manufacturing of automated and semi-automated machine and equipment, automation production line for solar panel, telecommunication device and related components.

**Subsidiary of Greatech Integration (M) Sdn. Bhd.**

Greatech Integration (Shanghai) Limited*	100%	100%	N/A	N/A
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**Principal activities**

Wholesale, import and export, commission agency (except for auction) and related supporting services in automation equipment and accessories, machinery and equipment, electromechanical equipment, hardware and electrical equipment, and electric tools. Engaged in technical development, technical consultation, technology transfer and technical services in the field of automation technology. Business information consulting. [Approved projects according to law, approved by relevant departments before carrying out business activities]

\* This combining entity is a wholly-owned foreign enterprise established on 10 March 2017 in Shanghai, the People's Republic of China.

# This combining entity has not commenced its business as of the date of this Report and the financial statements were not audited by BDO PLT, Malaysia.

## 13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land, at valuation RM'000	Leasehold buildings, at valuation RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computer system RM'000	Motor vehicles RM'000	Electrical installation RM'000	Tools and equipment RM'000	Renovation RM'000	Construction-in-progress RM'000	Total RM'000
<b>31 December 2018</b>										
<b>At cost/At valuation</b>										
Balance as at 1 January	7,600	6,020	12,701	2,414	816	822	240	873	0	31,486
Additions	0	0	1,782	1,175	211	271	72	399	9,316	13,226
Written off	0	0	(15)	(2)	0	0	0	0	0	(17)
Balance as at 31 December	7,600	6,020	14,468	3,587	1,027	1,093	312	1,272	9,316	44,695
<b>Accumulated depreciation</b>										
Balance as at 1 January	220	174	4,530	1,003	311	214	110	187	0	6,749
Current charge	220	174	1,128	510	152	95	21	118	0	2,418
Written off	0	0	(15)	*	0	0	0	0	0	(15)
Balance as at 31 December	440	348	5,643	1,513	463	309	131	305	0	9,152
<b>Carrying amount</b>										
Balance as at 31 December	7,160	5,672	8,825	2,074	564	784	181	967	9,316	35,543

\* Less than RM1,000.

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## 13. ACCOUNTANTS' REPORT (Cont'd)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land, at valuation RM'000	Leasehold buildings, at valuation RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computer system RM'000	Motor vehicles RM'000	Electrical installation RM'000	Tools and equipment RM'000	Renovation RM'000	Total RM'000
<b>31 December 2017</b>									
<b>At cost/At valuation</b>									
Balance as at 1 January	7,600	6,020	6,652	1,732	673	367	172	624	23,840
Additions	0	0	6,066	682	222	455	68	249	7,742
Written off	0	0	(17)	0	(79)	0	0	0	(96)
Balance as at 31 December	7,600	6,020	12,701	2,414	816	822	240	873	31,486
<b>Accumulated depreciation</b>									
Balance as at 1 January	0	0	3,858	710	260	166	96	112	5,202
Current charge	220	174	689	293	130	48	14	75	1,643
Written off	0	0	(17)	0	(79)	0	0	0	(96)
Balance as at 31 December	220	174	4,530	1,003	311	214	110	187	6,749
<b>Carrying amount</b>									
Balance as at 31 December	7,380	5,846	8,171	1,411	505	608	130	686	24,737

13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land, at valuation RM'000	Leasehold buildings, at valuation RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computer system RM'000	Motor vehicles RM'000	Electrical installation RM'000	Tools and equipment RM'000	Renovation RM'000	Total RM'000
<b>31 December 2016</b>									
At cost/At valuation									
Balance as at 1 January	2,770	6,457	6,406	1,219	520	350	165	615	18,502
Additions	0	0	253	513	358	17	7	9	1,157
Revaluation	4,830	(437)	0	0	0	0	0	0	4,393
Disposal	0	0	0	0	(205)	0	0	0	(205)
Written off	0	0	(7)	0	0	0	0	0	(7)
Balance as at 31 December	7,600	6,020	6,652	1,732	673	367	172	624	23,840
<b>Accumulated depreciation</b>									
Balance as at 1 January	114	273	3,434	466	389	134	84	50	4,944
Current charge	75	181	431	244	76	32	12	62	1,113
Revaluation	(189)	(454)	0	0	0	0	0	0	(643)
Disposal	0	0	0	0	(205)	0	0	0	(205)
Written off	0	0	(7)	0	0	0	0	0	(7)
Balance as at 31 December	0	0	3,858	710	260	166	96	112	5,202
<b>Carrying amount</b>									
Balance as at 31 December	7,600	6,020	2,794	1,022	413	201	76	512	18,638

13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computer system RM'000	Motor vehicles RM'000	Electrical installation RM'000	Tools and equipment RM'000	Renovation RM'000	Total RM'000
<b>31 December 2015</b>									
<b>At cost</b>									
Balance as at 1 January	1,003	2,497	5,219	752	520	165	149	43	10,348
Additions	1,767	3,960	1,187	467	0	185	16	572	8,154
Balance as at 31 December	2,770	6,457	6,406	1,219	520	350	165	615	18,502
<b>Accumulated depreciation</b>									
Balance as at 1 January	39	99	2,957	312	303	112	68	17	3,907
Current charge	75	174	477	154	86	22	16	33	1,037
Balance as at 31 December	114	273	3,434	466	389	134	84	50	4,944
<b>Carrying amount</b>									
Balance as at 31 December	2,656	6,184	2,972	753	131	216	81	565	13,558

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (a) The leasehold land and buildings of the Group were revalued on 31 December 2016 by the Directors based on a valuation exercise carried out in 31 December 2016 by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Leasehold land	2,432	2,506	2,581	2,656
Leasehold buildings	5,655	5,829	6,003	6,184
	<u>8,087</u>	<u>8,335</u>	<u>8,584</u>	<u>8,840</u>

- (b) During the financial years, the Group made the following cash payments to purchase property, plant and equipment:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Purchase of property, plant and equipment	13,226	7,742	1,157	8,154
Financed by hire purchase arrangements	<u>(1,271)</u>	<u>(3,731)</u>	<u>(150)</u>	<u>(514)</u>
Cash payments on purchase of property, plant and equipment	<u>11,955</u>	<u>4,011</u>	<u>1,007</u>	<u>7,640</u>

- (c) The carrying amount of the property, plant and equipment of the Group under hire purchase arrangements at the end of the reporting period are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Plant and machinery	5,176	4,180	1,228	2,440
Motor vehicles	<u>170</u>	<u>0</u>	<u>409</u>	<u>127</u>
	<u>5,346</u>	<u>4,180</u>	<u>1,637</u>	<u>2,567</u>

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 14 to the combined financial statements.

- (d) As at 31 December 2016, certain motor vehicles with carrying amounts of RM410,394 (2015: RM131,192) were registered under the name of the Directors and third parties who held them in trust.

As at 31 December 2017 and 31 December 2018, the motor vehicles registered under the name of the Directors and third parties have been transferred to the name of Greotech Integration.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (e) The fair value of leasehold land and buildings (at valuation) of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 December 2018</b>				
Leasehold land	0	7,600	0	7,600
Leasehold buildings	0	6,020	0	6,020
	0	13,620	0	13,620
<b>31 December 2017</b>				
Leasehold land	0	7,600	0	7,600
Leasehold buildings	0	6,020	0	6,020
	0	13,620	0	13,620
<b>31 December 2016</b>				
Leasehold land	0	7,600	0	7,600
Leasehold buildings	0	6,020	0	6,020
	0	13,620	0	13,620

- (i) Level 2 fair value of leasehold land and buildings (at valuation) was determined by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.
- (ii) The fair value measurements of the leasehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.
- (f) As at the end of the reporting period, leasehold land and buildings with a total carrying amount of RM12,830,434 (2017: RM6,991,304; 2016: RM7,200,000; 2015: RM5,406,209) of the Group have been charged to banks for credit facilities granted to the Group as disclosed in Note 13 and Note 15 to the combined financial statements.

**7. INVENTORIES**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>At cost</b>				
Raw materials	3,594	7,499	3,413	263
Work-in-progress	0	0	2,863	79
Finished goods	0	0	0	1,994
	3,594	7,499	6,276	2,336



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****7. INVENTORIES (continued)**

As at 31 December 2018, inventories recognised as cost of sales amounted to RM125,651,906 (2017: RM39,790,363; 2016: RM2,987,413; 2015: RM6,009,268).

**8. TRADE AND OTHER RECEIVABLES**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Trade receivables</b>				
Third parties	5,442	15,697	6,386	5,278
Contract assets in respect of:				
- construction contracts (Note (b))	25,906	23,127	0	0
- deferred revenue	28	0	0	0
	31,376	38,824	6,386	5,278
<b>Less: Impairment loss</b>				
- Third parties	(523)	0	0	0
	30,853	38,824	6,386	5,278
<b>Other receivables</b>				
Other receivables	15,056	21,910	792	137
	45,909	60,734	7,178	5,415
<b>Deposits and prepayments</b>				
Deposits	1,348	491	144	135
Prepayments	273	455	67	64
	1,621	946	211	199
	47,530	61,680	7,389	5,614

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 10 to 90 days (2017: 30 to 90 days; 2016: 30 to 90 days; 2015: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The contract assets/(liabilities) from construction contracts are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Aggregate costs incurred to date</b>	215,354	53,915	0	0
<b>Add: Attributable profits</b>	99,501	40,536	0	0
	314,855	94,451	0	0
<b>Less: Progress billings</b>	(302,202)	(93,717)	0	0
	12,653	734	0	0
<b>Represented by:</b>				
Contract assets	25,906	23,127	0	0
Contract liabilities (Note 18)	(13,253)	(22,393)	0	0
	12,653	734	0	0

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****8. TRADE AND OTHER RECEIVABLES (continued)**

- (c) The currency exposure profile of trade and other receivables, net of deposits and prepayments are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	39,908	45,854	1,217	400
US Dollar	6,001	14,880	5,961	5,015
	<u>45,909</u>	<u>60,734</u>	<u>7,178</u>	<u>5,415</u>

- (d) The ageing analysis of trade receivables of the Group are as follows:

Application of MFRS 139

	2017 RM'000	2016 RM'000	2015 RM'000
Neither past due nor impaired	26,694	2,139	847
Past due but not impaired			
1 to 30 days	11,025	55	23
31 to 60 days	1,102	49	44
61 to 90 days	2	34	369
More than 90 days	1	4,109	3,995
	<u>12,130</u>	<u>4,247</u>	<u>4,431</u>
	<u>38,824</u>	<u>6,386</u>	<u>5,278</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,130,436 (2016: RM4,246,784; 2015: RM4,430,919) that are past due at the end of the reporting period but not impaired. Trade receivables of the Group that are past due but not impaired are unsecured in nature. The Group closely monitors the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The management has assessed and concluded that these receivables are recoverable as these accounts are still active and is of the view that the amounts are recoverable based on past payment history.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****8. TRADE AND OTHER RECEIVABLES (continued)**

(d) The ageing analysis of trade receivables of the Group are as follows (continued):

Application of MFRS 9

31 December 2018	Trade receivables-days past due				Total RM'000
	Not past due RM'000	1-30 RM'000	31-60 RM'000	>60 RM'000	
Expected credit loss ("ECL") rate	2.16%	2.16%	2.16%	100%	
Trade receivables, gross - Third parties (RM)	3,179	1,737	111	415	5,442
Impairment loss (RM)	(69)	(37)	(2)	(415)	(523)
Trade receivables, net (RM)	3,110	1,700	109	0	4,919

(e) The reconciliation of movement in the impairment loss of trade receivables are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Balance as at 1 January under MFRS 139	0	0	0	0
Restated through opening retained earnings (Note 34.3)	242	0	0	0
Opening impairment loss as at 1 January under MFRS 9	242	0	0	0
Reversal of impairment loss	(242)	0	0	0
Charge for the financial year	523	0	0	0
Balance as at 31 December	523	0	0	0

(f) No expected credit losses is recognised arising from other receivables as it is negligible.

(g) Information on financial risks of trade and other receivables is disclosed in Note 30 to the combined financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****9. SHORT TERM FUNDS**

	<b>2018 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
<b>Financial asset at fair value through profit or loss</b>				
Short term funds in Malaysia (Note 10(c))	<u>52,609</u>	<u>7,073</u>	<u>0</u>	<u>0</u>

- (a) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (b) Short term funds of the Group are investments in money market funds which are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.
- (c) The currency exposure profile of short term funds are as follows:

	<b>2018 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Ringgit Malaysia	45,808	3,008	0	0
US Dollar	<u>6,801</u>	<u>4,065</u>	<u>0</u>	<u>0</u>
	<u>52,609</u>	<u>7,073</u>	<u>0</u>	<u>0</u>

- (d) Information on financial risks of short term funds is disclosed in Note 30 to the combined financial statements.

**10. CASH AND BANK BALANCES**

	<b>2018 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Cash and bank balances	9,559	2,486	1,751	1,938
Deposits with licensed banks	<u>2,825</u>	<u>1,732</u>	<u>3,667</u>	<u>1,620</u>
	<u>12,384</u>	<u>4,218</u>	<u>5,418</u>	<u>3,558</u>

- (a) As at 31 December 2017, included in the deposits with licensed banks was an amount of RM450,394 (2016: RM427,064; 2015: RM412,800) registered under the name of a Director who held them in trust for the Group.

As at 31 December 2018, the Group had withdrawn the deposits with licensed banks registered under the name of a Director.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****10. CASH AND BANK BALANCES (continued)**

(b) The currency exposure profile of cash and bank balances are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	11,179	3,189	4,177	2,314
US Dollar	659	867	1,241	1,244
Japanese Yen	28	162	0	0
Euro	450	0	0	0
Chinese Renminbi	68	*	0	0
	<u>12,384</u>	<u>4,218</u>	<u>5,418</u>	<u>3,558</u>

\* Less than RM1,000.

(c) For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	9,559	2,486	1,751	1,938
Deposits with licensed banks	2,825	1,732	3,667	1,620
Short term funds (Note 9)	52,609	7,073	0	0
Bank overdraft included in borrowings (Note 13)	<u>0</u>	<u>(102)</u>	<u>(803)</u>	<u>(1)</u>
	64,993	11,189	4,615	3,557
Less: Deposits pledged to licensed banks	<u>(2,720)</u>	<u>(1,732)</u>	<u>(1,667)</u>	<u>(1,620)</u>
	<u>62,273</u>	<u>9,457</u>	<u>2,948</u>	<u>1,937</u>

(d) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(e) Information on financial risks of cash and bank balances is disclosed in Note 30 to the combined financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****11. RESERVES**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Non-distributable:</b>				
Exchange translation reserve	*	*	0	0
Revaluation reserve (Note 12)	3,605	3,716	3,827	0
	<u>3,605</u>	<u>3,716</u>	<u>3,827</u>	<u>0</u>
<b>Distributable:</b>				
Retained earnings	65,261	35,782	19,615	13,988
	<u>68,866</u>	<u>39,498</u>	<u>23,442</u>	<u>13,988</u>

\* Less than RM1,000.

**(a) Exchange translation reserve**

Exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group.

**(b) Revaluation reserve**

Revaluation reserve represents the surplus arising on the revaluation of the leasehold land and buildings of the Group.

**(c) Retained earnings**

Included in the retained earnings for the financial year ended 31 December 2018 is the fair value of the services received from employees and others providing similar services in exchange for the grant of the equity instruments which amounted to RM4,085,189 and is recognised as an expense. The fair value of the equity instruments granted at the measurement date is based on the Directors' estimate, using the H Dividend Discount model.

The fair value of the equity instruments measures at grant date and the assumptions are as follows:

Fair value of equity instruments at the grant date (per share)	RM48.06
Stable stage annual dividend growth rate	13.30%
High stage annual dividend growth rate	94.48%
Expected rate of return	24.00%

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****12. REVALUATION RESERVE**

The revaluation reserve which is non-distributable as cash dividend represents the surplus arising on the revaluation of the leasehold land and buildings of the Group.

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Balance as at 1 January	3,716	3,827	0	0
Gross revaluation increase of properties	0	0	5,036	0
Transfer to deferred tax liabilities (Note 16)	0	0	(1,209)	0
Realisation of revaluation surplus	(111)	(111)	0	0
Balance as at 31 December	<u>3,605</u>	<u>3,716</u>	<u>3,827</u>	<u>0</u>

**13. BORROWINGS**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Current liabilities</b>				
<i>Secured</i>				
Bankers' acceptances	0	0	87	0
Hire purchase creditors (Note 14)	1,674	1,204	190	775
Term loans (Note 15)	768	714	671	127
Bank overdraft (Note 10(c))	0	102	803	1
	<u>2,442</u>	<u>2,020</u>	<u>1,751</u>	<u>903</u>
<b>Non-current liabilities</b>				
<i>Secured</i>				
Hire purchase creditors (Note 14)	1,373	2,021	128	417
Term loans (Note 15)	4,328	5,101	5,815	3,812
	<u>5,701</u>	<u>7,122</u>	<u>5,943</u>	<u>4,229</u>
<b>Total borrowings</b>				
Bankers' acceptances	0	0	87	0
Hire purchase creditors (Note 14)	3,047	3,225	318	1,192
Term loans (Note 15)	5,096	5,815	6,486	3,939
Bank overdraft (Note 10(c))	0	102	803	1
	<u>8,143</u>	<u>9,142</u>	<u>7,694</u>	<u>5,132</u>

(a) All borrowings are denominated in RM.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****13. BORROWINGS (continued)**

(b) The bankers' acceptances and bank overdraft are secured by:

- (i) a legal charge over a leasehold land and building as disclosed in Note 6 to the combined financial statements;
- (ii) a legal charge over certain deposits with licensed bank;
- (iii) jointly and severally guaranteed by the Directors of the Group; and
- (iv) corporate guarantee by GTECH Holdings Sdn. Bhd. (formerly known as Greatech Holdings Sdn. Bhd.).

**14. HIRE PURCHASE CREDITORS**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Minimum hire purchase payments:				
- not later than one (1) year	1,796	1,352	198	819
- later than one (1) year but not later than five (5) years	1,414	2,111	137	429
Total minimum hire purchase payments	3,210	3,463	335	1,248
Less: Future interest charges	(163)	(238)	(17)	(56)
Present value of hire purchase payments	3,047	3,225	318	1,192
Repayable as follows:				
Current liabilities				
- not later than one (1) year	1,674	1,204	190	775
Non-current liabilities				
- later than one (1) year but not later than five (5) years	1,373	2,021	128	417
	3,047	3,225	318	1,192

Information on financial risks of borrowings and its maturity is disclosed in Note 30 to the combined financial statements.

**15. TERM LOANS**

The term loans are secured by:

- (i) legal charges over leasehold land and buildings as disclosed in Note 6 to the combined financial statements;
- (ii) a legal charge over certain deposits with licensed bank;
- (iii) jointly and severally guaranteed by the Directors of the Group; and
- (iv) corporate guarantee by GTECH Holdings Sdn. Bhd. (formerly known as Greatech Holdings Sdn. Bhd.).

Information on financial risks of borrowings and its maturity is disclosed in Note 30 to the combined financial statements.



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****16. DEFERRED TAX LIABILITIES**

(a) The deferred tax (assets)/liabilities are made up of the following:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Balance as at 1 January	0	1,606	0	0
Recognised in:				
-profit or loss (Note 23)	0	(1,606)	397	0
-other comprehensive income (Note 12)	0	0	1,209	0
	<u>0</u>	<u>0</u>	<u>1,209</u>	<u>0</u>
Balance as at 31 December	<u>0</u>	<u>0</u>	<u>1,606</u>	<u>0</u>
Presented after appropriate offsetting:				
Deferred tax assets	(1,826)	(1,790)	0	0
Deferred tax liabilities	<u>1,826</u>	<u>1,790</u>	<u>1,606</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>1,606</u>	<u>0</u>

(b) The components and movements of deferred tax assets and liabilities during the financial years prior to offsetting are as follows:

Deferred tax assets

	Provision for warranties RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Balance as at 1 January 2018	1,352	245	193	1,790
Recognised in profit or loss	<u>(179)</u>	<u>(245)</u>	<u>460</u>	<u>36</u>
Balance as at 31 December 2018	<u>1,173</u>	<u>0</u>	<u>653</u>	<u>1,826</u>
Balance as at 1 January 2017	0	0	0	0
Recognised in profit or loss	<u>1,352</u>	<u>245</u>	<u>193</u>	<u>1,790</u>
Balance as at 31 December 2017	<u>1,352</u>	<u>245</u>	<u>193</u>	<u>1,790</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****16. DEFERRED TAX LIABILITIES (continued)**

- (b) The components and movements of deferred tax assets and liabilities during the financial years prior to offsetting are as follows (continued):

Deferred tax assets (continued)

	Provision for warranties RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Balance as at 1 January 2016	0	0	0	0
Recognised in profit or loss	0	0	0	0
Balance as at 31 December 2016	0	0	0	0
Balance as at 1 January 2015	0	0	0	0
Recognised in profit or loss	0	0	0	0
Balance as at 31 December 2015	0	0	0	0

Deferred tax liabilities

	Property, plant and equipment RM'000	Revaluation surplus of revalued properties RM'000	Others RM'000	Total RM'000
Balance as at 1 January 2018	616	1,174	0	1,790
Recognised in profit or loss	72	(36)	0	36
Balance as at 31 December 2018	688	1,138	0	1,826
Balance as at 1 January 2017	367	1,209	30	1,606
Recognised in profit or loss	249	(35)	(30)	184
Balance as at 31 December 2017	616	1,174	0	1,790

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****16. DEFERRED TAX LIABILITIES (continued)**

- (b) The components and movements of deferred tax assets and liabilities during the financial years prior to offsetting are as follows (continued):

Deferred tax liabilities (continued)

	Property, plant and equipment RM'000	Revaluation surplus of revalued properties RM'000	Others RM'000	Total RM'000
Balance as at 1 January 2016	0	0	0	0
Recognised in:				
- profit or loss	367	0	30	397
- other comprehensive income	0	1,209	0	1,209
Balance as at 31 December 2016	<u>367</u>	<u>1,209</u>	<u>30</u>	<u>1,606</u>
Balance as at 1 January 2015	0	0	0	0
Recognised in profit or loss	0	0	0	0
Balance as at 31 December 2015	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**17. GOVERNMENT GRANT**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Balance as at 1 January	797	0	0	0
Granted during the financial years	242	860	0	0
Amortisation during the financial years	(115)	(63)	0	0
Balance as at 31 December	<u>924</u>	<u>797</u>	<u>0</u>	<u>0</u>
Represented by:				
Current liabilities	133	106	0	0
Non-current liabilities	791	691	0	0
	<u>924</u>	<u>797</u>	<u>0</u>	<u>0</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****18. TRADE AND OTHER PAYABLES**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Trade payables</b>				
Third parties	28,425	20,456	1,020	1,055
Contract liabilities in respect of:				
- construction contracts (Note 8(b))	13,253	22,393	0	0
- deferred revenue	923	0	0	0
	42,601	42,849	1,020	1,055
<b>Other payables</b>				
Other payables	5,025	1,267	272	270
Amount due to a related company	0	0	0	1
Amounts due to Directors	0	0	2,464	2,499
Accruals	3,061	3,916	217	262
	8,086	5,183	2,953	3,032
	<u>50,687</u>	<u>48,032</u>	<u>3,973</u>	<u>4,087</u>

- (a) Trade and other payables are non-interest bearing and the normal credit term granted to the Group ranged from 30 to 90 days (2017: 30 to 90 days; 2016: 30 to 90 days; 2015: 30 to 90 days).
- (b) In the previous financial years, the amounts due to a related company and Directors were unsecured, non-interest bearing and payable upon demand in cash and cash equivalents.
- (c) The currency exposure profile of trade and other payables are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	39,699	42,101	3,161	3,888
US Dollar	10,257	5,389	812	131
Singapore Dollar	671	484	0	68
Euro	45	57	0	0
Chinese Renminbi	15	1	0	0
	<u>50,687</u>	<u>48,032</u>	<u>3,973</u>	<u>4,087</u>

- (d) Information on financial risks of trade and other payables is disclosed in Note 30 to the combined financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****19. PROVISION FOR WARRANTIES**

- (a) The Group provides warranty on certain automated production system and equipment for a period of up to two (2) years and undertake to repair or replace parts and components that fail to perform satisfactorily. A provision has been recognised at end of the reporting period for expected warranty claims based on management's expectation of the level of repair and replace.
- (b) Movements during the financial years in the amount recognised in the combined statements of financial position in respect of the provision for warranties are as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Balance as at 1 January	6,880	0	0	0
Provision made during the financial years	15,887	6,880	0	0
Amount used during the financial year	(33)	0	0	0
Balance as at 31 December	<u>22,734</u>	<u>6,880</u>	<u>0</u>	<u>0</u>

**20. CAPITAL COMMITMENT**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Capital expenditure in respect of purchase of property, plant and equipment - contracted but not provided for	<u>15,605</u>	<u>237</u>	<u>0</u>	<u>0</u>

**21. REVENUE**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Contract revenue	204,066	88,326	0	0
Sale of goods	4,809	1,442	14,746	15,460
Provision of parts and services	<u>10,707</u>	<u>4,146</u>	<u>7,957</u>	<u>5,933</u>
	<u>219,582</u>	<u>93,914</u>	<u>22,703</u>	<u>21,393</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****21. REVENUE (continued)***Disaggregation of revenue from contracts with customers*

Revenue from contracts with customers is disaggregated in the table below by primary geographical market and timing of revenue recognition.

	Timing of revenue recognition		Total RM'000
	Transferred over time RM'000	Transferred at a point in time RM'000	
<b>31 December 2018</b>			
Malaysia	16,237	5,754	21,991
United States of America	53,340	2,354	55,694
Ireland	0	206	206
People's Republic of China	0	26	26
Philippines	0	3,754	3,754
Vietnam	134,489	3,129	137,618
Others	0	293	293
	<u>204,066</u>	<u>15,516</u>	<u>219,582</u>

**22. FINANCE COST**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Interest expenses on:				
- bankers' acceptances	20	2	22	9
- bank overdraft	20	62	94	8
- hire purchase	187	96	48	77
- term loans	326	388	345	128
- others	8	1	18	0
	<u>561</u>	<u>549</u>	<u>527</u>	<u>222</u>

**23. TAX EXPENSE**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Current tax expense based on profit for the financial years	116	369	36	6
Under/(Over)provision of income tax expense in prior years	26	1,449	(156)	0
	<u>142</u>	<u>1,818</u>	<u>(120)</u>	<u>6</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****23. TAX EXPENSE (continued)**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Deferred tax (Note 16):				
Crystallisation of deferred tax liability on revaluation surplus	(35)	(35)	0	0
Relating to origination and reversal of temporary differences	(178)	(1,402)	(145)	0
Under/(Over)provision in prior years	213	(169)	542	0
	<u>0</u>	<u>(1,606)</u>	<u>397</u>	<u>0</u>
Total tax expense	<u>142</u>	<u>212</u>	<u>277</u>	<u>6</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%, 2016: 24%, 2015: 25%) of the estimated taxable profits for the fiscal years.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group is as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Profit before tax	<u>31,861</u>	<u>19,268</u>	<u>6,086</u>	<u>5,604</u>
Tax at statutory tax rate of 24% (2017: 24%, 2016: 24%, 2015: 25%)	7,646	4,624	1,461	1,401
Tax effects in respect of:				
Non-allowable expenses	6,118	1,040	168	144
Non-taxable income	(867)	(258)	(41)	0
Difference of tax rate for the first chargeable income of RM500,000	(30)	(30)	(9)	(25)
Tax exempt income under pioneer status	(12,929)	(6,409)	(1,995)	(1,514)
Annual crystallisation of deferred tax on revaluation surplus	(35)	(35)	0	0
Adjustment to deferred tax expense resulting from reduction in tax rate	0	0	(22)	0
Deferred tax assets not recognised	0	0	329	0
Under/(Over)provision of income tax expense in prior years	26	1,449	(156)	0
Under/(Over)provision of deferred tax in prior years	<u>213</u>	<u>(169)</u>	<u>542</u>	<u>0</u>
Tax expense for the financial years	<u>142</u>	<u>212</u>	<u>277</u>	<u>6</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****23. TAX EXPENSE (continued)**

The Group has been granted pioneer status for the following products:

- (a) Back end automation production line for solar panel and related components which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 21 August 2006 to 20 August 2011 and subsequently extended to 20 August 2016;
- (b) Automated production machine and related components for manufacturing of smart phone, tablets, playing device and reading device which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 and expired on 28 March 2018; and
- (c) Automated handlers for front end solar wafer and solar panel which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 and expired on 28 March 2018.

The tax incentive period granted for the said pioneer status is for a period of 10 years with an initial period of 5 years commencing from 29 March 2013 to 28 March 2018, and is subsequently extended for another 5 years beginning on 29 March 2018 to 28 March 2023 in November 2018.

**24. EMPLOYEE BENEFITS**

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Wages, salaries, overtime and bonuses	18,720	10,404	7,248	6,564
Directors' fee	145	50	0	0
Contributions to defined contribution plan	2,148	1,081	727	663
Social security contributions	194	107	73	61
Share-based payment transaction	1,923	0	0	0
Other benefits	66	20	14	25
	<u>23,196</u>	<u>11,662</u>	<u>8,062</u>	<u>7,313</u>

Included in the employee benefits of the Group are Directors' remuneration amounting to RM1,172,397 (2017:RM599,862; 2016: RM498,763; 2015: RM498,520).

**25. EARNINGS PER ORDINARY SHARE****(a) Basic**

Basic earnings per ordinary share for the financial years is calculated by dividing the profit for the financial years attributable to common controlling shareholder of the combining entities by the expected number of ordinary shares of the Company pursuant to the Listing.



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****25. EARNINGS PER ORDINARY SHARE (continued)****(a) Basic (continued)**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Profit attributable to common controlling shareholder of the combining entities (RM'000)	<u>31,719</u>	<u>19,056</u>	<u>5,809</u>	<u>5,598</u>
Expected number of shares upon completion of the Listing (unit)	<u>626,000,000</u>	<u>626,000,000</u>	<u>626,000,000</u>	<u>626,000,000</u>
Basic earnings per ordinary share (sen)	<u>5.07</u>	<u>3.04</u>	<u>0.92</u>	<u>0.89</u>

Number of ordinary shares is the expected number of ordinary shares of the Company upon completion of the Listing.

**(b) Diluted**

Diluted earnings per ordinary share equals basic earnings per ordinary share, as the Group does not have any potential dilutive ordinary shares in issue during and at the end of the financial period.

**26. DIVIDENDS**

	<b>Dividend per share RM</b>	<b>Amount of Dividend RM'000</b>
<b>31 December 2018</b>		
In respect of financial year ended 31 December 2018:		
Single tier first interim dividend	1.700000	1,700
Single tier second interim dividend	1.700000	1,700
	<u>3.400000</u>	<u>3,400</u>
<b>31 December 2017</b>		
In respect of financial year ended 31 December 2017:		
Single tier first interim dividend	0.176327	176
Single tier second interim dividend	0.100000	100
Single tier third interim dividend	0.270960	271
Single tier fourth interim dividend	0.150001	150
Single tier fifth interim dividend	2.302712	2,303
	<u>3.000000</u>	<u>3,000</u>
<b>31 December 2016</b>		
In respect of financial year ended 31 December 2016:		
Interim single tier dividend	<u>0.181680</u>	<u>182</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****26. DIVIDENDS (continued)**

	Dividend per share RM	Amount of Dividend RM'000
<b>31 December 2015</b>		
In respect of financial year ended 31 December 2015:		
Single tier first interim dividend	0.750000	225
Single tier second interim dividend	2.340000	702
Single tier third interim dividend	0.200000	200
	<u>3.290000</u>	<u>1,127</u>

**27. RELATED PARTY DISCLOSURES****(a) Identities of related parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transaction with its related parties and holding and ultimate company during the financial years:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Holding and ultimate company:				
- dividends	3,111	3,000	182	1,127
Related party:				
- deposit paid for acquisition of land	<u>840</u>	<u>0</u>	<u>0</u>	<u>0</u>

**(c) Compensation of key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

There are no other key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Group other than the Directors.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS  
31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****27. RELATED PARTY DISCLOSURES (continued)****(c) Compensation of key management personnel (continued)**

The total remuneration of Directors during the financial years was as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Directors' fees	145	50	0	0
Short term employee benefits	916	491	446	445
Contributions to defined contribution plan	111	59	53	53
	<u>1,172</u>	<u>600</u>	<u>499</u>	<u>498</u>

Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group is RM32,750 (2017: RM2,729; 2016: RMNil; 2015: RMNil).

**28. OPERATING SEGMENTS**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sale of automated equipment together with provision of parts and services.

No provision of parts and services segment information is presented as the Chief Executive Officer ("CEO") views the Group as a single reportable segment.

**(a) Geographical information**

The manufacturing facilities of the Group are primarily based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Majority of the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets of the Group.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****28. OPERATING SEGMENTS (continued)****(a) Geographical information (continued)**

Revenue information based on the geographical location of customers is as follows:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Revenue from external customers</b>				
Malaysia	21,991	17,878	14,300	3,888
United States of America	55,694	34,052	3,687	4,175
Ireland	206	1,655	3,837	12,650
People's Republic of China	26	42	426	651
Philippines	3,754	2,797	1	2
Hong Kong	0	0	420	0
Vietnam	137,618	37,490	3	0
Others	293	0	29	27
	<u>219,582</u>	<u>93,914</u>	<u>22,703</u>	<u>21,393</u>

**(b) Major customers**

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Customer A	137,615	37,490	0	0
Customer B	19,119*	19,092	0	0
Customer C	18,731*	15,426	13,403	3,838
Customer D	36,040	14,796	727*	1,938*
Customer E	206*	1,656*	3,837	12,650
Customer F	0	0	4,099	121*
	<u>211,711</u>	<u>88,460</u>	<u>22,066</u>	<u>18,547</u>

\* Less than 10%.

**29. FINANCIAL INSTRUMENTS****(a) Capital management**

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as going concerns whilst maximising return to shareholder through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial years.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****29. FINANCIAL INSTRUMENTS (continued)****(a) Capital management (continued)**

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting periods.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debts. The Group includes within net debt, borrowings, trade and other payables and provision for warranties, less cash and bank balances and short term funds. Capital includes equity attributable to the common controlling shareholder.

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Borrowings	8,143	9,142	7,694	5,132
Trade and other payables	50,687	48,032	3,973	4,087
Provision for warranties	22,734	6,880	0	0
Less: Short term funds	(52,609)	(7,073)	0	0
Cash and bank balances	(12,384)	(4,218)	(5,418)	(3,558)
<b>Net debt</b>	<b>16,571</b>	<b>52,763</b>	<b>6,249</b>	<b>5,661</b>
<b>Total capital</b>	<b>69,866</b>	<b>40,498</b>	<b>24,442</b>	<b>14,988</b>
<b>Net debt</b>	<b>16,571</b>	<b>52,763</b>	<b>6,249</b>	<b>5,661</b>
<b>Equity</b>	<b>86,437</b>	<b>93,261</b>	<b>30,691</b>	<b>20,649</b>
<b>Gearing ratio</b>	<b>19%</b>	<b>57%</b>	<b>20%</b>	<b>27%</b>

**(b) Categories of financial instruments**

	Amortised costs (Loans and receivables 2015, 2016 and 2017)			
	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Financial assets</b>				
Trade and other receivables, net of prepayments	47,257	61,225	7,322	5,550
Cash and bank balances	12,384	4,218	5,418	3,558
	<b>59,641</b>	<b>65,443</b>	<b>12,740</b>	<b>9,108</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****29. FINANCIAL INSTRUMENTS (continued)****(b) Categories of financial instruments (continued)**

	Fair value through profit or loss			
	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Financial asset</b>				
Short term funds	<u>52,609</u>	<u>7,073</u>	<u>0</u>	<u>0</u>
	<b>Amortised costs (Other financial liabilities 2015, 2016 and 2017)</b>			
	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Financial liabilities</b>				
Borrowings	8,143	9,142	7,694	5,132
Trade and other payables	<u>50,687</u>	<u>48,032</u>	<u>3,973</u>	<u>4,087</u>
	<u>58,830</u>	<u>57,174</u>	<u>11,667</u>	<u>9,219</u>

**(c) Method and assumptions used to estimate fair value**

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair values and whose carrying amounts are at reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as short-term receivables, payables and borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Hire purchase creditors

The fair values of hire purchase creditors are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

- (iii) Short term funds

The fair value of short term funds is determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

**31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015**

**29. FINANCIAL INSTRUMENTS (continued)**

**(d) Fair value hierarchy**

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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## 13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 29. FINANCIAL INSTRUMENTS (continued)

## (d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the combined statements of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>31 December 2018</b>								
<b>Financial asset</b>								
Financial asset at fair value through profit or loss								
Short term funds	0	52,609	0	0	0	0	52,609	52,609
<b>Financial liability</b>								
Other financial liability								
Hire purchase creditors	0	0	0	0	2,970	0	2,970	3,047
<b>31 December 2017</b>								
<b>Financial asset</b>								
Financial asset at fair value through profit or loss								
Short term funds	0	7,073	0	0	0	0	7,073	7,073
<b>Financial liability</b>								
Other financial liability								
Hire purchase creditors	0	0	0	0	3,144	0	3,144	3,225



## 13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS  
31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 29. FINANCIAL INSTRUMENTS (continued)

## (d) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the combined statements of financial position (continued).

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31 December 2016								
Financial liability								
Other financial liability								
Hire purchase creditors	0	0	0	0	308	0	308	318
31 December 2015								
Financial liability								
Other financial liability								
Hire purchase creditors	0	0	0	0	1,159	0	1,159	1,192

(e) The management regularly reviews significant unobservable inputs and valuation adjustments in respect to the measurement of fair values of financial instrument.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial risk management objective of the Group is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, foreign currency risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

**(a) Credit risk**

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are creditworthy debtors with good payment records with the Group. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of ten (10) days, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

**Credit risk concentration profile**

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	2018		2017	
	RM'000	% of total	RM'000	% of total
<b>By country</b>				
Vietnam	8,552	28%	16,883	44%
United States of America	20,826	67%	10,557	27%
Malaysia	1,145	4%	9,292	24%
Singapore	173	1%	0	0%
Philippines	0	0%	2,092	5%
People's Republic of China	2	0%	*	0%
Ireland	155	0%	0	0%
	<b>30,853</b>	<b>100%</b>	<b>38,824</b>	<b>100%</b>

\* Less than RM1,000.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(a) Credit risk (continued)**Credit risk concentration profile (continued)

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows (continued):

	2016		2015	
	RM'000	% of total	RM'000	% of total
By country				
United States of America	1,437	22%	125	2%
Malaysia	425	7%	265	5%
People's Republic of China	*	0%	470	9%
Philippines	0	0%	*	0%
Ireland	4,524	71%	4,418	84%
	<u>6,386</u>	<u>100%</u>	<u>5,278</u>	<u>100%</u>

\* Less than RM1,000.

At the end of the reporting period, approximately eighty-nine percent (89%) (2017: 90%; 2016: 92%; 2015: 92%) of the trade receivables of the Group were due from two (2) (2017: four; 2016: three; 2015: two) major customers who are multi-industry conglomerates located in United States of America and Vietnam (2017: Vietnam, United States of America and Malaysia; 2016: Ireland and United States of America; 2015: Ireland and People's Republic of China).

Financial assets that are neither past due nor impaired for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 8 to the combined financial statements. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due but not impaired for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017

Information regarding financial assets that are either past due but not impaired is disclosed in Note 8 to the combined financial statements.

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the entities within the Group. The currency giving rise to this risk is primarily USD.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(b) Foreign currency risk (continued)**

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD exchange rate against the functional currency of the Group, with all other variables held constant:

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Profit after tax</b>				
<b>USD/RM</b>				
- Increase by 5%	122	548	243	230
- Decrease by 5%	(122)	(548)	(243)	(230)

Sensitivity analysis of other foreign currencies is not disclosed as it is not material to the Group.

**(c) Liquidity and cash flow risks**

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summaries the maturity profile of the liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations.

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
<b>Financial liabilities</b>				
<b>On demand or within one year</b>				
Trade and other payables	50,687	48,032	3,973	4,087
Borrowings	2,841	2,817	2,494	1,305
	53,528	50,849	6,467	5,392
<b>One to five years</b>				
Borrowings	3,624	5,705	4,058	2,223
<b>Over five years</b>				
Borrowings	3,511	2,143	2,276	2,401
<b>Total undiscounted financial liabilities</b>	<b>60,663</b>	<b>58,697</b>	<b>12,801</b>	<b>10,016</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from their loans and borrowings. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

**Sensitivity analysis for interest rate risk**

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	<b>2018 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
<b>Profit after tax</b>				
- Increase by 0.5%	191	(16)	(20)	(9)
- Decrease by 0.5%	(191)	16	20	9

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## 13. ACCOUNTANTS' REPORT (Cont'd)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## (d) Interest rate risk (continued)

The following tables set out the carrying amounts, the interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

## As at 31 December 2018

## Fixed rates

## Deposit with licensed banks

## Hire purchase creditors

## Floating rates

## Short term funds

## Term loans

## As at 31 December 2017

## Fixed rates

## Deposits with licensed banks

## Hire purchase creditors

## Floating rates

## Short term funds

## Bank overdraft

## Term loans

Note	Interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 31 December 2018								
10	3.15 - 3.35	2,825	0	0	0	0	0	2,825
13	2.22 - 2.90	(1,674)	(1,169)	(161)	(23)	(20)	0	(3,047)
9	1.88 - 3.63	52,609	0	0	0	0	0	52,609
13	4.87 - 8.42	(768)	(830)	(392)	(160)	(168)	(2,778)	(5,096)
As at 31 December 2017								
10	2.90 - 3.15	1,732	0	0	0	0	0	1,732
13	2.90	(1,204)	(1,274)	(747)	0	0	0	(3,225)
9	1.54 - 3.68	7,073	0	0	0	0	0	7,073
13	8.17	(102)	0	0	0	0	0	(102)
13	4.76 - 8.42	(714)	(771)	(833)	(399)	(163)	(2,935)	(5,815)

## 13. ACCOUNTANTS' REPORT (Cont'd)

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015

## 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## (d) Interest rate risk (continued)

The following tables set out the carrying amounts, the interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk (continued):

## As at 31 December 2016

## Fixed rates

## Deposits with licensed banks

## Bankers' acceptances

## Hire purchase creditors

Note	Interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
10	2.90 - 3.60	3,667	0	0	0	0	0	3,667
13	4.00	(87)	0	0	0	0	0	(87)
13	2.35 - 2.90	(190)	(50)	(38)	(40)	0	0	(318)

## Floating rates

## Bank overdraft

## Term loans

13	8.17	(803)	0	0	0	0	0	(803)
13	4.65 - 8.17	(671)	(723)	(779)	(839)	(392)	(3,082)	(6,486)

## As at 31 December 2015

## Fixed rates

## Deposits with licensed banks

## Hire purchase creditors

10	3.30 - 3.45	1,620	0	0	0	0	0	1,620
13	2.35 - 3.24	(775)	(343)	(74)	0	0	0	(1,192)

## Floating rates

## Bank overdraft

## Term loan

13	8.35	(1)	0	0	0	0	0	(1)
13	4.65	(127)	(133)	(139)	(146)	(153)	(3,241)	(3,939)

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 10 March 2017, Greatech Shanghai was established in Shanghai, the People's Republic of China as the wholly-owned foreign enterprise of the Company. Greatech Shanghai was established with the approval of China (Shanghai) Pilot Free Trade Zone Management Committee with 'Filing Record for Foreigninvested Enterprises' of number BSQ201700285, solely founded by Greatech Integration.
- (b) On 5 March 2018, Greatech Technology was incorporated in Malaysia under the Companies Act 2016 as a private limited company under the name of Greatech Technology Sdn. Bhd.. Subsequently, on 21 May 2018, it was converted into a public limited company and since then, assumed its current name of Greatech Technology Berhad.
- (c) On 21 March 2018, Greatech Integration had entered into a conditional Sale and Purchase Agreement with GTECH Automation Solutions (M) Sdn. Bhd. (formerly known as Greatech Automation Solutions (M) Sdn. Bhd.) for the acquisition of a vacant leasehold land situated in Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang and known as Lot 9225 held under Pajakan Negeri No. Hakmilik 7895 measuring approximately 6,466 square meters for a total purchase consideration of RM8,400,000 (excluding Goods and Service Tax) ("Proposed Land Acquisition").

The Proposed Land Acquisition has been completed as at the date of this Report.

- (d) The Greatech Technology is seeking to list its shares on the ACE Market of Bursa Malaysia Securities Berhad.

On 8 May 2018, Greatech Technology had entered into a conditional Sale and Purchase Agreement to acquire the entire equity interest in Greatech Integration comprising 1,000,000 ordinary shares, for a purchase consideration of RM40,500,000, which was satisfied via the issuance of 506,249,999 new ordinary shares at an issue price of RM0.08 per new ordinary share ("Proposed Acquisition").

The acquisition is subject to the approval by Bursa Malaysia Securities Berhad for the proposed listing of the ordinary shares of the Greatech Technology on the ACE Market of Bursa Malaysia Securities Berhad.

**32. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

- (a) The Bursa Malaysia Securities Berhad has, vide its letter dated 30 January 2019, approved the admission of the Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad.
- (b) The Proposed Acquisition has been completed on 21 March 2019 and Greatech Integration became a wholly-owned subsidiary of the Greatech Technology.



**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****33. COMPARATIVE FIGURES**

Certain comparative figures of the Group have been reclassified to conform with the current year's presentation so as to reflect appropriate presentation of the financial statements of the Group.

	As previously reported RM'000	Reclassi- fication RM'000	As reclassified RM'000
<b>31 December 2017</b>			
<b>Statement of Financial Position</b>			
Trade and other payables	54,912	(6,880)	48,032
Provision for warranties	0	6,880	6,880
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Cost of sales	(53,307)	(6,880)	(60,187)
Administration and marketing expenses	(21,147)	6,880	(14,267)

**34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs****34.1 New MFRSs adopted during the current financial year**

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the current financial year:

Title	Effective Date
<i>MFRS 9 Financial Instruments</i> ( <i>IFRS 9 as issued by IASB in July 2014</i> )	1 January 2018
<i>MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group except for the adoption of MFRS 9 and MFRS 15 as disclosed in Note 34.3 to the combined financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.1 New MFRSs adopted during the current financial year (continued)****(a) MFRS 9 *Financial Instruments***

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement and impairment.

The Group applied MFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

**(i) Classification of financial assets and financial liabilities**

The Group classifies their financial assets into the following measurement categories depending on the business model of the Group for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- The Available-For-Sale (AFS), Held-To-Maturity (HTM) and Loans and Receivables (L&R) financial asset categories were removed.
- A new financial asset category measured at Amortised Cost (AC) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- A new financial asset category measured at Fair Value Through Other Comprehensive Income (FVTOCI) was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.1 New MFRSs adopted during the current financial year (continued)****(a) MFRS 9 *Financial Instruments* (continued)****(i) Classification of financial assets and financial liabilities (continued)**

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- The remaining amount of change in the fair value is presented in profit or loss.

**(ii) Impairment of financial assets**

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.1 New MFRSs adopted during the current financial year (continued)****(a) MFRS 9 *Financial Instruments* (continued)****(ii) Impairment of financial assets (continued)**

Impairment for receivables from related parties are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

**(iii) Classification and measurement**

The following table summarises the reclassification and measurement of the financial assets and financial liabilities of the Group as at 1 January 2018:

	Classification		Carrying amount	
	Existing under MFRS 139	New under MFRS 9	Existing under MFRS 139 RM'000	New under MFRS 9 RM'000
<b>Financial assets</b>				
Trade and other receivables, net of prepayment	L&R	AC	61,225	60,983
Short term funds	FVTPL	FVTPL	7,073	7,073
Cash and bank balances	L&R	AC	4,218	4,218
<b>Financial liabilities</b>				
Trade and other payables	OFL	AC	48,032	48,032
Borrowings	OFL	AC	9,142	9,142

**(b) MFRS 15 *Revenue from Contracts with Customers***

MFRS 15 establishes a comprehensive framework for revenue recognition and measurement. It replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts*, and related Interpretations. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires significant judgement.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.1 New MFRSs adopted during the current financial year (continued)****(b) MFRS 15 Revenue from Contracts with Customers (continued)**

The Group and the Company adopted MFRS 15 using the modified retrospective method (without practical expedients), with the effect of initially applying this Standard at the date of initial application of 1 January 2018. The cumulative effect of initially applying MFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under MFRS 111, MFRS 118 and related Interpretations.

**34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019**

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group:

<b>Title</b>	<b>Effective Date</b>
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle:	
(i) Amendments to MFRS 3 <i>Business Combinations</i>	1 January 2019
(ii) Amendments to MFRS 11 <i>Joint Arrangements</i>	1 January 2019
(iii) Amendments to MFRS 112 <i>Income Taxes</i>	1 January 2019
(iv) Amendments to MFRS 123 <i>Borrowing Costs</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.3 Financial impact upon initial application of MFRS 9 and MFRS 15**

The following reconciliations provide the financial impact upon initial application of MFRS 9 and MFRS 15 on the combined statement of financial position of the Group:

Reconciliation of financial position and equity

	Previously stated RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Restated RM'000
<b>1 January 2018</b>				
<b>ASSETS</b>				
<b>Non-current asset</b>				
Property, plant and equipment	24,737	0	0	24,737
<b>Current assets</b>				
Inventories	7,499	0	0	7,499
Trade and other receivables	61,680	(242)	(1,432)	60,006
Current tax asset	142	0	0	142
Short term funds	7,073	0	0	7,073
Cash and bank balances	4,218	0	0	4,218
	80,612	(242)	(1,432)	78,938
<b>TOTAL ASSETS</b>	<b>105,349</b>	<b>(242)</b>	<b>(1,432)</b>	<b>103,675</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to the common controlling shareholder of the combining entities</b>				
Invested equity	1,000	0	0	1,000
Reserves	39,498	(242)	(2,794)	36,462
<b>TOTAL EQUITY</b>	<b>40,498</b>	<b>(242)</b>	<b>(2,794)</b>	<b>37,462</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****NOTES TO THE COMBINED FINANCIAL STATEMENTS****31 DECEMBER 2018, 31 DECEMBER 2017, 31 DECEMBER 2016 AND 31 DECEMBER 2015****34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)****34.3 Financial impact upon initial application of MFRS 9 and MFRS 15 (continued)**

The following reconciliations provide the financial impact upon initial application of MFRS 9 and MFRS 15 on the combined statement of financial position of the Group (continued):

Reconciliation of financial position and equity (continued)

	Previously stated RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Restated RM'000
<b>1 January 2018</b>				
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	7,122	0	0	7,122
Government grant	691	0	0	691
	7,813	0	0	7,813
<b>Current liabilities</b>				
Trade and other payables	48,032	0	1,362	49,394
Provision for warranties	6,880	0	0	6,880
Borrowings	2,020	0	0	2,020
Government grant	106	0	0	106
	57,038	0	1,362	58,400
<b>TOTAL LIABILITIES</b>	<b>64,851</b>	<b>0</b>	<b>1,362</b>	<b>66,213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>105,349</b>	<b>(242)</b>	<b>(1,432)</b>	<b>103,675</b>

## 14. ADDITIONAL INFORMATION

### 14.1 SHARE CAPITAL

- (i) As at the date of this Prospectus, we only have 1 class of shares, namely ordinary shares, all of which rank equally with one another.
- (ii) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option.
- (iii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group, except for the Pink Form Allocation.
- (iv) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocation.
- (v) Save as disclosed in Sections 3.1, 5.1.3 and 5.2 of this Prospectus, no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

### 14.2 CONSTITUTION

The following provisions are reproduced from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution or the context otherwise require:-

#### (i) Remuneration, voting and borrowing powers of Directors

##### (a) Directors' remuneration

Directors' fees and benefit payable to directors must be subject to annual shareholders' approval at a general meeting.

The Board can decide on the amount, timing and method of payment of directors' fees. However, fees of a non-executive director must be a fixed amount and must not be by a commission on or percentage of profits or turnover.

The Board can also repay to a Director all expenses properly incurred in attending the Board, Board Committee and general meeting of the Company and expenses incurred for Company's business purposes.

Subject to the Constitution and Listing Requirements, extra fees (can be in the form of salary, commission, profit sharing or other benefits) can be awarded to a Director and their dependents, at the decision of the Board.

Subject to the Listing Requirements and the Act, the Board can decide whether to provide pension or retirement benefits or annual payments or other allowance or benefits to the Directors and extend these arrangements to relations or dependents of, or people connected to, these people. The Board can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes.



**14. ADDITIONAL INFORMATION (Cont'd)****(b) Voting of Directors**

Every director has 1 vote at a meeting of the Board. Matters for decision which arise at a Board meeting will be decided by a majority vote casted by the directors present in the meeting. If the votes are equal, the chairman of the meeting has a second casting vote. However, the chairman of the meeting will not have a second casting vote where only 2 directors form the quorum and only such a quorum is present at the meeting or only 2 directors are competent to vote on the question at issue.

**(c) Borrowing powers of Directors**

To the extent that the Act, Listing Requirements and the Constitution allow, the Board can exercise all the powers of the Company to borrow money, mortgage or charge all or any part of the Company's businesses, properties and assets (present and future), issue debentures and other securities and give security (including (without limitation), guarantees, indemnities and mortgages and charges) either outright or as collateral security, for a debt, liability or obligation of the Company or another person.

**(ii) Changes to share capital**

The Company may alter the share capital by way of to increase the share capital by creation and issue of new shares or to consolidate and divide its share capital, convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares or to subdivide its share capital or any part thereof, by passing an ordinary resolution.

The Company may by special resolution reduce its share capital in any manner and with, and subject to, any authorisation, and consent required by law. Where the Company's share capital is reduced in accordance with the Act, a Member (past or present) shall not be liable in respect of the issue price of any share to any call or contribution greater in amount than the difference (if any) between:-

- (a) the issue price of the share; and
- (b) the aggregate of the amount paid up on the share (if any) and the amount reduced on the share.

**(iii) Transfer of securities**

Transfers of any listed security or class of listed security shall be by way of book entry by the Bursa Depository in accordance with rules of Bursa Depository. The Company shall not register or effect any transfer of listed securities although Sections 105, 106 and 110 of the Act may say something else. It shall not do so despite Sections 103(1), 106 and 110 of the Act. This does not, however, apply to a transfer of securities to the Bursa Depository or its nominee or from the Bursa Depository or its nominee to Depositors under Section 148(2) of the Act or any transfer of securities under any exemption given from compliance with Section 148(1) of the Act.

Where the securities of the Company are listed on another stock exchange and the Company is exempt from complying with Section 14 of SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as applicable, under the rules of Bursa Depository in respect of such securities, the Company shall, on request of a securities holder, allow securities held by that holder to be transmitted from the register of holders kept by the Registrar in the other stock exchange's jurisdiction, to the register of holders kept by the Registrar in Malaysia and the other way around. However, there must be no change in the ownership of such securities.

**14. ADDITIONAL INFORMATION (Cont'd)**

Transfers of Non-Depository Shares must be in any form which the Act and any practice directive, circular, guidelines, or regulations issued under the Act or by ROC ("Guidance") require. If the Act and Guidance do not require a specific form, the transfer must be in the usual standard form, or another form approved by the Board. A transfer must be signed, or made effective in some other way, by or on behalf of the persons making and receiving the transfer.

If the Board decides not to register a transfer of a share, it must comply with Section 106 of the Act in respect of refusal to register a transfer of shares.

Each class of shares needs a separate transfer of shares. No fee is payable to the Company for transferring Non-Depository Shares or registering changes relating to the ownership of any such shares.

The person making a transfer of Non-Depository Shares will be treated as continuing to be the shareholder until the name of the person to whom a share is being transferred is entered into the Register of Members for that share.

**(iv) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

Where the Company has different classes of shares, the Constitution must say prominently that the Company's share capital is divided into different classes of shares, the voting rights attached to shares in each class, any other rights attached to those shares and any other things which Section 90 of the Act requires. The Section 89(2) of the Act applies.

The Constitution must set out the rights of shareholders attached to preference shares or shares convertible into preference shares. The rights which must be set out include shareholders' rights on a repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend when compared to other shares or classes of preference shares.

The parts of the Constitution about allotment, transfer or person who is automatically entitled to a share by law and all other matters which relate to shares apply to new shares in the same way as if they were existing shares.

The Company can issue new shares and attach any right and restriction to them, as long as this is not restricted by special rights previously given to holders of any existing share. Subject to this, the rights of new shares can take priority over the rights of existing shares, or existing shares can take priority over them, or the new shares and the existing shares can rank equally. These rights and restrictions can apply to sharing in the Company's profits or assets. Other rights and restrictions can also apply, for example, those relating to the right to vote.

The shareholders can decide on the rights and restrictions to be attached to new shares by passing an ordinary resolution. The Board can also take these decisions if the shareholders have not passed a resolution which covers the point.

If the Company's share capital is split into different classes of shares, the special rights attached to any of these classes can be varied or withdrawn if the shareholders approve this by passing a special resolution. This must be passed at a separate meeting of the holders of that class of shares. This is called a class meeting. Alternatively, the holders of at least 75% of the existing shares of the class (by voting rights) can give their written consent.

Unless the terms of the existing shares say something different, the special rights of existing shares are not regarded as varied or withdrawn if:-

## **14. ADDITIONAL INFORMATION (Cont'd)**

- (i) new shares are created, or issued, which rank equally with or after any new shares are created, or issued, which rank equally with or after any existing shares in payment of dividends or sharing in profits or assets of the Company;
- (ii) the Company purchases its own shares (this includes, purchases of any of these existing shares);
- (iii) the Company redeems redeemable preference shares (this includes, purchases of any of these existing shares);
- (iv) preference shares are issued which rank equally with or in priority to existing preference shares.

### **14.3 LIMITATION ON THE RIGHT TO OWN SECURITIES**

There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

### **14.4 EXPENSES**

- (i) There have been no commissions, discounts, brokerages or other special terms granted to or paid by us within the 2 years preceding the date of this Prospectus in connection with the issue or sale of any Shares in or debentures of our Group for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription for, any shares in or debentures of our Group, and none of our Directors or Promoters or experts are entitled to receive any such payment save as set out in Section 3.5 of this Prospectus.
- (ii) We will fully bear all expenses incidental to the listing of and quotation for our entire issued share capital on the ACE Market.
- (iii) Brokerage fee is payable by our Group in respect of the 28,170,000 Issue Shares at the rate of 1.00% of the Issue Price.

### **14.5 MATERIAL LITIGATION**

As at the LPD, we are not engaged in any material litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

### **14.6 MATERIAL CONTRACTS**

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:-

- (i) Conditional Sale and Purchase Agreement dated 6 February 2015 between Nanometric Electronics Sdn Bhd and Greotech Integration for the acquisition of Plot 287C for the purchase price of RM5,300,000.00 which was fully satisfied in cash. This transaction was completed on 15 April 2015;
- (ii) Tenancy Agreement dated 8 May 2017 entered into between Bernas Wirama Sdn Bhd and Greotech Integration for the tenancy of all that demised premises known as Plot 4 measuring approximately 42,500 sq ft in area together with a detached single storey factory and double storey office erected thereon for a fixed term from 1 June 2017 to 31 May 2018 at monthly rental of RM34,000.00 only;

#### **14. ADDITIONAL INFORMATION (Cont'd)**

- (iii) Tenancy Agreement dated 15 September 2017 entered into between Swawang Properties Sdn Bhd and Greatech Integration for the tenancy of a portion of all that demised premises known as Plot 16A measuring approximately 50,000 sq ft in area together with a single storey factory erected thereon for a fixed term from 1 September 2017 to 31 August 2018 at monthly rental of RM42,400.00 (inclusive of 6% goods and services tax) only;
- (iv) Conditional Sale and Purchase Agreement dated 21 March 2018 entered into between GTECH Automation Solutions and Greatech Integration for the Acquisition of Plot 287A. This transaction was completed on 24 January 2019;
- (v) Conditional Share Sale Agreement dated 8 May 2018 entered into between GTECH Holdings, SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd and Greatech Technology for the Acquisition of Greatech Integration. This transaction was completed on 21 March 2019;
- (vi) Tenancy Agreement dated 1 June 2018 entered into between Bernas Wirama Sdn Bhd and Greatech Integration for the tenancy of all that demised premises known as Plot 4 measuring approximately 42,500 sq ft in area together with a detached single storey factory and double storey office erected thereon for a fixed term from 1 June 2018 to 31 May 2020 at monthly rental of RM34,000.00 only for the first year and RM36,125.00 only for the second year;
- (vii) Tenancy Agreement dated 24 September 2018 entered into between Swawang Properties Sdn Bhd and Greatech Integration for the tenancy of a portion of all that demised premises known as Plot 16A measuring approximately 50,000 sq ft in area together with a single storey factory erected thereon for a fixed term from 1 September 2018 to 31 August 2019 at monthly rental of RM42,400.00 only; and
- (viii) Underwriting Agreement dated 15 April 2019 entered into between Greatech Technology and the Sole Underwriter for the underwriting of 28,170,000 Issue Shares under the Public Issue, for the underwriting commission at the rate set out in Section 3.5.2 of this Prospectus.

#### **14.7 PUBLIC TAKE-OVERS**

During the last financial year and up to the LPD, there were no:-

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

#### **14.8 REPATRIATION OF CAPITAL AND PROFITS**

Save as disclosed below, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profit by or to our Group.

Pursuant to the Enterprise Income Tax Law of the PRC effective from 1 January 2008 and other currently applicable PRC tax laws and regulations, an income tax rate of 10% is applicable to dividends distributed to investors that are non-resident enterprises.

Under PRC law, a non-resident enterprise means an enterprise incorporated under foreign law or the law of another tax region and its actual institution of management is not inside PRC but which has establishment or place of business inside PRC, or which has incomes sourced from PRC without having any establishment or place of business inside PRC.

**14. ADDITIONAL INFORMATION (Cont'd)**

The above-mentioned tax rate of 10% could be further reduced by bilateral tax treaty between PRC and the jurisdiction in which the shareholder of a foreign invested company resides. However, this is not applicable for tax treaty between PRC and Malaysia. Therefore, Greatech Integration is obliged to pay a withholding enterprise income tax at the rate of 10% on any dividends distributed to Greatech Integration by Greatech Shanghai.

**14.9 CONSENTS**

- (i) The written consents of the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, Solicitors for the Listing, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn;
- (ii) The written consent of the External Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn; and
- (iii) The written consent of the IMR for the inclusion in this Prospectus of its name and Industry Overview in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

**14.10 DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:-

- (i) Our Constitution;
- (ii) The Industry Overview referred to in Section 6 of this Prospectus;
- (iii) The Reporting Accountants' Report relating to the Pro Forma Consolidated Statements of Financial Position of our Group as at 31 December 2018 referred to in Section 12.3 of this Prospectus;
- (iv) The Accountants' Report as included in Section 13 of this Prospectus;
- (v) The material contracts referred to in Sections 5.4.12 and 14.6 of this Prospectus;
- (vi) The letters of consent referred to in Section 14.9 of this Prospectus; and
- (vii) The audited financial statements of:-
  - (a) Greatech Technology for the FPE 31 December 2018;
  - (b) Greatech Integration for the FYE 31 December 2015 to 2018; and
  - (c) Greatech Shanghai for the FPE 31 December 2017 and FYE 31 December 2018.

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**14. ADDITIONAL INFORMATION (Cont'd)**

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**14.11 RESPONSIBILITY STATEMENTS**

- (i) AIBB acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to the IPO.
- (ii) This Prospectus has been seen and approved by our Directors and Promoters, and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE**

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR ISSUE SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT MIH FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

**15.1 OPENING AND CLOSING OF APPLICATIONS**

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 13 MAY 2019

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 24 MAY 2019

Applications for the Issue Shares will open and close at the dates stated above.

In the event there is any change to the dates stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

**Late Applications will not be accepted.**

**15.2 METHODS OF APPLICATIONS****15.2.1 Application for our Issue Shares by the Malaysian Public and our eligible Directors, employees and persons who have contributed to the success of our Group**

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by eligible Directors and employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:-	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.2.2 Application by selected investors via placement**

<b>Types of Application</b>	<b>Application method</b>
Applications by:-	
Selected investors and Bumiputera investors approved by the MITI	The Placement Agent will contact the selected investors and Bumiputera investors approved by the MITI directly. They should follow the Placement Agent's instructions.

**15.3 ELIGIBILITY****15.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

**15.3.2 Application by the Malaysian Public**

You can only apply for our Issue Shares if you fulfill all of the following:-

- (i) You must be one of the following:-
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
  - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of MIH or an immediate family member of a director or employee of MIH; and



## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) You must submit Applications by using only one of the following methods:-
- (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 15.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

Eligible Directors, employees and persons who have contributed to the success of our Group may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, MIH, AIBB, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

## 15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.61 for each Issue Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NUMBER 597**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:-

Malaysian Issuing House Sdn Bhd (258345-X)  
 Level 6, Symphony House  
 Pusat Dagangan Dana 1  
 Jalan PJU 1A/46  
 47301 Petaling Jaya  
 Selangor Darul Ehsan

or

P.O. Box 8269  
 Pejabat Pos Kelana Jaya  
 46785 Petaling Jaya  
 Selangor Darul Ehsan

## **15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Malaysian Issuing House, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on 24 May 2019.

We, together with MIH, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to MIH.

### **15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, HSBC Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad and Standard Chartered Bank Malaysia Berhad (at selected branches only). A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Electronic Participating Financial Institutions.

### **15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS**

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CIMB Investment Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

### **15.7 AUTHORITY OF OUR BOARD AND MIH**

MIH, on the authority of our Board reserves the right to:-

- (i) reject Applications which:-
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or
  - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of MIH at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

**15.8 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription, MIH will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by MIH to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on MIH's website ([www.mih.com.my](http://www.mih.com.my)) within 1 business day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in Section 3.1.1(b) of the Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

**15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful/partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

**15.9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by MIH as per items (i) and (ii) above (as the case may be).
- (iv) MIH reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) MIH shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from MIH.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by MIH by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from MIH.

**15.10 SUCCESSFUL APPLICANTS**

If you are successful in your application:-

- (i) Our Issue Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our Issue Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Issue Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

**15.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:-

<b>Mode of Application</b>		<b>Parties to direct the enquiries</b>
Application Form		MIH Enquiry Services Telephone at telephone no. 03-78418289
Electronic Application	Share	Participating Financial Institution
Internet Application	Share	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

**DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF GREATECH TECHNOLOGY BERHAD (COMPANY NO. 1270647-H) ("GREATECH TECHNOLOGY" OR "COMPANY") DATED 13 MAY 2019 ("PROSPECTUS")**

*Unless otherwise defined, all words and expressions used herein shall carry the same meaning as ascribed to them in our Prospectus.*

*Unless the context otherwise requires, words used in the singular include the plural, and vice versa.*

**1 OPENING AND CLOSING OF APPLICATIONS**

OPENING OF THE APPLICATION PERIOD:- 10.00 A.M., 13 MAY 2019

CLOSING OF THE APPLICATION PERIOD:- 5.00 P.M., 24 MAY 2019

Applications for our Issue Shares will open and close at the dates stated above.

In the event there is any change to the date for closing, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

**Late Applications will not be accepted.**

**2 METHODS OF APPLICATIONS**

Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed. You agree to be bound by our Constitution.

**2.1 Application for our Issue Shares by the Malaysian Public and our eligible Directors, employees and persons who have contributed to the success of our Group**

<u>Types of Application and category of investors</u>	<u>Application Method</u>
Applications by eligible Directors and employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:-	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

## 2.2 Application by selected investors via Placement

<u>Types of Application</u>	<u>Application Method</u>
Applications by:-	
Selected investors and Bumiputera investors approved by the MITI	The Placement Agent will contact the selected investors and Bumiputera investors approved by the MITI directly. They should follow the Placement Agent's instructions.

## 3 ELIGIBILITY

### 3.1 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfill all of the following:-

- (i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 12 below.
- (ii) You must be one of the following:-
  - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares with a Malaysian address; or
  - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
  - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (iii) You must not be a director or employee of MIH or an immediate family member of a director or employee of MIH; and
- (iv) You must submit an Application by using only one of the following methods:-
  - (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 3.2 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, of our Prospectus.

Eligible Directors, employees and persons who have contributed to the success of our Group who apply for our Issue Shares must have a CDS account and a correspondence address in Malaysia.

Applicants provided with Pink Application Forms may also apply for our Issue Shares offered to the Malaysian Public.

You agree that any application which you make for our Issue Shares is irrevocable.

#### **4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS**

Each application for our Issue Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

The Malaysian Public must follow the following procedures in making their applications through the **White** Application Form.

- a) Obtain the White Application Form together with the official “A” and “B” envelopes and our Prospectus.

The White Application Form together with our Prospectus, can be obtained subject to availability from AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association and MIH.

- b) In accordance with Section 232(2) of the CMSA, the White Application Form is accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.
- c) Complete the White Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:-
  - (i) Ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
  - (ii) Stating your CDS account number in the space provided in the White Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.
  - (iii) Stating the details of your payment in the appropriate boxes provided in the White Application Form.



- (iv) Stating the number of shares applied. Applications must be for at least 100 Issue Shares or multiples of 100 Issue Shares.
- d) Prepare the appropriate form of payment in RM for the FULL amount payable based on the Issue Price of RM0.61 for each Issue Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NUMBER 597**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the White Application Form.

- e) Insert the White Application Form together with payment and a legible photocopy of your identification document (NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the official “A” envelope and seal it. You must write your name and address on the outside of the official “A” and “B” envelopes.

Affix an 80 sen stamp on the official “A” envelope and insert the official “A” envelope into the official “B” envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) for individual applicant; or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

- f) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:-
- (i) despatched by **ORDINARY POST** in the official envelopes provided to the following address:-

Malaysian Issuing House Sdn Bhd (258345-X)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan

or

P.O. Box 8269  
Pejabat Pos Kelana Jaya  
46785 Petaling Jaya  
Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the front portion of Malaysian Issuing House Sdn Bhd, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on **24 May 2019**.

We will not accept late Applications.

We, together with MIH, will not issue any acknowledgement of receipt of your White Application Form or Application monies. Please direct all enquiries in respect of the White Application Form to MIH.

## **5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS**

### **5.1 Participating Financial Institutions**

Malaysian individuals may apply for our Issue Shares through the ATM of the following Participating Financial Institutions and their branches. The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:-

<b>Participating Financial Institutions</b>	<b>Charges</b>
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
HSBC Bank Malaysia Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50
Standard Chartered Bank Malaysia Berhad (at selected branches only)	RM2.50

**Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.**

### **5.2 Procedures for Electronic Share Application**

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

**PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.**

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our Issue Shares at an ATM belonging to other Participating Financial Institutions.

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:-

- Personal Identification Number (“**PIN**”);
- MIH Share Issue Account Number 597;
- Your CDS account number;
- Number of Issue Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 5.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or MIH. The Transaction Record is for your records and should not be submitted with any Application Form.

### **5.3 Terms and Conditions for Electronic Share Application**

**You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.**

**YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.**

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Constitution.
- (ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
  - (a) You are at least 18 years old as at the date of the application for our Issue Shares;
  - (b) You are a Malaysian citizen residing in Malaysia;
  - (c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;
  - (d) The Electronic Share Application is the only application that you are submitting for our Issue Shares offered to the Malaysian Public; and

- (e) You consent to the disclosure by the Participating Financial Institutions and Bursa Depository of information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to MIH and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to MIH or any relevant authorities.

- (iii) You confirm that you are not applying for our Issue Shares offered to the Malaysian Public as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our Issue Shares offered to the Malaysian Public.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated in the Transaction Record or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such Issue Shares or not to allot or allocate any Issue Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated keys or buttons on the ATM keyboard) of the number of Issue Shares applied for shall signify, and shall be treated as, your acceptance of the number of Issue Shares that may be allotted or allocated to you and your acceptance to be bound by our Constitution.
- (vi) MIH, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) You request and authorise us:-
  - (a) to credit our Issue Shares allotted or allocated to you into your CDS account; and
  - (b) to issue share certificate(s) representing such Issue Shares or jumbo certificates which represent, amongst others, such Issue Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

(viii) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of MIH, Bursa Depository or the Participating Financial Institutions, and irrevocably agree that if:-

- (a) our Company or MIH does not receive your Electronic Share Application; or
- (b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or MIH,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, MIH or the relevant Participating Financial Institution for our Issue Shares applied for or for any compensation, loss or damage.

(ix) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on their accuracy.

(x) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

(xi) By making and completing an Electronic Share Application, you agree that:-

- (a) in consideration of us agreeing to allow and accept the application for our Issue Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
- (b) we, the Participating Financial Institutions, Bursa Depository and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;
- (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our Issue Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said Issue Shares;
- (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and other documents required for the issue or transfer of our Issue Shares allotted or allocated to you; and

- (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and / or the Electronic Share Application and / or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (xii) MIH, acting on the authority of our Board reserves the right to reject Applications which do not conform to these instructions.

## 6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

### 6.1 Internet Participating Financial Institutions

Applications for our Issue Shares by the Malaysian Public individuals may be made through the Internet financial services website of the respective Internet Participating Financial Institutions.

**YOU ARE ADVISED NOT TO APPLY FOR OUR ISSUE SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.**

Internet Participating Financial Institution	Website address	Fees charged
Affin Bank Berhad	<a href="http://www.affinOnline.com">www.affinOnline.com</a>	Free
Alliance Bank Malaysia Berhad	<a href="http://www.allianceonline.com.my">www.allianceonline.com.my</a>	RM1.00
CIMB Investment Bank Berhad	<a href="http://www.eipocimb.com">www.eipocimb.com</a>	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
CIMB Bank Berhad	<a href="http://www.cimbclicks.com.my">www.cimbclicks.com.my</a>	RM2.00 for applicants with CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs
Malayan Banking Berhad	<a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a>	RM1.00
RHB Bank Berhad	<a href="http://www.rhbgroup.com">www.rhbgroup.com</a>	RM2.50
Public Bank Berhad	<a href="http://www.pbebank.com">www.pbebank.com</a>	RM2.00

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions. Please contact the relevant Internet Participating Financial Institutions for further enquiries.

**PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.**

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions.

## **6.2 Terms and Conditions for Internet Share Application**

**PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.**

An Internet Share Application shall be made on and subject to the following terms and conditions:-

- (i) You can make an Internet Share Application if you fulfil all of the following:-
  - (a) You are an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;
  - (b) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have your User Identification ("**User ID**") and Personal Identification Number ("**PIN**")/password for the relevant Internet financial services facilities; and
  - (c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our Issue Shares at the Internet financial services websites of other Internet Participating Financial Institutions.
- (ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Constitution.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:-
  - (a) You are at least 18 years old as at the date of the application for our Issue Shares;
  - (b) You are a Malaysian citizen residing in Malaysia;

- (c) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of our Prospectus, the contents of which you have fully read and understood;
  - (d) You agree to all the terms and conditions of the Internet Share Application as set out in our Prospectus and have carefully considered the risk factors as well as all other information and statements set out in our Prospectus, before making your Internet Share Application;
  - (e) Your Internet Share Application is the only application that you are submitting for our Issue Shares offered to the Malaysian Public;
  - (f) You authorise the Internet Participating Financial Institutions or the Authorised Financial Institutions to deduct the full amount payable for our Issue Shares from your account with the Internet Participating Financial Institutions or the Authorised Financial Institutions;
  - (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Service Act, 2013 and Section 45 of SICDA) to the disclosure by the Internet Participating Financial Institutions, the Authorised Financial Institutions and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institutions, to MIH and the Authorised Financial Institutions, the SC and any other relevant authority;
  - (h) You are not applying for our Issue Shares as a nominee of any other person and your Internet Share Application is made in your own name, as beneficial owner and subject to the risks referred to in our Prospectus;
  - (i) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institutions will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Share Application services.
- (iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our Issue Shares through the website of the Authorised Financial Institutions and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.



For the purposes of our Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of Issue Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 6.2(iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or MIH. The Confirmation Screen is for your record and should not be submitted with any Application Form.

- (v) You must have sufficient funds in your account with the Internet Participating Financial Institutions or the Authorised Financial Institutions at the time of making your Internet Share Application, to cover and pay for our Issue Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made, shall be rejected.
- (vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Issue Shares applied for as stated on the Confirmation Screen or any lesser number of Issue Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of Issue Shares or not to allot or allocate any Issue Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of Issue Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- (a) Your acceptance of the number of Issue Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
  - (b) Your agreement to be bound by our Constitution.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our Issue Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.** Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating the Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

- (viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.
- (ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institutions, the Authorised Financial Institutions, MIH and our Company and irrevocably agree that if:-
  - (a) our Company, MIH, the Internet Participating Financial Institutions and/or the Authorised Financial Institutions do not receive your Internet Share Application and/or payment; and
  - (b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, MIH, the Internet Participating Financial Institutions and/or the Authorised Financial Institutions in relation to our Issue Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

- (x) All of your particulars in the records of the relevant Internet Participating Financial Institutions at the time of your Internet Share Application shall be deemed to be true and correct, and we, MIH, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institutions are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institutions and Bursa Depository of any changes in your personal particulars that may occur from time to time.

## **7 AUTHORITY OF OUR BOARD AND MIH**

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. MIH, on the authority of our Board reserves the right to:-

- (i) reject Applications which:-
  - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
  - (b) are illegible, incomplete or inaccurate; or

- (c) are accompanied by an improperly drawn up, or improper form of remittance;  
or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), by
  - (a) ordinary post through the self-addressed and stamped official “A” envelope which you have provided to Bursa Depository;
  - (b) crediting into your bank account for the purposes of cash dividend / distribution if you have provided such bank account information to Bursa Depository; or
  - (c) ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of MIH at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

## **8 OVER / UNDER-SUBSCRIPTION**

In the event of over-subscription, MIH will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by MIH to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on MIH’s website ([www.mih.com.my](http://www.mih.com.my)) within one (1) business day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company’s issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and / or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in Section 3.1.1(b) of the Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

## **9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS**

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

### **9.1 For applications by way of Application Forms**

- (i) The Application monies or the balance of it, as the case may be, will be refunded to you through the self-addressed and stamped official “A” envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by MIH as per Section 9.1(i) and (ii) above (as the case may be).
- (iv) MIH reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per Section 9.1(ii) above (as the case may be).

### **9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (i) MIH shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within two (2) Market Days after the receipt of confirmation from MIH.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by MIH by crediting into your account with the Participating Financial Institutions or Internet Participating Financial

Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from MIH.

## 10 SUCCESSFUL APPLICANTS

If you are successful in your Application:-

- (i) Our Issue Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our Issue Shares issued through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

## 11 ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

<b>Mode of application</b>	<b>Parties to direct the enquiries</b>
Application Form	MIH Enquiry Services Telephone at telephone no. 03-78418289
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as listed in Section 12 below.

**12 LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:-

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>KUALA LUMPUR</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	2 <sup>nd</sup> Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3 <sup>rd</sup> Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03-91308803	068-021
ALLIANCE INVESTMENT BANK BERHAD	Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26043333	076-001
AMINVESTMENT BANK BERHAD	15 <sup>th</sup> Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788 / 20362633	086-001
BIMB SECURITIES SDN BHD	Level 32, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887 / 26131600	024-001
CIMB INVESTMENT BANK BERHAD	Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-22618888	065-001
FA SECURITIES SDN BHD	A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No : 03-22881676	021-002

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21681168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor & Level 3A Block B, HP Towers No. 12 Jalan Gelenggang Bukit Damansara 50490 Kuala Lumpur Tel No : 03-20808777	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No : 03-20831800	066-008
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90562921 / 90562922	054-007
JUPITER SECURITIES SDN BHD	Level 8 & 9, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 <sup>th</sup> -14 <sup>th</sup> Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21710228	053-001
KENANGA INVESTMENT BANK BERHAD	Level 17, Kenanga Tower, 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-2172 2888	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42978806	073-001

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
KENANGA INVESTMENT BANK BERHAD	Ground Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20892888	073-001
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 and 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No : 03-79839890	057-004
MALACCA SECURITIES SDN BHD	No 76-1, Jalan Wangsa Maju Delima 6, Pusat Bandar Wangsa Maju (KLSC) Setapak, 53300, Kuala Lumpur Tel No: 03-4144 2565	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001
MAYBANK INVESTMENT BANK BERHAD	27 <sup>th</sup> , 31 <sup>st</sup> to 33 <sup>rd</sup> Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No : 03-20591888	098-007
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002
MIDF AMANAH INVESTMENT BANK BERHAD	Level 9, 10, 11, 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
PM SECURITIES SDN BHD	Mezzanine & 1st Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001



<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
PUBLIC INVESTMENT BANK BERHAD	27 <sup>th</sup> Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-22683000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-9287 3338	087-001
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03 - 6257 5869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-4280 4798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N-1-3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62056000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19 <sup>th</sup> Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-21471888	078-010
<b>SELANGOR DARUL EHSAN</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	20 <sup>th</sup> Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9, 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing, 3A <sup>th</sup> Floor, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD	4 <sup>th</sup> Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Lot 229, 2 <sup>nd</sup> Floor, The Curve 6 Jalan PJU 7/3, Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	068-020
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	068-023
AMINVESTMENT BANK BERHAD	4 <sup>th</sup> Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7710 6613	086-001
CIMB INVESTMENT BANK BERHAD	Level G & Level 1, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7717 3388	065-001
JF APEX SECURITIES BERHAD	6 <sup>th</sup> Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03 – 8736 1118	079-001
JF APEX SECURITIES BERHAD	16 <sup>th</sup> Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 7620 1118	079-002
JF APEX SECURITIES BERHAD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No : 03-58790163	079-004

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
JUPITER SECURITIES SDN BHD	No 42-46, 3 <sup>rd</sup> Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56324838	055-001
KENANGA INVESTMENT BANK BERHAD	No. 55C, 2 <sup>nd</sup> Floor Jalan USJ 10/1F 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80241773	073-001
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2 <sup>nd</sup> Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-001
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-001
KENANGA INVESTMENT BANK BERHAD	35 (Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-001
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56361533	012-001
MALACCA SECURITIES SDN BHD	No. 54M, Mezzanine Floor Jalan SS2/67, 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78761533	012-001
MALACCA SECURITIES SDN BHD	No. 39-2, Jalan Temenggung, 21/9 Section 9, Bandar Mahkota Cheras, 43200 Cheras, Selangor Tel No : 03 – 9011 5913	012-001
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68, Jalan Batai Laut 4, Taman Intan 41300 Klang, Selangor Darul Ehsan Tel No : 03-30508888	098-003

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77188888	098-004
PM SECURITIES SDN BHD	1 <sup>st</sup> Floor, 157- A, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-8070 0773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-3341 5300	064-001
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045
RHB INVESTMENT BANK BERHAD	First Floor, 10 & 11 Jalan Maxwell 48000, Rawang Selangor Darul Ehsan Tel No : 03-60928916	087-047
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80221888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy, Lot 72, Persiaran Jubli Perak Section 22, 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint, PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77323862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
TA SECURITIES HOLDINGS BERHAD	2 <sup>nd</sup> Floor, Wisma TA 1A Jalan SS20/1, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel no : 03 – 7729 5713	058-007
<b>MELAKA</b>		
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371533	012-001
KENANGA INVESTMENT BANK BERHAD	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-001
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-001
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
PM SECURITIES SDN BHD	No 6-1, Jalan Lagenda 2, Taman 1 Lagenda, 75400 Melaka Tel No : 06-2880050	064-006

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
RHB INVESTMENT BANK BERHAD	579, 580 & 581, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 284 9885	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No : 06-3352511	078-014
<b>PERAK DARUL RIDZUAN</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen Ground Floor, 1, 2 & 3 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003
AFFIN HWANG INVESTMENT BANK BERHAD	2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-001
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
M & A SECURITIES SDN BHD	5 <sup>th</sup> , 6 <sup>th</sup> Floor and Unit 8A M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
MALACCA SECURITIES SDN BHD	No 3, 1st Floor, Persiaran Greenhill 30450, Ipoh Perak Darul Ridzuan Tel No: 05-2541 533 / 2541577	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh, Perak Tel No : 05-2453400	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016
RHB INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023
RHB INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034
RHB INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044
RHB INVESTMENT BANK BERHAD	No 1&3, 1 <sup>st</sup> Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-052

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
TA SECURITIES HOLDINGS BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No : 05-2411290	078-002
<b>PULAU PINANG</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Barkath 21, Lebuhr Pantai 10300 Pulau Pinang Tel No: 04-2611688	076-015
AMINVESTMENT BANK BERHAD	3 <sup>rd</sup> Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-001
CIMB INVESTMENT BANK BERHAD	Level 2, Menara BHL, 51, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang Tel No : 04-2385900	065-001
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 (Unit 1) & Level 3 No 56, Cantonment Road 10250 Pulau Pinang Tel No : 04-2268288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No : 04-2289118	079-005



<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
JUPITER SECURITIES SDN BHD	20-1, Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Pulau Pinang Tel No : 04-6412881	055-001
KENANGA INVESTMENT BANK BERHAD	7 <sup>th</sup> , 8 <sup>th</sup> & 16 <sup>th</sup> Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005
M & A SECURITIES SDN BHD	9-1-33, Taman Kheng Tian Jalan Van Praagh, 11600, Georgetown Pulau Pinang Tel No : 04 – 2888 788	057-008
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel No : 04-3905669	012-001
MALACCA SECURITIES SDN BHD	No 17, 1 <sup>st</sup> Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel No : 04-6421533	012-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Menara KWSP No. 38, Jalan Sultan Ahmad Shah 10050 Georgetown, Pulau Pinang Tel No : 04-2196888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1 <sup>st</sup> , 2 <sup>nd</sup> & 3 <sup>rd</sup> Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No : 04-3322123	093-001
MERCURY SECURITIES SDN BHD	2 <sup>nd</sup> Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
MERCURY SECURITIES SDN BHD	D'Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel No : 04-6400822	093-007
PM SECURITIES SDN BHD	Level 3, Wisma Wang 251-A, Jalan Burmah 10350, Pulau Pinang Tel No : 04-2273000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	087-015
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground Floor-3 <sup>rd</sup> Floor & 5 <sup>th</sup> -8 <sup>th</sup> Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042
TA SECURITIES HOLDINGS BERHAD	3 <sup>rd</sup> Floor, Bangunan Heng Guan No 171, Jalan Burmah 10050 Pulau Pinang Tel No : 04-2272339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1 <sup>st</sup> Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 <sup>st</sup> Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>PAHANG DARUL MAKMUR</b>		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1 <sup>st</sup> Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002
CIMB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09-5171698	073-027
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2220993 / 014 – 9215 992	012-001
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943 / 2234 948	087-022
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 09-4914913	087-041
<b>KELANTAN DARUL NAIM</b>		
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288 / 09-7433388	058-004

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 <sup>st</sup> Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7473906	078-004
<b>TERENGGANU DARUL IMAN</b>		
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009
RHB INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1 <sup>st</sup> Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6224766	078-016
<b>KEDAH DARUL AMAN</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2 <sup>nd</sup> Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088 / 731 8270	076-004
RHB INVESTMENT BANK BERHAD	No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	087-017
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor, 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
MALACCA SECURITIES SDN BHD	No. 9, First Floor Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No : 04-7350888	012-001
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A, 1 <sup>st</sup> Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7322111	078-007
<b>NEGERI SEMBILAN DARUL KHUSUS</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007
AFFIN HWANG INVESTMENT BANK BERHAD	6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1 <sup>st</sup> Floor Jalan Tunku Munawir 70000 Seremban, Negeri Sembilan Tel No : 06-7655998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No : 06-7669555	098-005
PM SECURITIES SDN BHD	1 <sup>st</sup> -3 <sup>rd</sup> Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	087-024
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	087-046

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
<b>JOHOR DARUL TAKZIM</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1 <sup>st</sup> Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006
AMINVESTMENT BANK BERHAD	2 <sup>nd</sup> & 3 <sup>rd</sup> Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-001
AMINVESTMENT BANK BERHAD	18 <sup>th</sup> Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-001
CIMB INVESTMENT BANK BERHAD	No 73, Ground Floor No 73A & 79A, First Floor Jalan Kuning Dua, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3405888	065-001
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004
JUPITER SECURITIES SDN BHD	30-1, Jalan Molek 1/10, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3538878	055-001
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
KENANGA INVESTMENT BANK BERHAD	33 & 35 (A&B), Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-001
KENANGA INVESTMENT BANK BERHAD	24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326963	073-001
KENANGA INVESTMENT BANK BERHAD	57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531222	073-001
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	073-001
KENANGA INVESTMENT BANK BERHAD	916, Ground Floor Jalan Bakek 82000, Pontian Johor Darul Takzim Tel: 07-6861121	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003
MALACCA SECURITIES SDN BHD	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3351533	012-001
MALACCA SECURITIES SDN BHD	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000, Kulaijaya Johor Darul Takzim Tel: 07-663 8877	012-001

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
MALACCA SECURITIES SDN BHD	Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel: 06-953 6948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
PM SECURITIES SDN BHD	Ground & 1 <sup>st</sup> Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-001
RHB INVESTMENT BANK BERHAD	6 <sup>th</sup> Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-006
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1 <sup>st</sup> Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031



<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-006
RHB INVESTMENT BANK BERHAD	Ground, 1 <sup>st</sup> & 2 <sup>nd</sup> Floor, Nos. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-006
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No : 07-9435278	058-003
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81000 Johor Bahru Tel No: 07-3647388	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6635651	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	70 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
<b>SARAWAK</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1 <sup>st</sup> Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
AMINVESTMENT BANK BERHAD	1 <sup>st</sup> , 2 <sup>nd</sup> , & 3rd Floor, No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-001
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084-367700	065-001
CIMB INVESTMENT BANK BERHAD	Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching, Sarawak Tel No : 082-358688	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square, Marina Park City 98000 Miri Sarawak Tel No : 085-435577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003
KENANGA INVESTMENT BANK BERHAD	11-12, Ground & 1 <sup>st</sup> Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012
KENANGA INVESTMENT BANK BERHAD	Ground Floor of Survey Lot No 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel No : 086-337588	073-018
KENANGA INVESTMENT BANK BERHAD	Suites 9&10, 3 <sup>rd</sup> Floor, Yung Kong Abell Lot 365 Abell Road 93100 Kuching Sarawak No Tel : 082-248877	073-036
MERCURY SECURITIES SDN BHD	1 <sup>st</sup> Floor 16, Jalan Getah 96100 Sarikei, Sarawak Tel No : 084- 656281	093-001

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2 <sup>nd</sup> Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-008
RHB INVESTMENT BANK BERHAD	2 <sup>nd</sup> Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012
RHB INVESTMENT BANK BERHAD	No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	087-008
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000, Miri Sarawak Tel: 085 - 324 128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No 16, Lorong Intan 6 96000 Sibu Sarawak Tel: 084-252 737	078-018
<b>SABAH</b>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1, 9 <sup>th</sup> Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel No : 088-311688	068-008

<b>Name</b>	<b>Address and telephone number</b>	<b>Broker code</b>
CIMB INVESTMENT BANK BERHAD	1 <sup>st</sup> & 2 <sup>nd</sup> Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-001
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032
KENANGA INVESTMENT BANK BERHAD	1 <sup>st</sup> Floor, Lot 40 (corner) Taman Nasalim, Phase 7A Batu 5 Jalan Lintas Utara 90000 Sandakan Sabah Tel No : 089-464801	073-001
KENANGA INVESTMENT BANK BERHAD	Lot 66-0 (TB 15611-0) Ground Floor, Kubota Road 91000 Tawau Sabah Tel No : 089-704892	073-001
RHB INVESTMENT BANK BERHAD	2 <sup>nd</sup> Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	078-011
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178, Ground Floor Block 17, Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No : 089-218681	078-012