

# ACCELERATE THE FUTURE

ANNUAL REPORT 2023



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## ACCELERATE THE FUTURE

### Rationale

Greatech dedicates itself to accelerating the future through the pace of our growth which will definitely bring about a brighter future. We are devoted to improving the growth rate of our Group through our innovations, inventions and production capabilities. By innovating our methods of managing our business operations, constantly inventing new technologies that will fascinate customers and improve our production capabilities, such advancements will increase the pace of our development and ensure that we stay ahead in the race for our customers. Greatech always look into the future before anyone does, set goals ahead of time and work towards these goals, Greatech is leading towards a future where innovations, technological advancements and ameliorated lifestyles thrive.

For more information, visit our website  
[www.greatech-group.com](http://www.greatech-group.com)



## VISION, MISSION & CORE VALUES

### VISION

We are dedicated to be a market leader in factory automation by delivering cutting edge automation solutions.

### MISSION

We are committed to deliver excellent value to our customers by providing talent, technology solutions and world class services support.



## VISION, MISSION & CORE VALUES

### CORE VALUES

These core values have developed into a company culture in Greatech that encourage us to continue striving for Greatness.



#### Integrity

Accountable to  
being Ethical



#### Innovation

Distinctive  
Technology and  
Services



#### Customer - Oriented

Partnership for  
Success



#### Commitment

Manufacturing  
Excellence



#### Performance Driven

Continuous  
Improvement



#### Care & Respect

People and  
Teamwork



## CORPORATE INFORMATION

### ABOUT US

Incorporated in 2018, listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 13 June 2019 and completed the transfer to the Main Market of Bursa Securities on 28 December 2020, Greatech Technology Berhad ("Greatech" or "Company"), together with its subsidiaries ("Group"), is a Malaysia-based leading automation solutions provider involved in the design, development and production of system, machinery and equipment for our customers' manufacturing processes. We also provide value-added services including parts, training and after-sales support.

Our customers operate in solar, semiconductor, consumer electronics, e-mobility and life science industries. Greatech's machinery and equipment are installed across the world, including China, India, Singapore, Vietnam, United States of America and certain European Union countries.

The Group places great emphasis on manifesting its values in its daily business and constantly engages its employees on a journey of excellence.

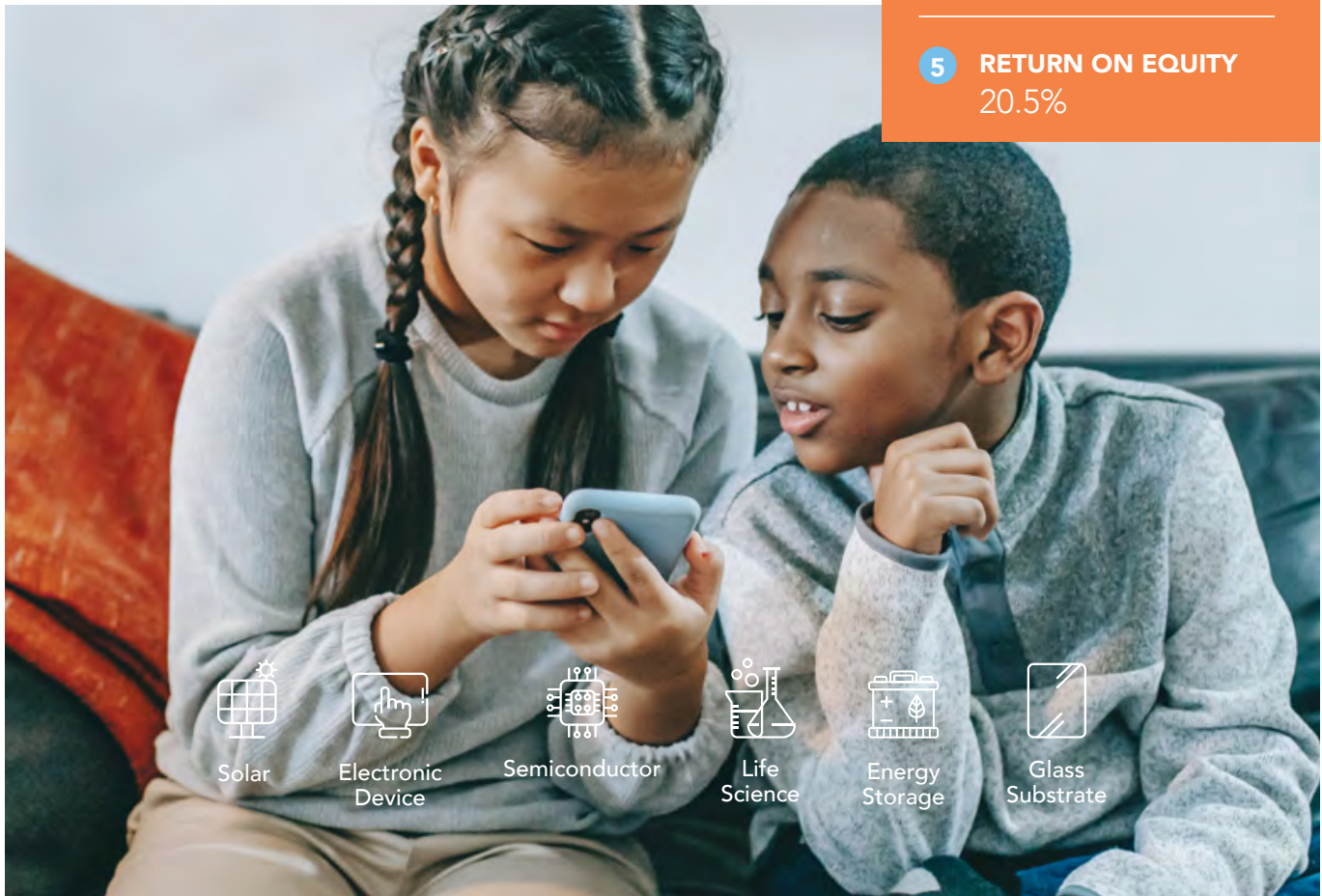
No Fatalities

No Non-Compliance regarding Environmental, Health & Safety

100.0% Code of Conduct & Ethics, Anti-Bribery and Anti-Corruption Training

## FINANCIAL HIGHLIGHT FY2023

- 1 **REVENUE**  
RM658.75 million  
20.6% increase from FY2022
- 2 **EMPLOYEES**  
1,492
- 3 **NET CASH & CASH EQUIVALENTS**  
RM187.36 million
- 4 **ECONOMIC VALUE DISTRIBUTED**  
RM422.92 million  
Employees, Government, Suppliers, Capital Providers and Communities
- 5 **RETURN ON EQUITY**  
20.5%



Solar



Electronic Device



Semiconductor



Life Science



Energy Storage



Glass Substrate



## CORPORATE INFORMATION

### 2023 MILESTONE

#### QUARTER 1

1 JANUARY - 31 MARCH 2023

##### FEBRUARY

Institution of Engineering and Technology ("IET") Malaysia Industry Excellence 2022 Platinum Award.

#### QUARTER 3

1 JULY – 30 SEPTEMBER 2023

##### AUGUST

Achieved Forbes Asia's "Best under a Billion 2023" which recognised 200 Asia-Pacific public companies with less than USD 1 billion in revenue, consistent top-line and bottom-line growth.

Organise the Green Celebrations Ceremony to celebrate achievement on environmental awards received during the quarter:

- Solar Power System Launching in Batu Kawan I
- Penang Green Office awarded by Penang Green Council
- Certification on ISO 14001 Environmental Management Systems for all working plants
- Certification on ISO 45001 Occupational Health and Safety Management Systems for all working plants
- Aqua Save Award awarded by Perbadanan Bekalan Air Pulau Pinang Sdn Bhd

#### QUARTER 2

1 APRIL - 30 JUNE 2023

##### JUNE

Maintain in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index 2023.

#### QUARTER 4

1 OCTOBER – 31 DECEMBER 2023

##### OCTOBER

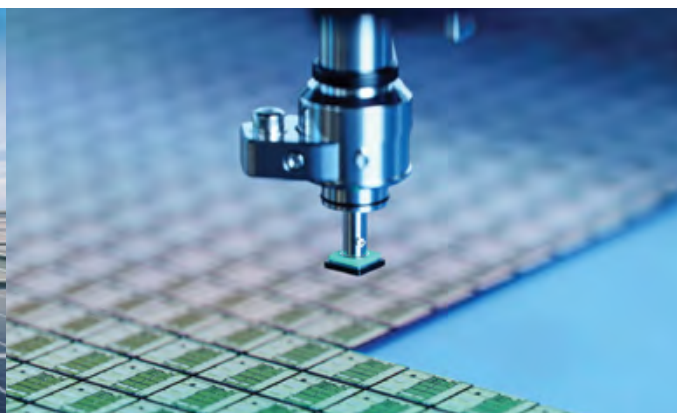
ESG Recognition Award 2023 from Association of Malaysian Medical Industries (AMMI), MedTech Malaysia.

30<sup>th</sup> Annual Anniversary Celebration.

Top spot of highest return-on-equity ("ROE") over three years within the technology category at the 14th edition of The Edge Billion Ringgit Club.

Awarded the Excellence in Training Innovation by Human Resource Development Corporation ("HRD Corp").

Entered into Sale & Purchase Agreement with Brendan Joseph Walsh and Dermot Martin O'Brien for acquisition of 100% equity interest in Allied Automation Limited.



## CORPORATE INFORMATION



### BOARD OF DIRECTORS

#### DATO' OOI BOON CHYE

Independent Non-Executive Chairman

Appointed as Independent Non-Executive Director with effect from 15 May 2023 and re-designated as Chairman with effect from 25 August 2023

#### DATO' SERI TAN ENG KEE

Chief Executive Officer  
Executive Director

#### KHOR LEAN HENG

Chief Project Officer

Executive Director  
Re-designated from Chief Operating Officer to Chief Project Officer with effect from 1 March 2024

#### OOI HOOI KIANG

Independent Non-Executive Director  
Re-designated from Chairman to Independent Non-Executive Director with effect from 25 August 2023

#### MARIAMAH BINTI DAUD

Independent Non-Executive Director

#### DATO' SERI WONG SIEW HAI

Independent Non-Executive Director

#### DR. MICHAEL DOMINIC KIRK

Independent Non-Executive Director

#### DR. KONG SIEW MUI

Independent Non-Executive Director  
Appointed with effect from 23 February 2024

### AUDIT AND RISK MANAGEMENT COMMITTEE

#### MARIAMAH BINTI DAUD

Chairman

#### OOI HOOI KIANG

Member

#### DATO' SERI WONG SIEW HAI

Member

### REMUNERATION COMMITTEE

#### OOI HOOI KIANG

Chairman

#### MARIAMAH BINTI DAUD

Member

#### DATO' SERI WONG SIEW HAI

Member

### NOMINATING COMMITTEE

#### DATO' SERI WONG SIEW HAI

Chairman

#### MARIAMAH BINTI DAUD

Member

#### OOI HOOI KIANG

Member

### COMPANY SECRETARIES

#### YEOW SZE MIN

SSM PC No. 201908003120  
(MAICSA 7065735)

#### LOW SEOW WEI

SSM PC No. 202008000437  
(MAICSA 7053500)

### REGISTERED OFFICE

Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 George Town  
Pulau Pinang  
Tel : (604) 263 1966  
Fax : (604) 262 8544  
Email: info@sshbs.com.my

### PRINCIPAL PLACE OF BUSINESS

Plot 287(A)  
Lengkok Kampung Jawa Satu  
Bayan Lepas Free Industrial Zone Phase 3  
11900 Bayan Lepas  
Pulau Pinang  
Tel : (604) 646 3260  
Fax : (604) 646 3261

### SHARE REGISTRAR

#### Securities Services (Holdings) Sdn. Bhd.

(Registration no. 197701005827  
(36869-T))

Suite 18.05, MWE Plaza  
No. 8, Lebuhr Farquhar  
10200 George Town  
Pulau Pinang

Tel : (604) 263 1966

Fax : (604) 262 8544

Email: info@sshbs.com.my

### AUDITORS

#### BDO PLT

(201906000013 (LLP0018825-LCA &  
AF 0206))

51-21-F, Menara BHL  
Jalan Sultan Ahmad Shah  
10050 Pulau Pinang

Tel : (604) 222 0288

Fax : (604) 222 0299

### PRINCIPAL BANKER

CIMB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock name : GREATEC  
Stock code : 0208

# CORPORATE STRUCTURE



**Greatech Technology Berhad**  
Investment holding

100%

**Greatech Integration (M) Sdn Bhd**  
Manufacture of automated equipment  
and provision of parts and services

100%

**Greatech Integration (Ireland) Limited**  
Development, design and precision  
engineering of custom automated  
equipment

100%

**Greatech Integration  
(Shanghai) Limited**

Dormant

100%

**Greatech Integration  
(USA) Inc**

Sales and support office

100%

**GT Integration  
(Philippines) Inc**

Engineering design  
centre

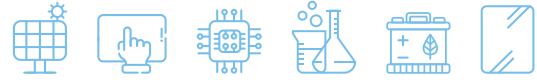
100%

**Greatech Integration  
(S) Pte Ltd**

Engineering design and  
consultancy activities



## PROFILE OF DIRECTORS



### DATO' OOI BOON CHYE

#### Chairman

Independent Non-Executive Director

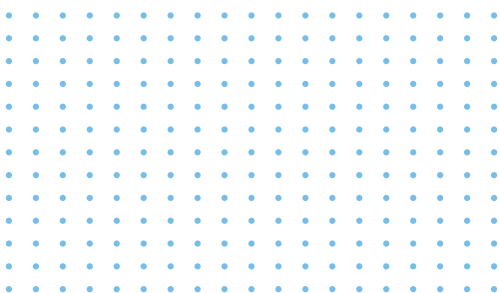
**Gender** Male

**Nationality** Malaysian

**Age** 70



Membership of the Board Committee: None



**Dato' Ooi Boon Chye**, was appointed to the Board as an Independent Non-Executive Director on 15 May 2023 and was re-designated as Chairman on 25 August 2023.

Dato' Ooi was a former Senior Vice President ("SVP") of Global Operations at Broadcom Limited (previously known as Avago Technologies (Malaysia) Sdn Bhd). He was responsible for managing its worldwide manufacturing, manufacturing engineering, outsourcing, procurement, logistics, central planning and quality programs during his tenure there. He retired in 2021 after 12 years with the company.

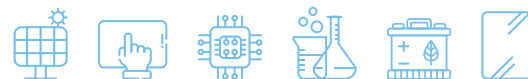
Prior to joining Broadcom Limited, Dato' Ooi had served as an SVP of Worldwide Operations and Business Process Re-engineering at Xilinx, Inc from 2003 to 2009. Dato' Ooi has more than 25 years of experience at Intel Corporations ("Intel") and has served as its Vice President ("VP") of the Systems Original Equipment Manufacturer ("OEM") Products Group, Corporate Technology Group, and its Director of Operations. His experiences at Intel included Intel Technology Sdn Bhd ("Intel Penang") from 1976 to 1980 and from 1984 to 1986. He was also the General Manager ("GM") for Intel Barbados Limited ("Intel Barbados") from 1980 to 1983. He had served in several operational management positions, Assembly Operations Manager, Plant Manager, and GM during his stint with Intel.

In 1986, Dato' Ooi moved to the United States of America ("USA"), where he served Intel Corporation as its Assistant GM of worldwide logic components fabrication sort ("Fab Sort") and assembly/test ("Assy/Test") manufacturing; Director of Component Planning and Plant Manager for A4/T11 in Chandler, Arizona. He had also served as the GM for worldwide systems manufacturing, with Intel plants in Puerto Rico, Ireland, Washington, Malaysia and Oregon in 1990.

Other than our Company, Dato' Ooi does not hold any other directorship in public companies or public listed companies in Malaysia.

Dato' Ooi is an affiliate member of Chartered Management Accountants, UK and also holds a Bachelor Degree in Business Administration from the University of Phoenix, Arizona.

## PROFILE OF DIRECTORS



### DATO' SERI TAN ENG KEE

DSPN, DGPN

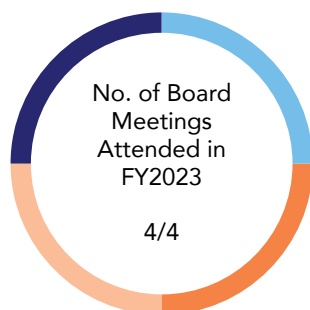
#### Chief Executive Officer

Executive Director

**Gender** Male

**Nationality** Malaysian

**Age** 54



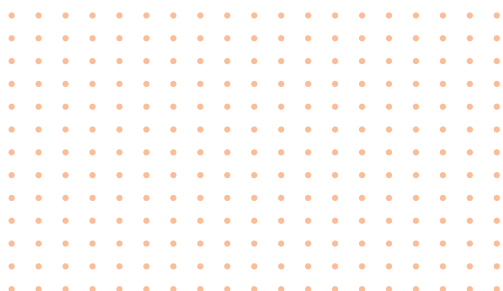
Membership of the Board Committee: None

**Dato' Seri Tan Eng Kee**, is our Group's Chief Executive Officer and Executive Director and was appointed to our Board on 14 May 2018. Dato' Seri Tan is one of Greatech's founding shareholders since the incorporation of Greatech Integration (M) Sdn Bhd in 1997 and is currently responsible for the overall management and operation of the Group. As one of the founders, Dato' Seri Tan sets the vision, mission and core values of the Group. He drives business development, building and executing the strategic directions and expansion plans for the growth and development of the Group, including sourcing for investment opportunities to uphold the Group's business growth. He has more than 29 years of experience in managing companies, marketing strategy planning and business development. Dato' Seri Tan has and continues to be, instrumental to our Group's continuous success and growth.

Dato' Seri Tan has been appointed as a Member of Governing Committee for the Electrical and Electronics Productivity Nexus ("EEPN") and Board Member for the Malaysia Semiconductor Industry Association ("MSIA") for the year 2021.

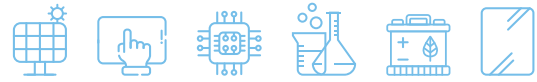
Dato' Seri Tan also served as a Director of Penang Tech Centre since 22 February 2024.

Dato' Seri Tan holds a Certificate in Mechanical Engineering from Politeknik Sultan Abdul Halim Mu'adzam Shah, Kedah.





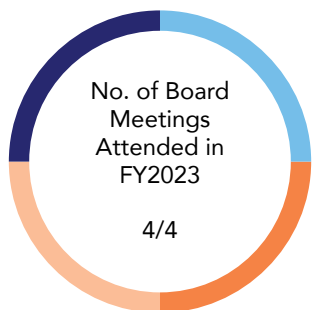
## PROFILE OF DIRECTORS



### KHOR LEAN HENG

**Chief Project Officer**  
Executive Director

**Gender** Male  
**Nationality** Malaysian  
**Age** 54



Membership of the Board Committee: None

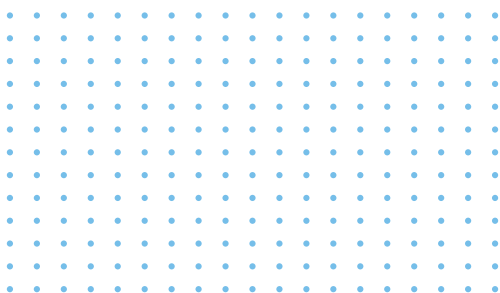
**Khor Lean Heng**, has been an Executive Director and Chief Operating Officer of the Group since his appointment to the Board on 14 May 2018. He was subsequently redesignated to Chief Project Officer on 1 March 2024.

Mr Khor is also a co-founder of the Group and brings with him over 29 years of experience in precision machining, sheet metal manufacturing and automation equipment business.

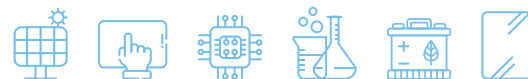
Currently, Mr Khor is tasked with overseeing the project management, field service and facility management functions of our Group. His responsibilities include leading project initiatives, improving operational efficiency and ensuring the successful execution of key projects in line with the Group's strategic objectives.

Mr Khor also served as a Director of Heng Ee School Board Berhad since 18 January 2024.

Mr Khor holds a Sijil Pelajaran Malaysia Vokasional from SMV Lorong Batu Lanchang, Pulau Pinang.



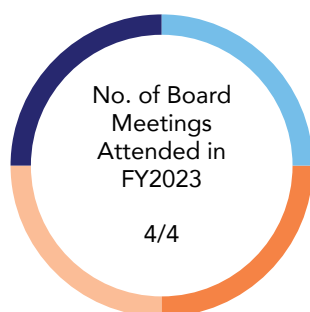
## PROFILE OF DIRECTORS



### OOI HOOI KIANG

Independent Non-Executive Director

**Gender** Female  
**Nationality** Malaysian  
**Age** 55



**Ooi Hooi Kiang**, was appointed to the Board as an Independent Non-Executive Chairman on 20 August 2018 and was re-designated as an Independent Non-Executive Director on 25 August 2023. She serves as Chairman of the Remuneration Committee and member of Audit and Risk Management Committee and Nominating Committee of the Company.

Ms Ooi has more than 30 years of working experience in a wide range of industries such as auditing, brokerage institutions, property development, mining and manufacturing, including cross border working experience in Abu Dhabi, Singapore, Korea, Vietnam and Russia encompassing finance operations, accounting, financial management, corporate finance, tax planning and merger & acquisition.

Ms Ooi currently serves as Director/Principal Consultant – Corporate Strategies of WCoach Sdn Bhd which provides advisory services. She was the Group Chief Financial Officer (“CFO”) overseeing the finance division of PG Automotive Holdings Pte Ltd (“PGA”) from November 2018 to January 2022. Before joining PGA, she was the CFO of Anchor Resources Limited, a company listed on the Singapore Stock Exchange from 2014 to 2018. Ms Ooi started her career with Coopers & Lybrand LLP (now known as PricewaterhouseCoopers) in 1995 as an Audit Assistant. Her other notable past working experience includes assuming the role of Senior Corporate Finance Manager of Olympia Industries Berhad and CFO of JWPK Sdn Bhd in 2012 and 2013 respectively and holding senior positions in several local brokerage institutions and foreign companies.

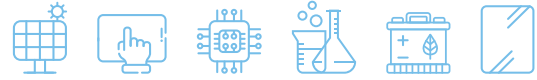
Ms Ooi currently exploits her commercial experience in supporting and delivering the Group’s strategy in non-executive roles.

She also serves as Non-Independent Non-Executive Chairperson for L&P Global Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Ms Ooi holds a Master in Accounting from the University of Florida, USA and is a member of the Malaysian Institute of Accountants.



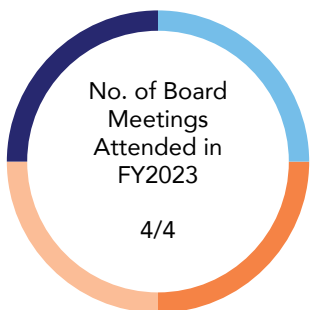
## PROFILE OF DIRECTORS



### MARIAMAH BINTI DAUD

Independent Non-Executive Director

**Gender** Female  
**Nationality** Malaysian  
**Age** 59

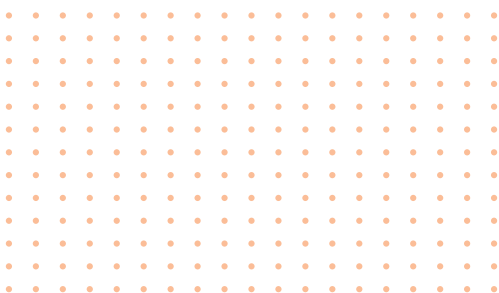


**Mariamah binti Daud**, was appointed to the Board as Independent Non-Executive Director on 20 August 2018. She serves as Chairman of the Audit and Risk Management Committee and member of Nominating Committee and Remuneration Committee of the Company.

Puan Mariamah ventured into many entrepreneurial activities centred on food business after completing her studies. 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. She is currently the Director of Corporate Services Division of MTDC, a government agency that involved in technology development and commercialisation as well as nurturing of technopreneurs since August 1993. She is responsible for overseeing the day-to-day operations of 6 departments namely Finance, Administration and Procurement, Digital Technology & Asset Management, Knowledge Management, Corporate Communications and Event Management, a role she assumed since 2022. In her 31-year tenure with MTDC, she is involved in several management roles in charge of technology development, technology transfer and commercialisation, nurturing and coaching of entrepreneurs and businesses as well as promotion of the adoption of digital and Industry 4.0 solutions to micro, small, and medium enterprises.

Other than our Company, Puan Mariamah does not hold any other directorship in public companies or public listed companies in Malaysia.

Puan Mariamah holds a Bachelor of Arts Degree in Economics from College of Arts and Sciences of Syracuse University, New York, USA.



## PROFILE OF DIRECTORS

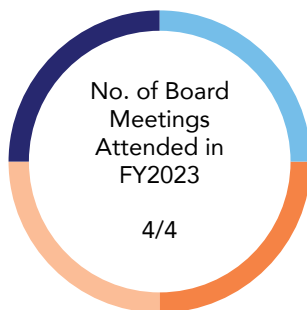


### DATO' SERI WONG SIEW HAI

DSPN, DMPN, DGPN, DPPN

Independent Non-Executive Director

<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Age</b>	73



**Dato' Seri Wong Siew Hai**, was appointed to the Board as Independent Non-Executive Director on 8 May 2020. He serves as Chairman of the Nominating Committee and member of Audit and Risk Management Committee and Remuneration Committee.

Dato' Seri Wong is an electronics industry veteran, with nearly 29 years of semiconductor manufacturing experience in electrical and electronics ("E&E") industry covering Malaysia, Asia Pacific and global regions. He had held several senior positions in world renowned technology companies including Vice President and Managing Director of Dell's Asia Pacific Customer Centre, Vice President of Technology and Manufacturing Group ("TMG") and General Manager of Assembly and Test Manufacturing ("ATM") of Intel Penang and Managing Director of Intel Malaysia. In his 27-year tenure with Intel, he covered a wide range of areas including managing and leading Intel's global assembly and test factories until his retirement in year 2004. Dato' Seri Wong is widely known in the business community for his comprehensive network and strong rapport with Malaysia SMEs and E&E industry. He remains active in the industry and corporate business community.

Contributing his global experience to advancing the E&E industry, Dato' Seri Wong is today, the Chairman of the E&E Productivity Nexus ("EEPX") and President of Malaysia Semiconductor Industry Association ("MSIA"). He was the Chairman of the Malaysian American Electronics Industry ("MAEI") and an industry committee of the American Malaysian Chamber of Commerce ("AMCHAM") for the last 15 years. He is an Independent Non-Executive Director of Malaysia Venture Capital Management Berhad, MTT Shipping and Logistics Berhad and a Director of Penang Tech Centre Bhd. He is also a member of PEMUDAH, a special task force to address public-private delivery services.

He serves as the Board of Governor for various educational institutes in Malaysia. He is also a Vice President of the Penang Welfare Association for Mentally Retarded Children and Charter President of Kiwanis Club of Penang Central, a charity organisation.

Dato' Seri Wong had 12 years' experience of operating in a highly regulated environment as Board member of the Malaysian External Trade Development Corporation ("MATRADE"), under the Ministry of International Trade and Industry ("MITI"). He had corporate governance experience in his role as the MATRADE's Audit Committee Chairman. He was also a committee member of the Third Industrial Master Plan ("IMP3") in 2004, contributing to Malaysia's Industrial Master Plan.

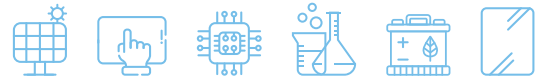
He also served as Independent Non-Executive Chairman of Natiogate Holdings Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

In 2015, he was awarded the ASEAN Outstanding Engineering Achievement Award by the ASEAN Federation of Engineering Organisations in recognition for his contributions and services as an outstanding engineer and industry leader who has devoted constantly to the society and community in Malaysia and also as an outstanding professional whose contributions have made great beneficial impact to the country.

Dato' Seri Wong holds a Bachelor of Science in Mechanical Engineering from University of Leeds, England and a Master of Science in Management Science from Imperial College of Science & Technology, University of London, England. He had also been awarded the Outstanding Award in the Management Development Program under Asian Institute of Management, Philippines.



# PROFILE OF DIRECTORS



**Dr. Michael Dominic Kirk**, was appointed to the Board as Independent Non-Executive Director on 14 May 2022.

Dr. Kirk was formerly a Co-founder of Park Scientific Instruments, a scanning probe microscope company, where he served as a Vice President (“VP”) of Research and Development and Chief Technology Officer. He spent 9 years in a variety of management, marketing, and technical operations roles leading its business until its acquisition by Thermoelectron in 1997, before moving to KLA Corporation (“KLA”), formerly known as KLA-Tencor, a company listed on the NASDAQ stock exchange, as Director of Strategic Marketing for Wafer Inspection Group.

Dr. Kirk held several different senior VP positions at KLA from 1997 to 2020. He was the Senior VP of the Surfscan Division responsible for dramatically growing its revenue and profitability. He was also an Executive VP responsible for the Wafer Inspection Group product development, business performance and strategic planning. In addition to these responsibilities, he also managed KLA’s world-wide manufacturing and operations for all of KLA’s products. During his tenure at KLA, Dr. Kirk managed KLA’s world- wide sales and services groups and later became Executive VP of Strategic Corporate Business Development of KLA managing 5 company acquisitions in 2 years.

Dr. Kirk has extensive understanding of operating in senior business leadership positions in the USA as well as international business, sales and marketing, mergers and acquisitions (“M&A”), product management and innovation experience. During his career with KLA, he has successfully grown numerous new businesses, has strategic experience of operating in large industrial groups across a variety of geographies, developed and ran a global capital equipment business.

Dr. Kirk currently is a business consultant in relation to M&A, business operations and strategic planning. He is also a Board member of SIMCO Electronics in San Jose, California since 2007 and is a volunteer tutor of Physics and Calculus to underserved students in California.

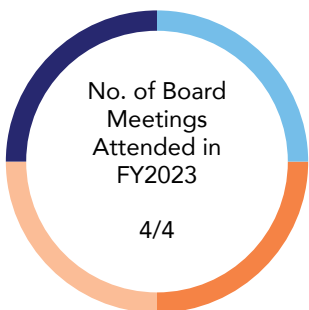
Other than our Company, Dr. Kirk does not hold any other directorship in public companies or public listed companies in Malaysia.

Dr. Michael Dominic Kirk holds degrees in physics and applied mathematics from the University of California at Berkeley, California and master’s degree and Ph.D in applied physics from Stanford University, California.

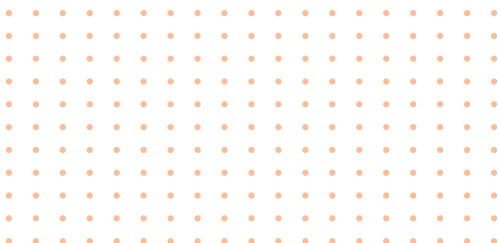
## DR. MICHAEL DOMINIC KIRK PHD

Independent Non-Executive Director

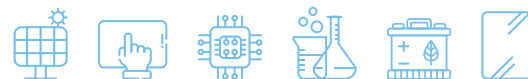
- Gender** Male
- Nationality** American
- Age** 61



Membership of the Board Committee: None



## PROFILE OF DIRECTORS



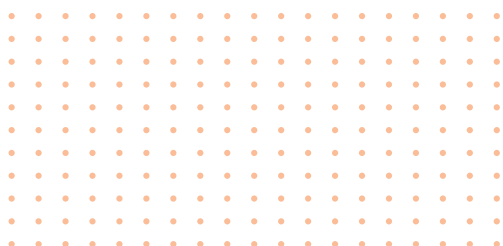
### DR. KONG SIEW MUI DBA

Independent Non-Executive Director

**Gender** Female  
**Nationality** Malaysian  
**Age** 65

No. of Board Meetings Attended in FY2023  
 Not applicable as Dr. Kong was appointed to the Board on 23 February 2024.

Membership of the Board Committee: None



**Dr. Kong Siew Mui**, was appointed to the Board as Independent Non-Executive Director on 23 February 2024.

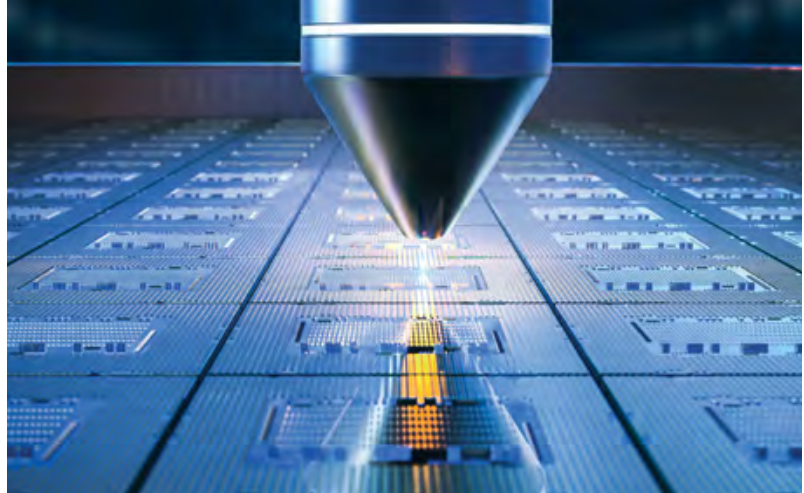
Dr. Kong began her professional career with Intel Technology ("Intel") in Penang. In that time, she cut her teeth in Human Resources Department and moved into manufacturing operations. She then spent the greater part of her career in the electronic manufacturing services industry, first with Solectron Technology Sdn Bhd ("Solectron Penang") and then Flex Penang (previously known as Flextronics). Over more than 30 years, Dr. Kong has covered multiple portfolios ranging from healthcare & life sciences, consumer products, automotive and industrial electronics. Her responsibilities grew from managing local manufacturing sites to multiple regional sites. Dr. Kong has special strengths in operations, lean manufacturing, quality assurance, supply chain management and human resources. As the site lead, Dr. Kong enabled Solectron Penang to play a key role in winning the prestigious Malcolm Baldrige National Quality Award in 1997 over many other participating multinational companies. As Vice President of Global Business Excellence, Dr. Kong used Lean and Six Sigma transformation techniques to inculcate Continuous Business Process Improvements to Flex manufacturing sites in 30 countries worldwide.

Other than our Company, Dr. Kong does not hold any other directorship in public companies or public listed companies in Malaysia.

Dr. Kong graduated with a Bachelor's degree in Social Science from Universiti Sains Malaysia ("USM"), Penang. Through an Intel sponsorship program, she gained a Master degree in Business Administration from the University of East Asia, Macau. Upon acquiring her Doctor's degree in Business Administration from USM, she is currently an Industry Fellow of the Graduate School of Business in USM. On graduation Dr. Kong won the Dean's Award as well as the Gold Medal for Best Student 2020/2021.



## PROFILE OF DIRECTORS



### Notes to Directors' Profiles:

#### 1. Family Relationship

None of the Directors have any family relationship with any Director and/or major shareholder of the Company.

#### 2. Directors' Shareholdings

Details of Directors' shareholdings can be found in the "Analysis of Shareholdings as at 29 March 2024" section of this Annual Report.

#### 3. Conviction of Offences

None of the Directors have been convicted of any offence, other than traffic offences, if any, within the past five (5) years.

#### 4. Conflict of Interest

None of the Directors have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.

#### 5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the Directors have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## PROFILE OF KEY SENIOR MANAGEMENT TEAM



### KOAY LIN LIN

**Gender** Female  
**Nationality** Malaysian  
**Age** 51

**Koay Lin Lin**, is our Group's Chief Financial Officer ("CFO"). Ms Koay joined the Group in April 2000 and was appointed as the Group's CFO in January 2018. She oversees financial management, corporate finance, tax, information technology ("IT"), environmental, social and governance ("ESG") matters, risk and internal control. She is responsible for supervising the finance & accounting, environment, health & safety ("EHS") and management information system ("MIS") functions of the Group.

Ms Koay has more than 20 years of working experience in auditing, finance, accounting, tax, treasury and human resource management. Before joining the Group, she served as an Audit Senior at PricewaterhouseCoopers.

Ms Koay obtained her National Vocational Qualification in Accounting from the Association of Accounting Technicians (UK) ("AAT") in 1994. She also holds Certificate in International Auditing and Certificate in Sustainability for Finance from the Association of Chartered Certified Accountants ("ACCA"). Ms Koay is a fellow member of ACCA ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA").



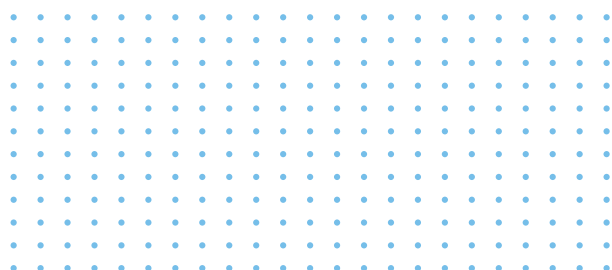
### TAN HUAT TATT

**Gender** Male  
**Nationality** Malaysian  
**Age** 53

**Tan Huat Tatt**, is our Group's Operation Director. He joined the Group in May 2022 and is responsible for overseeing the manufacturing operations of the Group. Mr Tan previously served as the Focus Factory Manager at Plexus Manufacturing Sdn Bhd ("Plexus") from 2018 to 2022. His first tenure at Plexus includes a prior role as Operation Department Manager from 2004 to 2016, where he managed high-level assemblies within the contract manufacturing services business. Before returning to Plexus in 2018, he held the position of Work Cell Manager at Jabil Circuit Sdn Bhd from 2016 to 2018.

Mr Tan's career began in various operational roles at multinational corporations in Penang including Penang Seagate Industries (M) Sdn Bhd, Silitek Corporation (M) Sdn Bhd and Celestica Malaysia Sdn Bhd. With over 20 years of experience in operational management and business leadership, Mr Tan has demonstrate expertise in driving operational performance and implementing strategic improvements in the high-tech global electronics manufacturing services industry.

Mr Tan holds a Bachelor Degree of Management in Organisation with Honours from Universiti Sains Malaysia and a National Technical Certificate in Precision Engineering from the Institute of Technical Education Singapore. He has also been awarded a Craftsman Certificate from Economic Development Board of Singapore.



## PROFILE OF KEY SENIOR MANAGEMENT TEAM

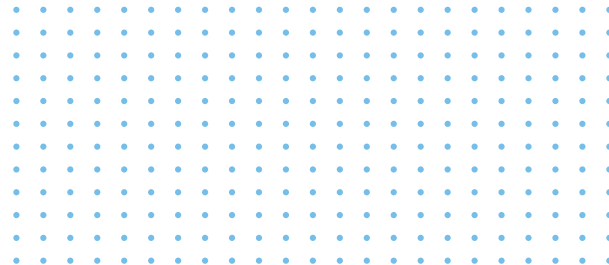


### LOO KIM HAI, MARTIN

**Gender** Male  
**Nationality** Malaysian  
**Age** 45

**Loo Kim Hai, Martin**, was appointed as our Group's Business Unit Manager in October 2019. He is responsible for overseeing the E-Mobility division of the Group. His responsibilities include managing the team and projects, encompassing planning, execution, monitoring, risk management, issues resolution and target achievement. He has 18 years of management and machine design experience within the LED and semiconductor industry. Mr Martin Loo started his career as a Mechanical Design Engineer at Genetec Technology Berhad in April 2004 and thereafter joined Multiled Technology Sdn Bhd in August 2005 as a Project Manager. Before joining the Group, he held the position of Senior Mechanical Design Manager at a public listed entity specialised in high-tech automation system. During his 12-year tenure there, he spearheaded the Engineering Department in designing and developing a wide range of custom-designed machine and standard back-end automation equipment for the LED and semiconductor industry. His involvement spanned conceptual design, machine development, project management and technical support.

Mr Martin Loo holds a Bachelor Degree in Mechanical Engineering from the University of Malaya. He also attained a Master of Business Administration with distinction from the University of Science, Malaysia.



### TAN ENG SENG

**Gender** Male  
**Nationality** Malaysian  
**Age** 41

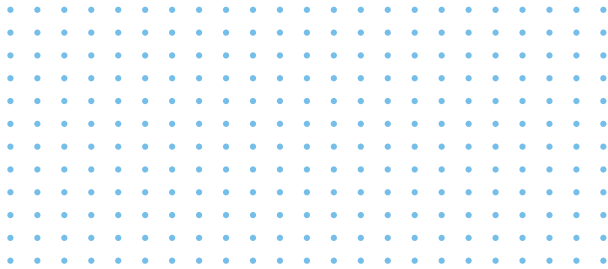
**Tan Eng Seng**, is currently holds the position of Business Unit Manager for Life Science division of the Group. In his capacity, he is responsible for managing teams and projects, overseeing planning, execution, monitoring, risk management, issues resolution and target achievement. Mr Tan joined the Group in 2014 and initially managed project and team operations before being promoted to Business Unit Manager of the Battery division in January 2018. Subsequently, in November 2019, he transitioned to lead the Life Science division.

Before joining the Group, Mr Tan held the position of Engineer at STEC Technology Sdn Bhd (later acquired by HGST Technologies Malaysia Sdn Bhd) from 2011 to 2014. He has 18 years of experience in software programming and development in the automation system of semiconductor and hard disk drive industries. Mr Tan started his career as a Field Staff at Manpower Staffing Services (M) Sdn Bhd in 2005. He then progressed to roles as a Software Development Engineer at Micro View Technologies Sdn Bhd in 2007 and Micro Modular System Sdn Bhd in 2008.

Mr Tan holds a Bachelor Degree of Computer Science with Honours from University Tunku Abdul Rahman.



## PROFILE OF KEY SENIOR MANAGEMENT TEAM



### YEAP HAN KEOW

**Gender** Male  
**Nationality** Malaysian  
**Age** 39

**Yeap Han Keow**, currently holds the position of Business Unit Manager for the Thin Film Solar division of the Group. In this role, his responsibilities include managing teams and projects, overseeing planning, execution, monitoring, risk management, issues resolution and target achievement. Mr Yeap joined the Group in August 2005 as an Electrical Assembly Technician and has since progressed within the Group. He was promoted to Software & Control Engineer and Assistant Software Manager, where he took charge of managing and supervising the software department starting from January 2015. Mr Yeap assumed the role of Business Unit Manager in January 2018, leveraging his extensive experience in management, project execution, control systems design, software programming and technical support.

Mr Yeap holds a Diploma in Electrical Engineering from Institut Teknologi dan Pengurusan Lebu Victoria, Penang.



### CHUAH SOO HOONG

**Gender** Male  
**Nationality** Malaysian  
**Age** 42

**Chuah Soo Hoong**, currently holds the position of Business Unit Manager for the E-Mobility division of the Group. In this role, his responsibilities include managing teams and projects, overseeing planning, execution, monitoring, risk management, issues resolution and target achievement. Mr Chuah joined the Group in January 2016 as a Senior Mechanical Designer and has since advanced within the Group. He was subsequently promoted to Assistant Technology and Development Manager in January 2017, where he led a team of engineers in designing automated equipment. Mr Chuah assumed the role of Business Unit Manager for the Solar and Semiconductor Wafer division in January 2018. In November 2020, he was reassigned to lead the E-Mobility division. He has 17 years of experience in management and machine design within the semiconductor and solar industries.

Mr Chuah holds a Diploma in Mechanical Engineering from the Polytechnic Sultan Abdul Halim Mu'adzam Shah, Kedah.

## PROFILE OF KEY SENIOR MANAGEMENT TEAM



### LEE CHONG CHI

**Gender** Male  
**Nationality** Malaysian  
**Age** 39

**Lee Chong Chi**, currently holds the position of Business Unit Manager for the Semiconductor Automation division of the Group. In this role, his responsibilities include managing teams and projects, overseeing planning, execution, monitoring, risk management, issues resolution and target achievement. Mr Lee joined the Group in 2019 to lead and supervise the project team within the Optical System division. In February 2022, Mr Lee was assigned to lead the standard machinery division, which was later merged under the Semiconductor Automation umbrella. He has more than 15 years of experience in high-precision machinery design and management within the semiconductor and automotive industries.

Mr Lee began his career with a local automation company in 2006 before transitioning to a German-based company in 2008. During his tenure, he progressed from an engineer to Head of Department, showcasing his leadership and technical capabilities. He was also stationed in Germany for a duration of 3 years for technology transfer and skill enhancement. During his 11-year tenure with the German-based company, he established the local automation team encompassing design, software, electrical and assembly functions to support the Asia market.

Mr Lee holds a Bachelor Degree in Mechanical Engineering from The Nottingham Trent University.



### LOO KHAI TIEN

**Gender** Female  
**Nationality** Malaysian  
**Age** 38

**Loo Khai Tien**, is our Human Resources & Admin Department Manager. She has over 13 years of experience in the manufacturing industry, including multinational corporations. She joined the Group in May 2017 as an Assistant Human Resources & Admin (“HRA”) Manager and was promoted to HRA Department Manager in May 2018. In February 2022, her responsibilities expanded to include overseeing the Environment, Health & Safety (“EHS”) department.

As the HRA Department Manager, Ms Loo is responsible for managing and overseeing all aspects of HRA and EHS, including organisation planning. Ms Loo’s strong foundation in the manufacturing industry, coupled with extensive experience from her previous roles at Tong Heer Fasteners Sdn Bhd, Southern Steel Berhad and JA Solar (M) Sdn Bhd, equips her to effectively address the complex needs of the organisation and unique challenges of the industry. Her expertise in Human Resources Management and her experience in multinational corporations make her well-equipped to handle the complex needs of the organisation.

Furthermore in March 2024, with the organisation’s trust in her abilities to manage and streamline critical functions such as HRA and EHS, she is tasked with additional responsibility to oversee the Purchasing and Sourcing Department.

Ms Loo graduated with a Bachelor Degree of Science in Human Development and Management with First Class Honour from Universiti Putra Malaysia.



## DERMOT MARTIN O'BRIEN

<b>Gender</b>	Male
<b>Nationality</b>	Irish
<b>Age</b>	52

**Dermot Martin O'Brien**, is Managing Director of Greatech Integration (Ireland) Limited. Mr Dermot co-founded Allied Automation Limited ("AAL") in 1998, which was later acquired by Greatech Group in November 2023. AAL specialised in designing and manufacturing production lines for many of the blue-chip multinational companies in the medical device and pharmaceutical sectors. Target markets included Ireland, mainland Europe and the US.

Mr Dermot began his career as a mechanical design engineer with BW Design in 1995. Following the co-founding of AAL, Mr Dermot, as Technical Director, continued to work in mechanical design as well as roles in PLC programming and electrical design. In the mid 2000's, he shifted his focus to sales and business development. His experience in AAL involved transitioning the company's focus from the automotive to the life science sector. In August 2022, Mr Dermot was appointed Managing Director.

Mr Dermot holds a Bachelor's Degree in Production Management from the University of Limerick, Ireland and has completed a Business Development Program with the Irish Management Institute. More recently he completed a Post-Graduate Diploma in International Sales with the Technical University Dublin which targeted the Swiss market.

### Notes to Key Senior Management Team Profiles:

#### 1. Directorship in Other Public/Public Listed Companies

None of the key senior management personnel hold any directorship in public companies and public listed companies in Malaysia.

#### 2. Family Relationship

None of the key senior management personnel have any family relationship with any Director and/or major shareholder of the Company.

#### 3. Conviction of Offences

None of the key senior management personnel have been convicted of any offence other than traffic offences, if any, within the past five (5) years.

#### 4. Conflict of Interest

None of the key senior management personnel have any conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries.

#### 5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the key senior management personnel have been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.





## CHAIRMAN'S STATEMENT

Dear Shareholders,

2023 is significant for Greatech Technology Berhad ("Greatech" or "Company") and its subsidiaries ("Group") as it marks the 30th year since we began our remarkable journey with a big mission: To become the best homegrown brand in Malaysia, one that Malaysians can take pride in! As we celebrate this milestone, on behalf of the Board of Directors ("Board"), I am delighted to present the performance of Greatech Group for the financial year ended 31 December 2023 ("FY2023").

In FY2023, we made significant strides in advancing our strategic objectives and generating favourable outcomes for all our stakeholders amidst the difficult economic and business landscape.

Our leadership team is robust, equipped with a clear strategy, and boasts a successful track record in the expanding industrial automation market. I am excited about the opportunity to contribute to the next phase of the Group's growth and development.



### REVENUE



RM658.75  
million

### GROSS PROFIT



RM204.31  
million

### PROFIT BEFORE TAX



RM166.07  
million

## CHAIRMAN'S STATEMENT

### Greatech's 2023 Performance

Our outstanding performance for the full year is underscored by achieving our highest-ever annual revenue of RM658.75 million and a healthy profit before taxation of RM166.07 million, while also generating positive cash flow. The Group achieved a profit after taxation of RM154.36 million for FY2023.

The escalating raw material prices, heightened labour costs and rising inflation resulted in the cost of sales increasing faster than our revenue; despite enormous additional expenses, our gross profit margin increased by 1.1% to 31.0% in FY2023. The inflationary cost pressures have undoubtedly presented challenges to our operations; however, we have risen to the occasion by collaborating closely with our customers and partners to identify mutually beneficial solutions for managing the impact of these rising costs.

The Group's financial position remains strong with low gearing while its cash position as at 31 December 2023 remained healthy on the back of prudent cash management. The Group's cash and cash equivalents reduced to RM187.36 million from RM326.66 million in the financial year ended 2022 ("FY2022"), driven by lower operating free cash flow and higher capital expenditure payments.

Despite the prevailing challenges of complex macroeconomic conditions, we have successfully delivered this financial performance, highlighting the resilience and effectiveness of the Group's operational and financial management. For a more in-depth analysis of Greatech's financial and operational accomplishments, please refer to the Management Discussion & Analysis section of this Annual Report.

Building upon the remarkable record revenue achieved in FY2022, our continued success is a testament to our resilience and unwavering commitment to excellence. Throughout the year, we encountered various obstacles and uncertainties, yet our collective determination and steadfast focus on our long-term objectives have propelled us forward. Our outstanding performance is a testament to the hard work and dedication of our entire team.

### Strategic update

The Group has completed an important acquisition during the year, further solidifying our position as a world-leading automation company. This acquisition marks a significant milestone for Greatech as we continue to evolve our portfolio and strengthen our capabilities. I am excited about the possibilities that this acquisition brings. It not only expands our market position but also allows us to provide even more innovative and tailored solutions to our customers. As a Board, we eagerly anticipate collaborating with our extended team, confident that our new colleagues are fully assimilated into our operational practices, adhering to our systems and policies, and embodying our shared culture and values.

Following the year-end, the Group has decided to close its Philippines subsidiary as part of a portfolio repositioning effort. This decision was not taken lightly, and it is a result of a comprehensive review of our operations and strategic objectives. This portfolio repositioning will allow us to focus our time and resources on strengthening Greatech's business in other priority locations, notably in Singapore. Singapore holds significant importance as a key geography for our business, where maintaining a physical presence is essential. We are excited about the opportunity to provide our solutions to Singapore's industrial automation sector, further solidifying our commitment to serving this market effectively.

With this strategic move, our growth ambitions remain intact. The Group will continue to pursue organic and acquisition growth opportunities aligned with the Group's strategic priorities and key growth platforms.

### Sustainability

Our commitment to sustainability remains a top priority for the Group, and I am pleased to report further progress in this area during FY2023. The emphasis on environmental, social and governance ("ESG") is not only crucial for the Group's operations but also resonates with our customers who place growing importance on our responsible business practices. Our expertise, knowledge, and capabilities in this area not only benefit our organisation but also add value to our customers who seek partners committed to sustainable and ethical business practices.

Recognising the urgent need to reduce climate impacts, we have focused on lowering our emissions footprint. To achieve this, we made significant investments in energy-saving measures, including the installation of roof-top solar power systems, insulation of roofs, and heat recovery systems in our newly constructed facilities. These initiatives have helped us reduce our negative environmental impacts and move closer to our sustainability goals.



## CHAIRMAN'S STATEMENT



### Sustainability (Cont'd)

In addition to environmental efforts, we continued to make meaningful contributions to the communities in which we operate. Our social and labour plans emphasise investment in education, youth employment and infrastructure development. By supporting these initiatives, we aim to create a positive and lasting impact on the communities that rely on us. Talent development and succession planning also remain key priorities for our management team as we strive to nurture future leaders within the organisation.

### Corporate Governance

At Greatech, we place great importance on governance and adhere to the principles outlined in the Malaysian Code of Corporate Governance ("MCCG"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), and the Companies Act 2016. We maintain a unitary Board structure and have established all necessary sub-committees to ensure strong and effective governance across the Group.

The capital investment approved by the Board has played a crucial role in enhancing our manufacturing capabilities. Throughout the year, the Board had the opportunity to observe our manufacturing sites in operation and see first-hand the advanced technologies, processes and systems that have been implemented as well as witness how our solutions have helped customers solve industry challenges and achieve their goals.

We also engaged with our stakeholders during the year as part of our commitment to building a sustainable business. We firmly believe that listening to their views and understanding their needs is fundamental to our success and long-term growth.

### Board Changes

I am delighted to be appointed to the Board on 15 May 2023 as an Independent Non-Executive Director ("INED") and subsequently assumed the role of Chairman on 25 August 2023. I would like to express my gratitude to Ms Ooi Hooi Kiang for her leadership as Chairman of the Group until 25 August 2023 and her valuable contributions to the Board since 20 August 2018.

In February 2024, we welcomed Dr. Kong Siew Mui as an INED, bringing her wealth of international experience and expertise to our Board. We are actively working to enhance diversity within our Board and are proud to surpass the recommended guidelines for gender diversity outlined by the MCCG, with female representation now standing at 37.5% as compared to 28.5% as at 31 December 2023.

We also bid farewell to the esteemed INED, Puan Mariamah Binti Daud ("Puan Mariamah"), who has decided not to seek re-election and will be retiring at the 2024 Annual General Meeting of the Company after 6 years of dedicated service. With her retirement from the Board, she will also vacate her position as Chairman of the Audit and Risk Management Committee, as well as a member of the Nominating Committee and Remuneration Committee. We express our gratitude to Puan Mariamah for her invaluable support and contributions.

### Prospect

The Annual Report highlights a year of success and momentum for our business, underscoring our resilience and ambitious growth plans amid an uncertain economic climate. With a focus on product innovation and robust customer relationships, we achieved a remarkable 21% revenue growth and delivered a 17% growth in earnings per ordinary share, demonstrating our steadfast dedication to excellence.

The Board acknowledges the current market conditions, which include factors such as inflation arising from broader economic and geopolitical tensions. Despite these challenges, we maintain an optimistic outlook about the Group's long-term prospects and growth potential. With a positive industry outlook in the designated markets relevant to Greatech, the Board remains confident that the Group will achieve profitable growth in 2024. Our confidence in the future is underpinned by key market drivers and strategic advancements made throughout the year, demonstrating our dedication to enhancing value for all stakeholders.

### Appreciation

Once again, I want to express our appreciation to our shareholders, employees, customers and other stakeholders for their continued support. We are grateful for your trust and confidence in our organisation and look forward to a successful future together.

Thank you.

**DATO' OOI BOON CHYE**

Chairman  
22 April 2024



## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Headquartered in Penang, Malaysia, Greatech Technology Berhad ("Greatech" or "Company") and its subsidiaries ("Group") is a leading factory automation solutions provider and system integrator. The Group offers our customers a single-source comprehensive solution from conceptualisation, engineering development, prototyping, system integration to installation and commissioning of factory automation. As a total solution provider, the Group also provides customer training, after sales service, spare parts, retrofits, and equipment relocation in addition to automating manufacturing processes. With the continuous aggressive growth towards globalisation, Greatech has brought a positive impact on the supply chain ecosystem.

Our customers are mainly global multinational corporations that are manufacturers of solar panels, electric vehicles ("EV"), medical devices, smart devices, computers and computer peripherals. We continued to experience rapid growth from solar and e-mobility customers and acquired several new customers in the financial year ended on 31 December 2023 ("FY2023").

FY2023 stands as a major milestone for the Group, showcasing an impressive achievement with a record revenue of **RM658.75 million**. This achievement stands as our **highest** revenue since our listing on Bursa Malaysia Securities Berhad in 2019, signifying a noteworthy 20.6% year-on-year increase compared to the previous year's RM546.21 million. The exceptional growth is primarily attributed to organic expansion in the e-mobility, solar, and life science segments, showcasing our ability to thrive amidst the challenges of supply chain disruptions and cost escalations faced by manufacturing businesses globally throughout the year.

Additionally, 2023 holds great significance in our company's history as we celebrate our 30<sup>th</sup> anniversary. This milestone serves as a reflection of three decades of growth and success highlighting our unwavering commitment, resilience and dedication. Through challenges and triumphs, we have persevered with determination, fostering innovation and collaboration along the way. We are grateful for our employees, leaders, customers, suppliers and stakeholders who have contributed to our success. In October 2023, we joyfully celebrated our 30<sup>th</sup> Anniversary, marking three decades of excellence and accomplishment that inspire us to reach even greater heights in the future.



Moving forward, our commitment remains steadfast in delivering cutting-edge automation solutions across diverse industries, spanning from solar and energy storage to life science, semiconductors and consumer electronics. Our goal is to elevate our customers' productivity levels, enhance their return on investment and enable them to redirect their efforts on strategic initiatives. By providing innovative and efficient automation solutions, we aim to empower our clients to thrive in their respective sectors.

#### Key Achievements

##### Forbes Asia's Best Under A Billion 2023

We are thrilled to announce that Greatech has been recognised among the nine (9) Malaysian companies listed on the Forbes Asia's Best Under A Billion 2023 list. Forbes highlights that this list identifies companies with long-term sustainable performance across a variety of metrics such as sales and earnings-per-share growth over both the most recent fiscal one-year and three-year periods, and the strongest one-year and five-year average returns on equity.

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

#### Key Achievements (Cont'd)

##### The Edge Billion Ringgit Club 2023



In October 2023, we were privileged to be recognised as one of the winners of The Edge Billion Ringgit Club 2023. This award stands as a prestigious platform that brings together Malaysia's largest listed companies with market capitalisations exceeding RM1 billion. Greatech is exhilarated to have received the "Highest Return on Equity Over Three Years" award. This remarkable achievement stands as a testament to the dedication of our talented team, led by our visionary Group Chief Executive Officer ("CEO"), Dato' Seri Tan Eng Kee. Under his inspiring leadership, our team has been ignited with passions to consistently deliver outstanding financial results and impressive returns for our shareholders.



##### Excellence in Training Innovation



Talent development has always been a paramount mission for us, as we continuously strive to enhance the capabilities of our employees through a diverse array of training programs. We are honoured that Greatech has been recognised with the esteemed "Excellence in Training Innovation" award for the year 2023, presented by the Human Resource Development Corporation ("HRD Corp"). This accolade serves as a clear indication that we are heading in the right direction at nurturing talent.



## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

#### Key Achievements (Cont'd)

#### Association of Malaysian Medical Industries ("AMMI") ESG Recognition Awards 2023



While conducting business with the highest standards of integrity has been inculcated in our values and corporate culture, we are also inspired to promote and create long-term value for our customers, employees, shareholders and community. In response to this, we have been implementing strategies and initiatives to drive Environment, Social and Governance ("ESG"), and our efforts were being recognised when we were presented with the AMMI ESG Recognition Awards 2023, during the Malaysia MedTech Industry Summit and Gala Dinner 2023 held in October 2023.

#### Green Celebrations Ceremony



We organised a Green Celebrations Ceremony in September 2023, dedicated to celebrating three significant milestones achieved this year, namely (i) the launch of our new Solar Panel Installation Project at the Batu Kawan Industrial Park's ("BKIP") 1<sup>st</sup> facility ("BK I"), (ii) being awarded the Penang Green Office certification and PBA Aqua Save sustainable water management certification by the Penang Green Council ("PGC") and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP") respectively, and (iii) achieving ISO 14001 (Environmental Management Systems) & ISO 45001 (Occupational Health and Safety Management Systems) Certifications for all Greatech plants in Batu Kawan and Bayan Lepas.

The completion of the solar panel installation project, started in March 2023 and finalised in mid-August 2023, marks a pivotal initiative in Greatech's commitment to "Going Green for a Greatech Future", in alignment with Malaysia's National Renewable Energy Policy. As the world transitions towards cleaner and greener energy sources, this initiative not only reduces carbon emissions but also offers cost savings and contributes to climate change mitigation. The project is estimated to prevent 25,000 tonnes of carbon dioxide emissions and generate approximately 43,000 MWh of green energy over 25 years, equivalent to saving 54.6 million trees in a decade.

During the Green Celebrations Ceremony, Greatech was honoured to receive the Penang Green Office 2023-2025 award and the PBA Aqua Save programme certification, recognising our commitment to environmental sustainability and workplace green practices. These accolades highlight our commitment to reducing our environmental impact and promoting eco-friendly strategies in our operations.



## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

#### Key Achievements (Cont'd)

##### Green Celebrations Ceremony

Furthermore, as part of our ongoing sustainability efforts, Greatech planted 242 trees in the Lower Kinabatangan Wildlife Sanctuary in December 2022 and pledged to plant an additional 500 trees in conjunction with the ceremony, bringing the total of 742 trees contributed to the reforestation efforts in Sabah to combat carbon emissions.

Our Bayan Lepas and Batu Kawan facility have earned ISO 14001 and ISO 45001 certifications, affirming our dedication to minimising environmental impact and ensuring a safe and healthy working environment for our employees, customers and community. With certifications in four (4) ISO Standards including ISO 9001:2015, ISO 13485:2016, ISO 14001:2015 and ISO 45001:2018, Greatech continues to uphold the highest standard of quality, sustainability and occupational health and safety across all operations.

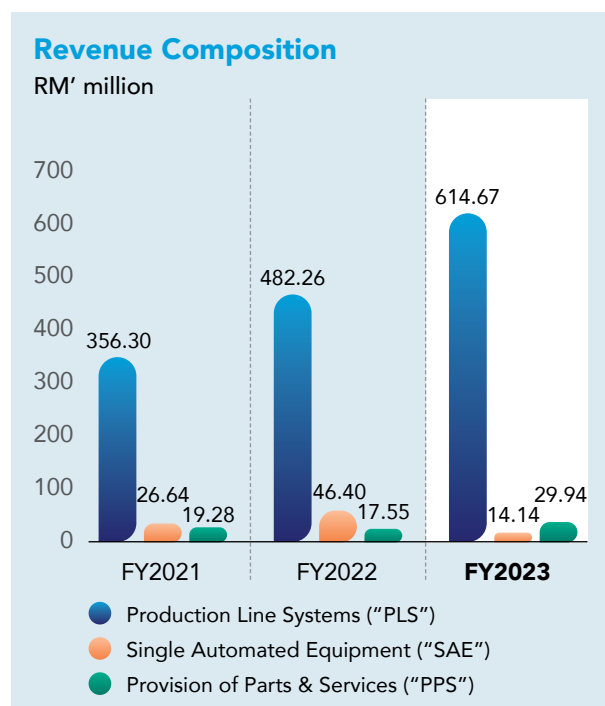
##### FTSE4Good Bursa Malaysia Index ("F4GBM") and FTSE4Good Bursa Malaysia Shariah Index ("F4GBMS") 2023

Greatech was added to the constituents of the F4GBM Index and the F4GBMS Index. Based on the December 2023 review results, we have been included in the 4-stars ESG Grading Band, representing the top 25% by ESG ratings amongst public listed companies in FTSE Bursa Malaysia ("FBM") EMAS that have been assessed by FTSE Russell.

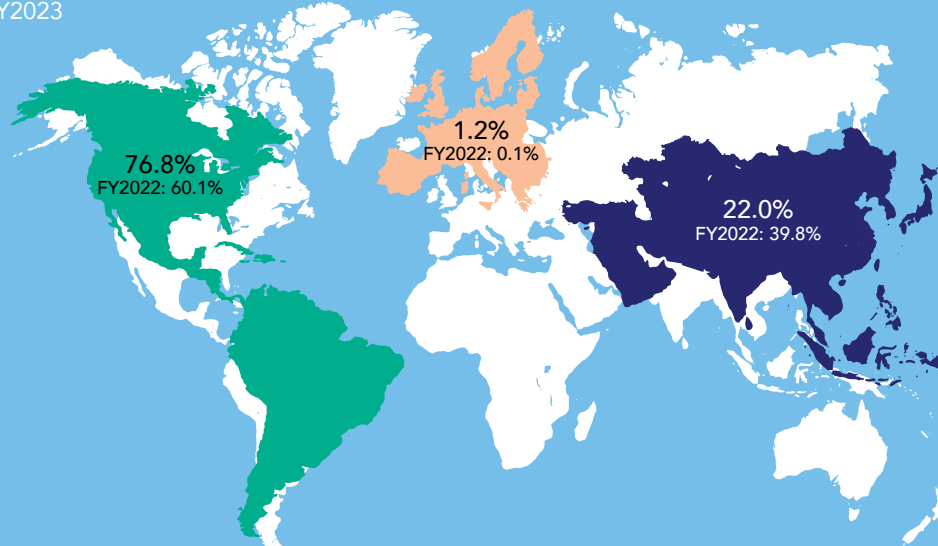
#### Key Markets

The Group manages the business into three (3) categories, namely Production Line Systems ("PLS"), Single Automated Equipment ("SAE") and Provision of Parts & Services ("PSS"), and across three (3) regions, namely North America, Europe and Asia.

The revenue by businesses for FY2021, FY2022 and FY2023 is tabulated as below:



The revenue by regions for FY2023 is illustrated below:



**AMERICA**  
RM506.11 M

FY2022: RM328.03 M

**EUROPE**  
RM7.63 M

FY2022: RM0.59 M

**ASIA**  
RM145.01 M

FY2022: RM217.59 M

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

#### Key Markets (Cont'd)

The Group recorded a consolidated revenue of RM658.75 million (2022: RM546.21 million), rose significantly by 20.6% year-on-year, despite the challenges posed by global economic uncertainties and its corresponding supply chain impacts. The increase was mainly attributable to the revenue growth and a stronger order book entering the year 2023 compared to the prior year.

In FY2023, revenue from equipment business namely PLS and SAE accounted for 95.5% (2022: 96.8%) of total revenue, increased by RM100.15 million from the previous financial year, to RM628.81 million (2022: RM528.66 million). The PSS segment accounted for the remaining 4.5% (2022: 3.2%) of the Group's revenue amounting to RM29.94 million (2022: RM17.55 million).

The Group's PLS and PSS business achieved a growth of 27.5% and 70.6% respectively. The revenue growth was primarily supported by higher revenue contribution from solar industries, as well as increases in e-mobility activity. Revenue for SAE reduced by 69.5% from the previous year of RM46.40 million to RM14.14 million. The decline can be attributed to an existing e-mobility customer's decision to shift towards the PLS for their manufacturing operation.

North America region is a major market and home to some of our high-growth customers in the solar and e-mobility sector. In FY2023, the region reported a revenue of RM506.11 million, marking a significant increase of 54.3% compared to RM328.03 million in the previous year. Demand for North American customers remains strong although supply chain disruptions and inflation are creating challenges for some customers. We expect demand to continue strong due to the attractive secular trends that are fundamental for the global economy in the years ahead.

We are strategically positioned to capitalise on emerging trends and elevate our performance to new heights. Our key focus areas of opportunity encompass electrification, green energy, automation and the Internet of Things (IoT), along with the momentum to reshore manufacturing operations to North America. Aligned with digitalisation, these enduring trends present exceptional prospects for long-term growth, providing the Group with a robust foundation for future success.

During FY2023, our revenue experienced a substantial increase of RM7.04 million in the European market compared to FY2022. This notable growth can be primarily attributed to the recent acquisition of Greotech Integration (Ireland) Limited ("GII") (formerly known as Allied Automation Limited ("AAL")) in FY2023.

Revenue in the Asia region had decreased by 33.4% from RM217.59 million in FY2022 to RM145.01 million in FY2023 mainly due to the absence of large customer projects that contributed to higher revenue in the prior year.

#### Order Prospects

The Group started 2023 with a 39.0% higher order book than the year before. Order book was lower in the first half of the year 2023 and picked up strongly after entering the second half of the year, leading to an all-time high of RM1.07 billion as of 10 November 2023. Despite the macro-concerns in the external environment, the Group maintains the order book at RM1.04 billion as indicated in our fourth quarterly financial results released in February 2024. This has led to an overall increase of 36.8% compared to the previous year.

Order book growth was primarily driven by orders from the solar, e-mobility and life science sectors. We would continue to identify opportunities within the e-mobility sector as the global automotive industry continues to shift towards EV production. Orders for the solar sector remained consistent compared to the levels observed in 2023. Business from life science exhibited a positive development in terms of order book. The Group was able to secure several incoming orders, some of which have already been contributed to revenues during FY2023.

While global authorities have taken decisive actions to contain financial turbulence, the recovery of the global economy remains slow and uneven across regions, largely due to the lingering effects of the pandemic, geopolitical tensions and geoeconomic fragmentation. Despite these challenges, the Group remains cognizant of the volatile global landscape in the near term, influenced by climate and geopolitical shocks, government fiscal and monetary policies and inflationary pressures.

Amidst these dynamic market conditions, the outlook for the markets in which the Group operates remains promising, driven by technological advancements shaping the sustainable future of mobility and energy on a global scale. Therefore, the Group must enhance its capacity, invest in a talented workforce and allocate resources to prepare for future growth opportunities. While these initiatives may exert short-term pressure on profitability and financial results, they are crucial for aligning with the Group's long-term strategic objectives. Furthermore, the Group's accelerated growth strategy, focused on enhancing customer intimacy, continues to yield positive results, as evidenced by the increasing order book. With confidence in its capabilities, particularly in the e-mobility and solar industries, the Group anticipates generating further orders in 2024.

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

#### Investing in Growth

Our investment in the new 4<sup>th</sup> Manufacturing Plant ("BK IV") located in BKIP will be fully operational by the end of May 2024. The state-of-the-art technology integrated into the new plant not only boosts production capacity but also allows product innovation and sets the stage for future growth.

We continued to invest in our people, improving our internal processes to be industry-leading. With skills in short supply, we are focused on offering an exceptional employment experience that attracts and retains the diverse talent our industry needs. This is reflected in our employee satisfaction rating of 80%.

Continually improving how we deliver our projects is the focus of our Manufacturing Excellence team. The team is on hand to support our project management teams and functions with efficiency, precision and consistency.

A new and exciting chapter unfolds for Greatech as we proudly inaugurate our new base, GII in Dublin, Ireland on 19 December 2023. This development follows our successful acquisition of AAL in November 2023, a renowned automation company with an impressive 25 years of experience in the development, design, and precision engineering of custom automated equipment for many of the world's leading medical device and life science companies. With Ireland's renowned expertise in MedTech and research, we are positive that our substantial investment in this new venture will significantly generate greater synergy, propelling our global growth in delivering customised automated solutions. We strongly believe the fusion of technology and cultural integration will revolutionise Greatech's market outreach while exposing its talents on a global scale, promising a brighter and more automated tomorrow.

The opening ceremony was graced by the esteemed presence of Neale Richmond, the Minister of State for Business, Employment and Retail, His Excellency Wan Aznainizam Yusri Wan Abdul Rashid, the Ambassador of Malaysia to Ireland, Dato' Seri Tan Eng Kee, the Group CEO of Greatech and Mr Dermot Martin O'Brien, the Managing Director of GII.



# MANAGEMENT DISCUSSION & ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### Investing in Growth (Cont'd)

For strategic purposes, the Group has decided to discontinue operations at GT Integration (Philippines) Inc and initiate the process of winding down the company. This reshaping of our footprint allowed us to focus on business areas where we have better growth prospects. This decision aligns with our overarching business strategy to optimise resources and focus on core activities that contribute to sustained growth and competitiveness. Our global innovation infrastructure is expanding, and we are enhancing capabilities across the organisation to deliver innovative solutions at scale. We have established a new location and capabilities in Singapore to showcase and leverage our unique product portfolio, creating solutions that anticipate and address increasing demands. The Singapore office is scheduled to start operations in mid-2024 and will complement our existing business in Malaysia.

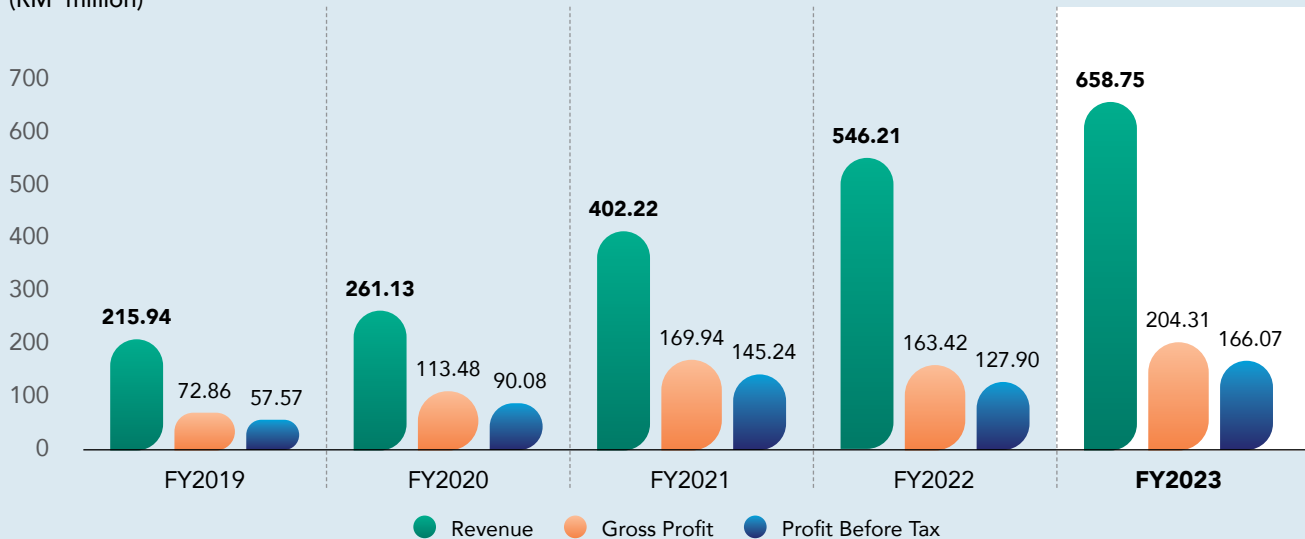
These investments and acquisitions collectively signify our ongoing commitment and disciplined investment in the value-added aspects of our business as we continue to execute our growth strategy.



## FINANCIAL HIGHLIGHTS

### 5 Years Financial Performance

(RM' million)



#### Solid Revenue Growth

Revenue increased steadily since FY2019 and recorded highest revenue of RM658.75 million in FY2023.



## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL HIGHLIGHTS (CONT'D)

#### Financial Performance

In FY2023, the macroeconomic landscape presented formidable challenges, despite these hurdles, the Group achieved commendable results and reached a historic high revenue of **RM658.75 million** for FY2023. This significant increase can be attributed to sustained revenue growth and a resilient order book, which was notably stronger entering 2023 compared to the preceding year.

Likewise, the Group's gross profit ("GP") has increased by RM40.89 million or 25.0% from RM163.42 million in FY2022 to RM204.31 million in FY2023. The GP margin has also increased from 29.9% to 31.0%. The improved GP margin was mainly due to lower project expenditure incurred compared to FY2022, where the global supply chain was impacted by bottlenecks resulting in higher material and component costs; offset by higher employees' compensation and benefit expenses from increased headcount.

The Group's reported Profit Before Tax ("PBT") of RM166.07 million for FY2023, RM38.17 million or 29.8% higher than the RM127.90 million recorded in FY2022. The increase in PBT was primarily contributed by the increase in GP of RM40.89 million, net foreign exchange gain amounting to RM2.64 million, reversal of impairment on contract assets and trade receivables which amounted to RM3.00 million, offset by higher employees' compensation and Long Term Incentive Plan expenses amounting to RM8.29 million.

Other income has increased by RM10.25 million or 58.6% in FY2023 as a result of higher interest income received.

The Group's effective tax rate for the financial year was 7.0% (FY2022: Nil) which is lower than the statutory tax rate of 24% as the subsidiary, Greatech Integration (M) Sdn Bhd was granted pioneer status for certain activities in designing and manufacturing of production line systems and single automated equipment, which fall within the list of promoted activities and products by the Ministry of International Trade and Industry of Malaysia under the Promotion of Investments Act, 1986. The effective tax rate for both the current quarter and financial year-to-date under review for the Group was higher compared to the prior year mainly due to the expiration of the pioneer status on 28 March 2023 for certain products which resulted in the statutory income subjected to tax. The current provision of income tax is in respect of certain non-business income and non-tax-exempted income generated from non-pioneer products.

The basic and diluted earnings per share increased from 10.53 sen to 12.32 sen and 10.49 sen to 12.29 sen in FY2023 respectively.

#### Financial Position

The Group's financial position has been strengthened further with net assets of RM751.38 million (2022: RM586.77 million). The Group ended the year with cash and cash equivalent of RM187.36 million (2022: RM326.66 million).

The Group's total assets were RM998.30 million as at 31 December 2023 in comparison to RM946.85 million as at 31 December 2022. It was primarily due to the increase of property, plant and equipment by RM149.99 million and the increase of trade and other receivables by RM51.53 million. The increase was offset by a reduction in contract assets by RM55.65 million and short term funds by RM74.40 million.

Throughout the FY2023, the Group has invested approximately RM161.07 million for the purchase of property, plant and equipment and committed a further RM56.07 million as at 31 December 2023 in capital assets mainly related to the construction of the new operational facility at BKIP, computer systems, motor vehicle, plant and machinery, office equipment and tools and equipment.

Total liabilities have reduced to RM246.92 million in comparison to RM360.09 million in FY2022 mainly due to the reduction in contract liabilities by RM161.20 million and provision for warranties by RM10.46 million.

Total equity has increased to RM751.38 million as compared to RM586.77 million in FY2022. Net asset value per share rose to 59.91 sen as at 31 December 2023 as compared to 46.83 sen as at 31 December 2022.

#### Cash Flows

The Group concluded its financial year with a net cash used in operating activities of RM11.09 million, primarily influenced by significant changes in inventory levels, contract liabilities, and accounts receivables. In addition, RM7.12 million of interest income had been received in FY2023 as compared to RM1.27 million in FY2022. However, this was offset by tax paid of RM9.09 million.

Net cash used investing activities amounted to RM124.90 million arising from higher investment in acquisition of a subsidiary and purchases of property, plant and equipment of RM2.34 million and RM122.61 million respectively.

Net cash used in financing activities consists mainly of repayments of lease liabilities and the repayments related to term loans with financial institutions.

After adjusting for the effect of foreign exchange rate changes, the cash and cash equivalent went down from RM326.66 million to RM187.36 million as at 31 December 2023. This will provide the Group with sufficient financial flexibility for the funding of future growth initiatives.

## MANAGEMENT DISCUSSION & ANALYSIS

### CORPORATE STRATEGY

In the face of an increasingly challenging operating environment in 2023, we remained steadfast in upholding our strategic focus and diligently executed our long-term strategy. The success of our strategic initiatives, launched in 2019, is evident as we have consistently translated strategic progress into robust financial performance. Closing FY2023 on a stronger note compared to FY2022, we achieved notable milestones in revenue and cash generation. This success is fundamentally supported by a high-quality order book, reflecting the resilience and effectiveness of our strategic direction.

We have reviewed our strategy in light of the events of 2023 and are confident that they remain appropriate and highly relevant. Our focus remains on delivering organic growth, extending our offering to new customers with new products, improving operational excellence, strengthening our talent base, broadening our regional presence and continue the search for acquisition targets.



#### Revenue Growth

In FY2023, we achieved revenue growth of 20.6%. The increase was mainly attributable to a stronger order book entering the year 2023 compared to the prior year. Our Group is strategically positioned to capitalise on the burgeoning opportunities within the dynamic electric vehicle market and electric battery production. The escalating consumer interest in emission-free vehicles led to increased demand for our products, thus, we have oriented our efforts towards designing and commissioning of PLS dedicated to electric vehicle production. Furthermore, the Group is playing an active role in supporting the expansion of the solar energy market, focusing on driving the development and adoption of sustainable energy solutions. This is evident through the increase in the Group's revenue, primarily driven by earnings from the PLS in the e-mobility and solar industries.

The Group's customer-centric approach, coupled with a differentiated offering, has solidified our position in the market. By prioritising direct contact with customers and fostering deep partnerships, we have leveraged the long term investment plans of our resilient customer base to unlock significant growth opportunities. Working closely with customers who seek collaborative partnerships, we align our expertise and tailored solutions to help them achieve their business objectives and navigate industry challenges effectively.

As of 20 February 2024, our robust order book of RM1.04 billion reflects the success of our customer-centric strategy, disciplined order selection and engagement in major contract bids. In FY2023, we have made significant strides in securing new orders, showcasing our commitment to strengthening partnerships with customers and delivering value through tailored solutions. Moving forward, we will continue to enhance our sales team, positioning ourselves to seize growth opportunities, drive innovation and deliver exceptional value to our customers.

## MANAGEMENT DISCUSSION & ANALYSIS

### CORPORATE STRATEGY (CONT'D)

#### Talent Management

The future success of our Group hinges significantly on our ability to recruit, retain and develop skilled staff, ensuring that we remain an attractive employer for both prospective and existing employees. Recognising the challenges that all companies face in attracting and retaining top talent, Greatech placed a high priority on talent management for FY2023, with a specific focus on attraction and development to build a strong talent pipeline that aligns with the Group's growth objectives. This strategy involved a strategic blend of internal succession planning and external hiring to bring in the right mix of experience and expertise.

In the area of talent attraction, Greatech aimed to draw in high-quality and diverse talent by enhancing the candidate experience through impactful recruitment processes. Substantial progress was made in 2023 through various initiatives, including the enhancement of the corporate website and social media platforms to showcase the Company's value and culture, along with providing training for recruitment professionals to ensure a seamless and engaging recruitment process. Throughout the year, the Group remains dedicated to creating an environment that fosters the attraction and retention of critical talent at scale. Our focus is on cultivating a workplace where our people feel a deep sense of belonging, enable them to thrive and contribute their best towards the collective success of the company.

Regarding talent development, our Human Resources team continues to collaborate in evaluating our people and identifying training opportunities to enhance their skills and confidence for long-term success. The Group remains committed to investing in employee training and development, while also sharpening leadership capabilities in line with our growth aspirations. We have invested in meaningful programs and digital platforms that will allow us to work in a more agile and collaborative way. The training portal, accessible to most employees across the organisation, serves as a centralised hub for tailored staff development and training programs. It offers a range of career-focused courses covering technical expertise, soft skills and leadership development. An established approval process enables employees to request and enrol in these programs, ensuring that our workforce has access to relevant and impactful training opportunities.

One of our key initiatives in talent development is the Young Engineering Programme ("YEP"), which is specifically designed to attract, retain and nurture top talent within our Group. Through the YEP, we provide a holistic development journey for young engineering graduates, focusing on enhancing both their technical skills and soft skills to equip them with the capabilities essential for success in our fast-paced industry.

Furthermore, the Group actively engages in collaboration with schools, universities and colleges locally to identify and support students with industry-ready skills. We strive to bridge the gap between academic learning and practical application by offering training and employment opportunities to students. As part of our outreach efforts, we host industrial visits for students, providing guided tours of our production floor to offer first-hand exposure to our machinery operations and advanced engineering processes. These visits aim to inspire and educate the next generation of innovators while deepening their understanding of advanced manufacturing techniques.



Industrial visits by students



## MANAGEMENT DISCUSSION & ANALYSIS

### CORPORATE STRATEGY (CONT'D)



Young Engineering Programme



### Regional Presence



Michigan Site, USA

In FY2023, USA being the Group's largest market segment reported a very strong performance, demonstrating a robust performance with a consistent stream of closed deals throughout the year. This positive trend is projected to continue into 2024, driven in part by the strong post-pandemic recovery in the region and strategic proximity to customers, enabling the Group to gain market shares and enhance customer relationships. The Group sees great opportunities for related offerings such that customers are offered installation and preventive services, support, spare parts and maintenance services that shorten lead times and reduce costs.



## MANAGEMENT DISCUSSION & ANALYSIS

### CORPORATE STRATEGY (CONT'D)

#### Regional Presence (Cont'd)

Looking ahead, the Group identifies significant growth opportunities in North America, particularly in areas where the Group has yet to establish a local presence in 2023. While Greatech currently holds a relatively small market share in North America, we envision exciting growth opportunities with American customers. The Group recognises strategic opportunities in the EV sector, as the global automotive industry increasingly shifts towards EV production. By leveraging our expertise and capabilities, Greatech is well-positioned to play a pivotal role in supporting the evolving needs of the e-mobility sector and solidifying our presence in North America.

During the reporting period, the Group further solidified its presence in the growing life science market by acquiring a majority stake in the Irish company, AAL. This strategic acquisition was carefully chosen to complement Greatech's technological capabilities and regional strengths, while also enhancing the Group's customer-centric approach within the life science sector.

#### Research and Development ("R&D")

We harness our investments in R&D to propel the advancement of pivotal innovation projects, ensuring substantial benefits for customers and paving the way for future growth. Our commitment extends to ongoing collaboration with customers, local universities, and strategic market-leading partners. Together, we focus on specialised solutions throughout the value chain, introducing new products to the market, refining the functions or applications of existing products and crafting concepts that directly address the specific needs of customers in target markets.

To fortify our presence in key sectors and fuel growth, our strategy remains centred on high-growth opportunities. Particularly within the e-mobility and life science sectors, where technological developments present expansion opportunities, we are dedicated to enhancing our market presence and driving sustained growth.

The Group's business and product development is always based on the customer's needs, with us tailoring solutions to the customer. Our experienced design teams have successfully designed and developed complex PLSs together with our customers and realising additional sales. We have incredible depth of experience to design and develop innovative solutions to address the technical challenges that our customers face in relation to e-mobility, solar or medical application.

In FY2023, the Group spent approximately RM4.20 million on R&D, compared to RM3.72 million in FY2022 to develop innovative products for our customers. These

innovative initiatives, together with an ongoing product development program with our customers, have updated and expanded our range of products. We are delighted with the external recognition we have received from the Institution of Engineering and Technology for our significant contributions to the advancement of science, engineering and technology.

#### Operational Efficiency

The Group continued to focus on the optimisation of manufacturing operations and actively invested in expanding its capacity and capabilities. FY2023 is characterised by targeted investments in people and strategic capital expenditure focusing on manufacturing and engineering capabilities to support the overall growth strategy. Our dedication to improvement is relentless, with a continuous evaluation of systems and processes at all levels of the Group, spanning both manufacturing and support functions. Supported by the Chief Executives, managers are empowered to drive positive changes throughout the organisation, fostering a culture of continuous improvement and adaptability.

Total capital expenditure investment increased to RM161.15 million (FY2022: RM100.22 million). On 28 February 2023, we conducted the Groundbreaking ceremony to build a new factory, BK IV in Batu Kawan that provides space for the safe and efficient assembly of PLS and SAE, enabling us to continue seizing growth opportunities and significantly strengthen our position. It will be located in sight of our 2<sup>nd</sup> and 3<sup>rd</sup> plants, which we officially opened in Q4 2021 and Q1 2022 respectively. At present, capacities were well utilised at all existing manufacturing sites to deliver strong orders booked and maintained revenue at an exceptionally high level during the reporting period.

In FY2022, we completed the significant milestone of rolling out the first phase of new ERP system. Building upon this achievement, in FY2023, we continued the momentum by deploying the second phase of the ERP systems to our manufacturing sites. The Group aims to further optimise production processes, improve resource allocation and enhance decision-making capabilities across our operations.

#### Acquisition

The Group completed the acquisition of AAL, a renowned automation company based in Ireland with a manufacturing facility for an enterprise value of €1.0 million. This acquisition enhances the Group's presence in the life science sector and offers a strong foundation for accelerated entry into the European market. By becoming part of the Greatech Group, AAL can leverage the benefits of being part of a larger organisation while maintaining its unique identity. This strategic move reinforces our commitment to dynamic growth and innovation within the industry.

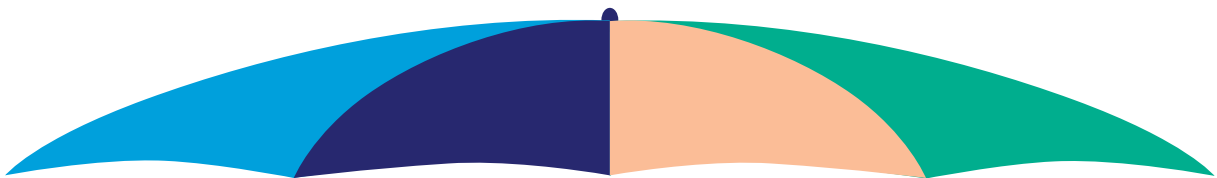
## MANAGEMENT DISCUSSION & ANALYSIS

### CORPORATE STRATEGY (CONT'D)

#### Acquisition (Cont'd)

The Group is actively engaged in ongoing discussions with potential acquisition candidates. We are strategically seeking acquisitions from businesses that align with our expertise and values, aiming to bring in either new customer bases or additional capabilities that synergise with our existing operations, ultimately bolstering our business and improving margins. Currently, a range of promising opportunities is undergoing thorough evaluation, and we commit to providing timely updates as the assessment progresses.

### RISK MANAGEMENT



#### Technology Obsolescence

Technological obsolescence is inherent in our nature of business. In this fast-paced technology era, customer demands change rapidly. Failing to provide top-notch products can hinder our growth. To counter this, we are committed to constant innovation and investing heavily in research and development. We have outlined a three-year technology and product plan as part of our strategy for long-term growth. We also prioritise ongoing staff training to keep our team's skills up-to-date with the latest technology in our industry. With the right knowledge and skills, we aim to keep delivering cutting-edge automation solutions that meet our customers' evolving needs and stay ahead of technological shifts.

#### Foreign Exchange Risk

The Group's global operations expose it to foreign exchange risks stemming from various currency exposures, especially in transactions denominated in foreign currencies, with a primary focus on the US Dollar. To manage and mitigate this risk, the Group consistently evaluates its exposure to fluctuations in exchange rates. We strategically align the timing of settling sales and purchase invoices to create natural hedges, continually monitoring the need for forward contracts to offset any significant forecast exposure. Additionally, the Group employs a natural hedge strategy for financing overseas investments by utilising foreign currency receipts, thereby mitigating foreign currency risks associated with transactions involving its foreign currency subsidiaries.

#### Dependent on Certain Major Customers

The Group's business relies on project-based orders, often tied to customers' large capital projects. The timing of these projects is beyond our control, posing risks like potential cost overruns and delays. Revenue from a single or a few customers can make up a significant portion, and project completion might extend beyond the forecasted financial period. Losing a key customer or their financial decline could impact the Group's results. We manage this by closely monitoring key customer relationships, employing dedicated key account management teams, and regularly reviewing project progress. Investments in product development, marketing and efficiency improvements are ongoing, and we actively pursue growth in emerging markets to secure and expand our market position.

#### Climate Change

We understand that climate change is linked to key sustainability areas like the economy, health, safety, water, energy and emissions. We actively assess the risks and opportunities tied to climate change, conducting a detailed analysis of how it might affect our operations, taking into account factors such as resource availability, regulatory shifts and market trends. Following this assessment, we create thorough plans to not just reduce risks but also seize opportunities that align with our dedication to sustainability.



## MANAGEMENT DISCUSSION & ANALYSIS

### DIVIDEND

The Group does not have an explicit dividend policy and the Board did not propose any dividend for FY2023. This remains unchanged from the previous year.

### OUTLOOK

After achieving positive financial performance and maintaining a strong order book for the financial year ended on 31 December 2023, the Group is optimistic about sustaining this momentum into 2024. Despite economic challenges, the Group is encouraged by the resilience and ongoing investment interest from global customers, particularly in the life science, e-mobility, and solar industries. This sustained customer willingness to invest, coupled with high market activity, showcases the strength of our relationships and the trust in our capabilities.

Confident in our future growth prospects, we believe technological change and key megatrends shaping the sustainable future of mobility, industry and energy worldwide will act as significant catalysts for our business. The geopolitical tension and challenges in logistics and supply chains have prompted manufacturers to reassess their investment strategies, leading to increased focus on resilient and diverse supply chains.

Currently, the Group envisions promising long-term growth prospects in the renewable energy market, propelled by ambitious climate targets and widespread decarbonisation initiatives led by the USA and other governments globally. Governments are actively promoting a shift towards cleaner energy, implementing policies and setting emission targets. The ongoing transition to cleaner and greener energy sources is poised to fuel future demand significantly.

The Group's PLS plays a pivotal role in reducing the costs associated with generating renewable energy, presenting distinctive niche opportunities for the Group within this burgeoning market. As the world increasingly embraces sustainability, the Group is strategically positioned to contribute to and capitalise on the evolving landscape of renewable energy.

Our significant experience in the solar market and our ability to cope with customisation allow us to support the new generation of solar technology. Our adaptability extends to accommodate the rising demand in the industry. Ongoing investments in our engineering team affirm our commitment to remaining at the forefront of technological innovations. Throughout FY2023, we collaborated closely with our customers to navigate and effectively address the sustained high demand, demonstrating our dedication to delivering tailored solutions and maintaining a proactive stance in the evolving solar landscape.

The outlook for the e-mobility market remains favourable, with governments worldwide incentivising the transition to sustainable electric mobility through tax benefits and financial incentives. The automotive industry's focus on EV launches aligns with emission reduction goals, fostering a consistent year-on-year demand for e-mobility solutions. The Group is dedicated to strengthening our relationships with EV and battery technology manufacturers, addressing their specific challenges and supporting the transition towards greener alternatives.

In the life science sector, the significance of new technologies in enhancing quality of life has heightened the global demand for advanced healthcare solutions. The Group observes a robust resurgence in hospital spending and heightened activities within the pharmaceutical and medical devices sectors. The evolving landscape of medical technology is crucial for realising the benefits of innovative treatment approaches, such as continuous glucose monitors or insulin pumps, on a global scale. Anticipating the rising healthcare needs driven by aging populations, the Group has closely collaborated with our customers to address their requirements and accommodate the surge in demand. Our facilities adhere to stringent medical manufacturing standards, ensuring accreditation to meet the exacting requirements of our customers. Continuously expanding our capabilities, we position ourselves to adeptly support and integrate the latest advancements in life science technologies.

Looking forward, the economy faces challenges, such as rising interest rates, inflationary pressures and geopolitical uncertainties, impacting various activities. Despite these concerns, the growth trajectory in sustainability solutions for energy efficiency and decarbonisation remains positive for 2024. This is supported by government policies and increased spending on low-carbon initiatives.

The Group is committed to executing its strategy to drive near-term growth, with a sustained focus on increased investment. We aim to further fortify our position as a leader in sustainability, delivering long-term value. Given the quality of our order book and pipeline of secured contracts, we anticipate achieving better growth in operating profit and increasing our net cash balance in 2024.

# SUSTAINABILITY REPORT

## About this Report

This Sustainability Report ("Report") reflects Greatech Technology Berhad ("Greatech" or "Company") and its subsidiaries' ("the Group", "we", or "our") efforts and performance in managing its material economic, environmental, social risks and opportunities, in the manner prescribed by Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

## Reporting Framework

This Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards and meets the MMLR of Bursa Securities, with reference to Bursa Malaysia Sustainability Reporting Guide ("SRG") which serves as the foundation for the Statement's reporting framework.

This report has also been prepared with reference to the following:

- United Nations Sustainable Development Goals ("UNSGDs");
- FTSE4Good Bursa Malaysia ("F4GBM") Index & FTSE4Good Bursa Malaysia Shariah ("F4GBMS") Index; and
- Task Force on Climate-related Financial Disclosure ("TCFD")\*

\*Following the publication of the inaugural ISSB Standards — IFRS S1 and IFRS S2—the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) - from 2024.



## Reporting Scope

This Report covers Greatech Technology Berhad and all its subsidiaries within our business sector for the financial year end 31<sup>st</sup> December 2023 ("FY2023", "the year", or "Reporting Period").

The majority of our operations are conducted through our Malaysian subsidiaries, specifically, Greatech Integration (M) Sdn Bhd. This Malaysian entity also house our largest manufacturing facilities in Penang, comprising a total of six factories within the state. Approximately 99% of our workforce is stationed at this Malaysian entity, firmly under our organisational jurisdiction. As a result, this Report will focus on our Malaysian operations, which are within our direct control.

Where relevant, we will incorporate data from previous years to track year on year progress and to provide additional context. This report addresses our response to the material sustainability matters which impacts our business and our ability in delivering value to all our stakeholders.

## Assurance Statement

In strengthening the credibility of this Report, data for each corresponding material topic has undergone review by our internal auditors to ensure key information disclosed is free from any material error or omission.



## SUSTAINABILITY REPORT

### SUSTAINABILITY AT GREATECH

#### Our Approach to Sustainability

Recognising the shifting global corporate sentiment, Greatech acknowledges both the opportunity and responsibility it holds in contributing to a more sustainable world. The Company's sustainability strategy extends beyond mere profit, with a core aim of generating long-term value for its stakeholders and addressing the growing environmental concerns.

#### Stakeholder Engagement

Greatech recognises the importance of maintaining strong relationships with a wide range of stakeholders who have vested interests in its operations. The Group actively engages with these stakeholders through various channels to understand their priorities and expectations, fostering meaningful dialogue to address concerns and build confidence.

Our key stakeholders include our customers, employees, investors, shareholders, suppliers, governments, media, universities, institutions, non-governmental organisations ("NGOs") and communities impacted by the Company's activities. The table below summarises our key stakeholders, the topic of dialogue, frequency of engagement and engagement channels.

Stakeholder	Topic of Dialogue	Frequency of Engagement	Engagement Channels
Investors/ Shareholders	<ul style="list-style-type: none"> <li>• Company business development</li> <li>• Growth opportunities</li> <li>• Strategy</li> <li>• Corporate governance</li> <li>• Sustainability</li> <li>• Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly, quarterly, annually</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases and Bursa Securities submission</li> <li>• Roadshows and conferences</li> <li>• Investors calls and analysts' meetings</li> <li>• Website information</li> <li>• Quarterly announcement and annual reports</li> <li>• Annual General Meeting ("AGM") and circulars</li> <li>• Sustainability reporting</li> <li>• Executive meetings, presentations, and operational tours</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Sustainable technologies</li> <li>• Product energy efficiency and price competitiveness</li> <li>• Best practices</li> <li>• Compliance</li> <li>• Service excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Daily, weekly, monthly, annually</li> </ul>	<ul style="list-style-type: none"> <li>• Audits</li> <li>• Greatech after-sales activities</li> <li>• Compliance certification</li> <li>• Customer surveys</li> <li>• Joint development with customer</li> <li>• Proprietary company events and meetings</li> <li>• Global, regional and local industry events, exhibitions and conferences</li> <li>• Training and development</li> </ul>
Suppliers and Business Partners	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Fair and transparent procurement procedures</li> <li>• Occupational health and safety</li> <li>• Training and education</li> <li>• Compliance with Greatech and industry's standards</li> <li>• Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Daily, weekly, monthly, annually</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier evaluations and audits</li> <li>• Due diligence</li> <li>• Procurements and invitations to biddings/ quoting</li> <li>• Meetings</li> <li>• Emails</li> <li>• Purchasing policies/principles</li> <li>• Training and development</li> </ul>

# SUSTAINABILITY REPORT

## SUSTAINABILITY AT GREATECH (CONT'D)

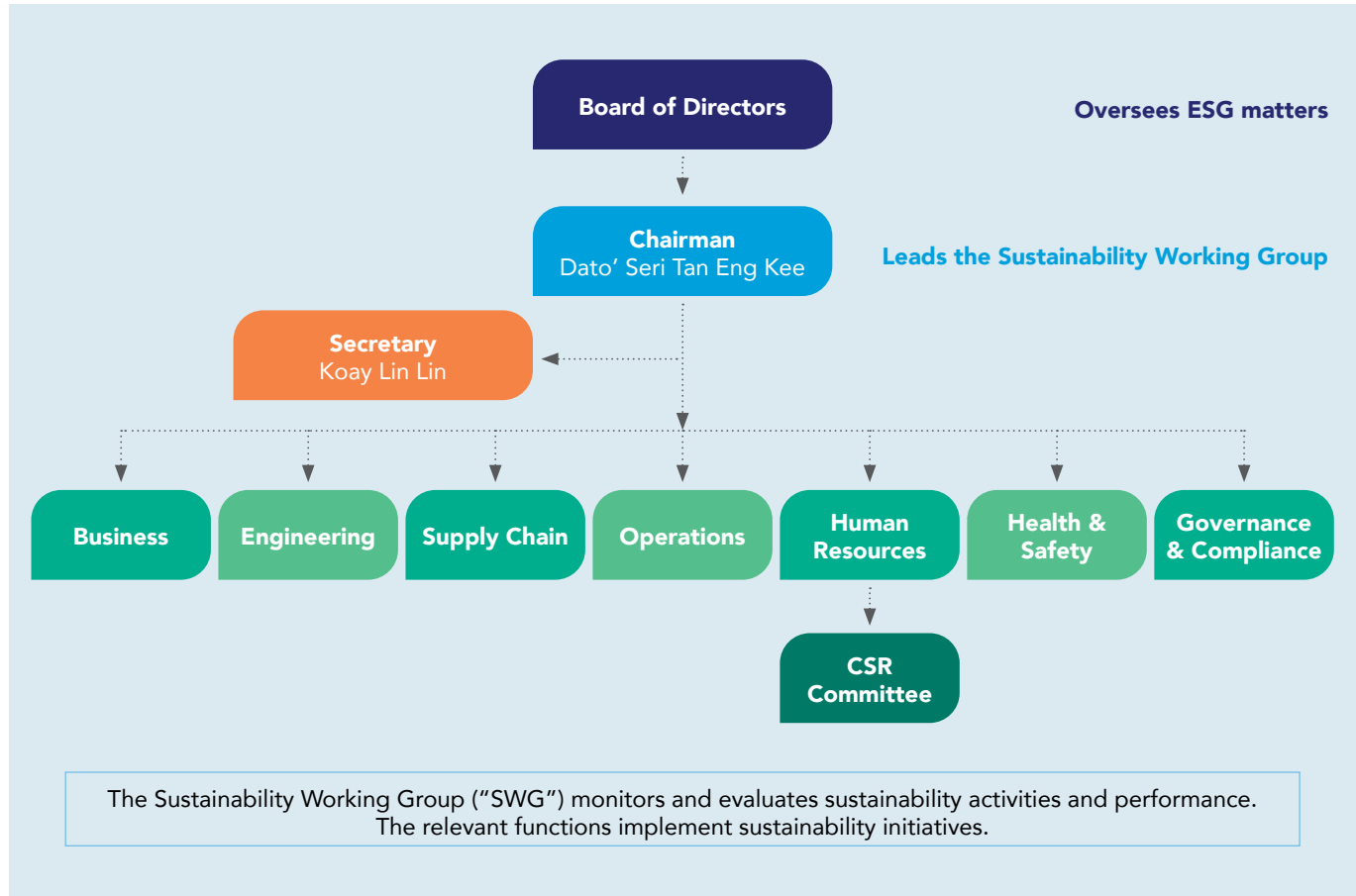
### Stakeholder Engagement (Cont'd)

Stakeholder	Topic of Dialogue	Frequency of Engagement	Engagement Channels
Employees	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Career advancement opportunities</li> <li>• Company's growth plan and direction</li> <li>• Training opportunities</li> <li>• Workplace culture</li> <li>• Compensation and benefits</li> <li>• Work-life balance</li> <li>• Diversity &amp; equal opportunities</li> <li>• Compliance with Greatech standards</li> </ul>	<ul style="list-style-type: none"> <li>• Daily, weekly, monthly, annually</li> </ul>	<ul style="list-style-type: none"> <li>• Intranet, newsletter and email</li> <li>• Townhall meetings</li> <li>• Performance review</li> <li>• Employee engagements and activities</li> <li>• Employee surveys</li> <li>• Staff meetings</li> <li>• Internal publications, policies and procedures</li> <li>• Talent management programme</li> </ul>
Governments/ Regulators	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Survey, statistical requests by local and national authorities</li> <li>• Anti-corruption</li> <li>• Occupational health and safety</li> <li>• Scheduled waste disposals</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly, quarterly, annually</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and informal bilateral meetings with public officials at all levels of government</li> <li>• Reports to regulatory bodies in compliance with applicable laws and regulations</li> <li>• Participation in conferences, forums and events</li> <li>• Announcements</li> <li>• Correspondences</li> </ul>
Universities, Institutions and NGOs	<ul style="list-style-type: none"> <li>• Collaborations and partnerships on shared industry, social and environmental interests</li> <li>• Networking of industry and research</li> <li>• Recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• On an as needed basis and driven by events</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Collaborations with academia</li> <li>• Research projects</li> <li>• Educational fairs, events and conferences</li> <li>• University group visits</li> <li>• Internship</li> </ul>
Media Representatives	<ul style="list-style-type: none"> <li>• Innovation and technologies</li> <li>• Greatech's employer branding</li> <li>• Sustainability</li> <li>• Financial position</li> </ul>	<ul style="list-style-type: none"> <li>• On an as needed basis and driven by events</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Press releases</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Collaboration and social investments</li> <li>• Environment</li> <li>• Innovation and technology promotion</li> </ul>	<ul style="list-style-type: none"> <li>• On an as needed basis and driven by events</li> </ul>	<ul style="list-style-type: none"> <li>• On-going dialogues on charitable projects and organisations</li> <li>• Donations and sponsorships</li> <li>• Employee volunteerism</li> <li>• Meetings</li> <li>• Participation in CSR activities, initiatives, events and conferences</li> </ul>

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT GREATECH (CONT'D)

#### Sustainability Governance



The Board of Directors ("Board") at Greatech holds the responsibility of seamlessly integrating sustainability into the Group's business strategies. This involves a comprehensive review of objectives, policies and procedures, ensuring a progressive alignment with sustainability practices. Furthermore, the Board reviews and considers stakeholder feedback on Environmental, Social and Governance ("ESG") topics, emphasising a collaborative approach. Additionally, the Board provides in-depth consideration of ESG risks and opportunities, showcasing a commitment to addressing these aspects in a holistic manner.

The Audit and Risk Management Committee ("ARMC") takes charge of evaluating additional sustainability priorities within their areas of expertise, such as climate and other risks. This assessment is an integral part of the Group's Enterprise Risk Management ("ERM") review process, emphasising the committee's role in overseeing and addressing these sustainability concerns.

The Group's ESG and sustainability matters are managed by the Sustainability Working Group ("SWG"), which operates under the leadership of the Chief Executive Officer ("CEO") and receives support from the Chief Financial Officer ("CFO"). The SWG comprises a cross-functional management team tasked with monitoring and evaluating sustainability activities and performance in alignment with objectives and strategies approved by the Board on an annual basis. Additionally, the sustainability indicators as applied in this Report, are gathered by the SWG through a close collaboration with the relevant departments across the Group. They are also responsible for regularly updating the Board on the topics and progress in this area.



# SUSTAINABILITY REPORT

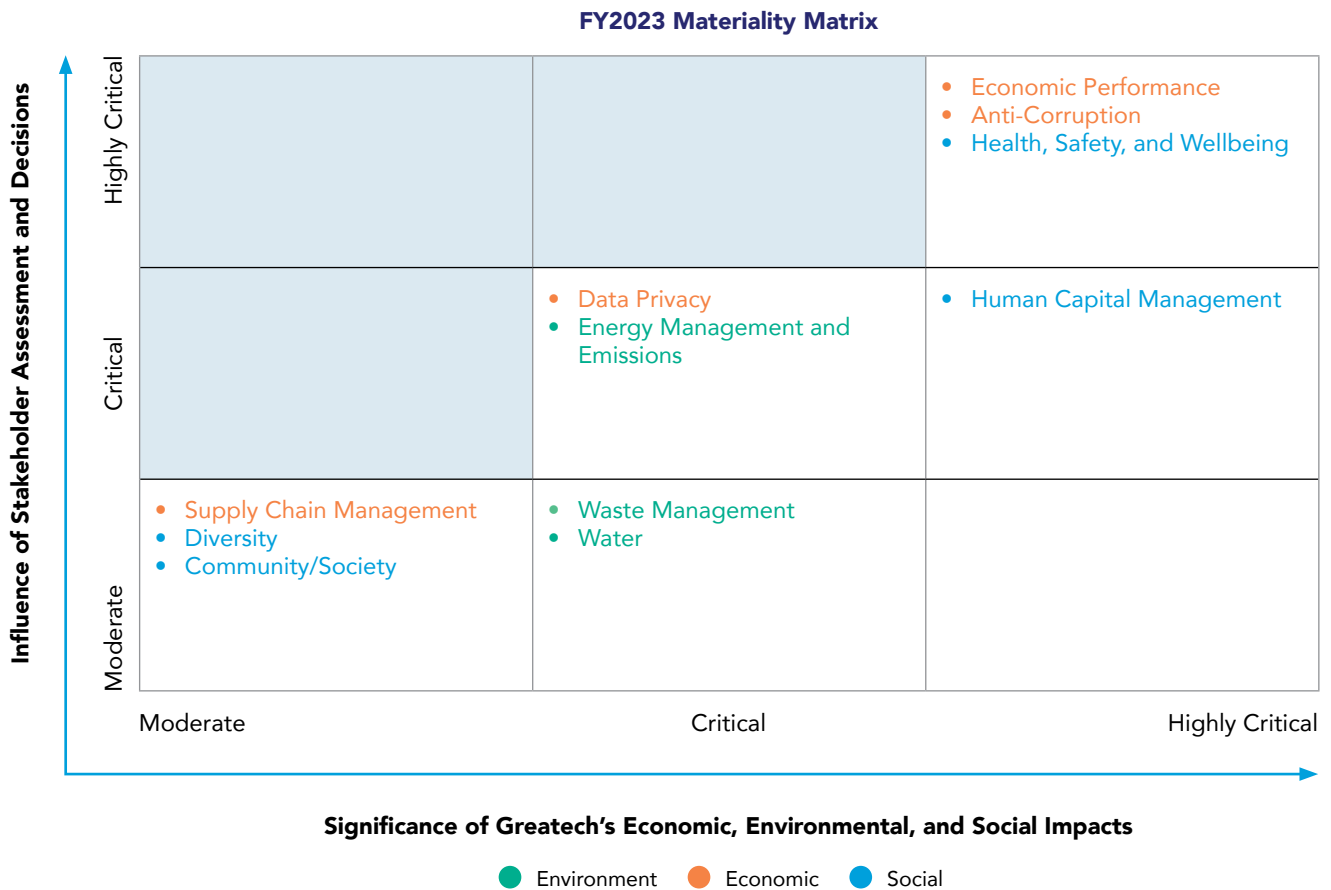
## SUSTAINABILITY AT GREATECH (CONT'D)

### Materiality Assessment

In the year under review, we have reviewed and updated our materiality assessment to identify and incorporate material ESG matters that may significantly impact the Group’s business or influence the decisions of our stakeholders based on Bursa Securities’ Common Sustainability Matters.

### Materiality Matrix

The relevant sustainability areas for Greatech are illustrated in the materiality matrix below. A comprehensive list of 11 material ESG matters is plotted against the x-axis, which shows the importance of each matter to the business, and against the y-axis, which shows how critical each matter is to influence the stakeholder’s decision on our business engagements.



Moving forward, the Group will continue to review its material sustainability matters against the dynamic business environment, stakeholder opinions, as well as emerging local and global trends on an annual basis.







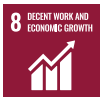

## SUSTAINABILITY REPORT

### SUSTAINABILITY AT GREATECH (CONT'D)

#### Alignment with UNSDGs

Greatech is also committed to support the UNSDGs. Therefore, we have identified 8 Sustainability Goals which we believe are most relevant to our business and where we can contribute to the Economic, Environmental and Social ("EES") sustainability in Malaysia.

The table below provides an overview of the Sustainability Goals adopted by Greatech in measuring our sustainability performance and it has been categorised according to the EES pillars:

Pillars	Material Sustainability Matters	GRI Reference	UNSDGs
Environmental	1. Energy Management and Emissions	GRI 302: Energy 2016 GRI 305: Emissions 2016	     
	2. Water	GRI 303: Water and Effluents 2018	
	3. Waste Management	GRI 306: Waste 2020	
Social	1. Diversity	GRI 405: Diversity and Equal Opportunity 2016	  
	2. Human Capital Management	GRI 401: Employment 2016 GRI 404: Training and Education 2016	
	3. Health, Safety and Wellbeing	GRI 403: Occupational Health and Safety 2018	
	4. Community/Society	GRI 203: Indirect Economic Impacts 2016 GRI 413: Local Communities 2016	
Economic	1. Economic Performance	GRI 201: Economic Performance 2016 GRI 207: Tax 2019	  
	2. Anti-Corruption	GRI 205: Anti-corruption 2016	
	3. Data Privacy	GRI 418: Customer Privacy 2016	
	4. Supply Chain Management	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016	

## SUSTAINABILITY REPORT

### ENVIRONMENTAL

At Greatech, we recognise the materiality of environmental concerns and are committed to reducing pollution impact. We adhere to local and international environmental laws, ensuring compliance for our operations and safeguarding the planet for future generations.

To uphold these standards, our Environmental, Health, and Safety ("EHS") Officer routinely conducts on-site inspections of our facilities. These inspections comprehensively evaluate compliance with environmental regulations and the overall implementation of environmental management practices at each plant. Any findings or identified risks are swiftly addressed by the respective management teams to ensure the ongoing integrity of our environmental commitment.

In FY2023, there were **no fines, penalties, or non-monetary sanctions imposed due to non-compliance with environmental laws and regulations**. Furthermore, there are no known environmental threats that could jeopardise the Group's operations. We remain committed to reviewing and enhancing our Environmental Management System and practices while staying updated with the latest regulations.

### Energy Management and Emissions

#### Energy Management

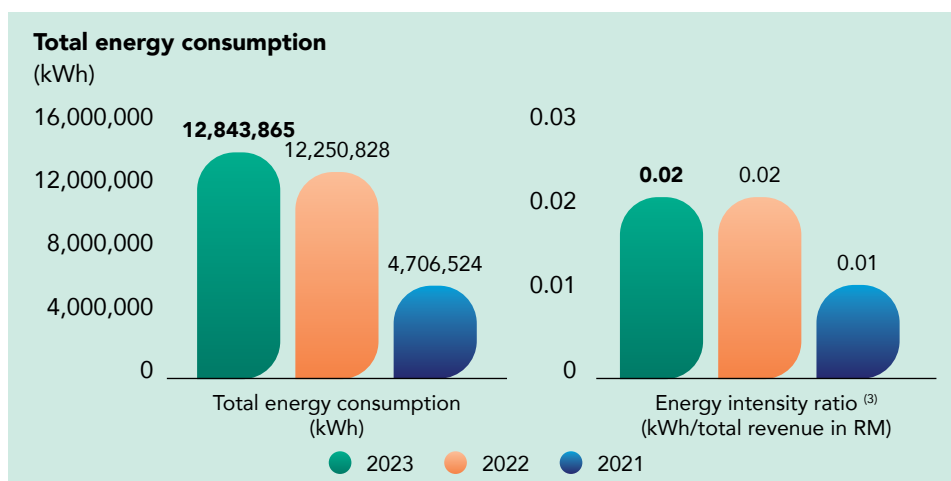
Energy costs are expected to rise in the near term as the Malaysian government continues to increase non-domestic electricity tariff and reduce subsidies on fossil fuel-based energy costs as part of its net zero aspiration. As a company that specialises in manufacturing, we are aware of the impact of climate change on the dependability of electricity provision to power our operations. This encompasses more than just adverse weather conditions affecting our power plants and transmission grids; it also encompasses the adverse weather conditions in the coal and natural gas mining regions that Malaysia depends on for its power generation. This presents a significant challenge, emphasising our commitment to promoting and achieving energy efficiency throughout our operations.

A summary of our energy consumption is as follows:

Total Energy Consumption	Unit	FY2023	FY2022	FY2021
<b>Electricity consumption <sup>(1)</sup></b>				
<b>Total electricity consumption</b>	<b>kWh</b>	12,642,031	12,080,328	4,587,354
<b>Fuel consumption</b>				
<b>Diesel <sup>(2)</sup></b>	<b>kWh</b>	201,834	170,500	119,170
<b>Total fuel consumption</b>	<b>kWh</b>	201,834	170,500	119,170
<b>Total energy consumption</b>	<b>kWh</b>	12,843,865	12,250,828	4,706,524
<b>Total energy consumption</b>	<b>GJ</b>	46,238	44,103	16,943
<b>Revenue</b>	<b>RM</b>	658,749,531	546,214,485	402,216,766
<b>Energy intensity ratio <sup>(3)</sup></b>	<b>kWh/total revenue</b>	0.02	0.02	0.01
<b>Percentage of renewable energy (of total energy consumed)</b>	<b>%</b>	4.5%	0%	0%

Notes:

- Consumption of electricity is measured based on direct meter reading per site.
- The energy (in kWh) of diesel is calculated using conversion factor from Sustainability Exchange UK.
- Energy intensity ratio is calculated based on total energy consumption (in kWh) divided by total revenue.



## SUSTAINABILITY REPORT

### ENVIRONMENTAL (CONT'D)

#### Energy Management and Emissions (Cont'd)

##### Energy Management (Cont'd)

The Group remains committed to improving energy management and reducing Green House Gases ("GHG") across our operations through various initiatives.

- **Investment in energy-efficient measures:** The Group has invested in energy-efficient technologies such as air compressors with energy-saving inverter systems at our new manufacturing sites, transitioning to energy-efficient LED lighting, centralised air-conditioners and double-glazed glass to reduce heat penetration in our buildings.
- **Energy assessment and improvement programs:** In FY2023, the Group engaged a Registered Energy Service Company ("ESCO") to conduct an energy assessment at the Batu Kawan Plant I ("BK I"), a pilot programme that is currently underway considering the climate risks and opportunities that potentially impact the business and financial performance. The assessment identified several improvement opportunities and some basic solutions were implemented to reduce energy consumption. The next stage will be to roll out the improvement programs to other plants with larger carbon footprints and provide training to employees to promote behavioural change and share best practices across the organisation.
- **Solar panel installation:** We take sustainability a step further by installing solar panels on the roof of BK I, which is expected to provide around 30% of the facility's annual energy needs, representing 13.5% of the Group's annual electricity use. The 2,826 solar panels being installed will generate up to 1.70 million kilowatt hours ("kWh") of renewable electricity each year, saving around 1.18 tonnes of CO<sub>2</sub> per year for its expected lifetimes of 25 years. In FY2023, a total of 579,732 kWh was generated from solar power. The Group expects each solar panel to reduce energy costs, lessen reliance on the electric grid and reduce Scope 2 GHG emissions while providing a sustainable and renewable energy source to the site. Other solar panel installation projects which form a core part of our decarbonisation strategy are under consideration, and we expect projects to be viable at several other facilities.
- **Net Energy Metering ("NEM") Scheme:** The Group is utilising self-generated solar energy under the government's NEM scheme, which allows for the export of excess energy to the grid, further reducing operational costs and reliance on conventional electricity sources.
- **Alignment with Climate Change Mitigation Objectives:** The Group's sustainability agenda aligns with Malaysia's climate change mitigation objectives, aiming to reduce carbon intensity against the gross domestic product ("GDP") by 45% by 2030. The Group is exploring additional renewable energy sources and considering the installation of more Solar PV systems in the future.

##### Emissions

We are cognisant of the increasing threats of climate change to our planet, due to the increase in GHG emissions from energy produced via fossil fuels.

Greatech has yet to establish any frameworks for emission management. Hence, there are no specific targets for emission reductions. However, we have collected our Scope 1, Scope 2 and Scope 3 (limited to business air travel of our employees) GHG emissions. The Group's commitment to emissions reduction is evident through continuous refinements in our approach. Key initiatives include the adoption of emission-reduction technology into our operations, where feasible.



# SUSTAINABILITY REPORT

## ENVIRONMENTAL (CONT'D)

### Energy Management and Emissions (Cont'd)

#### Emissions (Cont'd)

A summary of our emissions profile is as follows:

GHG Emissions	Unit	FY2023	FY2022	FY2021
Direct Emissions (Scope 1) <sup>(1)</sup>	tCO <sub>2</sub>	55	45	32
Indirect Emissions (Scope 2) <sup>(2)</sup>	tCO <sub>2</sub>	9,861	8,384	3,184
<b>Total Scope 1 &amp; 2 Emissions</b>	tCO <sub>2</sub>	9,916	8,429	3,216
Business Air Travel (Scope 3) <sup>(3)</sup>	tCO <sub>2</sub>	901	-	-
<b>GHG Emissions Intensity Ratio <sup>(4)</sup></b>				
Revenue	RM' million	659	546	402
Scope 1	tCO <sub>2</sub> /Revenue	0.08	0.08	0.08
Scope 2	tCO <sub>2</sub> /Revenue	14.97	15.35	7.92
Scope 3	tCO <sub>2</sub> /Revenue	1.37	-	-

<sup>(1)</sup> Scope 1, direct CO<sub>2</sub> emissions: CO<sub>2</sub> emissions come mainly from the consumption of diesel for vehicles i.e., lorries, forklifts and back-up generators owned by the Group, calculated based on the reported fuel quantities for our principal manufacturing sites in Malaysia. The emissions data of energy (in kWh) of diesel is calculated using conversion factor from the Malaysian Green Technology Corporation.

<sup>(2)</sup> Scope 2, indirect CO<sub>2</sub> emissions: Electricity that we consumed for our principal manufacturing sites in Malaysia accounts for approximately 99% of the energy we use at Greatech. It is primarily used for manufacturing of our system, machinery and equipment from assembly to testing, lighting, office equipment, ventilation and air conditioning ("VAC") systems and production machine, are derived from reported energy quantities. The emissions conversion factor used is from the Malaysian Green Technology Corporation.

<sup>(3)</sup> Scope 3, limited to business air travel of our employees: We initiated the collection of Scope 3 emissions (business air travel) in FY2023. The emission data for business air travel come mainly from business-related air travel, where the emission data is calculated using the International Air Transport Association ("IATA")'s simplified version of the IATA CO2Connect CO<sub>2</sub> footprint calculator.

<sup>(4)</sup> Our GHG intensity ratio is calculated based on GHG emissions (in metric tonnes) divided by revenue (in RM million).

### Water

Greatech acknowledges the importance of responsible water management in our operations. While our direct water consumption may not be substantial compared to other manufacturing companies, we remain committed to monitoring and minimising our water usage to contribute to water conservation efforts. Greatech's primary water usage takes place in our fabrication processes and building's support areas such as washrooms, pantry and sprinkler systems. Hence, the water consumption is not very significant in terms of impact, and we have not set specific targets for reducing water consumption. Nevertheless, Greatech is committed to monitoring its water usage and safeguarding water availability in the regions where it operates.

Our current water consumption does not significantly impact water availability in the regions where we operate, and there is no immediate water scarcity at our manufacturing sites. Even so, we continue to take measures to use water efficiently by minimising consumption.

Furthermore, to enhance water security at our facilities in Bayan Lepas and Batu Kawan, Penang, we have implemented rainwater harvesting and storage systems that serve as supplementary water sources in case of water disruptions, ensuring uninterrupted operations while reducing reliance on conventional water sources.

## SUSTAINABILITY REPORT

### ENVIRONMENTAL (CONT'D)

#### Water (Cont'd)

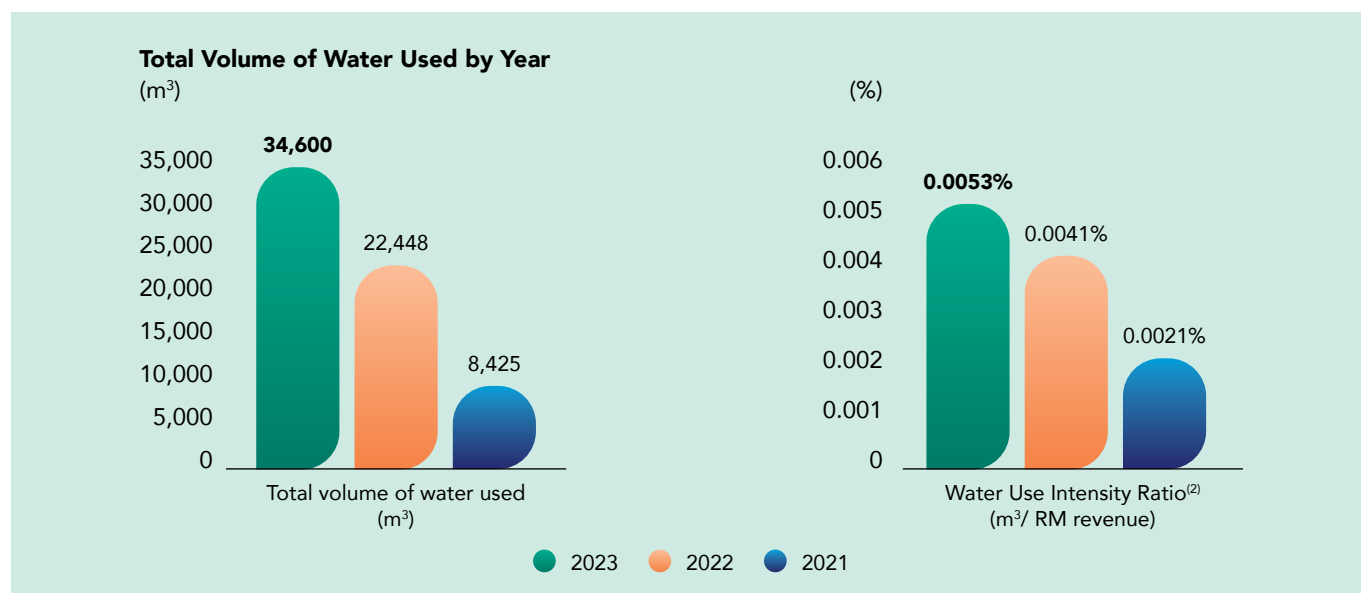
In FY2023, we continuously strive to use water efficiently across all sites by identifying and addressing water leaks, increasing employee awareness about water conservation and promoting environmentally sustainable behaviour in the workplace.

Total Water Withdrawn <sup>(1)</sup>	Unit	FY2023	FY2022	FY2021
Water Withdrawal from public water supply	m <sup>3</sup>	34,551	22,405	8,425
Rainwater Harvested	m <sup>3</sup>	49	43	0
Total volume of water used	m <sup>3</sup>	34,600	22,448	8,425
Total volume of water used	ML	34.6	22.4	8.4
Revenue	RM	658,749,531	546,214,485	402,216,766
Water Use Intensity Ratio <sup>(2)</sup>	m <sup>3</sup> / RM revenue	0.0053%	0.0041%	0.0021%

#### Notes:

<sup>(1)</sup> The withdrawal of water is measured based on supplier statements and meter readings.

<sup>(2)</sup> Water use intensity is calculated as a percentage of water withdrawal (in m<sup>3</sup>) divided by total revenue in (RM).



During the year, Greatech's total water usage across all our Malaysian sites increased to 34.6 megalitres, representing an increase of 54% compared to the previous year. The significant increase in water consumption can be attributed to the addition of new facilities and the corresponding rise in business activity during the reporting period. More than 99% of our water supply is sourced from local municipal water supply systems. Our primary water source is treated river water obtained from Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP"), a licensed water supply operator in Penang.

The wastewater generated during our operations is discharged into publicly owned treatment plants and treated at municipal sewerage facilities, in full compliance with local requirements outlined by the Department of Environment ("DOE"). There were no significant spills into water sources, and we maintained strict adherence to water quality standards and regulations, with no instances of non-compliance.

## SUSTAINABILITY REPORT

### ENVIRONMENTAL (CONT'D)

#### Waste Management

The Group acknowledges that waste generation is an inherent part of our production processes. As part of our commitment to protect the environment, we have placed an emphasis on minimising the generation of production waste. Hence, the Group's target is to minimise waste through reduction, reusing and recycling whenever feasible. We are committed to aligning with Malaysia's National Solid Waste Management Policy and adhere to waste disposal regulations prescribed by the DOE.

The Group's total waste generated for FY2023, is as listed below:

Waste Category	FY2023 (tonnes)	FY2022 (tonnes)	FY2021 (tonnes)
<b>Waste directed to disposal:</b>			
Hazardous Waste	93	59	52
Non-Hazardous Waste <sup>(1)</sup>	105	-	-
<b>Waste diverted from disposal</b>	<b>126</b>	<b>152</b>	<b>66</b>
<b>Total Waste Generated</b>	<b>324</b>	<b>211</b>	<b>118</b>

Note:

<sup>(1)</sup> Non-hazardous waste: We only began to collate disposal of non-hazardous waste from July 2023 onwards. These non-hazardous wastes include general solid wastes, containers or drums, packaging materials and wood pallets.

#### Hazardous Waste

Considering the nature of our business, most of the waste generated is associated with the use of cutting oil and cooling lubricants during metal fabrication and machining processes which in turn, produces contaminated metal chips as a byproduct. These wastes are categorised as scheduled wastes due to their hazardous attributes, posing potential risks to public health and the environment. To manage and dispose of hazardous wastes properly, Greatech has engaged with several waste management companies certified with Quality Management Systems. These waste management companies collect the waste for proper treatment and recovery, adhering to the requirements outlined in the Environmental Quality (Scheduled Wastes) Regulations 2005.

The table below showcases summary based on scheduled waste code:

FY	SW Code <sup>(1)</sup>	Scheduled Waste (tonnes) <sup>(3)</sup>	Total (tonnes)
2023	SW422	68	93
	SW307	15	
	Others <sup>(2)</sup>	10	
2022	SW422	43	59
	SW307	16	
2021	SW422	35	52
	SW307	17	

- Scheduled Waste Code
  - SW422: Mixture of scheduled and non-scheduled wastes.
  - SW307: Spent mineral oil-water emulsion.
- Others scheduled waste code that were combined due to the amount is not material individually are as below:
  - SW103: Waste of batteries containing cadmium and nickel or mercury or lithium.
  - SW303: Adhesive or glue waste containing organic solvents excluding solid polymeric materials.
  - SW305: Spent lubricating oil.
  - SW322: Waste of non-halogenated organic solvents.
  - SW409: Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.
  - SW410: Rags, plastics, papers or filters contaminated with scheduled wastes.
- Volume of waste is calculated based on weight slips from the waste recipients for deliveries.

## SUSTAINABILITY REPORT

### ENVIRONMENTAL (CONT'D)

#### Hazardous Waste (Cont'd)

Scheduled Waste Intensity Ratio	Unit	FY2023	FY2022	FY2021
Revenue	RM' million	659	546	402
As a % of revenue (total tonnes/total revenue):				
- SW422	tonnes/ Revenue	10.3%	7.8%	8.8%
- SW307		2.3%	3.0%	4.2%
- Others		1.5%	-	-

The Group is proactively pursuing strategies to minimise coolant consumption, reduce disposal quantities and lower waste disposal costs. One of the key initiatives involves the adoption of long-lasting cutting fluids, which not only reduces coolant usage but also extends the lifespan of cutting tools. Additionally, we have also implemented coolant recycling systems in our computer numerical control ("CNC") machining centre. These systems effectively filter and reuse coolant for subsequent machining processes, thereby reducing waste disposal volumes and promoting sustainability in our operations.

#### Waste Diverted from Disposal

In order to facilitate sustainable waste management, Greatech is attentive towards the recyclability element of our waste and practises recycling wherever possible. Waste materials stemming from our production processes, including aluminium, mild steel and stainless steel are identified for their recyclable potential, and can be reintroduced into a circular economy, benefiting other industrial entities. Our focus is on the reuse or repurposing packaging materials, such as wooden pallets and cardboard boxes, which are commonly utilised in our operations.

In FY2023, we successfully recycled 126 tonnes of waste encompassing various materials from carton boxes to metal scraps. This represents a decrease of 17% in recycled waste compared to previous year.

Recycled Waste Category	Unit	FY2023	FY2022	FY2021
Carton Box	tonnes	5	1	2
Plastic		( <sup>1</sup> )	0	( <sup>1</sup> )
Metal Scrap		98	128	54
Aluminium		11	( <sup>1</sup> )	6
Stainless Steel		9	0	3
PVC Wire		0	17	1
Electrical Item		3	6	0
Mix waste		0	0	( <sup>1</sup> )
Wastepaper		0	0	( <sup>1</sup> )
Total		126	152	66

(<sup>1</sup>) Amount disposed less than 1 tonnes



## SUSTAINABILITY REPORT

### PEOPLE

#### Diversity

At Greatech, we recognise the importance of diversity in the workplace as it greatly enhances the Group's capacity for breadth of input and perspectives into decision-making, risk alertness and responsiveness to change. We are committed to promoting diversity and inclusion in all aspects of our operations, including recruitment, promotion and leadership development. Our recruitment and promotion decisions are based on principles of equal opportunity, without discrimination based on gender, marital status, sexuality, ethnicity, religion or physical ability. While we do not set specific targets for workplace diversity, we prioritise merit-based recruitment practices to attract talent from diverse backgrounds globally.

#### Workforce Diversity and Inclusion

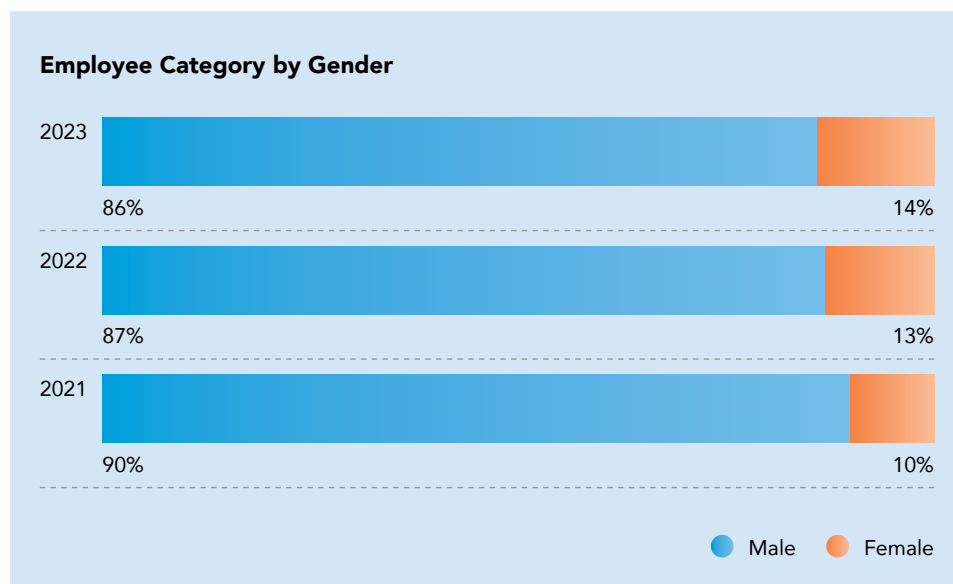
We are aware of the inherent nature of the manufacturing industry which is heavily reliant on male workforce. Thus, the Group has been actively promoting the recruitment of female talents across all levels within the company with the aim of increasing the proportion of our female workforce. During the reporting period, 33% of our senior management are female. Our focused efforts on promoting gender diversity and inclusivity have led to a 6% rise in women representation in middle management roles and a 2% increase in executive positions. However, it is noteworthy that the percentage of women in non-executive roles has decreased. This shift is primarily due to the historically male-dominated nature of non-executive roles such as machinists and technicians, which require specialised technical skills that traditionally attract more male candidates. As we persist in our commitment to cultivating a diverse and inclusive workplace, we recognise the importance of addressing gender imbalances across all organisational levels. While the overall proportion of female employees has increased positively from 13% in FY2022 to 14% in FY2023, we acknowledge the importance of further improving gender diversity throughout the organisation.

To support the advancement of women into leadership roles, the Group offer leadership development activities and mentorship programmes tailored to the needs of highly potential female employees. A complete breakdown of our employees according to gender and employee categories can be found in the table below:

Employee Category by Gender	FY2023		FY2022		FY2021	
	Male	Female	Male	Female	Male	Female
Senior Management <sup>(1)</sup>	67%	33%	67%	33%	67%	33%
Middle Management	77%	23%	83%	17%	89%	11%
Executive	80%	20%	82%	18%	87%	13%
Non-executive	94%	6%	93%	7%	95%	5%
Overall Composition	86%	14%	87%	13%	90%	10%

Note:

<sup>(1)</sup> Senior Management as defined by Greatech, refers to C-Suite



## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Diversity (Cont'd)

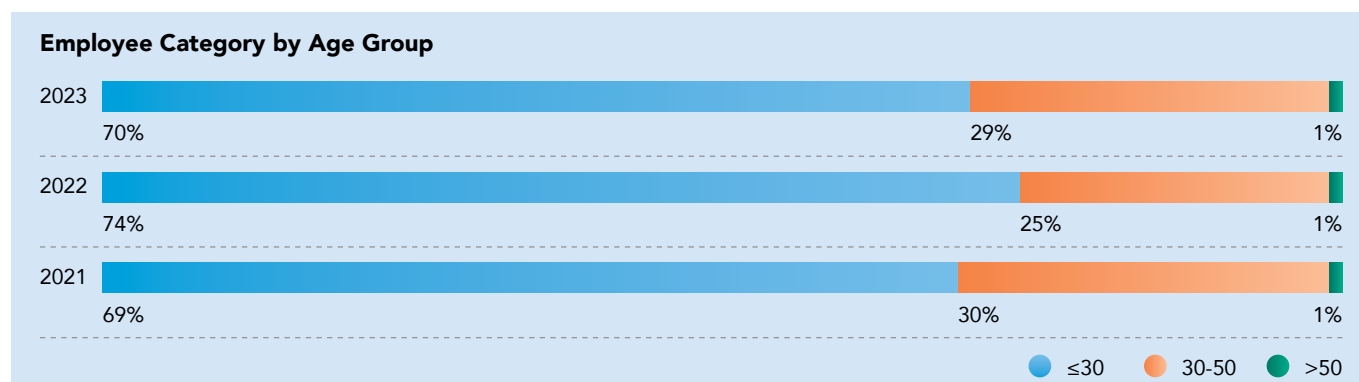
##### Workforce Diversity and Inclusion (Cont'd)

Our workforce comprises a diverse range of employees, with a predominant age group falling below the ages of 30. The complete breakdown of employee categories by age groups is as listed below:

Employee Category by Age Group	FY2023			FY2022			FY2021		
	Age Group (Years)								
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management <sup>(1)</sup>	0	33%	67%						
Middle Management	2%	91%	7%						
Executive	74%	25%	1%	74%	25%	1%	69%	30%	1%
Non-executive	72%	27%	1%						
Overall Composition	70%	29%	1%						

Note:

<sup>(1)</sup> Senior Management as defined by Greatech, refers to C-Suite



#### Board Diversity

With respect to board diversity, 2 out of 7 current board members are female, which represents 29% of total board composition. Currently, the Board has not adopted a specific female representation target as part of its diversity policy. However, the Board remains committed to promoting diversity and inclusion in its composition and continues to evaluate opportunities to enhance diversity at all levels of the Group.

Director Breakdown by Gender	FY2023	FY2022	FY2021
Female	29%	33%	40%
Male	71%	67%	60%

In terms of age diversity of the board members, currently all board members are of age 50 and above.

Director Breakdown by Age	FY2023	FY2022	FY2021
<30	0	0	0
30-50	0	0	0
>50	100%	100%	100%

# SUSTAINABILITY REPORT

## PEOPLE (CONT'D)

### Diversity (Cont'd)

#### Zero Discrimination and Equal Opportunity

Here at Greatech, we remain committed to offering equal opportunities and providing a working environment that is free from unlawful discrimination or harassment across the organisation. This commitment is enshrined in our Code where we expressly prohibit any form of unlawful discrimination concerning the race, colour, gender and more. To reinforce this ethos, we have training programs in place, aimed at improving management skills, with a specific focus on topics such as discrimination, workplace harassment and employee engagement to raise awareness and promote inclusivity across all levels.

The Group strives to create a workplace environment that is accessible to all employees, including those with disabilities. This involves implementing facilities such as handicapped parking spaces, wheelchair ramps and universally accessible toilets to ensure that differently abled employees can navigate the workplace safely and efficiently. In addition to internal efforts, we also prioritise inclusion in the communities where we operate. We support "local first" initiatives in our local operations. Moreover, we offer supports to employees who seek to further their education or obtaining certifications by covering part or all of the tuition costs, provided they maintain certain academic standards.

In result of our efforts to promote zero discrimination and inclusivity in the workplace, we are pleased to report that there are zero incidents of discrimination reported to our Human Resources and Administration ("HRA") team throughout our operations.

<b>Number of substantiated complaints concerning discrimination in the workplace received in FY2021, 2022, and 2023:</b>	None Reported
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#### Human Capital Management

The Group acknowledges that its employees are the cornerstone of our organisation, and we rely on them to deliver our value proposition to our customers. Therefore, Greatech has placed a paramount emphasis on attracting, developing and retaining skilled employees to sustain the Group's continued success. This commitment is especially vital given the challenges we face, including the skills gaps among graduates, the advent of gig economy, demographic shifts towards an ageing workforce and high attrition rates, especially among the post-millennial generation.

To address these challenges, the Group has undertaken several key initiatives aimed at nurturing and retaining talent. These initiatives include:

#### Talent Recruitment

Our recruitment is to a large extent focused on young engineering talents, typically recruited straight from universities and colleges. For senior roles, we emphasise relevant work experience, qualification and organisational fit. The same standards and application procedures are adhered to in all locations. To attract and connect with talented individuals, we proactively engage in various events and platforms including career fairs, industry conferences and online networking platforms. These initiatives allow us to showcase our organisation, highlight career opportunities and connect with potential candidates who share our values and vision.

Initiatives	Description
Campus engagement and recruitment	<ul style="list-style-type: none"> <li>Proactively maintain close relationships with selected education institutions and student societies/initiatives.</li> <li>Offer internship opportunities to students and participate in career fairs/forum days to interact with students and build our early-in-career talent pipeline.</li> </ul>

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

#### Talent Recruitment (Cont'd)

Initiatives	Description
Internship Program	<ul style="list-style-type: none"> <li>Mutual beneficial experience for both students and the Group.</li> <li>To provide three (3) to six (6) months on-the-job training and exposure opportunities for interns to develop essential skills in a real-world business environment. Interns receive continuous guidance and engagement through mentoring and regular evaluations to ensure their progress and development.</li> <li>To evaluate intern's performance regularly to assess their readiness for potential transition to permanent employment within the Group. Encourage interns to share their insights and contribution to projects/processes, providing the company with valuable resources and fostering a culture of innovation.</li> </ul>
Young Engineer Program ("YEP")	<ul style="list-style-type: none"> <li>To provide young engineering graduates twelve (12) to twenty-four (24) months of a structured and tailored route into the industry, allowing them to broaden valuable commercial knowledge and expand their professional networks.</li> <li>A progress evaluation is conducted periodically to assess both the participant's and mentor's learning progress in key criteria such as communication skills, technical proficiency, teamwork and problem-solving abilities.</li> <li>Since the inception of the YEP in 2019, 556 young engineering graduates have been placed into full-time positions within the Group. In FY2023, 86 graduates enrolled in the program, demonstrating our commitment to nurturing young talent and investing in the future of the industry.</li> </ul>

We maintained a robust hiring effort, resulting in 16% increase in our headcount and the creation of 368 new headcounts within the Group. The majority of these new headcount were in engineering and production departments, which is the key areas critical to our operations and growth. The detailed breakdown of our new hires in FY2023 is as listed below:

#### New Hires breakdown by Gender, Age Group and Nationality

New Hires	FY2023		FY2022		FY2021	
	Count	%	Count	%	Count	%
<b>By Gender</b>						
Male	302	82%	612	81%	398	87%
Female	66	18%	140	19%	57	13%
Total (By Gender)	368	100%	752	100%	455	100%
<b>By Age Group</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
<30	276	75%	640	85%	427	94%
30-50	86	23%	108	14%	28	6%
>50	6	2%	4	1%	0	0
Total (By Age Group)	368	100%	752	100%	455	100%
<b>By Nationality</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>	<b>Count</b>	<b>%</b>
Local <sup>(1)</sup>	339	92%	732	97%	455	100%
Foreign	29	8%	20	3%	0	0
Total (By Nationality)	368	100%	752	100%	455	100%

Note:

<sup>(1)</sup> Local as defined by Greatech, refers to Malaysians



## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

##### New Hires breakdown by Gender, Age Group and Nationality (Cont'd)

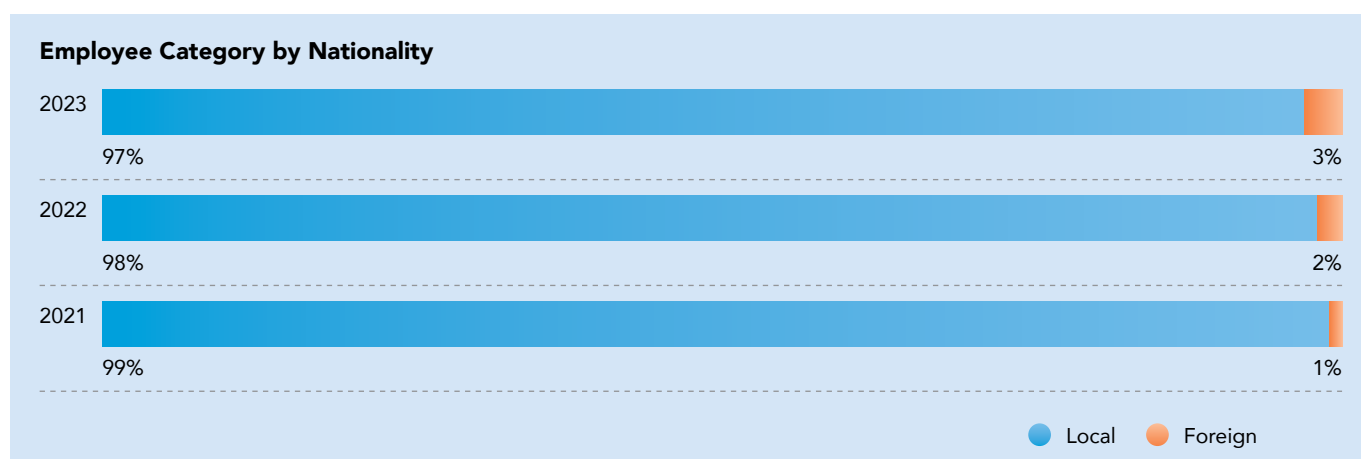
Here at Greatech, we strive to improve inclusivity within the local communities we operate in. We have a “locals first” initiative where we prioritise hiring locals to foster a sense of community, strengthen local economies and ensure a workforce that understands the local market and culture. Our workforce does not include seasonal or part-time employees and we do not have any differently abled personnel.

Employee Category by Nationality	Nationality					
	FY2023		FY2022		FY2021	
	Local <sup>(1)</sup>	Foreign	Local <sup>(1)</sup>	Foreign	Local <sup>(1)</sup>	Foreign
Senior Management <sup>(2)</sup>	3	0	3	0	3	0
Middle Management	55	1	45	1	35	1
Executive	780	1	698	1	509	2
Non-Executive	560	45	472	27	263	8
Grand Total	1,398	47	1,218	29	810	11
<b>Percentage (%)</b>	97%	3%	98%	2%	99%	1%

Note:

<sup>(1)</sup> Local as defined by Greatech, refers to Malaysians

<sup>(2)</sup> Senior Management as defined by Greatech, refers to C-Suite



#### Utilisation of contractors/temporary staff

In FY2023, 0.1% of our employees are temporary staff/contractors. We limit our dependence on temporary workers to maintain stability and continuity in our operations while also upholding our stringent quality standards.

Employment Type	FY2023	FY2022	FY2021
Contracted/Temporary Staff	0.1%	0.2%	0.1%

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

##### Training and Development

Greatech views education and on-going development as an investment for the future as it is a key strategy to address the issue of skills mismatch within the industry. To achieve this, the Group provide various training and awareness courses to all employees, covering both technical skills and industry knowledge. Employees could participate in external trainings, workshops and conferences to further enhance their expertise and stay abreast of emerging trends.

To measure the effectiveness of our human capital investment, we track training hours and associated costs, comparing progress against internal and external benchmarks. Our target is to provide 36 hours of training per employee annually, ensuring a comprehensive approach to employee development.

In FY2023, we invested RM0.45 million in training, representing a decrease from RM0.68 million in FY2022. Despite the reduction in investment, the Group provided a significant 68,331 hours of training through 460 (2022: 393) sessions across 176 (2022: 170) courses. This investment reflects our continued commitment to employee development. In FY2023, on average, each employee received 47 hours of training, reflecting our dedication to fostering a skilled and knowledgeable workforce at all levels.

The table below showcases the breakdown of Greatech's total and average training hours:

Number of total and average training hours/days participated by employees	FY2023	FY2022	FY2021
Total training hours	68,331	71,590	28,892
<b>Total training hours by employee category: -</b>			
Senior Management	94	220	
Middle Management	1,993	3,832	
Executive	58,104	60,813	-
Non-Executive	8,140	6,725	
<b>Average training hours per employee:</b>	<b>47</b>	<b>57</b>	<b>35</b>
<b>Average training hours by gender: -</b>			
Male	57,571	62,332	
Female	10,760	9,258	-
<b>Average training hours by employee category: -</b>			
Senior Management	31	73	
Middle Management	36	83	
Executive	74	87	-
Non-executive	13	13	

# SUSTAINABILITY REPORT

## PEOPLE (CONT'D)

### Human Capital Management (Cont'd)

#### Training and Development (Cont'd)

To respond to the development needs of our people and to develop their behavioural and technical skills, the following training and development programmes were among those carried out in FY2023:

- o Robotic Training and Programming Practise
- o Building Sustainable Future
- o Understanding Environmental, Health & Safety and Other Requirements
- o Lean Manufacturing
- o Programmable Logic Control & Human-machine Interface Training
- o Basic GD&T
- o Chemical Handling, Chemical Spill Management and PPE Management
- o Linear Servo Motor Training
- o Failure Mode and Effect Analysis
- o Corruption Risk Management
- o Employer Tax Obligations in Malaysia
- o Leadership Training

We are proud that our training efforts have been recognised and that we were awarded the Excellence in Training Innovation prize from Human Resource Development Corporation in FY2023.

#### Employee Turnover and Retention

In FY2023, a total of 176 employees resigned, resulting in an overall turnover rate <sup>(1)</sup> of 12%. We recognise that it is not enough for us to attract and develop our talent pool, we must also learn the best possible ways to retain them. Therefore, we regularly monitor and address employee turnover and engagement levels. We continuously review our HR policies and programs for enhancement. This involves soliciting feedback through exit interviews with departing employees, with the information collected regularly reviewed and analysed by our HRA teams.

#### Employee Turnover by Gender, Age Group, Nationality and Employee Category for FY2023

Employee Turnover	FY2023		FY2022	FY2021
	Count	%	Count	Count
<b>By Gender</b>				
Male	147	84%		
Female	29	16%		
<b>By Age Group</b>	<b>Count</b>	<b>%</b>		
<30	122	69%		
30-50	47	27%		
>50	7	4%		
<b>By Nationality</b>	<b>Count</b>	<b>%</b>		
Local <sup>(2)</sup>	167	95%	227	132
Foreign	9	5%		
<b>By Employee Category</b>	<b>Count</b>	<b>%</b>		
Senior Management <sup>(3)</sup>	-	-		
Middle management	7	4%		
Executive	102	58%		
Non-executive	67	38%		
<b>Overall</b>	<b>176</b>	<b>100%</b>		

Note:

<sup>(1)</sup> Employee turnover rate is calculated based on total number of employees who left voluntarily or due to dismissal, retirement, or death in service, over the total number of employees at the end of reporting period.

<sup>(2)</sup> Local as defined by Greatech, refers to Malaysians

<sup>(3)</sup> Senior management as defined by Greatech, refers to C-Suite

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

##### Compensation and Benefits

Employee benefits are a vital part of our dedication to our staff. We firmly believe that providing support and ample compensation to our employees not only improves their welfare, but also plays a pivotal role in the overall success of our organisation. We ensure that our compensation and benefits are in full compliance with applicable wage, work hours, overtime and benefit laws. In addition to compliance, the HRA team regularly review and benchmark compensation and benefits packages against industry standards to remain competitive in attracting and retaining top talent.

The key benefits that Greatech offers include:

Types of Benefits	Description
<b>Leaves</b>	Annual Leave, Medical/Sick Leave, Maternity Leave, Compassionate Leave, Paternity Leave
<b>Allowances</b>	Outstation Allowance, Oversea Allowance
<b>Medical</b>	Dental, Optical and Healthcare, Foreign Worker Hospitalisation & Surgical Insurance ("SKHPPA")
<b>Insurance</b>	Travel Insurance, Employee Group Hospitalisation and Surgical Insurance
<b>Others</b>	Greatech Education Assistance Programme, Private rooms for lactation and prayers, Fitness Center, Share Option Plan and Share Grant Plan

Aside from that, Greatech places significant emphasis on fostering a positive work environment and actively supports employees through a range of team building events and sports activities. The Group has established various sports groups, some of which receive financial backing from Greatech.

The Group also ensures compliance with local labour regulations, including minimum wage law and social security legislation. We make monthly contributions to employee's Employee Provident Fund and social security accounts respectively to support employees' financial security and long-term well-being.

##### Equal Pay for Equal Work

The issue of equal pay for equal work remains a prevalent concern within the Malaysian manufacturing sector. Despite various regulations and initiatives aimed at ensuring fair compensation, disparities in wages still persist, particularly based on gender and ethnicity.

Greatech practices equal pay principles, strictly adhering to Malaysian laws. Salary surveys are conducted annually to detect, correct and prevent unequal salary differences between male and female employees. We advocate for a fair working environment where compensation is based on job responsibilities, qualifications and performance, free from discrimination. Following the legal provisions of the Employment Act 1955, we ensure all employees, regardless of background, receive fair compensation aligned with their roles. Our dedication to equal pay is both a legal requirement and an integral part of our corporate culture.



## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

##### Parental Leave

In FY2023, all of our employees were eligible for parental leave, with 12 female employees and 59 male employees took paid maternity and paternity leave respectively. A total of 100% of female and 100% of male employees returned to work after completing of their leave.

Number of employees who:	FY2023		FY2022		FY2021	
	Male	Female	Male	Female	Male	Female
are entitled to parental leave	398	65	319	45	180	24
took parental leave	59	12	37	3	24	2
are still taking parental leave as at 31 December	-	3	-	-	-	-
are due to return to work after taking parental leave as at 31 December	59	9	37	3	24	2
resigned after parental leave ended	-	-	4	1	-	-
returned to work in the reporting period after parental leave ended	59	9	33	2	24	2
returned to work after parental leave ended who were still employed 12 months after their return to work	31	2	19	2	21	2
Return to work Rate (%) <sup>(1)</sup>	100%	100%	89%	67%	100%	100%
Retention Rate (%) <sup>(2)</sup>	94%	100%	79%	100%	88%	100%

Note:

<sup>(1)</sup> Return to work rate = Total number of employees that returned to work after parental leave ended divide by total number of employees due to return to work after taking parental leave.

<sup>(2)</sup> Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave divide by total number of employees returning from parental leave in the prior reporting period.

##### Employee Appraisals

At Greatech, we conduct an annual performance and career development review for all employees. This process serves dual purposes, evaluating performance and aligning training with our business objectives, underscoring our unwavering commitment to employee development and its integral role in our Group's overall success. In FY2023, we achieved 100% completion rate for performance review for our eligible employees.

##### Employee Engagement

Our annual Employee Satisfaction Survey is a vital gauge of cultural progress and engagement. It enables all employees to anonymously voice their opinions on the Company's strengths and areas for improvement, driving the development and implementation of initiatives based on the findings. Building on past questions, the survey allows us to track our progress over time. We conduct numerous meetings and forums across the organisation to address lower-scoring areas and qualitative issues raised. Additionally, we share survey feedback with functional management to initiate corrective actions and enhance the overall employee experience.

During the reporting period, 1,412 employees out of 1,445 employees completed the Employee Satisfaction Survey, resulting in a 98% response rate. Based on the survey findings, the satisfaction rate was recorded at 80%, a slight increase from 78% in FY2022. The results of the survey are also shared with the Board to provide them with valuable insight into workforce culture and concerns.

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Human Capital Management (Cont'd)

##### Human Rights

Greatech upholds human rights, following international and local principles such as the Universal Declaration of Human Rights and relevant local human rights laws. Additionally, we acknowledge the International Labour Organisation's ("ILO") conventions. Our Code strictly prohibits human trafficking, harassment and threats.

The Group's Board holds the overarching responsibility for ensuring that human rights are respected throughout the organisation. While the Board provides strategic guidance, the day-to-day management of human rights matters is delegated to the HRA department. The HRA department is specifically tasked with overseeing all issues related to human rights, including concerns related to forced labour, child labour and other human rights violations. They are responsible for implementing policies and procedures to safeguard the rights and well-being of employees and ensuring compliance with regulations mandated by the Department of Labour and other relevant authorities.

The Group remains committed to our human rights strategy, aiming to embed respect for human rights and promote decent working conditions throughout our operations. To ensure alignment with international standards and customer expectations, an internal human rights risk assessment was conducted periodically by our internal compliance team, led by the Corporate Affairs Manager. This assessment evaluated our processes and identified any gaps for improvement.

As part of our ongoing monitoring and evaluation efforts, the internal compliance team has successfully integrated human rights consideration into the due diligence checklist for new operations or projects to identify and mitigate any potential labour-related risks.

The Group place a strong emphasis on the importance of openness and encourage employees and third parties to speak out about any concerns or report suspected misconduct or violations of child and forced labour issues. These include a whistleblowing channel and grievances systems.

Participation in labour standards-related training is obligatory for Chief Executives, Directors, and all managers including HRA staffs. In FY2023, we conducted human rights principles training for our entire Board and managerial staff. The following table shows the percentage of their participation in the training:

	FY2023	FY2022	FY2021
<b>% of participation in human rights training</b>	100%	100%	-

*The human rights training is obliged for Chief Executives, Directors and all managers including HRA staffs.*

We ensure a safe working environment by providing reasonable rest breaks, clean drinking water and designated rest areas. Our commitment to human rights includes promoting Freedom of Association and Collective Bargaining. Child and forced labour are unequivocally forbidden; the Group has set 18 as the minimum age of employment, with suppliers acknowledging these expectations before engagement.

As of 31 December 2023, there were no substantiated complaints pertaining to any human rights violation such as child labour or forced labour.

<b>Number of substantiated complaints human rights violation received in FY2021, 2022, and 2023:</b>	None Reported
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## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Health, Safety and Wellbeing

Health, safety and well-being are of utmost importance at Greatech, reflecting the Board and Management's unwavering dedication to the welfare of our employees, third-party workers, local communities and other stakeholders.

During the reporting year, we have reenergised our efforts in promoting good mental health to our employees, as part of our holistic approach in promoting well-being. Key initiatives include inviting subject matter experts to engage our employees in conjunction with World Health Day and introducing a six-month in-house counselling program in collaboration with the Counselling Department of Open University Malaysia. We will continuously engage our employees and stakeholders in our efforts to promote a conducive workspace.

Our goal is to create a safe and secure workplace that instils confidence in everyone, enabling them to perform at their best, maintain productivity and return home safely to their families. The prevention of injuries and fatalities is an absolute imperative that must be avoided at all costs.

In 2023, all of Greatech's Penang sites (except for newly constructed BK IV) are equipped with Environmental Management systems and Occupational Health and Safety systems that has successfully obtained the ISO 14001:2015 and ISO 45001:2018 certification with zero non-compliance detected. Our Environmental, Health and Safety ("EHS") internal auditors conduct annual self-assessments based on the ISO 14001 and ISO 45001 management standards to review our compliance level.

As stated in the ARMC charter, the ARMC plays a crucial role in overseeing the Group's practices concerning compliance, risk assessment and risk management, specially including EHS related risk. Operationally, the EHS Committee is responsible for oversight of all Occupational Safety and Health ("OSH") related matters in the Group. Our EHS Committee consists of a balanced representation, with 50% employees and 50% employers from our Group. This Committee plays a vital role in aligning our safety standards with industry best practices. They convene quarterly to assess safety inspection outcomes, workplace incidents and the advancement of our safety initiatives. As part of our due diligence process for new operations or projects, the EHS Committee conducts thorough risk assessments to ensure that all health and safety considerations are addressed from the outset.

As a mandatory requirement, we establish and maintain health and safety sub-committees at all our local facilities with 40 or more employees. These sub-committees, comprising workforce representatives, proactively identify and address health and safety concerns. One approach involves quarterly Gemba Walk safety audits at our facilities to ensure compliance with local authority and internal safety standards. Any findings or observations are communicated to the relevant departments for internal root-cause analysis, enabling us to address and mitigate issues to prevent recurring incidents.

Any accidents or near-miss incidences should be escalated immediately to the employees' superior, the EHS officer or other management functions such as the HRA department. The EHS Officer would be notified of such accidents/incidences within 24 hours for documentation in the Group monitoring system along with an analysis and description of action plans required. Action plans and the outcome of Group-wide EHS goals are monitored regularly and reported to the Executive Board every month. The outcome of the health and safety goals are also shared to all employees every quarter on the Group's EHS Bulletin.

In order to maintain continuous awareness on risk factors and control actions, we conduct regular safety meetings and training for existing employees via a robust safety training programme tailored to the types of work employees perform and the hazards that they face. The following is total number of employees as at the end of financial year participated in our health and safety trainings:

	FY2023	FY2022	FY2021
<b>Number of employees who are trained in health and safety standards<sup>(1)</sup></b>	1,445	1,247	821

Note:

<sup>(1)</sup> The areas of training include Safety and Health Training, Legal & Compliance Training, Competency Training, Environmental Training and Management System Training (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018).

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Health, Safety and Wellbeing (Cont'd)

##### Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

At Greatech, we implement HIRARC standards across all our facilities, covering all activities and individuals. This ensures that risks linked to identified hazards are consistently evaluated and addressed. Our risks assessments consider both the likelihood of potential risks occurring and the severity of the consequences if they do happen, using the Group's EHS Risk Matrix.

Likewise, unsafe situations that pose a potential risk for hazard should be similarly reported to employees' superior, even if such situations do not directly impact one's work. There are processes in place to allow employees to report hazards and concerns without fear of retaliation to the EHS Committee. In addition to feedback from the ground, potential dangers are identified using task and workplace-related risk assessments. They are then evaluated by the EHS team to determine if action plans for improvement measures need to be implemented.

##### Fatalities

In FY2023, there were no fatalities being recorded due to work-related injuries as reported by our contractors, suppliers and customers who work at our workplace. There were also zero road fatalities with our own fleet and zero cases of work-related illness. Moving forward, we will continue with our target of zero work-related injuries or illness and zero fatalities.

	FY2023	FY2022	FY2021
No. of Work-Related Fatalities	0	0	0

##### Loss Time Incident Rates

Lost Time Injury Rate ("LTIR") <sup>(1)</sup>	FY2023	FY2022	FY2021
Employees	2.2	1.3	0.7
Contract Workers <sup>(2)</sup>	0	0	0
Severity Rate <sup>(1)</sup>	FY2023	FY2022	FY2021
Employees	44.3	3.8	10.6
Contract Workers <sup>(2)</sup>	0	0	0

##### Note:

<sup>(1)</sup> LTIR is based on the number of loss time injury cases whilst Severity Rate accounts for time loss for injury. For the purpose of this calculation, injury is defined as registered accidents that led to sick leave of more than one (1) day. Both indicators are standardised using the following: 1,000,000/total number of hours worked and is computed based on Occupational Safety and Health Administration ("OSHA") guidelines

<sup>(2)</sup> Contract Workers are employees of third-party companies hired for specific tasks such as cleaning and repairing.

In FY2023, there were 7 workplace lost-time injuries (2022: 3 cases) reported. Having assessed every lost time accident since 2019 we have identified a recurring pattern where employees sustain injuries to their fingers or hand palms when coming into contact with moving machinery. This historical trend underscores the importance of promoting a safety-conscious culture among employees and implementing preventive measures such as machine guarding measures to mitigate such risks.

The number of major occupational accidents with four or more lost working days were 4 cases in FY2023 as opposed to 1 case in 2022. Occupational accident statistics did not include accidents on the way to and from work. Recognising the increase in the number of incidents in LTIR and the need to reverse this trend, we have taken proactive measures to analyse, understand and take action. Each reported incident is thoroughly investigated to identify the root cause, and appropriate actions are taken to eliminate or mitigate the underlying factors contributing to the incident. The root causes and actions taken by Greatech for work-related ill-health incidents in FY2023 included further workplace inspections together with EHS team and manager in-charge to gain a comprehensive picture of the status quo. The analysis focused on the working environment, available tools and materials, and prescribed work processes. Based on the finding, remediation measures are agreed upon, and countermeasures are implemented.



## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Community/Society

At Greatech, we seek to extend our values and contribute to the communities where we operate through a variety of social engagements and sustainability initiatives. Our social sustainability approach is to enforce community partnerships that focus on the local needs, support the underprivileged and future generation which generates economic and social value and helps keep our team aligned with the purpose of the Group. Currently, the Group does not have a specific target for community engagement; however, our goal is to enhance investment in the local community.

Greatech's charitable giving focuses on three major areas:

- o Education and science
- o Fitness and health
- o Social initiatives and welfare

Through our initiatives in FY2023, we managed to contribute an estimated RM1.97 million to the community supporting 47,554 beneficiaries.

	FY2023	FY2022	FY2021
<b>Total amount invested in external community (RM' million)</b>	1.97	1.99	3.30
<b>Total number of individuals benefited</b>	47,554	-	-

The data for number of beneficiaries is based on our best estimate given the difficulty in tracking exact number of beneficiaries for some of our initiatives. We have included our estimate for FY2023 only.

In 2023, the Group together with our Board and employees have contributed approximately RM1.97 million (2022: RM1.99 million) in cash and in-kind to more than 40 charities, non-profit organisations, and educational institutions across the region. Some of the initiatives were as follows:

#### Science, Technology, Engineering and Mathematics ("STEM") Education

We are committed to supporting STEM education and innovation for primary school students by contributing RM0.50 million to Penang Tech Centre towards the Computer Literacy Empowerment Program and the STEM Showcase for the years 2023 and 2024, and RM0.10 million to SRJK (C) Moh Ghee Cawangan. Recognising the importance of fostering early interest and proficiency in STEM, we are committed to empowering the young learners with the tools and resources necessary for a strong foundation in these crucial fields. This contribution reflects our dedication to promoting educational excellence and equipping young minds with the skills they need to thrive in an ever-evolving world. We believe that investing in the STEM education of primary school students is a key step towards building a brighter and more innovative future.

Greatech Scholarship program was launched in 2021 with the goal of supporting economically disadvantaged young students in Malaysia by providing them with opportunities to develop a strong foundation in entrepreneurship and employment through a STEM-focused curriculum. The primary goal of the Greatech Scholarship program is to empower these students and equip them with necessary skills and knowledge to thrive in the workforce of tomorrow. Since its inception, 7 deserving STEM students have benefited from this program.

#### Supporting Employees Beyond the Workplace

We recognise the significance of providing support to our employees and their families during challenging times, and we remain dedicated to offering assistance and care. Throughout the year, a total of RM0.10 million, comprising donations from the Company and our compassionate Greatech employees, was contributed to aid fellow employees and their families during unexpected financial hardship or moments of need. The following represents the highlights of our efforts:

- RM0.08 million provided to fully support an employee's infant undergoing heart surgery. This contribution aims to alleviate the financial strain associated with medical expenses and ensure that the little one receives the necessary care and treatment.

## SUSTAINABILITY REPORT

### PEOPLE (CONT'D)

#### Community/Society (Cont'd)

##### Serving our Communities

In recognition of the growing financial challenges faced by our local communities due to the rising cost of living, we have allocated an approximately RM0.90 million to our community fund, specifically dedicated to causes that support the cost-of-living challenge. This financial resilience funding enables us to provide essential assistance and resources to those in need to alleviate some of the burdens faced by our communities.

The followings illustrate some of the ways we have focused on building community resilience through 2023.

- Persatuan Syukur Penyayang – RM0.10 million donated towards preserving the historical significance of the existing heritage building while ensuring its structural integrity and functionality for future generation to enjoy.
- Penang Shan Children Home Association and Persatuan Kebajikan Anak-Anak OKU Taman Island Penang – RM0.10 million each donated towards funding the operational costs of an orphanage home and a special care centre, providing comprehensive care for both orphans and disabled children. Our support will enable the home to maintain a stable and sustainable environment, fostering a sense of belonging and security for the orphans and children with special needs.
- Butterworth Fur Kids Home – RM0.10 million donated towards the construction costs of a new shelter for stray dogs in Butterworth, Penang that will significantly improve the living conditions and well-being of these vulnerable animals. This new facility will serve as a sanctuary, promoting responsible pet ownership and reducing the number of stray dogs in the area. Furthermore, our allocation of RM5,000 to support IAPWA's trap, neuter and release program in Penang Island demonstrate our commitment to controlling the stray animal population and promoting humane practices.
- National Autistic Society of Malaysia (NASOM) and Heng Ee High School – RM0.10 million each donated towards addressing various aspects of facility and school building maintenance and development. It will contribute to the repair and renovation of existing infrastructure, ensuring the students at NASOM and Heng Ee High School have access to safe and functional classrooms, libraries and other essential facilities. In addition to addressing practical needs, a portion of the funds will be allocated towards enhancing the overall aesthetics and ambience of the schools, creating a positive and inspiring atmosphere for learning.
- Penang Caring Dialysis Society and UTAR Hospital – RM0.10 million was contributed towards funding the operational cost of a dialysis centre, ensuring the continuation of vital dialysis treatment for existing poor and needy kidney patients. Additionally, RM0.20 million was allocated to fund a not-for profit and self-sustaining hospital that provides financial assistance to patients who face difficulties in affording medical treatment. We recognise the importance of sustaining healthcare services for vulnerable individuals and are dedicated to playing a role in supporting their ongoing care.
- Be Home Special Care – RM0.10 million was contributed towards funding the operational cost of Be Home Special Care, supporting an organisation that provide high-quality care to those in need.

In 2023, we supported and funded various "Walk/Run the Cause" and charitable initiatives, which aligns with our mission to contribute to the well-being of the communities we serve. Our contribution will directly support the causes and organisation associated with the event, which may include healthcare initiatives, education programs, environmental conservation or social welfare projects. By participating in and funding these initiatives, we hope to inspire others to join us in making a difference and creating a positive ripple effect throughout our community.

##### Walk/ Run the Cause

- Mount Miriam Cancer Hospital Charity Run that raise funds to cancer patients who are financially challenged.
- Let's Walk for Thalassaemia 2023 that raise awareness and funds to support and improving the welfare of children with thalassaemia in Penang.
- Penang Glo Walk 2023 that raise funds to promote STEM activities in the region and fosters a sense of unity and support within the community.

##### Blood Donation Drive

The blood donation drive hosted within our premises was a resounding success, with numerous employees stepping forward to volunteer and donate blood to support Penang General Hospital and Kulim General Hospital. In this noble cause, 138 bags of blood were collected, underscoring the generosity and community spirit that define our company.

##### Environmental Efforts

By joining forces with Animal Projects & Environmental Education Sdn Bhd, we have donated 500 trees in the Lower Kinabatangan Wildlife Sanctuary, Sabah. We selected native tree species that are well-suited to the local environment, ensuring their long-term survival and ecological impact. The 500 trees planted will not only contribute to sequestration of approximately 156 tonnes of carbon over the initial 20 years but also enhance the overall ecosystem, promoting a healthier environment for current and future generations.

## SUSTAINABILITY REPORT

### ECONOMIC

#### Economic Performance

Amidst the challenging business environment, Greatech's economic performance remains a primary concern for our stakeholders. We strive to generate and deliver economic value to our key stakeholders – employees, customers, business partners, regulators and shareholders.

During the current financial year (FY2023), we achieved a revenue of RM 658.75 million, signifying the overall economic value generated. Out of this, a direct economic value of RM422.92 million was distributed, thereby making a positive contribution to the economic wealth of stakeholders. The table beside illustrates our performance over the last three years.

RM' million	FY2023	FY2022	FY2021
<b>Economic Value Generated</b>	<b>658.75</b>	<b>546.21</b>	<b>402.22</b>
<b>Economic Value Distributed, which consists of:</b>	<b>422.92</b>	<b>342.15</b>	<b>192.50</b>
• Procurement spending	296.30	270.49	141.38
• Employee wages and benefits	115.85	69.78	48.93
• Payment to capital providers	0.60	0.49	0.58
• Tax payments	9.10	0.47	0.72
• Community contributions and donations	1.07	0.92	0.89
<b>Economic Value Retained</b>	<b>235.83</b>	<b>204.06</b>	<b>209.72</b>

Further discussion on Economic Performance can be found in the Management Discussion and Analysis ("MD&A") section of this Annual Report.

#### Customer Care Management and Product Quality

We understand that meeting our customers' expectations and ensuring their satisfaction directly contributes to our economic performance. Therefore, we assess satisfaction through a survey focused on product consistency, quality and post-sales support for continuous improvement.

Ensuring safety, quality and reliability, we integrate stringent standards throughout our product lifecycle. Adhering to ISO 9001:2015 and ISO 13485:2016, our manufacturing plants uphold these principles. In 2020, we earned accreditation for Medical Devices Quality Management, underscoring our unwavering commitment.

	FY2023	FY2022	FY2021
<b>Number of major incidents or breaches of safety and quality standards reported</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Tax Governance

The Group supports tax policies and incentives; and recognises the importance of tax in contributing to the country's economic development and society prosperity. The Group is committed to responsible tax governance and:

- o complying with the applicable tax laws and regulations in the jurisdictions where we operate;
- o maintain respect and mutual trust relationships with the tax authorities; and
- o optimise available tax incentives and reliefs under applicable laws and double tax treaties to minimise tax cost of conducting business.

## SUSTAINABILITY REPORT

### ECONOMIC (CONT'D)

#### Anti-Corruption

We are acutely aware of the country's bribery and corruption risks, especially with a high Corruption Perception Index. Recent legal changes and law enforcement scrutiny have heightened anti-corruption efforts.

Despite the challenging risks of bribery and corruption, we demonstrate unwavering dedication by assessing and managing these risks through a series of policies and procedures, including our Code, Anti-Bribery and Anti-Corruption ("ABAC") Policy, and Whistleblowing Policy.

We conduct an annual corruption risk assessment, evaluating the adequacy of our internal control mechanisms, such as our ABAC Policy, and our compliance with the Malaysian Anti-Corruption Commission Act Section 17A ("MACCS17A"), to mitigate exposure to corruption risks.

The table below summarises the percentage of operations assessed for corruption-related risks.

	FY2023	FY2022	FY2021
<b>% of operations assessed for corruption related risks</b>	100%	100%	-

To ensure that all employees, particularly top management and decision-makers, have a deep understanding of our ABAC policy and procedures, we mandate their participation in formal training sessions. The table below outlines the level of engagement by employee category in our formal anti-corruption training efforts. Our target is to conduct formal training on key aspects of corruption and bribery and (re) introduce relevant legislation and penalties covering anti-corruption to our employees at least once in three (3) years. In the event of an on-boarding of new employees, anti-corruption training is included as part of orientation.

Training on ABAC Policy and Procedures	FY2023	FY2022	FY2021
Senior Management	1,445	1,247	-
Middle Management			
Executive			
Non-Executive			

It is the Group's goal to maintain zero tolerance to corruption and we are pleased to announce that there were no incidents of confirmed corruption between the FY2021 to 2023. All of employees had complied with the Group's anti-bribery and anti-corruption policy.

<b>Number of confirmed incidents of corruption for FY2021, 2022 and 2023</b>	None Reported
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#### Data Privacy

Greotech upholds data protection standards, aligning with local laws. We recognise that maintaining the highest standard of data security and privacy are imperative to our stakeholders. Thus, we practise disciplined data management, ensuring the data stored across our Systems, Databases and Networks are being adequately safeguarded.

We ensure data protection by regularly training and communicating its importance to relevant employees with access to sensitive information. Mandatory training sessions upon hire, monthly campaigns using emails, newsletters, and workshops to reinforce Data Privacy and Protection serve as ongoing refresher of the topics throughout the year. In FY2023, 100% of our employee undertook data privacy, data protection and information security training.



## SUSTAINABILITY REPORT

### ECONOMIC (CONT'D)

#### Data Privacy (Cont'd)

As part of the cybersecurity knowledge campaign, we conducted a simulated phishing attacks quarterly to educate users on business email security in FY2023. Employee that fails these exercises is required to receive additional training, and repeated failures are addressed through performance reviews or other means. The aim of these exercises is to maintain awareness and reduce the security risks due to social engineering attacks involving human manipulation and deception.

In FY2023, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

<b>Number of substantiated complaints concerning breaches of customer privacy and losses of customer data for FY2021, 2022 and 2023</b>	None Reported
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#### Supply Chain Management

##### Supporting Local Economy and Job Creation

As a customer-centric organisation, the Group strives to constantly explore global procurement opportunities in response to the requirements and needs of our customers. However, where possible, we adopt a preference for local suppliers – as an effort to create domestic employment, support local business, reduce the carbon footprint from overseas shipments, optimise material flow and achieve cost-saving in transportation.

	FY2023	FY2022	FY2021
<b>Total amount of spending on local suppliers (RM' million)</b>	162.21	147.28	85.22
<b>Total amount of spending on all suppliers (RM' million)</b>	296.30	270.49	141.38
<b>% of spending on local suppliers</b>	54.8%	54.5%	60.3%

##### Responsible Sourcing

Greatech expects all suppliers to align with our Supplier Code, which outlines expectations for ethical behaviours and compliance with relevant laws, including upholding human rights, promoting equal opportunities, respecting freedom of association, adhering to labour rights, avoiding conflict minerals, practicing good environmental stewardship and maintain a zero-tolerance stance towards bribery and corruption.

All suppliers are required to acknowledge the Supplier Code, which sets standards for social, environmental and ethical conduct. We also expect suppliers to extend these principles throughout their own supply chains. Additionally, suppliers are required to certify their compliance with RoHS and REACH regulations, which address hazardous materials in electronic and safe chemical use respectively. Our suppliers are guided by various Group-wide policies and procedures, including the Purchasing Policy, ABAC Policy and Quality Management System, with a global expectation of compliance.

We verify new suppliers' commitment through acknowledgement and assessment. In FY2023, all new suppliers received the Supplier Code, which confirms their commitment for adherence to ethical standards towards social and environmental standards (100%). The Supplier Code requires the suppliers to assess their management culture and practises in governance, labour, health and safety, ethics and environmental sustainability. The supplier evaluation process, including self-assessment questionnaires and on-site audits, ensures ethical practices.

<b>Number of identified or reports of any potential violations by suppliers on the Supplier Code with respect to social and environmental standards for FY2021, 2022 and 2023:</b>	None Reported
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## SUSTAINABILITY REPORT

### Supply Chain Continuity Planning

Greatech's manufacturing operations rely on a diverse range of raw materials and components, including aluminium, steel, metallic-base components, electrical and electronic components, plastics and OEM products sourced from various independent suppliers globally. While no single supplier holds significant importance to Greatech as a whole, there are instances where specific components with unique specifications may have limited suppliers that can readily provide them. We maintain a close monitoring of our supplier base to mitigate potential supply chain disruption that could be triggered by various factors such as transportation issues or severe weather event impacting key suppliers. Our continuity planning strategy includes maintaining safety stock levels, exploring alternative materials and qualifying multiple supply sources to mitigate risks associated with supplier dependencies.

Through our formal assessment process, we identify critical suppliers and components based on factors such as business dependency, component criticality and spending contribution. In addition to assessing critical suppliers and components, we have implemented sustainability self-assessments covering environmental and social criteria with selected local vendors to identify any potential risks and promote sustainable practices. While individual component suppliers may not undergo separate assessments due to their established risk management systems and adherence to our standards, we trust that these suppliers maintain robust processes and controls to guarantee quality and reliability of the components they supply. This approach allows us to focus our risk management efforts on suppliers with identified gaps or heightened risks, enabling us to efficiently allocate resources and maintain a strong and resilient supply chain.

## SUSTAINABILITY REPORT

### Task Force on Climate-Related Financial Disclosures ("TCFD") Alignment

Greatech has been committed to aligning our sustainability reporting with the TCFD framework since FY2022, demonstrating our dedication to transparently addressing climate-related risks and opportunities within our operations and financial reporting. This alignment enables us to provide our stakeholders with more comprehensive and reliable information while reinforcing our responsible approach to environmental and financial stewardship.

The Group's approach to adopting the TCFD recommendations is centred around four key pillars, which are:

1. **Governance** – To provide transparency on Greatech's climate-related risks and opportunities, which includes detailing the Board's involvement in climate change oversight and management's responsibility for evaluating and addressing these concerns.
2. **Strategy** – To disclose actual and potential climate-related risks and opportunities affecting the Group's operations, strategic direction and financial planning across short, medium and long-term horizons.
3. **Risk Management** – To disclose Greatech's process of identifying, assessing and managing climate-related risks, and how it is integrated into the Group's overall risk management.
4. **Metrics and Targets** – To examine the metrics and objectives used to evaluate and address pertinent climate-related risks and opportunities, aligning the Group's strategy and risk management procedures. This encompasses the disclosure of Scope 1, Scope 2 and eventually Scope 3 greenhouse gas ("GHG") emissions.

The table below summarises Greatech's response to TCFD disclosure recommendations:

Recommendations	Our Responses
<b>Governance</b>	
a) Describe the board's oversight of climate-related risks and opportunities.	Climate change matters are managed through the Sustainability Governance framework as disclosed in the Sustainability Governance section of our Sustainability Report.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	We are cognisant the interlinkage of climate change to other sustainability matters such as economic performance, health and safety, water and energy and emission sustainability matters.
<b>Strategy</b>	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	While the Company has yet to consider climate-related scenario analysis as a specific tool to formulate our climate management strategy, we have performed a climate change risk and opportunities assessment during the year. This assessment focuses on evaluating both the physical and transitional risks and opportunities embedded within our value chain. By proactively examining potential shifts in customer demand, staying abreast technological changes, assessing shifts in the competitive landscape and anticipating new regulatory requirements, we are strategically positioning ourselves to navigate the challenges and capitalise on emerging opportunities.
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In our assessment, potential events in form of transitional (i.e. societal changes arising from a transition to a low-carbon economy) and physical (i.e. weather and climate) risk drivers were identified along with their corresponding risks, opportunities and financial impacts.

## SUSTAINABILITY REPORT

### Task Force on Climate-Related Financial Disclosures (“TCFD”) Alignment (Cont’d)

The table below summarises Greatech’s response to TCFD disclosure recommendations: (Cont’d)

Recommendations	Our Responses
Strategy	<p>We continue to identify the risks and opportunities posed by climate change as follows:</p> <p>Risks posed by climate change:</p> <p>Transition Risk</p> <p>i) Policy and regulatory shifts – Evolving government policies and regulations aimed at mitigating climate change can significantly impact industries. To address this, we have regularly monitor policy changes and legal developments related to climate change. Established mechanisms to stay informed about emerging regulations and their potential impact.</p> <p>ii) Technology/Innovation disruption - The transition to a sustainable future often demands innovative technologies. Evolving environmental standards and policies may render existing technologies obsolete. To address this, we regularly assess the technological landscape and stay informed about advancements relevant to climate change mitigation. In addition, we proactively investing in sustainable technologies can position our company as a leader in the transition to a low-carbon economy.</p> <p>Physical risk</p> <p>i) Acute Risks – Increase severity of extreme and erratic weather events, such as floods, storms or heatwaves, can damage our manufacturing facilities, resulting in costly repairs and production disruptions. To mitigate this risk, we have increased maintenance at our manufacturing facilities focusing on routine inspections, equipment checks and preventive measures to promptly identify and address potential issues before they escalate. Additionally, for our operations at Batu Kawan and Bayan Lepas, where the flood risk is low, continuous monitoring has been implemented to promptly address any emerging issues and ensure uninterrupted operations.</p> <p>ii) Chronic Risk – Changes in precipitation patterns, extreme variability in weather patterns, rising mean surface temperatures and rising sea levels pose a significant threat to the supply chain, potentially damaging our suppliers’ facilities, transportation infrastructure and ports. This in turn, can lead to delays in the delivery of crucial raw material components.</p> <p>To address this challenge, our mitigation plan includes:</p> <ul style="list-style-type: none"> <li>• Diversification of Suppliers: Engaging alternative suppliers to diversify our sources and reduce dependence on a single provider.</li> <li>• Contractual Terms with Customers and Suppliers: Strengthening our contractual terms with both customers and suppliers involves enhancing clarity, understanding and communication. These terms explicitly outline rights, responsibilities and obligations, fostering effective communication and reducing the risk of misunderstandings. Moreover, they function as safeguards against potential contractual issues. By incorporating relevant clauses and contingencies, our goal is to minimize the impact of unforeseen events on contractual obligations. This encompasses addressing issues such as force majeure events, implementing well-defined dispute resolution mechanisms and defining procedures for handling deviations from the agreed-upon terms. Additionally, this strategy involves entering into contractual agreements with suppliers, incorporating clauses or arrangements that provide coverage for potential losses resulting from climate-related events, providing financial protection and strengthening our resilience in the face of climate-induced disruptions.</li> </ul>

## SUSTAINABILITY REPORT

### Task Force on Climate-Related Financial Disclosures ("TCFD") Alignment (Cont'd)

The table below summarises Greatech's response to TCFD disclosure recommendations: (Cont'd)

Recommendations	Our Responses
Strategy	<p>Risks posed by climate change: (Cont'd)</p> <p>Physical risk (Cont'd)</p> <p>To address this challenge, our mitigation plan includes:</p> <ul style="list-style-type: none"> <li>Enhanced Customer Intimacy: Recognising the significant impact of delayed supply deliveries on manufacturing schedules, we have heightened our focus on customer intimacy. This involves proactive communication and effective expectation management, fostering a collaborative and resilient relationship with our customers.</li> </ul> <p>iii) Chronic Risk - Climate change poses challenges to the availability of critical resources, such as water and energy, which in turn, can impact our production processes. To date, no challenges were identified regarding water stress, and the business has demonstrated resilience against such conditions by having water tank and rainwater harvesting system in place to secure our water supply. Additionally, we use generators ("gensets") to tackle concerns related to energy availability. We ensure the optimal performance of gensets through regular testing and maintenance, emphasising reliability and efficiency in our energy management strategy. Furthermore, for sanitary purposes, we temporarily close the rainwater system for a period of (7) seven days, allowing for necessary maintenance and ensuring the system's continued efficacy.</p> <p>Opportunities posed by climate change</p> <p>a) New market opportunity – Our Group is strategically positioned to capitalise on the burgeoning opportunities within the dynamic electric vehicle market and electric batteries production. The escalating consumer interest in emission-free vehicles led to increase demand for our products, thus, we have oriented our efforts towards designing and commissioning of Production Line System ("PLS") dedicated to battery production. Furthermore, the Group is playing an active role in supporting the expansion of the solar energy market, focus on driving the development and adoption of sustainable energy solutions. This is evident through the increase in the Group's revenue, primarily driven by earnings from the PLS in the e-mobility and solar industries. This information is detailed in the MD&amp;A section of our Annual Report, highlighting the positive impact on our business resulting from the increasing shift towards green energy driven by climate change legislation and initiatives.</p> <p>b) Resource efficiency – Embracing a transition to more efficient buildings, we have reaped the rewards of government incentives, exemplified by our strategic utilisation of the Green Investment Tax Allowance ("GITA"). The Group has applied for GITA by investing in the installation of solar panels for our property specifically BK I (phase 1) with an investment cost of RM3.0 million. This strategic move not only align with our dedication to reducing our carbon footprint but also provides us with significant financial benefits through the reduction of taxable income.</p>



## SUSTAINABILITY REPORT

### Task Force on Climate-Related Financial Disclosures (“TCFD”) Alignment (Cont’d)

The table below summarises Greatech’s response to TCFD disclosure recommendations: (Cont’d)

Recommendations	Our Responses
<b>Risk Management:</b> Disclose how the organisation identifies, assesses and manages climate-related risks.	
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	As part of our robust risk management practices, we conduct Enterprise Risk Management (“ERM”) twice a year to assess the risks across the Group. For FY2023, recognising the heightened importance of climate risk, we took a proactive step by carrying out a dedicated climate change risk and opportunities assessment as a standalone measure. During this assessment, we reviewed and evaluated potential risks and opportunities associated with extreme weather conditions, potential disruptions in the supply chain and the evolving dynamics of climate-related regulations, addressing them within the framework of our ERM processes. This initiative is also aligning with the enforcement of TCFD disclosures.
b) Describe the organisation’s processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	
<b>Metrics and Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the ‘Energy Management and Emissions’ section of our Sustainability Report for our key material metric, the energy intensity ratio, calculated as total energy consumption over revenue.
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>The Group discloses Scope 1, Scope 2 and Scope 3 GHG emissions in the ‘Energy Management and Emissions’ section.</p> <p>With respect to Scope 3 GHG emission, we have limited it to business air travel of our direct employees. As this is our first disclosure with respect to Scope 3 GHG emission, we are aware of the challenges that come with data gathering. Notwithstanding, we are continuously exploring methods to improve our data collation procedures.</p> <p>In the coming years, we hope to expand the disclosure of Scope 3 GHG emissions to include all business travel and employee commuting – in meeting regulatory requirements.</p>
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	While the Group has not set specific targets for managing climate-related risks and opportunities at this time, we will continuously monitor our emissions and prioritise energy efficiency initiatives to mitigate the impact of rising electricity costs, which also adversely affect our operating cost.

### Conclusion

This Sustainability Report underscores Greatech’s unwavering commitment to the principles of responsible business practices and environmental stewardship. However, our work is far from over. We are determined to be a force for good in the world and contribute to a future that is not only more sustainable, but also more prosperous and equitable for all.

# SUSTAINABILITY REPORT

## Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	4,706.52	12,250.83	12,843.87
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	32.00	45.00	55.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	3,184.00	8,384.00	9,861.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	901.00
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	8.400000	22.400000	34.600000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	118.00	211.00	324.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	66.00	152.00	126.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	52.00	59.00	198.00
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	-	-	0.00
Senior Management Between 30-50	Percentage	-	-	33.00
Senior Management Above 50	Percentage	-	-	67.00
Middle Management Under 30	Percentage	-	-	2.00
Middle Management Between 30-50	Percentage	-	-	91.00
Middle Management Above 50	Percentage	-	-	7.00
Executive Under 30	Percentage	-	-	74.00
Executive Between 30-50	Percentage	-	-	25.00
Executive Above 50	Percentage	-	-	1.00
Non-executive Under 30	Percentage	-	-	72.00
Non-executive Between 30-50	Percentage	-	-	27.00
Non-executive Above 50	Percentage	-	-	1.00
Gender Group by Employee Category				
Senior Management Male	Percentage	67.00	67.00	67.00
Senior Management Female	Percentage	33.00	33.00	33.00
Middle Management Male	Percentage	89.00	83.00	77.00
Middle Management Female	Percentage	11.00	17.00	23.00
Executive Male	Percentage	87.00	82.00	80.00
Executive Female	Percentage	13.00	18.00	20.00
Non-executive Male	Percentage	95.00	93.00	94.00
Non-executive Female	Percentage	5.00	7.00	6.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	60.00	67.00	71.00
Female	Percentage	40.00	33.00	29.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	220	94
Middle Management	Hours	-	3,832	1,993
Executive	Hours	-	60,813	58,104
Non-executive	Hours	-	6,725	8,140
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.10	0.20	0.10
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	-	0
Middle Management	Number	-	-	7
Executive	Number	-	-	102
Non-executive	Number	-	-	67
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Parental leave	Number	26	40	71
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.70	1.30	2.20
Bursa C5(c) Number of employees trained on health and safety standards	Number	821	1,247	1,445
Percentage of sites with ISO 45001 certification	Percentage	0.00	100.00	100.00
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,300,000.00	1,990,000.00	1,970,000.00

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY REPORT

### Performance Data Table from Bursa Malaysia ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit	2021	2022	2023
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	47,554
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	100.00	100.00
Middle Management	Percentage	-	100.00	100.00
Executive	Percentage	-	100.00	100.00
Non-executive	Percentage	-	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	60.30	54.50	54.80

Internal assurance External assurance No assurance (\*)Restated

## APPENDIX 1 – GRI CONTENT INDEX

<b>Statement of use</b>	Greatech Technology Berhad has reported the information cited in this GRI content index for the period of 1 January 2023 to 31 December 2023 (FYE 2023) in accordance with the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Pages 4 to 7 and 25 to 31	
	2-2 Entities included in the organization's sustainability reporting	Page 39	
	2-3 Reporting period, frequency and contact point	Page 39	
	2-4 Restatements of information	Stated throughout, if any.	
	2-5 External assurance	Page 39 & Principle B: Effective Audit and Risk Management, Corporate Governance Statement	
	2-6 Activities, value chain and other business relationships	Pages 25 to 38 on the MD&A	-
	2-7 Employees	Pages 51 to 57	-
	2-8 Workers who are not employees	Page 55	Disclosure limited to percentage of contractor/temporary staff, whom are employed as vendors/ through our vendors.
	2-9 Governance structure and composition	Pages 42, 8 to 15, 17 to 20 & pages 86 to 88 – Corporate Governance Statement	-
	2-10 Nomination and selection of the highest governance body	Pages 89 to 95 – Corporate Governance Statement	-

## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
<b>General Disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-11 Chair of the highest governance body	Pages 8 to 16	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 80 to 104 – Corporate Governance Statement	-
	2-13 Delegation of responsibility for managing impacts	Pages 42, 86 to 88	-
	2-14 Role of the highest governance body in sustainability reporting	Page 42; Pages 86 to 88 – Corporate Governance Statement	-
	2-15 Conflicts of interest	Pages 16, 21, 84, 89 – Corporate Governance Statement, pages 98 and 107 – Corporate Governance Statement	-
	2-16 Communication of critical concerns	Pages 60 and 66	Confidentiality constraints on disclosure on the total number and nature of critical concerns – due to confidentiality policy of the company's grievance mechanisms which includes whistleblowing policy.
	2-17 Collective knowledge of the highest governance body	Page 42; Pages 88 and 93 – Corporate Governance Statement	-
	2-18 Evaluation of the performance of the highest governance body	Pages 87-88 Corporate Governance Statement	-
	2-19 Remuneration policies	Pages 94 – 97 of the Corporate Governance Statement	-
	2-20 Process to determine remuneration	Page 94 of the Corporate Governance Statement	-
	22-21 Annual Total Compensation Ratio	None	Information incomplete. Will consider disclosure in the future.
	2-22 Statement on sustainable development strategy	Pages 23 to 24, pages 87-88 on the Corporate Governance Statement	-
	2-23 Policy commitments	Pages 60 and 66, 114-115	-
	2-24 Embedding policy commitments	Pages 60 and 66, 114-115 of the SORMIC Statement	-
	2-25 Processes to remediate negative impacts	Pages 60 and 66	-
	2-26 Mechanisms for seeking advice and raising concerns	Pages 42, 60, and 66	-
	2-27 Compliance with laws and regulations	None	Not applicable since no significant instance of non-compliance to law nor fine was imposed

## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
<b>General Disclosures</b>			
	2-28 Membership associations	Page 9	-
	2-29 Approach to stakeholder engagement	Pages 40 to 41	-
	2-30 Collective bargaining agreements	Page 60	Information is incomplete on % of employees covered under collective bargaining.
<b>Material Topics</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 43	
	3-2 List of material topics	Pages 43 to 44	
<b>Energy Management and Emissions</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 45 to 47	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Page 45	-
	302-3 Energy intensity	Page 45	-
	302-4 Reduction of energy consumption	Pages 45 to 46	-
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 47 & TCFD Alignment Section on pages 69-72	-
	305-2 Energy indirect (Scope 2) GHG emissions	Page 47, TCFD Alignment Section on pages 69-72	-
	305-4 GHG emissions intensity	Page 47, TCFD Alignment Section on pages 69-72	-
<b>Water</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 47 to 48	-
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Page 47	-
	303-3 Water withdrawal	Page 48	-
	303-5 Water consumption	Page 48	-
<b>Waste Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 49 to 50	-
	306-3 Waste generated	Page 49	-
	306-4 Waste diverted from disposal	Page 49	-
	306-5 Waste directed to disposal	Page 49	-
<b>Diversity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 51 to 54, 60	-
<b>GRI 401: Employment 201</b>	405-1 Diversity of governance bodies and employees	Pages 51 to 54	-



## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
<b>Human Capital Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 54, 56 to 60	-
<b>GRI 401: Employment 201</b>	401-1 New employee hires and employee turnover	Pages 54 and 57	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 58	-
	401-3 Parental leave	Page 59	-
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 56	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 56 to 57	-
<b>Health, Safety and Wellbeing</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 5, 27 to 28, 61 to 62	-
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Pages 61-62	-
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 61-62	-
	403-3 Occupational health services	Pages 61-62	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 61-62	-
	403-5 Worker training on occupational health and safety	Pages 61-62	-
	403-6 Promotion of worker health	Pages 5, 27 to 28, 58, 61 & 62	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 61-62	-
	403-8 Workers covered by an occupational health and safety management system	Pages 5, 27 to 28, 61 to 62	-
	403-9 Work-related injuries	Page 62	-
<b>Community / Society</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 63 to 64	-
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Pages 63 to 64	Limited to Community Investment
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Pages 63 to 64	

## SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
<b>Economic Performance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	MD&A Section of this report and Page 65	-
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Page 65	-
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Pages 32, 65, Director's Report and Director's Statement & Note 28 in the Audited FYE 2023 Financial Statement	-
<b>Customer Care Management</b>		Page 65	
<b>Product Quality and Safety</b>		Page 65	
<b>Research and Development</b>		Pages 36 to 37	
<b>Anti-Corruption</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 66	-
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 66	-
	205-2 Communication and training about anti-corruption policies and procedures	Page 66	Disclosure limited to anti corruption training by employee category as per regulatory requirement
	205-3 Confirmed incidents of corruption and actions taken	Page 66	Disclosure limited to confirmed incidents of corruption, in line with regulatory requirement
<b>Data Privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 66 to 67	-
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 67	-
<b>Supply Chain Management</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 60, 67 to 68	-
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Page 67	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Page 67	-
	414-1 New suppliers that were screened using social criteria	Pages 60, 67 to 68	

## SUSTAINABILITY REPORT

### APPENDIX 2 – FTSE4GOOD BURSA MALAYSIA INDEX

FTSE4Good Theme	Location	Pages
<b>Environmental</b>		
Climate Change	Environmental: Energy Management and Emissions	45 to 47; TCFD Disclosure on pages 69-72
Pollution & Resources	Environmental: Emissions; Water; Waste Management	47 to 50
Water Security	Environmental: Water	47 to 48
<b>Social</b>		
Human Rights & Community	People: Human Rights; Community / Society; Governance: Supply Chain Management	60 and 63 to 68
Health & Safety	People: Workplace Health and Safety	61 to 62
Labour Standards	People: Diversity; Labour Practices and Standards; Employee Welfare; Human Rights; Community / Society	51 to 64
<b>Governance</b>		
Anti-Corruption & Corporate Governance	Governance: Anti-Corruption and Ethical Business Engagement	66 & Corporate Governance Statement

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Greatech Technology Berhad (“Greatech” or “Company”) recognises the importance of adhering to high standards of corporate governance to establish a sustainable business and creating long-term value for the shareholders and stakeholders and to enhance the performance of the Company and its subsidiaries (“Group”). The Board is committed to upholding high standards of integrity and transparency in its governance and ensuring corporate practices are consistently implemented and maintained throughout the Group.

The Board is pleased to present our Corporate Governance Overview Statement (“Statement”) to provide shareholders and investors with an overview of the corporate governance practices of the Greatech Group for the financial year ended 31 December 2023 (“FY2023”). Our governance practices are designed to achieve the intended outcomes outlined in the Malaysian Code on Corporate Governance (“MCCG”) through the following key principles under the leadership of the Board:

- a) Principle A: Board Leadership and Effectiveness;
- b) Principle B: Effective Audit and Risk Management; and
- c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

### Application of Recommended Corporate Governance Practices

	Total	Applied	Departure	Not Applicable	Not Adopted
Recommended practices	43	37	4	2	0
Step-up practices	5	3	0	0	2

The departures are outlined below:

- Practice 6.1 - For large companies, the Board engages independent experts at least every three years to facilitate objective and candid board evaluation.
- Practice 8.2 - The Board discloses on a named basis the top five Senior Management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 12.2 - Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- Practice 13.3 - Listed companies should leverage technology to facilitate:
  - voting including voting in absentia; and
  - remote shareholders’ participation at general meetings.

This Statement supplements the Corporate Governance Report (“the CG Report”) set out in the format pursuant to Paragraph 15.25(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), published on the Company’s website: <https://greatech-group.com> and Bursa Securities’ website: <https://www.bursamalaysia.com>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

#### 1.0 Board's Leadership on Objectives and Goals

#### 1.1 Strategic Aims, Value and Standards

The primary responsibility of the Board is to provide effective leadership, ensuring good corporate governance by setting the Group's strategic objectives, values and standards. It is also tasked with ensuring that necessary resources are in place to achieve the long-term sustainable success of the Group for the benefit of shareholders and other stakeholders. In doing so, the Board adopts policies and procedures and secures necessary resources to enhance the strategic focus and effectiveness of the Group in achieving its objectives.

The major responsibilities of the Board are outlined in the Board Charter, which details the governance and structure of the Board and its committees. This includes matters reserved for the Board and provide guidance on the Board's conduct.

In FY2023, the following key activities have been carried out by the Board:

Strategy	<ul style="list-style-type: none"> <li>Reviewed and approved the Company's strategies, business plans and policies.</li> <li>Oversaw the conduct of the Company's businesses and evaluated whether the businesses are being properly managed and sustained.</li> <li>Ensured the Company is a sustainable, successful and thriving organisation in the long run and striking a balance between the E+ESG factors.</li> </ul>
Risk, Compliance and Oversight	<ul style="list-style-type: none"> <li>Ensured a sound risk management framework.</li> <li>Ensured the adequacy and integrity of the Company's internal control system.</li> <li>Ensured the integrity of the Company's financial and non-financial reporting.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Together with Senior Management, promoted good corporate governance culture within the Group, whilst reinforcing ethical, prudent and professional behaviour.</li> <li>Ensured competency and succession planning of the Board and Key Senior Management.</li> <li>Ensured effective communication with stakeholders.</li> <li>Reviewed and approved the corporate governance policies, Enterprise Risk Management Framework and Terms of Reference ("TOR") of the Audit and Risk Management Committee to ensure its consistency with the Board's objectives, all applicable laws, rules and regulations as well as best practices.</li> </ul>

To facilitate effective decision-making and ensure the efficient discharge of the Board's duties, powers and authority, the Board has established 3 Board Committees ("Committees") with delegated responsibilities and duties as follow:

- Audit and Risk Management Committee ("ARMC")
- Remuneration Committee ("RC")
- Nominating Committee ("NC")

These Committees oversee critical strategic areas within the Group such as audit and finance, risk, remuneration, sustainability and ethics, Board renewals, succession planning for the Board and Key Senior Management and related matters. Each Committee operates under clearly defined TOR that outline their duties, authority and reporting responsibilities, to oversee and deliberate on matters within their purview. The TOR for each Committee are reviewed regularly to ensure they remain relevant and effective. These TORs are approved by the Board and made accessible to stakeholders on the Company's website at <https://greatech-group.com>.

In addition to the principal Committees, the Board has established 4 topic-specific Committees as follow, to which it has delegated certain powers to review and administer relevant matters:

- Sustainability Working Group ("SWG")
- Integrity Working Group ("IWG")
- Long Term Incentive Plans ("LTIP") Committee
- Enterprise Risk Management ("ERM") Committee



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### I. BOARD RESPONSIBILITIES (Cont'd)

##### 1.1 Strategic Aims, Value and Standards (Cont'd)

The functions of the Board and Management are clearly defined to ensure the effectiveness of the Group's business and operations. The Board provides leadership and direction, while Management is accountable for policy execution and meeting corporate objectives.

Throughout the financial year, the Board reviewed business and financial performance, collaborating closely with Management to achieve shared strategic aims and maintain the Group's leading market positions for long term growth. The Board also monitored the Group's culture to ensure alignment with values and strategy. Regular updates were provided by the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") (re-designated to Chief Project Officer ("CPO")), Chief Financial Officer ("CFO") and other Key Senior Management members during Board meetings on material business matters related to strategy, planning, business development, risk management, governance and employees' engagement initiatives supporting the Group's culture.

The Board relies on reports from the Group CEO, who oversees all business operations, to set strategic aims for the Group. The Group CEO regularly briefs Directors on current operations, challenges, market opportunities and plans to keep the Board informed and guide Management on short-term and long-term business strategies. Decisions are guided by the Company's values and standards, ensuring alignment with the Group's overall objectives.

The Board holds accountability to shareholders and is ultimately responsible for ensuring the Group's adherence to sound corporate governance practices and the highest standard of ethics. The robust Group Governance Framework continues to drive the highest level of business standards and best practices. The Board assesses and monitors the organisational culture to ensure alignment with the Group's values and strategy. The Board leads by example, and act constructively and respectfully demonstrating the values that the Group expects across the companies.

The Board sets the Group strategy and oversees its execution, reviewing business performance, formulating policy on key issues, and creating long-term value to the shareholders and stakeholders. The Board comprises a mix of Executive Directors involved in strategy formulation and implementation, and Independent Non-Executive Directors ("INEDs") engaged in decision evaluation and approval.

Executive Directors and the Key Senior Management team are responsible for developing strategy, monitoring progress against strategic objectives, and reviewing day-to-day operations and business performance. Informal management groups have been established to address collaborative partnerships, risk management and environmental, social and governance ("ESG") matters. The Group's strong performance demonstrated its financial strength, market leadership, and commitment in sustaining the global supply chain in automation.

INEDs are individuals of calibre and credibility with the capacity to exercise independent judgment. Their role involves constructively challenging Management and monitoring the success of Management in achieving approved targets and business plans within the risk appetite set by the Board. INEDs maintain open communication with Management at all levels and engage with external and internal auditors to address matters related to management and oversight of the Company's business and operations. The INEDs provide independent and unbiased views, advice and judgement to ensure a balanced and impartial decision-making process to safeguard the long-term interests of all stakeholders and the community.

##### 1.2 The Chairman of the Board

The roles and responsibilities of the Chairman of the Board are clearly outlined in Paragraph 4.7 of the Board Charter, which is available on the Company's website: <https://greatech-group.com>. The Chairman of the Board is tasked with instilling good corporate governance practices within the organisation and leading the Board in adopting and implementing sound governance practices.

During the financial year under review, changes were made to the composition of the Board to ensure alignment with Practice 1.4 of the MCCG. Dato' Ooi Boon Chye ("Dato Ooi") was appointed to the Board as an INED on 15 May 2023 and subsequently assumed the role of the Chairman of the Board on 25 August 2023. On the same date, Ms Ooi Hooi Kiang relinquished her Board Chairman role and remained as an INED of the Company.

Dato' Ooi is a strong believer in good corporate governance and has vast experience in the technology sector, providing effective leadership to the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### I. BOARD RESPONSIBILITIES (Cont'd)

#### 1.3 Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are held by different individuals who are not related to each other, to facilitate the segregation of roles and responsibilities between them and even the distribution of power and authority.

The distinct roles and responsibilities of the Chairman and CEO are clearly outlined in the Company's Board Charter, which can be accessed on the Company's website at <https://greatech-group.com>.

Dato' Ooi serves as the Chairman of the Board, leading the Board to ensure its effectiveness. On the other hand, Dato' Seri Tan Eng Kee ("Dato' Seri Tan") holds the position of CEO, responsible for the executive management of the Group, focusing on business operations, organisational effectiveness and day-to-day management. The CEO actively reports, clarifies and communicates matters to the Board, acting as a conduit between the INEDs and Management to align management actions with the Board's decisions and strategies.

#### 1.4 Chairman and Board Committees

To maintain checks and balances and ensure an objective review of issues raised by Board Committees, the Chairman of the Board, Dato' Ooi is not a member of any of the Board Committees.

#### 1.5 Company Secretaries

The Board is supported by two Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are suitably qualified under the Companies Act 2016 and well-versed in compliance with the regulatory requirements, including the Companies Act 2016, Listing Requirements, MCCG and company secretarial matters.

The Company Secretaries have kept abreast with regulatory changes, corporate governance developments and observe the Code of Ethics for Company Secretaries. The Board has full access to their advice and services, as well as information relating to the Company's affairs.

#### 1.6 Access to Information and Meeting Materials

The Board meets at least quarterly to discuss overall controls, operational and financial performances, strategies, major issues and opportunities of the Group. Additional meetings are called when necessary to ensure timely discussions on critical matters. Throughout FY2023, several meetings were conducted virtually using Microsoft Teams due to Directors' geographical dispersion across different countries. However, the majority of the meetings were held in hybrid format, providing flexibility for attendance in person when feasible.

Meeting dates for the Board and Committees are scheduled well in advance to facilitate Directors' time management. An annual meeting calendar is shared with Directors at the start of each financial year for them to block their schedules accordingly. In FY2023, a total of four (4) Board meetings were held with full attendance.

All Board and Committee meetings during the financial year followed an approved agenda. Board members received pre-circulated papers and related materials, or explanatory information analysing all relevant aspects and recommended courses of action for each agenda item prior to respective meetings to enable informed decision-making during discussion.

At each quarterly Board meeting, Key Principal Officers which comprised of CEO, COO/CPO and CFO will provide the quarterly reports on the Group's performance and financial results and address queries from the Directors. Other Management personnel may be invited to provide detailed explanations on specific matters, with ample time allocated for discussion to facilitate effective discharge of duties by the Directors.

The Board has unrestricted access to Management and external advisers for in-depth exploration of issues and can request additional information and presentations as needed. To keep the Board informed and enhance their knowledge and experience, the Board is also regularly updated by the Company Secretaries and Management on corporate disclosures, compliance with regulations and changes in the regulatory framework.

Board meeting minutes are promptly circulated for comments, with action items highlighted for follow-up by Management.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### I. BOARD RESPONSIBILITIES (Cont'd)

##### 2.0 Demarcation of Responsibilities

##### 2.1 Board Charter

The Board operates under a robust Board Charter that clearly outlines the roles and responsibilities of the Board, Board Committees, individual Directors and Management along with matters reserved for the Board. It serves as a primary reference and induction literature, providing valuable insights into the functions, governance and conduct of the Board. The Board Charter is designed to promote high standards of corporate governance, ethical behaviour and a culture of compliance within the Group.

The Board Charter is revised as and when necessary, with the most recent revision on 11 May 2023 to align with amendments to the MMLR in relation to conflict of interest. The review and approval of sustainability matters such as strategies, key targets, performance, progress, issues and related policies have been included as the Board's reserved matters.

The Board Charter is available on the Company's website: <https://greatech-group.com> in line with Practice 2.1 of the MCCG.

##### 3.0 Good Business Conduct and Healthy Corporate Culture

##### 3.1 Code of Conduct & Ethics

The Board places a strong emphasis on creating and nurturing a culture aimed at long-term value creation for the Group and all stakeholders. Directors and employees are committed to observing good corporate governance in business practices consistent with the Group's Core Values of Integrity, Innovation, Performance Driven, Customer Oriented, Care & Respect and Commitment.

To reinforce these values, the Board has formally approved a Code of Conduct & Ethics ("Code") that sets out acceptable practices for directors, management and employees. This Code serves as a guide for behaviour and is integrated into the company-wide management practices, ensuring clarity on acceptable conduct within the Company.

The Board together with the Management, had ensured the implementation of the Code including procedures to manage conflicts of interest, prevent abuse of power, bribery, corruption, insider trading, discrimination, harassment and other unethical behaviours.

There are various Company's policies that complement the Code, across areas such as compliance with legislation, financial matters, conflict of interest, modern slavery, employment practices and corruption. These policies are easily accessible through a policy portal on the Company intranet and website and are communicated to new staff upon employment.

In line with Group's commitment to ethical standards, the Code is extended to third parties through the Supplier Code of Conduct & Ethics ("Supplier Code"), emphasising the importance of ethical behaviour in all engagements. Mechanisms are in place for reporting instances of fraud, theft, corruption, unethical behaviour and irregularities, with the Management overseeing the implementation and enforcement of the Code.

Additionally, the Group has established a Share Trading Policy and other measures to monitor and prevent corruption effectively. Employees and Directors who may encounter conflicts of interest are required to submit annual declarations to the Group's Human Resources and Administration ("HRA") Department, with Directors promptly notifying the Company Secretaries of any actual or potential conflict of interest for ARMC's and Board's review.

During FY2023, there were no known material breaches of the Code by the Directors and employees.

The Code is available on the Company's website: <https://greatech-group.com> and undergoes periodic reviewed and updates by the Board to ensure its continued relevance and appropriateness in promoting a culture of integrity and ethical behaviour.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### I. BOARD RESPONSIBILITIES (Cont'd)

#### 3.2 Conflict of Interest Policy

The Conflict of Interest Policy has been revised and approved in May 2023 and August 2023. This policy defines and addresses conflict of interest and potential conflict of interest, offering guidance on managing such situations.

#### 3.3 Whistleblowing Policy

The Whistleblowing Policy promotes an open working environment where employees and/or stakeholders may report any incident of alleged improper conduct confidentially without fear of reprisal to the employee's immediate superior or Executive Directors or Independent Non-Executive Chairman or the ARMC Chairman, where appropriate.

The Whistleblowing Policy outlines the procedures for dealing with matters lodged by whistleblowers. The Whistleblowing Policy and written procedures were revised by the Board on 29 May 2020 to incorporate the Anti-Bribery and Anti-Corruption ("ABC") Framework for strengthening the integrity and governance of the Group.

There was no incident of whistleblowing received in FY2023.

The Whistleblowing Policy is available on the Company's website: <https://greatech-group.com> in line with Practice 3.2 of the MCCG and will be periodically reviewed by the Board to ensure its relevance.

#### 3.4 Anti-Bribery and Anti-Corruption Policy

In addition to the Code, the Board has embraced a comprehensive Anti-Bribery and Anti-Corruption ("ABAC") Framework and adopted an ABAC Policy. This ABC Framework elucidates the principles of anti-corruption and offers supplementary guidance to the Code. It serves as the foundation upon which the Company has implemented robust procedures to deter any individual associated with the Group from participating in corrupt activities.

The ABAC Policy establishes expectations for internal and external parties associated with the Group to prevent bribery and corrupt practices in the Group's business activities. It is distributed to all Company employees and accessible on the Company's intranet portal, with each employee required to confirm their familiarity with the regulations and activities in this area. The Company's Business Partner Anti-Corruption Policy outlines expectations for all suppliers, prohibiting any form of bribery, "kickbacks" or improper payment (of cash or anything of value) to a third party to gain an unfair advantage.

Periodic training are conducted on the policies and procedures, with a focus on Corruption Risk Management ("CRM") for identified employees, including those in sales, procurement and other management functions.

A CRM assessment has been independently conducted to evaluate the adequacy, effectiveness and integrity of the Group's risk management and internal control systems concerning corruption risks. Various enhancements have been made to the anti-corruption system, policies and procedures including the development of a Group CRM Framework.

During FY2023, no incidents of bribery and corruption were reported within the Group and internal audit activities did not identify any related issues.

The ABAC Policy is available on the Company's website: <https://greatech-group.com>.

#### 3.5 Anti-Fraud Policy

The Group maintains a zero-tolerance attitude towards fraud and will uphold all applicable laws relevant to countering fraud in all jurisdictions in which it operates.

This corporate Anti-Fraud Policy is established to facilitate the development of controls, which will aid in the detection and prevention of fraud. It is the Company's intent to promote consistent organisational behaviour by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### I. BOARD RESPONSIBILITIES (Cont'd)

##### 3.6 Related Party Transaction Policy & Procedures

The Group has put in place the Related Party Transaction ("RPT") Policy to provide guidance in identifying, disclosing and reporting of RPT and/or Recurrent Related Party Transaction ("RRPT") that must be adhered to by all Directors and employees of the Group to ensure that they are fair and conducted at arms' length.

##### 4.0 Addressing Sustainability Risks and Opportunities

##### 4.1 Governance of Sustainability

Given the Board's emphasis on the importance of sustainability to the Group, the Board has established the SWG on 26 August 2019, to advance the Group's direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group. The Board has adopted a Sustainability Policy to strengthen the Group's commitment to sustainability.

The SWG, which is led by the Group CEO and includes the internal experts of key functional groups, promotes and oversees the development of strategy toward sustainability with an emphasis on environmental program, social stewardship and governance. Our approach is guided by 3 key principles namely - People (Social), Planet (Environment) and Profit (Economy), aiming to achieve sustainability development goals and integrate business sustainability as a core element of our culture.

The Board, provides essential guidance on economic, environmental, social and governance ("ESG") issues, ensuring that sustainability considerations are integrated into the overall business strategy and decision-making processes.

The Company upholds sustainability through a structured approach involving key governance bodies and committees, which:

- (i) plays a crucial role in integrating sustainability into the Company's risk management framework;
- (ii) involves in developing and approving sustainability policies that guide the Company's approach to ESG issues;
- (iii) monitors the sustainability performance, including key metrics, targets and initiatives;
- (iv) engages with internal and external stakeholders on sustainability matters ensuring stakeholders interests and concerns are considered in decision-making processes; and
- (v) oversee the preparation and disclosure of sustainability reports to stakeholders.

The Group's primary objective is to achieve optimum equilibrium between achieving business growth and profitability, whilst simultaneously focusing on conducting the business in a socially responsible and ethical manner, creating a conducive working environment for its employees and fulfilling wherever possible the expectations of its stakeholders in its business activities.

As stated in the Board Charter, the Board oversees the sustainability risk and opportunities, in particular setting the Group's sustainability strategies, priorities and targets and ensuring these including the performance are communicated to internal and external stakeholders.

The Board is dedicated to providing ESG guidance to ensure that the Group is managed ethically and responsibly and enhances the value of its businesses for the benefit of all stakeholders. The Senior Management team is responsible for regular ESG reporting to the Board. The Board oversees the Group's ESG strategy, initiatives and performance, which are outlined in the Sustainability Report, and help drive continuous improvement.

Since 2021, the Board started a systematic process of building a sustainability agenda for the Group. The key areas of focus during the year include creating increased value through organic growth and acquisitions, factoring ESG measures into remuneration, keeping up with changes in the remuneration landscape and assuring there is appropriate transparency on the impact of the Group activities on all stakeholders, including shareholders, employees and the communities in which the Group operates.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### I. BOARD RESPONSIBILITIES (Cont'd)

#### 4.2 Communication of Company's Sustainability Strategies, Priorities, Targets and Performance

The Company's sustainability strategy is driven by a materiality assessment that identifies key sustainability focus areas important to Greatech and its stakeholders. This assessment helps to determine the most impactful sustainability topics that will influence the business. Increasing sustainability expectations brings with it both risks and opportunities. As part of the materiality analysis and process of determining the material sustainability topics, the Board also reviewed the external environment to identify sustainability risks and opportunities related to environmental issues, climate change, health & safety, respect for human rights, bribery and corruption.

The Group uses various communication channels, including digital platforms and face-to-face interactions, to engage with stakeholders effectively. Since 2019, the Company has been publishing its annual sustainability reports to maintain accountability to all stakeholders.

To raise awareness of sustainability strategies among employees, the Group organises events, initiatives and practices that promote energy conservation, waste reduction and resource efficiency. The focus is on fostering a sustainability mindset and implementing measures to support the sustainable development strategy.

The Group considers sustainability reporting to be an important communication channel to update the internal and external stakeholders on the Group's sustainability strategies, priorities and progress towards sustainability targets. Sustainability-related actions and disclosures have also been incorporated into the Company's public announcements for analysts, institutional investors and the general public.

#### 4.3 Board Keep Abreast of the Relevant Sustainability Issues

The Company's objectives, strategy and financial targets are evaluated by the Board on an annual basis. The Board also reviews the Group's performance in ESG and evaluates the risk profile and make regular assessments of these processes to ensure high quality standards are maintained. During the financial year, the following were presented by the CFO in the Board meeting and approved by the Board.

- Materiality matrix which has been evaluated by SWG;
- Sustainability priorities;
- ESG strategy, plan and activities; and
- Enterprise risks management including climate change risks, opportunities and mitigation plan.

Stakeholders' views had given valuable insight into economic and ESG topics, which had also formed part of the discussions at the Board meetings and every decision that the Board takes.

The Board keeps fully abreast of latest regulations, industry guidance and emerging environmental issues relevant to the business. They develop robust practices to incorporate environmental considerations into Board decision making, ensuring that sustainability factors are integrated into strategic planning and risk management processes.

#### 4.4 Performance Evaluation of Board and Senior Management

The Management remuneration is tied to ESG metrics, emphasising accountability for achieving the Company's sustainability goals.

The performance evaluation of the Board for FY2023 included a review of their performance in addressing the Company's material sustainability risk and opportunities and ESG issues. Based on the evaluation carried out by the Board, the below areas required further improvement/action:

- Enhancing ESG learning for the Board through training and professional development programme to deepen their understanding of sustainability issues and best practices;
- Enhancing the Board's focus on sustainability matters to drive positive outcomes across the Group; and
- Strengthening the Board's oversight of sustainability policies and performance to ensure alignment with the Company's sustainability objectives and commitments.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### I. BOARD RESPONSIBILITIES (Cont'd)

##### 4.4 Performance Evaluation of Board and Senior Management (Cont'd)

Following the evaluation, the Board has attended sustainability-related awareness trainings which covered topics such as Sustainability Management and Reporting, Climate Change and Human Rights Risk Management for Malaysian Companies. The majority of Directors of the Company have attended the Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") and gained knowledge about the foundation to address sustainability risks and opportunities effectively and have better oversight over the Company's material sustainability matters.

The principal and emerging risks are discussed and monitored throughout the year to identify changes to the risk landscape. The Group continues to monitor the ongoing impact and inform the assessment of the principal risks to the Board. The risks relating to climate change and sustainability have now been included as a separate principal risk. The Board was updated on health, safety and wellbeing matters i.e. injury rates, safety incidents and risk assessment results.

##### 4.5 Designated Person to Manage Sustainability (Step Up)

The SWG, led by the Group CEO, oversees the planning and execution of sustainability strategies to ensure that the Group's sustainability matters are implemented throughout its business operations.

The Group CFO has been designated to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as well as reporting. Updates will be tabled for discussion at the Executive Risk Management Meeting and ARMC Meeting in line with the risk review cycle.

Together, the SWG identifies, evaluates, monitors and manages risks as well as opportunities in our business operations relating to Economic, Environmental and Social aspects.

#### II. BOARD COMPOSITION

##### 5.0 Board Objectivity

##### 5.1 Enhancing Board Effectiveness through Periodic Refreshment and Performance Evaluation

##### 5.2 Composition of the Board

The Company believes that enhancing the social and professional diversity among Board and Key Senior Management is essential in realising its strategic objectives and ensuring the Group's sustainable growth. For the appointment of any Board and Key Senior Management, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a well-diversified Board and Key Senior Management to support the Group's vision and uphold governance within the Group.

The NC is responsible for assisting the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Company, to achieve long-term sustainability of the organisation in accordance with the TOR of NC.

On annual basis, the NC evaluates, reviews and recommends to the Board the appropriate size of the Board, required mix of skills, experience and other qualities including core competencies which Non-Executive Directors shall bring to the Board to ensure that they are in line with the Company's and the Group's requirements. The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.

The NC reviewed the tenure of each Director as well as the annual re-election of a Director, to ensure satisfactory evaluation of the Director's performance and contribution to the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### II. BOARD COMPOSITION (Cont'd)

#### 5.2 Composition of the Board (Cont'd)

The Board is currently comprised of 6 INEDs and 2 Executive Directors. The present composition complies with Paragraph 15.02 of the MMLR and Practice 5.2 of the MCCG as more than half of the Board are Independent Directors. Such composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective checks and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.

The Board having reviewed its size and composition is satisfied that its current configuration is well balanced, with diverse professional backgrounds, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.

None of the Directors holds more than 2 directorships in listed issuers which is well within the Listing Requirements to limit directors to a maximum of 5 directorships in listed issuers. The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities and commitment to the Group.

Each of the Directors had given confirmation on an annual basis, as to disclose any actual or potential conflict of interest arises. This is one of the criteria to enable the Board/ NC to assess the Directors' independence as and when any new interest or relationship develops.

#### 5.3 Tenure of Independent Non-Executive Director

#### 5.4 Policy on Tenure of Independent Non-Executive Director

According to the Board Charter of the Company, the tenure of an Independent Director is limited to a cumulative term of 9 years. As of now, none of the Independent Directors have exceeded their 9-year tenures.

The Board, with the assistance of the NC, has conducted an annual assessment of the independence of all Independent Directors of the Company. The Board is content with the level of independence demonstrated by all the Independent Directors, taking into account their tenure at the Company, independent nature, ability to provide constructive challenge and absence of relationships that could compromise their judgement. The assessment is based on their current involvement and effectiveness on both the Board and its Committees.

#### 5.5 Appointment of Board and Senior Management

The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve stewardship and in turn, retain its competitive advantage. In this respect, the Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out their roles as the representative of the interests of shareholders.

In implementing the Board and Senior Management Diversity Policy, the NC is mindful of its responsibility to conduct all Board appointment processes through various approaches. This approach aims to promote diversity on the Board, which can provide greater depth and breadth, ultimately leading to better decisions. Suitability for the role is carefully considered alongside diversity goals. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. For Independent Director positions, the NC also evaluates the candidate's ability to fulfil the responsibilities expected of an Independent Director.

In FY2023, after assessing Dato' Ooi's qualifications and alignment with the Directors' Fit and Proper Policy, the NC recommended his appointment as INED, which was approved by the Board effective from 25 August 2023.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### II. BOARD COMPOSITION (Cont'd)

##### 5.5 Appointment of Board and Senior Management (Cont'd)

The Board, with the NC guidance, annually reviews the time commitment required from each Director to meet their role expectations, including attending the Annual General Meeting ("AGM"), engaging with stakeholders and participating in the Board evaluation process. Directors are, while holding office, at liberty to accept other Board appointment(s) in other companies, so long as the appointment is not in conflict with the Group's business and does not affect the discharge of his/her duty as a Director of the Company. Directors are required to notify the Chairman and/or the Company Secretaries before accepting new Board appointments in other companies. These new appointments are then reported to the Board.

None of the Directors currently holds more than 2 directorships in listed issuers, which complies with Bursa Malaysia's MMLR limiting directors to a maximum of 5 directorships in listed issuers. This limitation ensures that the Directors can dedicate sufficient time and commitment to the Group.

The Board has reviewed these external commitments to ensure they do not hinder Directors' ability to discharge their responsibilities effectively. All Directors attended all Board and Board Committees meetings held by the Company in FY2023, as evidenced in this Statement.

##### 5.6 Identify Candidates for Board Appointment

Pursuant to the TOR of the NC, the NC is tasked to identify, nominate and orientate new Directors and to make recommendations to the Board for the appointment of Directors. While the Board is responsible for the appointment of new Directors, the NC is delegated with the role of screening and conducting an initial selection, which includes external and independent searches, before making a recommendation to the Board. The NC reviews the candidate for appointment as Director based on the mix of skills, expertise, working experience, professionalism, integrity and the ability to discharge their expected duties and responsibilities.

In sourcing for new Directors, the Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merits. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval.

The search and nomination process for new Directors, if any, is facilitated through recommendations from the Directors or external parties, including the Company's contacts in related industries, Directors' personal contacts or may engage executive search firms to source for potential candidates.

In respect of the appointment of Directors, the Company practises a clear and transparent nomination process, which involves the following 5 stages:

- Stage 1: Identification of candidates;
- Stage 2: Evaluation of suitability of candidates;
- Stage 3: Meeting up with candidates;
- Stage 4: Final deliberation by the NC; and
- Stage 5: Recommendation to the Board.

##### 5.7 Re-election of Directors at the General Meeting

The retiring Directors recommended for re-election at the 5<sup>th</sup> AGM have undergone assessment through the Board's annual evaluation process, which includes evaluating the independence of INEDs. A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM was stated in the explanatory notes of Notice of AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### II. BOARD COMPOSITION (Cont'd)

##### 5.8 Nominating Committee

The NC were entrusted by the Board to assist in the nomination process for the Board and Committees as well as assessing their performance.

In accordance with the TOR for the NC, the NC shall consist of no fewer than 3 members, all of whom must be Non-Executive Directors, with a majority being independent. The current composition of the NC comprises exclusively of INEDs as follows:

- Dato' Seri Wong Siew Hai (INED/ Chairman)
- Mariamah binti Daud (INED/ Member)
- Ooi Hooi Kiang (INED/ Member)

The TOR of the NC can be found on the Company's website: <https://greatech-group.com>.

The attendance of the NC at the NC meetings held during FY2023 is tabulated below:

Designation	Directors	Attendance
Chairman	Dato' Seri Wong Siew Hai	4/4
Member	Ooi Hooi Kiang	4/4
Member	Mariamah binti Daud	4/4

A summary of key activities undertaken by the NC during FY2023 are as follows:

- Reviewed the effectiveness of the Board and its Committees, deliberated on their findings and reported the outcome in Board meeting;
- Reviewed the re-election of Directors who were up for retirement at the 5<sup>th</sup> AGM of the Company;
- Reviewed the performance of the Executive Directors and the CFO of the Company and reported the outcome in Board meeting;
- Assessed the balance of skills, knowledge and experience of the candidate and recommended the appointment of Dato' Ooi as an INED of the Company and recommended to the Board for approval; and
- Reviewed the redesignation of the Chairman of the Board, Ms Ooi and proposed the appointment of Dato' Ooi as Chairman of the Board of the Company.

##### 5.9 Diversity of Board and Senior Management

##### 5.10 Gender Diversity Policy

The Board acknowledges the importance of gender and ethnic diversity in fostering sustainable development within the Group and upholds a non-discriminatory approach in appointments based on objective criteria and merit, while also considering diversity in skills, experience, age, cultural background and gender. The Board believes that embracing diversity leads to varied perspectives, enhancing productivity, sustainability and competencies to drive business performance for the benefit of shareholders in the medium to long-term.

As of the reporting date, 3 out of 8 Directors i.e. 38% (2022: 33%) on the Board are females, which demonstrates the Group's commitment to promoting gender diversity at the Board level. This exceeded the requirement of having at least 30% women Directors on the Board, as stipulated by Practice 5.9 of the MCCG.

The Board and Senior Management Diversity Policy was updated and approved on 1 November 2021 to encourage gender diversity within the Board and senior leadership.

In FY2023, female representation at the Senior Management level stood at 33% (2022: 33%). The Group continues to surpass the 30% target for women's participation in Senior Management recommended by Practice 5.10 of the MCCG.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### II. BOARD COMPOSITION (Cont'd)

##### 6.0 Overall Effectiveness of the Board and Individual Directors

##### 6.1 Annual Evaluation for Board Effectiveness and Composition Enhancement

In FY2023, the NC conducted a thorough annual assessment of the Board, its Committees and individual Directors through comprehensive evaluation questionnaires. The assessment covered various aspects including Board composition, decision-making quality, Boardroom activities, ESG considerations and Committee performance evaluation.

The Board Committees were assessed based on the efficiency and effectiveness of each Committee and its members' continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties. Likewise, the NC can assess the contribution of each Director to the effectiveness of the Board.

Assessment facilitation was overseen by the Company Secretaries. All assessment results were presented to the NC for review before being reported to the Board for discussion and potential enhancements.

Following the review, the NC acknowledged the effective performance of the Board and Committees, recognising the composition of skills, experience and experience among Executive Directors and Non-Executive Independent Directors.

The appointment of Dato' Ooi as a Chairman, aligns with Practice 1.4 of the MCCG which stated that the Chairman of the Board should not be a member of the ARMC, NC or RC.

The Board was of the view that the engagement of independent experts to perform a formal and objective Board evaluation as required under Practice 6.1 of MCCG should be deferred as the composition of the Board and Board Committees have just been stabilised, further deliberation will be undertaken before proceeding with the engagement of independent experts to perform the Board evaluation.

Throughout FY2023, four (4) Board Meetings were held to deliberate on key Group activities and strategies, including annual budget, capital assets investment and financial performance, and to endorse the release of the quarterly financial results. All Board and Board Committees' meetings have been scheduled well in advance to maximise Director attendance. In addition to holding meetings, important matters regarding the Group is also put to the Board for decision-making by way of circular resolutions. The resolutions passed by way of such circular resolutions are then noted in the next Board Meeting.

The attendance of the Directors at Board meetings held during FY2023 is tabulated below:

Directors	Attendance during tenure in office
Dato' Ooi Boon Chye (appointed w.e.f 15 May 2023)	2/2
Ooi Hooi Kiang	4/4
Dato' Seri Tan Eng Kee	4/4
Khor Lean Heng	4/4
Mariamah binti Daud	4/4
Dato' Seri Wong Siew Hai	4/4
Dr Michael Dominic Kirk	4/4

Following a comprehensive review of the Board, Committees and individual Director performances, the NC has confirmed that the Board operated effectively and with dedication to their responsibilities.

The Directors are conscious of the importance of keeping abreast with the latest changes and development in legal and regulatory governance, so as to update and refresh themselves on matters that may affect their performance as Directors. The Company prioritises ongoing training and professional development for Directors, ensuring they are briefed on regulatory updates, guidelines, accounting standards and other relevant trends or issues.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### II. BOARD COMPOSITION (Cont'd)

##### 6.1 Annual Evaluation for Board Effectiveness and Composition Enhancement (Cont'd)

Throughout FY2023, Company Secretaries, External Auditors and/or the Group CFO kept Directors informed about changes in laws and regulations, including the Companies Act 2016 ("CA 2016"), MMLR, MCGG and relevant accounting standards. Presentations from the Group CEO and Senior Management further enriched Board knowledge on topics such as the Group's ESG initiatives, climate change and technological advancements during Board and Committee meetings.

The trainings attended by the Directors during the FY2023 are as follows:

Directors	Trainings
Dato' Ooi Boon Chye	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP)</li> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> </ul>
Dato' Seri Tan Eng Kee	<ul style="list-style-type: none"> <li>Energy Saving Awareness</li> <li>Cyber Security Awareness Refresher Training</li> <li>Corporate Liability &amp; Ethical Framework Awareness (Refresher FY 2023)</li> <li>Combating Sexual Harassment, Discrimination and Corruption in the Workplace</li> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> <li>Annual ISO 9001 Refresher Training (FY 2023)</li> <li>Annual EHS (Refresher FY 2023)</li> </ul>
Khor Lean Heng	<ul style="list-style-type: none"> <li>Energy Saving Awareness</li> <li>Alignment of Performance Management and High-Performance Behaviors</li> <li>Cyber Security Awareness Refresher Training</li> <li>Corporate Liability &amp; Ethical Framework Awareness (Refresher FY 2023)</li> <li>Combating Sexual Harassment, Discrimination and Corruption in the Workplace</li> <li>Annual ISO 9001 Refresher Training (FY 2023)</li> <li>Embracing GREATECH High Performing Behaviours (Senior Level and above)</li> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> <li>Annual EHS (Refresher FY 2023)</li> </ul>
Ooi Hooi Kiang	<ul style="list-style-type: none"> <li>Hydrogen Economy Seminar</li> <li>The Asia Leadership Retreat 2023</li> <li>Virtual MIA International Accountant Conference 2023</li> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> </ul>
Mariamah binti Daud	<ul style="list-style-type: none"> <li>Negotiation and Influence Skills</li> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> </ul>
Dato' Seri Wong Siew Hai	<ul style="list-style-type: none"> <li>SEMICON SEA</li> <li>MSIA Sustainability and ESG conference</li> <li>Tech in Asia Conference (Jakarta)</li> <li>MSIA National E&amp;E Forum</li> </ul>
Dr Michael Dominic Kirk	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for impact (LIP)</li> </ul>

All the Directors have attended the Mandatory Accreditation Programme as required under the MMLR.

In addition, Company Secretaries proactively notify Directors about upcoming conferences and seminars relevant to their roles within the Company. Directors are encouraged to enhance their expertise and stay updated on the latest governance practices, listing rules and regulations by attending relevant seminars and training programs, with associated expenses covered by the Company.

Upon review, the Board concluded that the Directors' trainings for FY2023 were adequate.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### III REMUNERATION

##### 7.0 Level and Composition of Remuneration

##### 7.1 Remuneration Policy

The Board has adopted a Remuneration Policy for Directors and Key Principal Officers aimed at attracting and retaining top talent to steer the Company's strategic direction for long-term interest.

The Remuneration Policy is designed to align compensation with shareholder interests by linking rewards to Group and individual performance, fostering sustainability.

The remuneration package of Executive Directors and CFO comprises a fixed cash component of salary, fringe benefits, variable performance incentives and statutory contributions. Variable performance incentives are tied to the performance of the Group and the individual's ability to achieve their respective performance based on financial and non-financial targets.

The RC has assessed the business performance relative to the markets and competitors against the target that had been set for the year. Based on the assessment, the NC considers overall remuneration rewards including annual bonus paid to the Executive Directors, Key Management Personnel and employees to be a fair reflection of the performance of the business.

The Company also has in place Long-Term Incentive Plan ("LTIP") such as Share Grant Plan ("SGP") and Share Option Plan ("SOP"). Both schemes are administered by LTIP Committee, which is also report to the RC.

INEDs are not awarded remuneration in the form of shares and/or right to shares and their compensation is not dependent on the results of the Company. The Executive Directors are not entitled to any meeting allowance. The remuneration of the Company's INEDs is appropriate to the level of contribution, considering factors such as effort and time spent, responsibilities undertaken and are benchmarked against prevailing market practices.

The Directors' fees of the INEDs are recommended by the Board and subject to shareholders' approval at each AGM. The Directors who are shareholders and persons connected to the Director have abstained from deliberating and voting on the decision in respect of his/her remuneration.

The Remuneration Policy of the Group can be found on the Company's website: <https://greatech-group.com>.

##### 7.2 Remuneration Committee

The Board has established the RC to review and make recommendations on matters relating to performance and remuneration for the Executive Directors and Key Principal Officer of the Group. The RC comprises exclusively of INEDs of the Company. The current members of the RC are as follows:

- Ooi Hooi Kiang (INED/ Chairman);
- Mariamah binti Daud (INED/ Member); and
- Dato' Seri Wong Siew Hai (INED/ Member).

The RC has adopted a formal set of TOR approved by the Board. The TOR of the RC can be found on the Company's website: <https://greatech-group.com>.

The RC meets as and when necessary, but at least once a year. There is a formal and transparent procedure for developing and setting remuneration packages of Executive Directors and Key Principal Officers. None of the Executive Directors are involved in discussing and deciding their own remuneration.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### III REMUNERATION (Cont'd)

##### 7.2 Remuneration Committee (Cont'd)

The attendance of the RC at the RC meetings held during FY2023 is tabulated below:

Designation	Directors	Attendance
Chairman	Ooi Hooi Kiang	2/2
Member	Mariamah binti Daud	2/2
Member	Dato' Seri Wong Siew Hai	2/2

The RC has full authority to engage any external professional advisors, as and when the need arises, on matters relating to remuneration at the cost of the Company. No external professional advisors engaged by the Company in the FY2023.

A summary of key activities undertaken by the RC during the FY2023 is as follows:

- Reviewed the Key Result Areas ("KRA") for Key Principal Officers for reward purposes;
- Reviewed and recommended the Directors' fees for the period from AGM held in 2023 until the conclusion of AGM to be held in year 2024 for shareholders' approval during the Company's AGM held in year 2023;
- Reviewed and recommended the benefit payable to the Directors for the period from AGM held in 2023 until the conclusion of AGM to be held on in year 2024 for shareholders' approval during the Company's AGM held in year 2023;
- Reviewed and recommended the bonus payment to Executive Directors and CFO before recommended to the Board for approval; and
- Reviewed and assessed the Executive Directors and CFO's remuneration package for FY2023 to ensure it is in line with market benchmarks before recommended to the Board for approval.

The RC carried out an annual review of the Executive Directors' and CFO's remuneration to ensure that the remuneration package remains sufficiently attractive to retain the Executive Directors and CFO of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group.

The remuneration package for all Directors is determined by the Board as a whole following the relevant recommendations made by the RC, with the Directors concerned abstaining from deliberations and voting on his/her remuneration.

The level of remuneration for Non-Executive Directors generally reflects the effort, time spent and level of responsibilities undertaken. They are paid a basic fee as ordinary remuneration, a sum based on their respective responsibilities in Committees, meeting allowance and reimbursement for reasonable expenses incurred in the course of their duties.

The proposed Directors' fees and benefits were tabled at the 5<sup>th</sup> AGM held in the year 2023 for the approval of the shareholders. The interested Directors and persons connected to the Director have abstained from voting on the resolutions approving the Directors' fees and Directors' benefit at the 5<sup>th</sup> AGM and will continue this practice at the forthcoming 6<sup>th</sup> AGM.

In addition to the above, the Directors and CFO are provided with the Directors & Officers ("D&O") insurance in respect of any liabilities arising from acts committed in their capacity as D&O of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

#### III REMUNERATION (Cont'd)

##### 8.0 Remuneration of Directors and Key Senior Management

##### 8.1 Directors' Remuneration

The Directors' remuneration received from the Company and its subsidiary for the FY2023 is presented in the table below:

No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Meeting Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Meeting Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Seri Tan Eng Kee	Executive Director	88	-	-	-	-	-	<b>88</b>	88	-	540	257	28	97	<b>1,010</b>
2	Khor Lean Heng	Executive Director	87	-	-	-	-	-	<b>87</b>	87	-	397	158	17	68	<b>727</b>
3	Ooi Hooi Kiang	Independent Director	87	12	-	-	-	-	<b>99</b>	87	12	-	-	-	-	<b>99</b>
4	Mariamah binti Daud	Independent Director	87	12	-	-	-	-	<b>99</b>	87	12	-	-	-	-	<b>99</b>
5	Dato' Seri Wong Siew Hai	Independent Director	87	12	-	-	-	-	<b>99</b>	87	12	-	-	-	-	<b>99</b>
6	Dr Michael Dominic Kirk	Independent Director	133	6	-	-	-	-	<b>139</b>	133	6	-	-	-	-	<b>139</b>
7	Dato' Ooi Boon Chye	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

##### 8.2 Key Senior Management's Remuneration

##### 8.3 Disclosure of Detailed Remuneration (Step Up)

The Company do not intend to disclose detailed remuneration information for its Key Senior Management on a named basis and in the bands of RM50,000 as recommended by the MCCG, the Company is of the view that such information is confidential and sensitive nature, as well as considerations relating to retaining highly skilled talent in a competitive industry. Additionally, the Company is mindful of the Personal Data Protection Act 2010, which mandates obtaining written consent from Key Senior Management personnel for disclosing their personal data publicly. Factors such as sensitivity, security and staff morale are also taken into account when making decisions regarding the disclosure of remuneration details.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### III REMUNERATION (Cont'd)

#### 8.3 Disclosure of Detailed Remuneration (Step Up) (Cont'd)

As an alternative, the Company disclosed the details of its top 9 Key Senior Management during the FY2023 on a Group basis as below:

Remuneration (Top 9 Key Senior Management)	RM'000
Salary and other emoluments **	3,166
Statutory contributions by the Company	305
Benefits-in-kind	499
<b>Total</b>	<b>3,970</b>

\*\* Including salary, bonus, LTIP and allowances chargeable to income tax

Key Senior Management performance is evaluated annually against the set targets, with remuneration packages reviewed and adjusted accordingly. Evaluations consider individual performance, contributions in the previous year and the Company's overall performance.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I AUDIT COMMITTEE

#### 9.0 Effective and Independent Audit Committee

##### 9.1 Chairman of the Audit Committee

The Board has established an ARMC responsible for overseeing financial reporting, disclosure, internal controls, risk management and External Auditors performance.

The ARMC, which comprises solely of 3 INEDs is chaired by Puan Mariamah binti Daud, who is not the Board Chairman. This had ensured that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired. The ARMC members have the overall competence required to fulfil their duties based on the organisation and operations of the Group, at least 1 member of the ARMC is competent in respect of finance and audit.

The current ARMC composition is in compliance with Paragraph 15.10 of the MMLR and Practice 9.1 of the MCCG.

The ARMC has adopted a formal set of TOR approved by the Board. The TOR of the ARMC can be found on the Company's website: <https://greatech-group.com>.

The ARMC composition and a summary of the activities during the FY2023 are set out in ARMC Report contained in this Annual Report.

##### 9.2 Former Key Audit Partner

The Practice 9.2 of the MCCG that required a former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) to observe a cooling-off period of at least 3 years before appointed as a member of the ARMC has been adopted by the ARMC and incorporated in its TOR.

None of the ARMC members were former key audit partners of the Company's existing auditing firm and in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

#### I AUDIT COMMITTEE (Cont'd)

##### 9.3 Suitability, Objectivity and Independence of the External Auditors

The ARMC has adopted an External Auditors Assessment Policy to evaluate and supervise the suitability, objectivity, independence and overall performance of the External Auditors.

In the FY2023, the ARMC had conducted an annual assessment of the suitability, objectivity and independence of the External Auditors, Messrs. BDO PLT ("BDO"), in respect of the work provided for FY2022. The ARMC was satisfied with the performance and independence of the External Auditors, as well as the fulfillment of criteria as set out in the External Auditors Assessment Policy.

In respect of the performance of the External Auditors, the ARMC also reviewed the Annual Transparency Report for measures taken by BDO to uphold audit quality and manage risks.

The ARMC has taken the following steps to ensure the External Auditor's independence is not impaired:

- The External Auditors is precluded from undertaking internal audit services;
- Prior approval by the ARMC of non-audit services is required where the cost of the proposed service exceeds or is expected to exceed RM50,000; and
- The extent and nature of non-audit services are disclosed in the ARMC report contained in this Annual Report.

The ARMC has conducted an annual review of all the non-audit services provided by the affiliated firm of the External Auditors for the FY2023, as disclosed in this Annual Report and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors. In addition to the Group's policy, the External Auditors run their own independence and compliance checks, prior to accepting any engagement, to ensure that all non-audit work is compliant with the relevant ethical standard in force and that there is no conflict of interest.

The ARMC has also assessed and was satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors for shareholders' consideration at the forthcoming AGM.

The Board, on the recommendation of the ARMC, is of the view that the declaration of independence, integrity and objectivity made by the External Auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the External Auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by Malaysian Institute of Accountants ("MIA") By-Laws, has recommended their re-appointment as the External Auditors of the Company for the ensuing year, upon which the shareholders' approval has been sought at the AGM.

##### 9.4 Composition of the Audit Committee (Step Up)

The Company adopted Step Up Practice 9.4 of the MCCG of which the ARMC comprises solely of INEDs.

##### 9.5 Qualification of the Audit Committee

All the members of the ARMC are suitably qualified and possess sufficient financial management expertise, have vast working experience with requisite skills and knowledge from various industries, as determined by the Board in its business judgement, to discharge their responsibilities as ARMC members. A member of the ARMC namely Ms Ooi Hooi Kiang is the member of the MIA.

All ARMC members are financially literate and has sufficient understanding of the Group's business and matters under the purview of the ARMC including the financial reporting process. They are able to apply a critical view of the Company's financial reporting process and information and to effectively challenge and direct probing questions to the Management on the Company's financials to ascertain whether the financial reporting reflects the Company's operations and performance. The ARMC stays informed about changes in accounting standards, MMLR and other relevant regulations through updates from Management, Company Secretaries, External and Internal Auditors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

### I AUDIT COMMITTEE (Cont'd)

#### 9.5 Qualification of the Audit Committee (Cont'd)

The ARMC's composition and performance are annually reviewed by the NC, with recommendation forwarded to the Board for approval.

All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules in discharging their duties effectively.

### II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 10.0 Risk Management

##### 10.1 Effective Risk Management and Internal Control Framework

The Board is responsible to ensure there is a sound framework for internal controls and risk management. The Board is also responsible for managing risks in order to limit potential adverse effects on the implementation of its strategy, its financial performance and the interests of shareholders.

The Board delegates oversight of the Group's risk management processes and control environment to ARMC. The Board through the ERM Committee, monitors risk and internal control through comprehensive report tabling the current status, action taken and conclusion of the key risks identified.

The Group has in place an ERM Framework which is aligned with ISO 31000:2018 Risk Management Standards. The ERM Framework enables the Group to identify the risks and address internal control to mitigate or eliminate the risk. These risks are prioritised based on risk appetite and risk tolerance levels that the Board has adopted. The Board conducts bi-yearly review of the Group's risk exposure areas and internal control arrangements, addressing key risks at ARMC meeting while other risks are managed by respective department head and reported to the Board on an exceptional basis. Sustainability risks including climate change, environmental issues, health & safety, forced labour and corruption are also reported to the Board during the year.

The Board has also been updated by the Management on the Group's financial situation and continuously evaluating if the Group's capital or liquidity are adequate in terms of business continuity.

The Management and the Internal Auditors, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") conduct reviews and audits on a regular basis to evaluate, test and verify the adequacy and effectiveness of internal control systems on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions are reported to the ARMC. BDO has also highlighted internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the ARMC.

In FY2023, the risk reports of the Group on strategic risks, financial risks, operational risks and compliance risks were presented to the ARMC, where internal controls and risk mitigation strategies were highlighted. The Group has regularly provided ERM awareness sessions to the identified employees, focusing on the introduction of risk, the importance of risk management and ERM methodology.

Based on the ERM Framework established, ARMC reviews, work performed by the Internal and External Auditors, the Board, with ARMC concurrence, concludes that the internal controls and risk management systems in place were adequate and effective for FY2023.

##### 10.2 Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control in this Annual Report provides an overview of the risk management framework and internal control system within the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

#### II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### 10.3 Risk Management Committee (Step Up)

The function of the Risk Management Committee is currently assumed by the ARMC via the ERM Committee. ERM Committee has taken up the role to review the risk management framework half yearly.

The composition of ERM comprised of Executive Board, Risk Manager and cross functional management team. The ERM Committee, through CFO reports to ARMC during the ARMC meeting half yearly where the ARMC members reviewed the risk management framework and policies and risk report of the Group as presented to them.

##### 11.0 Effective Governance, Risk Management and Internal Control Framework

###### 11.1 Internal Audit Function

###### 11.2 Internal Audit Effectiveness Review

The Internal Audit ("IA") function of the Group is carried out by an outsourced professional service firm, namely Sterling.

The Internal Auditors perform their audit engagements according to the annual audit plan 2023 as approved by the ARMC. Throughout the engagement period, the Internal Auditors cover the conduct of the audit planning, execution, documentation, communication of findings, consultations and follow-up on the action items with key stakeholders on the audit concerns, with reference to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The IA team have unfettered access to the Company's documents, records, properties and personnel, including direct access to the ARMC.

The Internal Auditors has staffed the IA team with persons who possess the relevant qualifications and experience and use the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.

During the FY2023, the ARMC had assessed and reviewed the adequacy of the scope, functions, resources, competency and independence of the Internal Auditors. Findings and related action plans from IA reviews and/or internal control assessments are reported to the Management; summary report including follow-up matters arising from previous cycle audit and its implementation of action plans, audit recommendations, where applicable, along with a conclusion statement on the opinion given for the scope of works performed are provided to the ARMC at every meeting. The ARMC is satisfied that the Internal Auditors have sufficient resources, staffed by suitably qualified and experienced personnel and have to the best of its ability, maintained its independence in carrying out the IA function.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I ENGAGEMENT WITH STAKEHOLDERS

##### 12.0 Communication with Stakeholders

###### 12.1 Effective, Transparent and Regular Communication with its Stakeholders

The Board is committed to provide timely, fair, meaningful and reliable disclosures to stakeholders and views the practice as integral to good CG and forms an inseparable part of the Group's operations and culture. As such, the Group maintains an effective communication policy and engagement with our partners, investors and members of the public to build trust, support and understanding between the Group and all our stakeholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

#### I ENGAGEMENT WITH STAKEHOLDERS (Cont'd)

##### 12.1 Effective, Transparent and Regular Communication with its Stakeholders (Cont'd)

The Group communicates with various stakeholders as follows:

###### Shareholders

The Group has in place Investor Relations ("IR") Policy which outlines the Company's approach toward the dissemination of material information, response to market rumours, unwarranted promotional activities, closed periods and restriction on insider trading with reference to Chapter 9 of the MMLR.

The Company currently handles its IR matter internally. The Company's IR team is led by the Group CEO to facilitate effective communication with shareholders, prospective investors and financial community. Our Chief Executives supported by the Company's IR function, hosted results presentation and addressing key investor concerns following publication of the Group's quarterly and full year results. Investor relations activities such as meetings with fund managers and analysts are held at appropriate time to explain the strategy, performance and major developments of the Group.

Stakeholder discussions and concerns are regularly reported to the Board and Committees. Analyst reports are shared with the Board and the Board attends the AGM which gives individual shareholders the opportunity to engage directly with them and raise questions about the Company.

The Company's corporate website serves as a resource centre from which the financial community can access information of the Group. In addition, the Company's corporate website has a dedicated IR section containing stock information and all material information reported to the Bursa Securities, together with copies of annual and quarterly results announcements and trading updates. Contact details of the IR are also listed on the website to facilitate dialogue and queries from shareholders. Shareholders are also able to register for the Group's news alert at the corporate website to receive the Company's latest news and announcements via email.

The Board reviews and approves material communications to investors, such as financial result announcements, Annual Reports and significant business events. The Annual Report remains a vital and convenient source of essential information for investors, shareholders and stakeholders. All Annual Reports of the Company are made available on the corporate website.

One of the most effective platforms for disseminating messages of the Company is the social media network. The growth in the direct followers of the Company's social media platform ensured that communication was received by the intended target market.

Another key avenue of communication with its shareholders is the AGM, which provides a useful forum for shareholders to engage directly with the Directors. The External Auditors are also present at the AGM to answer any questions that the shareholders may ask. After the meeting, the shareholders, proxies and corporate representatives are also able to mingle with the Directors.

###### Employees

The Group maintains open communication with employees through regular engagement events, town hall meetings and feedback mechanisms such as performance reviews and suggestion boxes.

During the year, a group-wide employee survey was conducted to gauge satisfaction and engagement levels, with the outcome and workforce concerns reported to the Board through Management presentations and site visits.

###### Other Stakeholders

The Board considers other stakeholder groups in its decision-making and interaction with key stakeholders is set out in the Company's Sustainability Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

#### I ENGAGEMENT WITH STAKEHOLDERS (Cont'd)

##### 12.2 Integrated Reporting

The Company has not yet adopted integrated reporting based on a globally recognised framework as outlined in the MCCG. However, the Board acknowledges the potential benefits of integrated reporting in enhancing information quality, transparency and accountability for investors.

The information disclosed in Annual Report 2023 provides a comprehensive overview of both financial and non-financial aspects of the Group. It includes components such as Management Discussion and Analysis, Corporate Governance Overview Statement, Sustainability Report and SORMIC which are essential elements of integrated reporting.

The current Sustainability Report delves into the Group's governance policies and stakeholder initiatives in detail. Additionally, the Company has embarked on the Task Force on Climate-Related Financial Disclosures ("TCFD") to assess climate-related risk and opportunities, demonstrating the Board's commitment to sustainability and comprehensive reporting practices.

Recognising that integrated reporting is a progressive journey requiring collaboration across functions, the Company aims to gradually establish the necessary processes and systems to support its development towards integrated reporting.

The Company would consider adopting integrated reporting if the Board opined that the benefits arising from the adoption of integrated reporting outweigh the related costs.

#### II CONDUCT OF GENERAL MEETINGS

##### 13.0 Engagement with Shareholders

##### 13.1 Notice of Annual General Meeting

The Company held its 5<sup>th</sup> AGM in year 2023. In compliance with Practice 13.1 of the MCCG, shareholders received Annual Report 2022, Circular and Notice of AGM, which were issued at least 28 days before the date of 5<sup>th</sup> AGM.

The Company served Notice of its 5<sup>th</sup> AGM together with explanatory notes or a circular on items of special business which furnished useful information regarding conduct of the AGM 28 days before the AGM, well in advance of the 21-days requirements under the CA 2016 and 28-days requirements under MMLR. The additional time provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the AGM. Where the shareholders are not able to attend the AGM, they may appoint proxies to attend, vote and ask question on their behalf.

The Company had commenced using electronic communications to transmit Annual Report and other documents such as the Notice of AGM to all shareholders by uploading such documents via the Bursa Securities' website: <https://www.bursamalaysia.com> and publishing on the Company's website: <https://greatech-group.com>. The Shareholders of the Company received the Annual Report with an accompanying notice of AGM either electronically or hard copy by post depending on their preference.

The notice of AGM was also published in the nationally circulated daily newspaper within the mandatory period.

The notice of AGM provides further explanation beyond the minimum contents stipulated in MMLR for the resolution proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

Alternative arrangements relating to attendance at the AGM, submission of questions ahead of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM were set out in the notice of AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

#### II CONDUCT OF GENERAL MEETINGS (Cont'd)

##### 13.2 Directors' Participation at General Meetings

The general meeting serves as an avenue for the Chairman and the Board members to engage in two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions.

The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings. All members of the Board including the incoming new Director, Dato' Ooi, the Company Secretary, External Auditors and the Senior Management attended the 5<sup>th</sup> AGM to engage directly with the shareholders.

During the 5<sup>th</sup> AGM, the CEO and CFO gave a detailed presentation of the Group's business overview and financial performance for the financial year ended 31 December 2022.

The Chairman provided appropriate and sufficient time and encouraged the shareholders to raise questions, express opinions and give suggestions about the issues throughout the entire meeting.

During 2023, there were no major contentious issues noted with shareholders/investors.

##### 13.3 Voting

Pursuant to the MMLR, all listed companies are required to conduct poll voting for the resolutions put up at its general meeting effective from 1 July 2016.

Poll voting more accurately and fairly reflects shareholders' views by ensuring that every vote is recognised, in accordance with the principle of "one share one vote". The practice thus enforces greater shareholder rights and allows shareholders who appoint the Chairman of the Meeting as their proxy to have their votes properly counted in the fulfilment of their voting rights.

The Constitution of the Company allows poll voting to be conducted electronically using various forms of electronic voting devices. In this respect, the Company has leveraged the technology by conducting poll voting for all the resolutions tabled at the 5<sup>th</sup> AGM held on 12 May 2023 through electronic devices for greater efficiency and accuracy. The Company has also provided a secure e-lodgement channel for shareholders to lodge form of proxy electronically for the 5<sup>th</sup> AGM.

An independent scrutineer was appointed to validate votes cast and the results of each resolution put to vote were announced during the meeting. The poll results were instantaneously displayed on-screen, visible to shareholders attending and confirmed by the Chairman.

All resolutions at the 2023 AGM were successfully passed, with a significant 71.1% of the total number of issued shares of the Company voted, indicating high shareholder engagement.

The forthcoming 6<sup>th</sup> AGM scheduled to be on 24 May 2024 will be conducted virtually. The Remote Participation and Electronic Voting ("RPV") facilities will enable shareholders to participate, speak and vote at the AGM from any location.

##### 13.4 Interaction with Shareholders in General Meetings

The AGM is a valuable opportunity for the Board to engage with shareholders directly. All shareholders are encouraged to participate in the AGM and pose questions in the period leading up to the AGM through the dedicated email address [enquiry@greatech-group.com](mailto:enquiry@greatech-group.com).



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)**

#### **II CONDUCT OF GENERAL MEETINGS (Cont'd)**

##### **13.4 Interaction with Shareholders in General Meetings (Cont'd)**

The Chairman of 5<sup>th</sup> AGM ensured that sufficient opportunities were given to shareholders to raise questions and discuss matters pertaining to the Company's affairs. Sufficient time was allocated for a Q&A session during the 5<sup>th</sup> AGM, fostering direct engagement between the Board and shareholders.

The CEO and CFO presented an overview of the Group's business, reviewed the financial performance for the FY2022 and shared insights on strategy and current business activities respectively during the AGM.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 5<sup>th</sup> AGM together with the responses of the Company.

##### **13.5 Minutes of the General Meeting**

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past year and its plans and strategies for the near and long-term future.

The recording of the proceedings in the form of minutes reflects the mutual understanding, agreements as well as resolutions reached between the shareholders and Directors of the Company.

The Minutes of 5<sup>th</sup> AGM detailing proceedings and issues or concerns raised by shareholders, and the responses by the Company were made available on the Company's website: <https://greatech-group.com> within 30 business days after the conclusion of the 5<sup>th</sup> AGM, to provide useful information to shareholders and investors especially for the shareholders who were unable to attend to keep track of the AGM.

This Statement is made in accordance with a resolution of the Board of the Directors.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) of Greatech Technology Berhad (“Greatech” or “Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) report, providing insights into the ARMC’s functions for the Company and its subsidiaries (“Group”) in the financial year ended 31 December 2023 (“FY2023”).

### INTRODUCTION

The ARMC was established by the Board of the Company on 20 August 2018. Its primary role is to assist the Board in discharging its statutory duties and responsibilities relating to the accounting and financial reporting practices of the Group. The ARMC also focuses on monitoring the management of risk and the system of internal control, overseeing the external and internal audit processes, ensuring compliance with legal and regulatory matters, and addressing other specific matters delegated to the ARMC by the Board.

The ARMC operates under its Terms of Reference (“TOR”), which outlines its authority, duties, and functions. The TOR is periodically assessed, reviewed and updated by the ARMC members to align with changes in regulatory requirements, direction or strategies of the Company. Any recommended changes are subject to the Board approval.

The TOR of the ARMC is accessible on the Company’s website: <https://greatech-group.com>.

### COMPOSITION

As of FY2023, the ARMC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors (“INEDs”), as follows:

Mariamah binti Daud	-	Chairman/INED
Ooi Hooi Kiang	-	Member/INED
Dato’ Seri Wong Siew Hai	-	Member/INED

The above composition aligns with Paragraphs 15.09(1) and (2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Step-Up Practice 9.4 of the latest Malaysian Code on Corporate Governance (“MCCG”), in achieving good corporate governance by having an Audit Committee solely composed of Independent Directors.

The Chairman of the ARMC, Puan Mariamah binti Daud is not the Chairman of the Board, which is in line with Practice 9.1 of the MCCG. Ms Ooi Hooi Kiang is a member of the Malaysian Institute of Accountants (“MIA”). As such, the composition of ARMC meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR, which mandates that at least one member of the ARMC must be a member of MIA.

All ARMC members possess financial literacy and bring diverse backgrounds, experiences and knowledge in areas such as accountancy, finance, commercial activities, corporate services and investment. The Nominating Committee (“NC”) conducted a performance review of the ARMC members for FY2023 on 21 February 2024. Based on the review results, the NC expressed satisfaction that the ARMC and its members effectively discharged their functions, duties and responsibilities in accordance with the ARMC’s TOR. The ARMC has consistently supported the Board in upholding appropriate corporate governance standards within the Group.

### MEETINGS

The ARMC held 6 meetings during FY2023 and the attendance record of the ARMC is tabulated below:

Designation	Directors	Attendance
Chairman	Mariamah binti Daud	6/6
Members	Ooi Hooi Kiang	6/6
	Dato’ Seri Wong Siew Hai	6/6

The ARMC meetings were structured through the use of agendas and relevant meeting papers which were distributed to the ARMC ahead of scheduled meetings. These meetings were of sufficient duration to enable the ARMC to effectively address its agenda, allowing ample time for discussion on emerging issues.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### MEETINGS (Cont'd)

The ARMC meetings were conducted openly and constructively, fostering focused discussion, encouraging questions and accommodating expressions of differing opinions. The ARMC Chairman invited the Directors who are holding key positions, including the Chief Executive Officer, Chief Operating Officer/Chief Project Officer, Chief Financial Officer ("CFO") and finance team to attend regular meetings. Additionally, other pertinent key personnels from the Group were also invited, as needed to provide deeper insights into key issues.

The finance team presented unaudited quarterly financial statements and other financial reporting matters for the ARMC's consideration and subsequent recommendation to the Board for approval, where appropriate. The ARMC Chairman reported and highlighted key issues discussed at each ARMC meeting to the Board.

The ARMC Chairman invites the representatives from the Internal Auditors and External Auditors to assist in the ARMC's discussions and consideration of the reports or any outstanding matters or specific issues that require the ARMC's attention in relation to the internal and external audit reviews and improvement recommendations and to answer questions raised by ARMC members.

Minutes of each ARMC meeting were duly noted by the Board, with the minutes being presented in subsequent Board meetings following the ARMC meeting, ensuring transparency and accountability in the governance process.

### ROLES AND RESPONSIBILITIES

ARMC has been entrusted by the Board with the governance and oversight responsibilities pertaining to internal control and risk management systems, as well as ensuring the integrity of financial reporting within the Group. Additionally, the ARMC is tasked with overseeing the Group's internal audit function, managing the relationship with the Group's External Auditor and reporting on its activities to shareholders.

ARMC deliberates the Summary of Internal Audit Reports and the External Auditors' reports, encompassing financial, operational, governance, risk management and control matters during its meeting. The ARMC closely monitors the status of preventive and corrective actions for issues to ensure effective follow-up and resolution.

The system of internal control therefore provides only reasonable, not absolute, assurance against material misstatement or loss.

The system of internal control does, however, provide reasonable assurance that potential issues can be identified promptly, and appropriate remedial action taken.

### SUMMARY OF ACTIVITIES

In line with its responsibilities outlined in its TOR, the ARMC discharged its functions and duties for FY2023 through the completion of the following activities:

#### (I) FINANCIAL PERFORMANCE AND REPORTING

- reviewed the four (4) unaudited quarterly consolidated financial results, as well as the year-end financial statements of the Group. During the review, the CFO and Finance Manager were invited to present and address queries from the ARMC, focusing particularly on changes in the accounting policies and related disclosures, significant and unusual events identified during the audit, the going concern assumption, compliance with financial reporting standards and legal requirements, significant matters highlighted in the financial statements, and significant judgements made by Management.
- recommended the financial results to the Board for consideration and approval after being satisfied with the clarification and justification provided by the Management.
- discussed with Management critical accounting principles and standards applied, emphasis on accounting estimates, and deliberated on taxation issues that could impact the financial results.
- reviewed and approved Management's assessment of the Group's prospects and longer-term visibility as presented in the quarterly unaudited consolidated financial results and Annual Report.
- confirmed with Management and External Auditors that the Group's and the Company's audited financial statements were prepared in compliance with applicable Financial Reporting Standards.
- reported findings on the financial performance, Management's performance and other significant matters to the Board for their consideration.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES (Cont'd)

### (II) OVERSIGHT OF EXTERNAL AUDITORS

- reviewed the external audit reports and assessed the auditor's findings, along with Management's responses, regarding the audit for FY2023;
- reviewed and approved the External Auditors' Audit Planning Memorandum for FY2023 outlining materiality, scope of work including audit risk areas, audit approach, audit focus area and timeline for interim review and year-end audit, as well as the audit fees at the meeting held on 15 November 2023. The ARMC considered and agreed the scope and materiality to be applied to the Group audit and its components. Key audit matters and the audit approach to these matters are discussed in the Independent Auditor's Report of this Annual Report, which also highlights the other significant matters that the External Auditors drew to the ARMC's attention. The ARMC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group.
- reviewed non-audit fees and assessed the level of non-audit services provided by the External Auditors to ensure independence and absence of conflict of interest. The ARMC having considered the nature, scope and amount of non-audit fees, was satisfied that there was no conflict of interest and that the non-audit services would not impair the independence of the External Auditors.
- discussed with External Auditors the applicability and the impact of new and revised accounting standards and financial reporting regimes issued by the Malaysian Accounting Standards Board.
- held 2 private sessions with External Auditors on 7 April 2023 and 15 November 2023, facilitating discussions on key audit challenges without the presence of Executive Board members and Management.
- evaluated External Auditors' suitability, objectivity and independence, considering technical competencies, audit quality, and manpower resource sufficiency to perform the audit of the Group. The evaluation was performed with reference to the Annual Transparency Report issued by the audit firm. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.
- recommended to the Board the re-appointment of External Auditors to shareholders at the Annual General Meeting of the Company based on the evaluation of their performance and independence.

### (III) OVERSIGHT OF INTERNAL AUDIT ("IA")

- reviewed and approved the IA plan for FY2023, ensuring alignment with the Group's strategic objectives and risks. The plan's scope and areas of focus were thoroughly discussed and challenged to provide adequate coverage deemed appropriate by the ARMC. Make enquiries as to the Internal Auditors' resources, expertise, professionalism and independence to meet planned audit activities across the Group.
- reviewed all IA reports issued by the Internal Auditors, acknowledging observations, recommendations and Management's responses.
- engaged in discussions during ARMC meetings on significant reported matters with Management and Internal Auditors to establish a common understanding of issues and Management's commitment to enhancing the current system of internal control. Significant internal control matters were reported to the Board.
- reviewed the implementation status of corrective action resulting from audit recommendations, ensuring timely resolution of identified key risks and control lapses. The ARMC closely monitored the status of corrective actions until completion.
- evaluated the adequacy of the scope, functions, competency and performance of the IA function, assessing the comprehensiveness of its coverage across Group activities.
- held 2 private sessions with the Head of Internal Auditors on 22 February 2023 and 15 November 2023, provided Internal Auditors with a platform to candidly express any concerns, including those relating to their ability to perform work without restraint or interference.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### SUMMARY OF ACTIVITIES (Cont'd)

#### (IV) RELATED PARTY TRANSACTIONS

- reviewed and confirmed with the Management on a quarterly basis if any related party transaction or recurrent related party transaction entered by the Group which are required to be transacted at an arm's length basis and on terms not more favourable than those generally available to the public and are in the best interest of the Group; are fair, reasonable and on normal commercial terms; and are not detrimental to the interests of the minority shareholders of the Company.

#### (V) OVERSIGHT OF INTERNAL CONTROL AND CORPORATE GOVERNANCE MATTERS

- reviewed and confirmed the accuracy of ARMC meeting minutes.
- reviewed the impact of regulatory changes and ensured Company and Group compliance.
- reviewed and recommended the ARMC Report and Statement on Risk Management and Internal Control ("SORMIC") to the Board for approval and inclusion in the Annual Report 2022.
- reviewed and recommended the Group Corruption Risk Management ("CRM") Framework to the Board for approval and adoption, as well as the CRM Assessment Report for 2022 from MCM International Consulting PLT, the Enterprise Risk Management Consultant.
- discuss the Conflict of Interest ("COI") in accordance the amendments to the MMLR of Bursa Securities.
- reviewed and recommended the proposed amendments to the TOR of the ARMC and the COI Policy to the Board for approval and adoption.

#### (VI) RISK MANAGEMENT AND INTERNAL CONTROL

- reviewed the adequacy and effectiveness of risk management and internal control systems implemented within the Group.
- received updates from the consultant, YNC Business Consulting Sdn Bhd, on 23 August 2023, regarding Enterprise Risk Management principal risk findings and the adoption of relevant corrective measures for identified risks.

During FY2023, the ARMC was adequately resourced to fulfil its responsibilities effectively. The ARMC had access to all necessary information required to carry out its duties and possessed the authority to seek independent advice as needed. Additionally, the ARMC had the power to investigate any matter falling within its purview. This ensured that the ARMC could operate with autonomy and thoroughness in overseeing governance, risk management, and internal control matters within the Group.

#### Evaluation of the ARMC

The term of office and performance of the ARMC and each of its members are assessed annually by the NC. The NC reports the outcome of its assessment to the Board. For FY2023, the Board was satisfied that the ARMC has discharged its duties and responsibilities in accordance with the TOR of the ARMC.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### Internal Audit (“IA”) Function

The IA function of the Group is outsourced to assist the ARMC in fulfilling its duties and responsibilities. The role of the Internal Auditors is to provide independent assessment of the adequacy of the internal control system, ensuring compliance with policies and procedures, as well as involvement in risk management, risk evaluation and recommendation of control activities.

The Group has appointed Messrs. Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”) as its Internal Auditors since FY2019. Sterling, a professional firm, reports directly to the ARMC, providing the Board with reasonable assurance of the adequacy of the IA function’s scope, functions and resources.

During FY2023, the work conducted by the Internal Auditors included:

- preparation of the IA Plan based on the direction of the ARMC.
- reviewed the internal control system based on the approved IA Plan. Sterling has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended improvements to the existing system of internal control.
- presentation of IA Reports incorporating the audit observations, recommendations and management action plans, for review and approval by the ARMC.
- conducting follow-ups on previously issued audit recommendations to ensure implementation of recommendations and management action plans.
- review of the sustainability data for FY2023.

The total costs incurred for maintaining the IA function of the Group for FY2023 was RM43,535 (FY2022: RM43,185).

The ARMC and Board expressed satisfaction with the performance of the Internal Auditors for FY2023 and have decided to continue outsourcing the IA function for greater independence and continuity.

This ARMC Report is issued in accordance with a resolution of the Board of Directors.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors ("Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") of Greatech Technology Berhad ("Greatech" or "Company"), along with its subsidiaries ("Group"), for the financial year ended 31 December 2023 ("FY2023"). This Statement is in line with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Principle B of the Malaysian Code on Corporate Governance 2021 ("MCCG"), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board recognises the importance of a robust risk management and internal control framework in achieving its objective and sustaining success.

## BOARD RESPONSIBILITY

The Board acknowledges its overarching responsibility for establishing and maintaining a robust system of risk management and internal control, aimed at safeguarding shareholders' interests and protecting the assets of the Group.

The governance structure has been established by the Board to ensure the effective stewardship of risk management and internal control within the Group at all levels. This includes fraud risk, corruption risk and climate-related risks and opportunities. The Board is assisted by the Audit and Risk Management Committee ("ARMC"), which is empowered by its terms of reference to ensure independent oversight of internal control and risk management.

During 2023, the ARMC conducted reviews of internal controls based on internal audits performed by the Internal Auditors. All audit issues, recommendations and Management's actions in response were deliberated thoroughly during the ARMC meetings, with minutes subsequently presented to the Board. The ARMC has also evaluated the effectiveness of controls and action plans to monitor, mitigate, and manage overall risk exposure across the Group.

The system of risk management and internal controls encompasses various aspects including financial, governance, risk management, strategy, organisational, operational, regulatory and compliance matters. Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Board is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities. The Board continuously enhanced and embed controls throughout the Group, by conducting half-yearly reviews of the effectiveness of the internal control and risk management framework to ensure its continued relevance and suitability.

## MANAGEMENT RESPONSIBILITY

The Management assists the Board in the implementation of the Group's policies and procedures on risk management and internal control by identifying, evaluating, measuring, monitoring and reporting risks as well as any deficiencies and non-compliance, with timely and proper remedial actions taken as and when required.

## RISK MANAGEMENT FRAMEWORK

The Board fully endorses the principles outlined in Practices 10.1 and 10.2 of the MCCG, emphasising the necessity of establishing an effective risk management and internal control framework and the disclosure thereof. In alignment with these principles, the Board has implemented an Enterprise Risk Management ("ERM") Framework within the Group, which is incorporated into the Risk Management Policy approved by the Board, and serves as an ongoing process to identify, assess, and manage principal risks and uncertainties faced by the Group.

The ERM Framework operates as a holistic and structured process, effected top-down from the Board to Management and employees across the Group. It addresses uncertainties surrounding potential events that may affect the Group, determining appropriate control and monitoring measures. The framework is subject to continuous review and improvement, in response to changes in the risk profiles while remaining aligned with the Group's overall business strategy.

The ERM Framework aims to align the processes, people and technology to manage risks in accordance with the Group's risk appetite and tolerance, thus ensuring sustainable value to stakeholders while minimising surprises and optimising opportunities.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT FRAMEWORK (Cont'd)

In this context, the ERM framework that the Company adopts consists of seven (7) elements, which is in line with globally accepted risk management standards:

Framework Element	Description
Risk strategy and appetite	Alignment/conscious decision to use risk management for the achievement of business decisions and strategic objectives
Risk governance	Establish an approach to developing, supporting and embedding the risk strategies and accountabilities
Risk culture	Embed value and behaviours that shape risk decisions
Risk assessment and measurement	Identify, assess, categorise and measure risks across the Group
Risk management and monitoring	Manage, mitigate and accept risks
Risk reporting and insight	Report and conduct activities to provide insight on risk management, strengths and weaknesses
Data and technology	Use risk and control information to improve performance

Recognising the pivotal role of ERM in achieving sustainable growth and optimising shareholder value, the Board has established an ARMC entirely composed of Independent Non-Executive Directors. The ARMC supports the Board in reviewing the risk management methodology, assessing the effectiveness of internal control systems, ensuring compliance with relevant legislation and regulations, and regularly evaluating the Group's risk exposures.

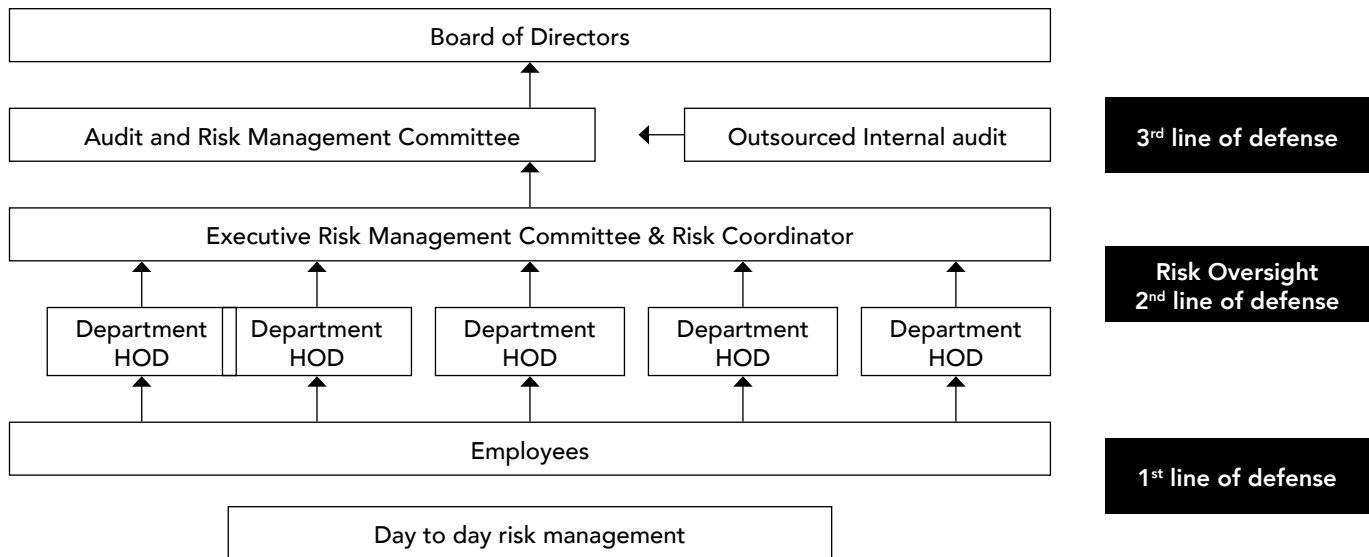
Risks are categorised according to strategic, operational, financial and compliance matters based on the Group's business objectives. The Group has embedded the Corruption Risk Management ("CRM") Framework into the ERM framework to address corruption risks effectively. Additionally, an Anti-Fraud Policy has been established to facilitate the development of controls, which will aid in the detection and prevention of fraud. It is the intent of the Company to promote consistent organisational behaviour by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations.

The Board emphasises the integration of risk management into the Group's culture and day-to-day operations, emphasising its application in decision-making and strategic planning. The Executive Risk Management Committee ("ERMC"), led by the Chief Project Officer ("CPO") oversees the comprehensive implementation and maintenance of ERM Framework. Risks are systematically identified, evaluated, managed, monitored and reported, with key risk exposures and activities escalated to decision makers and, when necessary, to the Board.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Oversight

The Group's risk organisational structure as illustrated below is established for effective risk management:



### Risk Management Process

The risk management framework establishes the context of risk in relation to the Group's business and sets out the process for risk identification, assessment and management with continuous monitoring, review and communication. A risk template capturing all key risks identified with detailed assessments and respective mitigating controls to be implemented, or already implemented, is reviewed by the heads of business units and support units, to manage these risks.

The Group's management assesses the likelihood and potential impact of identified risks on financial and non-financial parameters, determining residual risk ratings and expected risk values for reporting and monitoring purposes. Emerging risks are also proactively addressed through regular risk reporting and reviewing processes, with designated risk owners monitoring risk evolution and developing mitigation plans.

The Risk Manager coordinates the risk management system and summarises the critical risks identified in a risk report, which is then presented and reviewed half yearly by the ERMC and the Executive Directors. Internal risk reporting mechanism provides the Executive Directors and the Management with regular and detailed information on the current risk landscape. This allows decision-makers to stay informed about emerging risks, negative trends and potential threats to the Group. By having access to timely and accurate risk information, the Management can take proactive measures to address and mitigate risks before they escalate into significant issues. Risks are identified in sufficient time for countermeasures to be taken. The risk report is not only reviewed by the ERMC and the Executive Directors but also presented to and reviewed by the ARMC.

The ARMC also conducts thorough reviews of risk mitigation measures, assesses reported risks' reasonableness and determines strategies to avoid similar risks in the future.

### Risk Appetite and Risk Parameter

The appropriate risk appetite and corresponding risk parameters of the Group are established by the Board via the ARMC. Integral to the ERM framework, risk appetite sets the tone for risk taking in general and provides direction in assessing whether the Group is operating within acceptable limits in achieving its strategic objectives.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Appetite and Risk Parameter (Cont'd)

Defined risk parameters, aligned to the Group's risk appetite, provide a guide for consistent evaluation of risks and prioritise risk mitigation actions. Both financial and non-financial risk parameters are reviewed by the Management and ERMC as the need arises, ensuring that the risk parameters reflect changes in risk appetite or circumstances in a fair and timely manner.

Based on the ERM Framework established, the Board is of the view that there is an ongoing risk management process to support the delivery of the Board's strategy and manage the risk of failing to achieve the Group's business objectives. The Board, with the ARMC's concurrence, is satisfied that the risk management systems in place are adequate and effective throughout the financial year and up to the date of approval of the Annual Report.

### INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an external independent professional consulting firm, Messrs. Sterling Business Alignment Consulting Sdn Bhd. The internal audit function reports administratively to the Chief Financial Officer ("CFO") but functionally to the ARMC to maintain its objectivity. The firm is free from any relationships or conflicts of interest, which could impair its objectivity and independence of the internal audit function. The firm does not have any direct operational responsibility or authority over any of the activities audited.

The ARMC relies on the independent assurance provided by the internal audit function regarding risk management and the system of internal control. The ARMC is of the opinion that the internal audit function is independent and adequately resourced to fulfil its duties effectively within the Group.

The internal auditors use the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. Their reviews, conducted according to the approved internal audit plan, focus on financial, operational, compliance and information technology risks. These reviews also address critical business processes and internal control gaps, recommending improvements to the internal control process. The internal audit plan is reviewed and approved by the ARMC to ensure the continued satisfactory operation of the system.

During FY2023, the internal auditors conducted two (2) reviews and two (2) follow-up reviews for the following subsidiary of the Group, as per the risk-based internal audit plan approved by the ARMC. These reviews involve assessing the adequacy and effectiveness of internal controls through interviews, discussions with ERMC, review of policies and procedures and testing of internal controls on a sample basis. The outcomes of these internal audit reviews include action plans to address identified weaknesses, with enhancement opportunities reported to the ARMC, which, in turn, reports to the Board. The ARMC closely follows up on highlighted issues to ensure the implementation of recommended action by Management.

Audit for the period	Reporting Month	Name of Entity Audited	Audited Areas
1 <sup>st</sup> Quarter (January - March 2023)	May 2023	Greatech Integration (M) Sdn Bhd	<ul style="list-style-type: none"> <li>Compliance Status Review on Free Industrial Zone / Licensed Manufacturing Warehouse</li> </ul> <p>Follow up on:</p> <ul style="list-style-type: none"> <li>Project Management</li> <li>Procurement</li> <li>Finance &amp; Accounts</li> <li>Management Information System</li> </ul>
3 <sup>rd</sup> Quarter (July - September 2023)	November 2023	Greatech Integration (M) Sdn Bhd	<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul> <p>Follow up on:</p> <ul style="list-style-type: none"> <li>Compliance Status Review on Free Industrial Zone/ Licensed Manufacturing Warehouse</li> <li>Project Management</li> <li>Procurement</li> <li>Finance &amp; Accounts</li> <li>Management Information System</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL AUDIT FUNCTION (Cont'd)

The results of the internal audit reviews, including any recommendations for improvement, were presented at the scheduled ARMC meetings. Follow-up audits were also conducted by the internal audit function to verify the implementation of corrective actions aimed at addressing the identified control gaps. Based on the internal audit reviews conducted during FY2023, no significant control deficiencies were found that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Annual Report.

The total cost incurred for the internal audit function for FY2023 amounted to RM43,535.

### INTERNAL CONTROL FRAMEWORK

The Board recognises that a sound system of internal control reduces, but not eliminates, the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls, and the occurrence of unforeseeable circumstances.

The Group's ERM receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies based on the latest regulatory requirements and updates.

The internal control matters were reviewed and the Board is updated on significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during Board meetings and any significant fluctuation or exceptional notes will be analysed and acted in a timely manner.

Other key elements of the Group's internal control systems are as follows:

- a) Clearly defined Terms of Reference, authorities and responsibilities of the various Board Committees and Sub-Committees which include the ARMC, Nominating Committee, Remuneration Committee and Long-Term Incentive Plan Committee;
- b) Well-defined organisational structure with clear lines of authority and reporting, accountability and responsibilities of respective functions within the Group;
- c) Regular risk report from principal risk owner to identify and address significant risk;
- d) Comprehensive planning, budgeting, reporting and monitoring of performance and forecast. Monthly reviews of business development, financial performance against budget, health and safety and capital expenditure proposals and all other aspects of business attended by Executive Directors and Management as appropriate;
- e) Elements of internal control have been embedded and documented in the form of operating procedures and policies such as Code of Conduct & Ethics ("Code"), Remuneration Policy, Whistleblowing Policy, Conflict of Interest Policy and Anti-Bribery and Anti-Corruption ("ABAC") Policy, which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in standard operating procedures;
- f) Declaration of Conflict of Interest and adherence to the Code by Directors and employees of the Group;
- g) Regular reporting of operational and financial performance for review by the Executive Directors and/or the ARMC;
- h) Management meetings are conducted to review financial performance, health and safety, operational efficiency, quality performance, business development, capital expenditure proposals, risk assessment and all other aspects of business;
- i) The Group establishes a Performance Management System with core competencies assessment and key performance indicators to review and assess employees' performance and competency;
- j) The Group establishes a Code which sets out the principles and standards of business conduct and ethics of the Group in relation to integrity, responsibility and corporate social responsibility, apply to all Directors, Management and employees, on full-time or part-time employment with Greatech, and is to be read in conjunction with the Employee Handbook. The Code, last updated on 29 May 2020, is reviewed as and when necessary to remain relevant in addressing any ethical issues that may arise within the organisation.

All employees are required to acknowledge that they have read and understood the Code upon commencement of employment and subsequently on an annual basis;

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL FRAMEWORK (Cont'd)

Other key elements of the Group's internal control systems are as follows: (Cont'd)

- k) The Group establishes a Cyber Security Policy to ensure that access to information systems and confidential information is adequately controlled and monitored. The cyber security posture of the Group was further enhanced to improve data encryption practices and data backup solution in FY2023;
- l) The Group upholds a zero-tolerance stance towards bribery and corruption in any forms and is committed to conducting business with the highest standards of ethics and integrity. The Group adopted its ABAC Policy in line with the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group has made it mandatory for all employees to read the ABAC Policy and undertake an annual online assessment test to gauge their understanding of the subject matter. The ABAC Policy is reviewed periodically and updated to reflect changes in the organisation and evolving best practices. The Policy was last revised on 23 February 2024.

In addition, the Group also establishes a Greatech Business Partner Anti-Corruption Policy where the Group requires its suppliers, contractors, integrators, business contacts, consultants, professional advisors, joint venture partners, freight forwarders, agents, and any other parties with whom Greatech does business to act lawfully, ethically and with integrity at all times in carrying out their services and contractual obligations to Greatech or on Greatech's behalf to a Greatech customer or any other third party. All business partners including consultants and contractors are required to acknowledge and comply with the Policy;

- m) Undertaken an external review of the Group's ABAC governance and adoption of group-wide Corruption Risk Management which is adaptable to ERM framework relevant to the prevention of bribery and corruption;
- n) The Group conducts a risk assessment of bribery and corruption existing controls and vulnerable areas to identify key gaps and improvement opportunities;
- o) The Group established a Whistleblowing Policy which outlines the Group's commitment to allow, support and encourage employees and other stakeholders to report concerns in a responsible, transparent and confidential manner without being subject to victimisation or discriminatory treatment. These concerns entail any wrongdoings, malpractices or illegal activities within the Group;
- p) The Group conducts quarterly results briefings following the release of its financial results and holds regular meetings to provide corporate updates to the investment and financial communities. These meetings provide an opportunity for fund managers, investment analysts and bankers to seek clarification from Senior Management;
- q) The Group has established a Delegation of Authority ("DOA") Policy to provide a well-defined framework of authority and accountability assigned and delegated to each approving authority within the organisation;
- r) The Group manages its capital expenditure ("CAPEX") by establishing annual CAPEX budget at the start of each financial year to track and assess actual CAPEX incurred against the set budget;
- s) The Group is committed towards the well-being of its workforce by upholding high standards of occupational safety and health at all production areas and at all business premises. The Group upholds well-defined health and safety policies and procedures, and constantly raises awareness on health and safety through training initiatives. Regular building maintenance and physical checks on Group facilities are also performed at all offices and production areas to ensure the safety of employees and visitors. The Group establishes Safety, Health and Environment Policy which aims to achieve these goals;
- t) The Group's Sustainability Working Group ("SWG"), comprising of the CFO as officer in charge of sustainability related matters, a cross functional management team, and chaired by the CEO was established in 2019, to assist the Board in integrating essential ESG practices into the Group's strategies. The SWG reports to the Board in regularly basis in relation to the Group's sustainability initiatives and the holistic approach taken to identify and manage material sustainability matters that constitute the Group's ESG risks and opportunities.
- u) The Group establishes the Group's Business Continuity Policy and develops its Business Continuity Plan that outlines the Group's strategy and best practices to safeguard the availability of Greatech Group's essential services in the event of a business disruption, emergency or disaster. It provides guidance for mobilising the Crisis Management Team and implementing practical measures in response to an unexpected occurrence or unplanned event that affects the Group.
- v) Adoption of group-wide framework on corporate governance according to guidelines issued by the Securities Commission Malaysia on 30 July 2020.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL FRAMEWORK (Cont'd)

The Group will continue to foster risk-awareness and internal control awareness in all decision making and manage all risks in a proactive and effective manner. This is to enable the Group to respond effectively to the changing business and competitive environment.

### ASSURANCE

The Board regularly receives and reviews the reports on the effectiveness of the risk management and internal control and is of the view that it is sound and adequate to safeguard the Group's assets, the shareholders' investments, the interests of customers, regulators, employees and other stakeholders. The role of the Management is to implement the Board's policies and guidelines on risks and controls, to identify and evaluate the risks faced and to operate a suitable system of internal controls to manage these risks.

The Board has received assurance from the Chief Executive Officer, CPO and CFO that the Group's system of risk management and internal control is operating adequately and effectively for the financial year under review and up to date as of this Statement. Taking this assurance into consideration and input from relevant parties like the internal audit function and feedback from the external auditors on any control failings, the Board is of the view that the system of risk management and internal control is adequate and operating effectively to achieve objectives and has not resulted in any material losses or contingencies that would require disclosure in the Group's Annual Report. The Board remains committed towards establishing a robust system of risk management and internal control, where improvements are made as considered appropriate.

### REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required under Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report.

The review of this Statement by the external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants ("MIA").

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal controls of the Group, has not been prepared in accordance with the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

### CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is sound and adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of risk management and internal controls practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS

Greatech Technology Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing") on 13 June 2019. In conjunction with the Listing, the Company undertook a public issue of 119,750,000 new ordinary shares, raising gross proceeds of RM73.05 million ("IPO proceeds"). Subsequently, the Company has successfully completed the transfer of the listing of and quotation for the entire issued share capital of the Company to the Main Market of Bursa Securities ("Transfer Listing") on 28 December 2020.

As at 31 December 2023, the IPO proceeds were fully utilised as set out below:

PURPOSES	ESTIMATED TIME FRAME FOR UTILISATION UPON LISTING	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION RM'000	PERCENTAGE UTILISED %
Business expansion and development, and marketing activities	Within 48 months	18,000	18,000	100.0
Capital expenditure	Within 24 months	5,000	5,000	100.0
R&D expenditure	Within 24 months	5,000	5,000	100.0
Working capital	Within 30 months	36,548	36,548	100.0
Repayment of bank borrowings	Within 3 months	4,500	4,500	100.0
Estimated listing expenses	Immediately	4,000	4,000	100.0
<b>Total</b>		<b>73,048</b>	<b>73,048</b>	

The utilisation of gross proceeds as set out above should be read in conjunction with the Prospectus of the Company dated 13 May 2019.

### 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable for services rendered to the Company and the Group for the financial year ended 31 December 2023 ("FY2023") by the Company's external auditors, or a firm or corporation affiliated to the external auditors are as follows:

	Group (RM)	Company (RM)
Audit Fees	159,624	43,000
Non-audit Fees*	141,260	116,260
<b>Total</b>	<b>300,884</b>	<b>159,260</b>

\* The non-audit services rendered by BDO PLT and its affiliates mainly comprises of fee payable for review of Sustainability Report, Statement of Risk Management and Internal Control and other compliance information.

### 3. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS AND CHIEF EXECUTIVE WHO IS NOT A DIRECTOR AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, Chief Executive who is not a Director and major shareholders, either still subsisting as at 31 December 2023 or entered into since the end of the previous financial year.

## ADDITIONAL COMPLIANCE INFORMATION

### 4. LONG TERM INCENTIVE PLAN ("LTIP")

The LTIP of the Company comprising employees' Share Option Plan ("SOP") and Share Grant Plan ("SGP"), is governed by the By-Laws approved by the shareholders during the Company's Extraordinary General Meeting held on 27 November 2020.

The effective date of implementation of the LTIP is 11 January 2021, which will be in force for a period of five (5) years from 11 January 2021.

#### i) SOP

During the FY2023, the Company has not offered any options to eligible employees.

The information in relation to SOP as at 31 December 2023 is as follows:

	<b>Total Number</b>
Offered <sup>(a)</sup>	1,088,400
Cancelled/Lapsed <sup>(b)</sup>	(953,250)
Exercised	(135,150)
<b>Total options or shares outstanding as at 31 December 2023</b>	<b>-</b>

Note:

<sup>(a)</sup> There were no options offered to the Directors and Chief Executive/senior management of the Company since the implementation of LTIP up to date.

<sup>(b)</sup> The information of the cancelled/lapsed of the 953,250 units of share options are as follows:

- 493,900 options have been cancelled due to no options were accepted by employees;
- 103,100 options have lapsed due to they were granted to employees who resigned subsequent to the grant date;
- 356,250 options have lapsed due to the expiration of the share option during the financial year.

<sup>(c)</sup> The details of LTIP are set out in Note 30 to the financial statements of this Annual Report.

#### ii) SGP

During the FY2023, the Company have not granted any shares to eligible employees.

The information in relation to SGP as at 31 December 2023 is as follows:

	<b>Total Number</b>
Granted <sup>(a)</sup>	6,500,000
Lapsed <sup>(b)</sup>	(866,900)
Vested	(2,064,300)
<b>Total shares outstanding as at 31 December 2023</b>	<b>3,568,800</b>

Note:

<sup>(a)</sup> 60,000 ordinary shares were granted to the senior management of the Group as at 31 December 2023.

<sup>(b)</sup> The outstanding of 866,900 shares granted have lapsed due to shares were granted to employees who resigned subsequent to the grant date as at 31 December 2023.

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Board of Directors ("Board") is responsible to ensure that the financial statements of Greotech Technology Berhad ("Company") and its subsidiaries ("Group") are properly drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs"), the provisions of the Companies Act 2016 ("CA 2016") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is also responsible to ensure that the financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2023, and of the results of their operations and cash flows for the financial year then ended.

The Group's consolidated annual audited financial statements for the financial year ended 31 December 2023 ("FY2023") are prepared in accordance with the applicable approved accounting standards in Malaysia and CA 2016. The Statement by the Directors according to Section 251(2) of the CA 2016 is set out in the section titled "Statement by Directors" of the Directors' Report enclosed with the Group's consolidated annual audited financial statements for FY2023.

In preparing the financial statements for FY2023, the Board has observed the following:

- (i) all applicable approved accounting standards in Malaysia, such as MFRSs and IFRSs have been followed;
- (ii) the Group and the Company have used appropriate accounting policies and consistently applied them;
- (iii) reasonable and prudent judgments and estimates were made; and
- (iv) the financial statements have been prepared on a going concern basis as the Board has a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Board has ensured that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with regulatory requirements and applicable approved accounting standards in Malaysia.

The Board has also ensured that the quarterly reports and annual audited financial statements of the Group are submitted to Bursa Malaysia Securities Berhad in a timely manner to keep the investing public informed of the Group's latest performance and developments.

The Board has taken appropriate measures reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibility in relation to the Financial Statements is issued in accordance with a resolution of the Board of Directors.

# FINANCIAL STATEMENTS

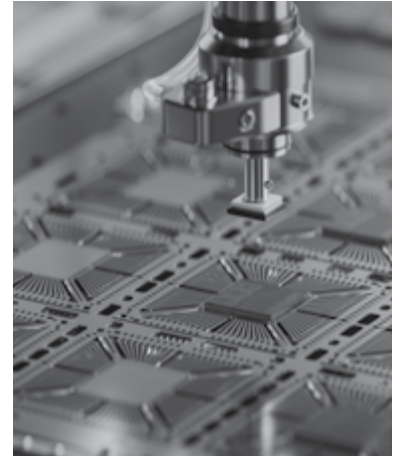


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## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly sale of automated equipment together with provision of parts and services. Further details of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

### RESULTS

	Group RM	Company RM
Profit for the financial year	<u>154,363,105</u>	<u>1,521,619</u>
Attributable to:		
Owners of the parent	<u>154,363,105</u>	<u>1,521,619</u>

### DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend for the current financial year.

### RESERVES AND PROVISIONS

Material transfers to or from reserves or provisions during the financial year include the following:

	Group and Company RM
Ordinary shares issued pursuant to Share Grant Plan ('SGP')	(5,944,653)
Share options lapsed pursuant to Share Option Plan ('SOP')	<u>(1,137,649)</u>

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,252,837,250 ordinary shares to 1,254,199,450 ordinary shares by way of issuance of 1,362,200 new ordinary shares pursuant to SGP at weighted average share price of RM4.364.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year.



## DIRECTORS' REPORT

### OPTIONS GRANTED OVER UNISSUED SHARES

At an Extraordinary General Meeting held on 27 November 2020, the shareholders of the Company approved the establishment of Long Term Incentive Plan ('LTIP') of up to 10% of the issued share capital of the Company which consist of SOP and SGP, to eligible Executive Directors and employees of the Group.

Salient features and other terms of the LTIP are as follows:

- (a) The maximum number of shares which may be made available under the LTIP shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the LTIP.
- (b) The maximum number of shares to be awarded to an eligible person under the LTIP at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee, and subject to the following conditions:
  - (i) not more than ten percent (10%) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to any eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
  - (ii) up to fifty percent (50%) of the total number of shares which may be made available under LTIP could be allocated, in aggregate, to the Executive Directors and senior management of the Company who are eligible persons.
- (c) Any employee of the Group who fulfill the following conditions shall be eligible to participate in the LTIP as at the date of award, the employee:
  - (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) is employed by the Group on a full-time basis or serving in a specific designation under an employment contract with the Group for a fixed duration and is on the payroll of any company within the Group and has not served a notice of resignation or received notice of termination;
  - (iii) must have been in employment of the Group for a period of at least six (6) months prior to the LTIP award date; and
  - (iv) is confirmed in writing as a full time employee of the Group prior to and up to the LTIP award date.
- (d) The Executive Director of the Group shall be eligible to participate in the LTIP as at the date of award, the Executive Director:
  - (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
  - (ii) is appointed as an Executive Director of the Company or any company within the Group prior to and up to the LTIP award date.
- (e) The shares to be issued upon vest of SGP and/or exercise of the SOP will not be subjected to any retention period or restriction on transfer.
- (f) The shares to be allotted and issued upon vest of SGP and/or exercise of the SOP will, upon such allotment and issuance, rank equally, in all respects with the existing shares in the Company, save and except that the new shares allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions.

## DIRECTORS' REPORT

### OPTIONS GRANTED OVER UNISSUED SHARES (Cont'd)

Salient features and other terms of the LTIP are as follows: (Cont'd)

The details of the share options of the Company are as follows:

Date of offer	[-----Number of options over ordinary shares-----]				
	Balance as at 1.1.2023	Exercised	Lapsed	Outstanding as at 31.12.2023	Exercisable as at 31.12.2023
10 March 2021	356,250	0	(356,250)	0	0

### SHARE GRANT PLAN ('SGP')

At an Extraordinary General Meeting held on 27 November 2020, the shareholders of the Company approved the establishment of Long Term Incentive Plan ('LTIP') of up to 10% of the issued share capital of the Company which consist of SOP and SGP, to eligible Executive Directors and employees of the Group.

Salient features and other terms of the LTIP are disclosed under "options granted over unissued shares".

The following table illustrates the movement of shares under the SGP during the financial year:

Date of grant	[-----Number of ordinary shares granted under SGP-----]			
	Balance as at 1.1.2023	Vested	Forfeited*	Outstanding as at 31.12.2023
17 January 2022	1,401,800	(302,400)	(181,800)	917,600
26 January 2022	1,400,500	(325,500)	(97,600)	977,400
24 November 2022	2,500,000	(734,300)	(91,900)	1,673,800
	<u>5,302,300</u>	<u>(1,362,200)</u>	<u>(371,300)</u>	<u>3,568,800</u>

\* Due to resignation.

### DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Dato' Seri Tan Eng Kee\*  
 Khor Lean Heng\*  
 Mariamah binti Daud  
 Ooi Hooi Kiang  
 Dato' Seri Wong Siew Hai  
 Dr. Michael Dominic Kirk  
 Dato' Ooi Boon Chye (Appointed on 15 May 2023)  
 Dr. Kong Siew Mui (Appointed on 23 February 2024)

\* These Directors of the Company are also the Directors in certain subsidiaries of the Company.

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[----- Number of ordinary shares -----]					Balance as at 31.12.2023
	Balance as at 1.1.2023/Date of appointment^	SGP	Bought	Sold	Transfer	

#### Shares in the Company

##### Direct interests:

Dato' Seri Tan Eng Kee	4,836,300	0	100,000	0	0	4,936,300
Khor Lean Heng	1,248,500	0	150,000	0	0	1,398,500
Mariamah binti Daud	770,000	0	0	(93,700)	0	676,300
Ooi Hooi Kiang	1,848,600	0	0	(110,000)	(200,000)	1,538,600
Dato' Ooi Boon Chye^	0	0	207,900	0	0	207,900

	[----- Number of ordinary shares -----]					Balance as at 31.12.2023
	Balance as at 1.1.2023	SGP	Bought	Sold		

##### Indirect interests:

Dato' Seri Tan Eng Kee *#	767,893,300	7,700	0	0	0	767,901,000
Mariamah binti Daud #	65,000	0	0	0	0	65,000
Dato' Seri Wong Siew Hai #	1,062,700	0	0	0	(6,000)	1,056,700

\* Deemed interest by virtue of shareholdings in GTECH Holdings Sdn. Bhd..

# Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 held through children.

By virtue of Dato' Seri Tan Eng Kee's substantial interest in the shares of the Company, he is also deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from a subsidiary as Directors of the subsidiary.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

# DIRECTORS' REPORT

## DIRECTORS' REMUNERATION

The fees and other benefits of the Directors who held office during the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Fees	569,032	569,032
Salaries	936,960	0
Bonuses	414,970	0
Others	206,728	42,000
Benefits-in-kind	45,400	0
	<u>2,173,090</u>	<u>611,032</u>

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and Officers' liability insurance during the financial year to protect the Directors and Officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and Officers.

During the financial year, the total amount of insurance premium paid for the Directors and the Officers of the Group and of the Company were RM27,300.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (Cont'd)

- (c) The Directors are not aware of any circumstances: (cont'd)
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 19 March 2024, a subsidiary of the Company, Greatech Integration (M) Sdn. Bhd. incorporated a wholly-owned subsidiary, Greatech Integration (S) Pte. Ltd. in Singapore for a cash consideration of SGD 1 (equivalent to RM3.50) comprising of 1 ordinary share.

### HOLDING COMPANY

The Directors regard GTECH Holdings Sdn. Bhd., a company incorporated in Malaysia as the immediate and ultimate holding company.

# DIRECTORS' REPORT

## AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

## AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Statutory audit	159,624	43,000
Other services	4,000	4,000
	<u>163,624</u>	<u>47,000</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Dato' Seri Tan Eng Kee**  
Director

Penang

22 April 2024

**Khor Lean Heng**  
Director



## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 133 to 195 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Dato' Seri Tan Eng Kee**  
Director

Penang

22 April 2024

**Khor Lean Heng**  
Director

## STATUTORY DECLARATION

I, Koay Lin Lin (CA 16631), being the officer primarily responsible for the financial management of Greatech Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 133 to 195 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed at Georgetown  
in the State of Penang this 22 April  
2024

**Koay Lin Lin**  
Chief Financial Officer

Before me,

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREATECH TECHNOLOGY BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Greatech Technology Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 133 to 195.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 of the 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **(a) Revenue recognition for construction contracts**

Revenue from construction contracts during the financial year as disclosed in Note 25 to the financial statements amounted to RM623,838,618.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers and costs in applying the input method to recognise revenue over time.

The Group estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims.

#### **Audit response**

Our audit procedures included the following:

- (i) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (ii) inspected documentation to support cost estimates made including contract variations;
- (iii) compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (iv) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREATECH TECHNOLOGY BERHAD

## Key Audit Matters (Cont'd)

### (b) Provision for warranties

We refer to Note 22 to the financial statements on the provision for warranties which amounted RM16,289,127.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates in determining the valuation of provision for warranties.

#### Audit response

Our audit procedures included the following:

- (i) tested the relevant internal control in place on the completeness of warranty provision and assessed the valuation of provision;
- (ii) challenged the assumptions underlying the basis of provisions by checking and verifying the inputs used to calculate the provisions, including interviewing project managers, sales managers and management;
- (iii) assessed the level of historical warranty claims to determine whether the total provision for warranties held at year-end were sufficient to cover the expected warranty claims in light of known and expected cases and standard warranty periods provided; and
- (iv) recomputed the provision for warranties based on the basis of provisions provided by the management.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

## Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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 the Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREATECH TECHNOLOGY BERHAD

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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 internal control of the Group and of the Company.
- 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 and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent 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 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREATECH TECHNOLOGY BERHAD

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

## **Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **BDO PLT**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

### **Koay Theam Hock**

02141/04/2025 J  
Chartered Accountant

Penang  
22 April 2024

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	<b>343,603,051</b>	193,614,610	<b>0</b>	0
Right-of-use assets	6	<b>100,403,868</b>	97,942,317	<b>0</b>	0
Investments in subsidiaries	7	<b>0</b>	0	<b>79,800,292</b>	48,982,581
Intangible asset	8	<b>2,483,442</b>	0	<b>0</b>	0
Goodwill on consolidation	9	<b>9,222,927</b>	0	<b>0</b>	0
		<b>455,713,288</b>	291,556,927	<b>79,800,292</b>	48,982,581
<b>Current assets</b>					
Inventories	10	<b>52,989,267</b>	21,968,337	<b>0</b>	0
Trade and other receivables	11	<b>162,845,460</b>	111,316,033	<b>28,134,706</b>	25,488
Contract assets	12	<b>137,956,545</b>	193,607,450	<b>0</b>	0
Derivative assets	13	<b>261,900</b>	0	<b>0</b>	0
Current tax assets		<b>682,920</b>	1,743,592	<b>48,231</b>	30,895
Short term funds	14	<b>33,899,481</b>	108,304,263	<b>30,535,029</b>	79,153,820
Cash and bank balances	15	<b>153,953,573</b>	218,354,559	<b>5,729,060</b>	3,943,008
		<b>542,589,146</b>	655,294,234	<b>64,447,026</b>	83,153,211
<b>TOTAL ASSETS</b>		<b>998,302,434</b>	946,851,161	<b>144,247,318</b>	132,135,792
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	16	<b>122,529,933</b>	116,585,280	<b>122,529,933</b>	116,585,280
Reserves	17	<b>628,854,745</b>	470,179,751	<b>21,654,460</b>	15,424,243
<b>TOTAL EQUITY</b>		<b>751,384,678</b>	586,765,031	<b>144,184,393</b>	132,009,523

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	18	<b>12,816,654</b>	13,916,658	<b>0</b>	0
Lease liabilities	6	<b>5,725,369</b>	3,045,601	<b>0</b>	0
Deferred tax liabilities	19	<b>9,378,903</b>	9,216,547	<b>0</b>	0
Government grants	20	<b>128,375</b>	260,967	<b>0</b>	0
		<b>28,049,301</b>	26,439,773	<b>0</b>	0
<b>Current liabilities</b>					
Trade and other payables	21	<b>120,105,046</b>	67,790,214	<b>62,925</b>	126,269
Contract liabilities	12	<b>76,153,079</b>	237,355,967	<b>0</b>	0
Provision for warranties	22	<b>16,289,127</b>	26,751,917	<b>0</b>	0
Borrowings	18	<b>1,672,745</b>	1,100,004	<b>0</b>	0
Lease liabilities	6	<b>1,652,358</b>	515,663	<b>0</b>	0
Government grants	20	<b>132,592</b>	132,592	<b>0</b>	0
Derivative liabilities	13	<b>78,250</b>	0	<b>0</b>	0
Current tax liability		<b>2,785,258</b>	0	<b>0</b>	0
		<b>218,868,455</b>	333,646,357	<b>62,925</b>	126,269
<b>TOTAL LIABILITIES</b>		<b>246,917,756</b>	360,086,130	<b>62,925</b>	126,269
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>998,302,434</b>	946,851,161	<b>144,247,318</b>	132,135,792

The accompanying notes form an integral part of the financial statements.



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	25	<b>658,749,531</b>	546,214,485	<b>0</b>	0
Cost of sales		<b>(454,438,817)</b>	(382,793,398)	<b>0</b>	0
Gross profit		<b>204,310,714</b>	163,421,087	<b>0</b>	0
Other income	26	<b>27,753,552</b>	17,504,476	<b>3,470,287</b>	1,941,401
Net losses on impairment of financial assets		<b>(252,792)</b>	(3,209,510)	<b>0</b>	0
Administrative and marketing expenses		<b>(65,050,138)</b>	(49,254,095)	<b>(1,946,298)</b>	(1,280,001)
Finance cost	27	<b>(693,355)</b>	(563,159)	<b>0</b>	0
Profit before tax		<b>166,067,981</b>	127,898,799	<b>1,523,989</b>	661,400
Taxation	28	<b>(11,704,876)</b>	3,989,151	<b>(2,370)</b>	(9,586)
Profit for the financial year		<b>154,363,105</b>	131,887,950	<b>1,521,619</b>	651,814
<b>Other comprehensive income</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		<b>(396,709)</b>	(332,333)	<b>0</b>	0

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Revaluation surplus on property, plant and equipment and right-of-use assets		<u>0</u>	<u>17,233,374</u>	<u>0</u>	<u>0</u>
Total other comprehensive (loss)/income for the financial year, net of tax		<u>(396,709)</u>	<u>16,901,041</u>	<u>0</u>	<u>0</u>
Total comprehensive income for the financial year		<u><b>153,966,396</b></u>	<u>148,788,991</u>	<u><b>1,521,619</b></u>	<u>651,814</u>
Profit attributable to owners of the parent		<u><b>154,363,105</b></u>	<u>131,887,950</u>	<u><b>1,521,619</b></u>	<u>651,814</u>
Total comprehensive income attributable to owners of the parent		<u><b>153,966,396</b></u>	<u>148,788,991</u>	<u><b>1,521,619</b></u>	<u>651,814</u>
Earnings per ordinary share attributable to owners of the parent:					
Basic (sen)	31(a)	<u><b>12.32</b></u>	<u>10.53</u>		
Diluted (sen)	31(b)	<u><b>12.29</b></u>	<u>10.49</u>		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM	Exchange translation reserve RM	Reorganisation debit reserve RM	Revaluation reserve RM	Share options reserve RM	Share grant reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023		116,585,280	(401,878)	(39,500,000)	25,347,646	1,137,649	3,450,276	480,146,058	586,765,031
Profit for the financial year		0	0	0	0	0	0	154,363,105	154,363,105
Foreign currency translations		0	(396,709)	0	0	0	0	0	(396,709)
Other comprehensive income, net of tax		0	(396,709)	0	0	0	0	0	(396,709)
Total comprehensive income		0	(396,709)	0	0	0	0	154,363,105	153,966,396
Realisation of revaluation surplus	17(c)	0	0	0	(625,595)	0	0	625,595	0
<b>Transactions with owners:</b>									
Issuance of ordinary shares pursuant to SGP	16	5,944,653	0	0	0	0	(5,944,653)	0	0
SGP expenses		0	0	0	0	0	10,653,251	0	10,653,251
Transfer of share options reserve to retained earnings upon lapse of SOP		0	0	0	0	(1,137,649)	0	1,137,649	0
Total transactions with owners		5,944,653	0	0	0	(1,137,649)	4,708,598	1,137,649	10,653,251
Balance as at 31 December 2023		122,529,933	(798,587)	(39,500,000)	24,722,051	0	8,158,874	636,272,407	751,384,678

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Share capital RM	Exchange translation reserve RM	Reorganisation debit reserve RM	Revaluation reserve RM	Share options reserve RM	Share grant reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2022		113,083,638	(69,545)	(39,500,000)	8,369,611	1,481,099	0	347,673,530	431,038,333
Profit for the financial year		0	0	0	0	0	0	131,887,950	131,887,950
Gross revaluation increase of properties	17(c)	0	0	0	22,665,384	0	0	0	22,665,384
Deferred tax relating to revalued properties	17(c)	0	0	0	(5,432,010)	0	0	0	(5,432,010)
Foreign currency translations		0	(332,333)	0	0	0	0	0	(332,333)
Other comprehensive income, net of tax		0	(332,333)	0	17,233,374	0	0	0	16,901,041
Total comprehensive income		0	(332,333)	0	17,233,374	0	0	131,887,950	148,788,991
Realisation of revaluation surplus	17(c)	0	0	0	(255,339)	0	0	255,339	0
<b>Transactions with owners:</b>									
Issuance of ordinary shares pursuant to:									
- SOP	16	38,574	0	0	0	(343,450)	0	329,239	24,363
- SGP	16	3,463,068	0	0	0	0	0	0	3,463,068
SGP expenses		0	0	0	0	0	3,450,276	0	3,450,276
Total transactions with owners		3,501,642	0	0	0	(343,450)	3,450,276	329,239	6,937,707
Balance as at 31 December 2022		116,585,280	(401,878)	(39,500,000)	25,347,646	1,137,649	3,450,276	480,146,058	586,765,031

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM	Share options reserve RM	Share grant reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023		116,585,280	1,137,649	3,450,276	10,836,318	132,009,523
Profit for the financial year		0	0	0	1,521,619	1,521,619
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	0	0	1,521,619	1,521,619
Transactions with owners:						
Issuance of ordinary shares pursuant to SGP	16	5,944,653	0	(5,944,653)	0	0
SGP expenses		0	0	10,653,251	0	10,653,251
Transfer of share options reserve to retained earnings upon lapse of SOP		0	(1,137,649)	0	1,137,649	0
Total transactions with owners		5,944,653	(1,137,649)	4,708,598	1,137,649	10,653,251
Balance as at 31 December 2023		122,529,933	0	8,158,874	13,495,586	144,184,393

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM	Share options reserve RM	Share grant reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2022		113,083,638	1,481,099	0	10,184,504	124,749,241
Profit for the financial year		0	0	0	651,814	651,814
Other comprehensive income, net of tax		0	0	0	0	0
Total comprehensive income		0	0	0	651,814	651,814
Transactions with owners:						
Issuance of ordinary shares pursuant to:						
- SOP	16	38,574	(343,450)	0	0	(304,876)
- SGP	16	3,463,068	0	0	0	3,463,068
SGP expenses		0	0	3,450,276	0	3,450,276
Total transactions with owners		3,501,642	(343,450)	3,450,276	0	6,608,468
Balance as at 31 December 2022		116,585,280	1,137,649	3,450,276	10,836,318	132,009,523

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		<b>166,067,981</b>	127,898,799	<b>1,523,989</b>	661,400
Adjustments for:					
Amortisation of government grant	20	<b>(132,592)</b>	(132,592)	<b>0</b>	0
Amortisation of intangible asset	8	<b>42,092</b>	0	<b>0</b>	0
Depreciation of:				<b>0</b>	0
- property, plant and equipment	5	<b>12,870,035</b>	8,541,236	<b>0</b>	0
- right-of-use assets	6	<b>2,541,094</b>	1,779,725	<b>0</b>	0
Fair value adjustment on derivatives	13(a)	<b>(183,650)</b>	7,437	<b>0</b>	0
Gain on lease termination	6(f)	<b>(187)</b>	0	<b>0</b>	0
Impairment losses on:					
- contract assets	12(g)	<b>375,825</b>	2,537,468	<b>0</b>	0
- trade receivables	11(g)	<b>3,778,150</b>	1,363,715	<b>0</b>	0
Interest expense	27	<b>693,355</b>	563,159	<b>0</b>	0
Interest income	26	<b>(7,118,488)</b>	(1,268,257)	<b>(285,084)</b>	(117,468)
Inventories written down	10(b)	<b>694</b>	26,891	<b>0</b>	0
(Gain)/loss on disposal of property, plant and equipment		<b>(49,974)</b>	17,521	<b>0</b>	0
Property, plant and equipment written off		<b>4,634</b>	481,413	<b>0</b>	0
Provision for warranties	22(b)	<b>5,939,864</b>	9,349,912	<b>0</b>	0
Reversal of:					
- impairment losses on trade receivables	11(g)	<b>(1,363,715)</b>	(655,952)	<b>0</b>	0
- impairment losses on contract assets	12(g)	<b>(2,537,468)</b>	(35,721)	<b>0</b>	0
- unused provision for warranties	22(b)	<b>(16,402,654)</b>	(17,006,152)	<b>0</b>	0
Share grant expenses		<b>10,653,251</b>	6,913,344	<b>0</b>	0
Unrealised loss/(gain) on foreign exchange, net		<b>2,635,892</b>	1,049,790	<b>(24,705)</b>	(18,282)
Operating profit before changes in working capital carried forward		<b>177,814,139</b>	141,431,736	<b>1,214,200</b>	525,650

The accompanying notes form an integral part of the financial statements.



## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>(Cont'd)</b>					
Operating profit before changes in working capital brought forward		<b>177,814,139</b>	141,431,736	<b>1,214,200</b>	525,650
Increase in inventories		<b>(28,760,034)</b>	(9,673,480)	<b>0</b>	0
Increase in trade and other receivables		<b>(48,736,517)</b>	(20,230,988)	<b>(28,109,218)</b>	(115)
Decrease/(Increase) in contract assets		<b>57,812,548</b>	(194,588,456)	<b>0</b>	0
(Decrease)/Increase in trade and other payables		<b>(1,507,025)</b>	20,924,372	<b>(63,344)</b>	93,399
(Decrease)/Increase in contract liabilities		<b>(166,844,997)</b>	168,301,136	<b>0</b>	0
Cash generated (used in)/from operations		<b>(10,221,886)</b>	106,164,320	<b>(26,958,362)</b>	618,934
Interest paid		<b>(603,117)</b>	(497,908)		0
Interest received		<b>7,118,488</b>	1,268,257	<b>285,084</b>	117,468
Tax paid		<b>(9,092,413)</b>	(468,667)	<b>(19,706)</b>	(19,885)
Tax refunded		<b>1,713,436</b>	0	<b>0</b>	0
Net cash (used in)/from operating activities		<b>(11,085,492)</b>	106,466,002	<b>(26,692,984)</b>	716,517
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net cash outflow on acquisition of a subsidiary	7(c)	<b>(2,338,753)</b>	0	<b>(5,086,500)</b>	0
Additional investment in subsidiaries		<b>0</b>	0	<b>(15,077,960)</b>	0
Proceeds from disposal of property, plant and equipment		<b>50,000</b>	31,000	<b>0</b>	0
Purchase of property, plant and equipment	5(e)	<b>(122,614,026)</b>	(80,310,901)	<b>0</b>	0
Purchase of right-of-use assets	6(g)	<b>0</b>	(17,834,989)	<b>0</b>	0
Net cash used in investing activities		<b>(124,902,779)</b>	(98,114,890)	<b>(20,164,460)</b>	0

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of ordinary shares pursuant to SOP		0	24,363	0	24,363
Repayments of:					
- lease liabilities		(737,890)	(519,238)	0	0
- term loans		(1,137,440)	(1,100,004)	0	0
Net cash (used in)/from financing activities		<u>(1,875,330)</u>	<u>(1,594,879)</u>	<u>0</u>	<u>24,363</u>
Net changes in cash and cash equivalents		<b>(137,863,601)</b>	6,756,233	<b>(46,857,444)</b>	740,880
Effects of exchange rate changes		<b>(1,436,960)</b>	(525,755)	<b>24,705</b>	18,282
Cash and cash equivalents at beginning of financial year		<b>326,658,822</b>	320,428,344	<b>83,096,828</b>	82,337,666
Cash and cash equivalents at end of financial year	15(b)	<u><b>187,358,261</b></u>	<u>326,658,822</u>	<u><b>36,264,089</b></u>	<u>83,096,828</u>

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 6) RM	Term loans (Note 18) RM
Balance as at 1 January 2023	3,561,264	15,016,662
Cash flows	(737,890)	(1,137,440)
Acquisition of a subsidiary	4,252,634	115,509
Non-cash flows		
- addition of lease liabilities	72,752	0
- effects of lease modification	11,024	0
- lease termination	(3,584)	0
- translation adjustment	131,289	(125)
- unwinding of interest	90,238	0
Balance as at 31 December 2023	<u>7,377,727</u>	<u>13,994,606</u>
Balance as at 1 January 2022	3,653,282	16,116,666
Cash flows	(519,238)	(1,100,004)
Non-cash flows		
- addition of lease liabilities	155,907	0
- translation adjustment	206,062	0
- unwinding of interest	65,251	0
Balance as at 31 December 2022	<u>3,561,264</u>	<u>15,016,662</u>

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 18.05, MWE Plaza, No.8, Lebuhraya Farquhar, 10200 Georgetown, Penang.

The principal place of business of the Company is located at Plot 287(A), Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone, Phase 3, 11900 Bayan Lepas, Penang.

The Directors regard GTECH Holdings Sdn. Bhd., a company incorporated in Malaysia as the immediate and ultimate holding company.

The consolidated financial statements for the financial year ended 31 December 2023 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 April 2024.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 35.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

## 4. 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.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 4. OPERATING SEGMENTS (Cont'd)

(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 and liabilities of the Group.

Revenue information based on the geographical location of customers are as follows:

	2023 RM	2022 RM
<b>Revenue from external customers</b>		
Germany	<b>450,387</b>	0
India	<b>81,730,582</b>	195,813,600
Ireland	<b>2,913,472</b>	594,465
Lithuania	<b>402,761</b>	0
Malaysia	<b>58,737,834</b>	13,559,057
Netherlands	<b>2,214,855</b>	0
People's Republic of China	<b>45,454</b>	5,828
Singapore	<b>1,027,170</b>	4,484,984
Switzerland	<b>1,647,139</b>	0
United States of America	<b>506,105,444</b>	328,025,239
Vietnam	<b>3,474,433</b>	3,731,312
	<b><u>658,749,531</u></b>	<b><u>546,214,485</u></b>

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	2023 RM	2022 RM
Customer A	<b>410,572,543</b>	251,554,082
Customer B	<b>81,730,582</b>	195,813,600
	<b><u>492,303,125</u></b>	<b><u>447,367,682</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings, at valuation RM	Plant and machinery RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Electrical installation RM	Tools and equipment RM	Renovation RM	Construction in progress RM	Total RM
<b>31 December 2023</b>									
<b>At cost/At valuation</b>									
Balance as at									
1 January 2023	122,750,000	42,889,969	36,496,392	3,992,386	3,880,579	2,171,163	3,213,679	0	215,394,168
Additions due to acquisition of a subsidiary	0	2,305,064	1,378,192	345,607	0	0	1,185,394	0	5,214,257
Additions	0	6,679,900	1,546,284	453,767	94,065	1,922,572	101,200	150,274,951	161,072,739
Disposal	0	0	0	(219,310)	0	0	0	0	(219,310)
Written off	0	0	(189,636)	0	0	(1,197)	0	0	(190,833)
Translation adjustment	0	(2,492)	30,144	(373)	0	0	3,671	0	30,950
Balance as at 31 December 2023	122,750,000	51,872,441	39,261,376	4,572,077	3,974,644	4,092,538	4,503,944	150,274,951	381,301,971

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Buildings, at valuation RM	Plant and machinery RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Electrical installation RM	Tools and equipment RM	Renovation RM	Construction in progress RM	Total RM
<b>31 December 2023</b>									
<b>Accumulated depreciation</b>									
Balance as at 1 January 2023	0	11,156,340	6,898,513	2,192,380	360,676	373,395	798,254	0	21,779,558
Additions due to acquisition of a subsidiary	0	1,430,293	1,273,878	188,926	0	0	559,032	0	3,452,129
Current charge	2,733,081	4,473,399	3,872,639	770,406	378,561	306,453	335,496	0	12,870,035
Disposal	0	0	0	(219,284)	0	0	0	0	(219,284)
Written off	0	0	(185,610)	0	0	(589)	0	0	(186,199)
Translation adjustment	0	(1,546)	4,140	(206)	0	0	293	0	2,681
Balance as at 31 December 2023	<b>2,733,081</b>	<b>17,058,486</b>	<b>11,863,560</b>	<b>2,932,222</b>	<b>739,237</b>	<b>679,259</b>	<b>1,693,075</b>	<b>0</b>	<b>37,698,920</b>
<b>Carrying amount</b>									
Balance as at 31 December 2023	<b>120,016,919</b>	<b>34,813,955</b>	<b>27,397,816</b>	<b>1,639,855</b>	<b>3,235,407</b>	<b>3,413,279</b>	<b>2,810,869</b>	<b>150,274,951</b>	<b>343,603,051</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Note	Buildings, at valuation RM	Plant and machinery RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Electrical installation RM	Tools and equipment RM	Renovation RM	Construction in progress RM	Total RM
<b>31 December 2022</b>										
<b>At cost/At valuation</b>										
Balance as at 1 January 2022		71,663,375	20,170,897	22,440,041	3,488,230	2,454,949	964,679	1,577,894	63,090	122,823,155
Additions		2,216,619	22,730,822	5,217,336	169,258	1,882,079	1,206,484	1,877,085	46,930,174	82,229,857
Reclassification		37,867,286	0	9,125,978	0	0	0	0	(46,993,264)	0
Reclassification from right-of-use assets	6	0	0	0	337,898	0	0	0	0	337,898
Revaluation		11,002,720	0	0	0	0	0	0	0	11,002,720
Disposal		0	0	(107,759)	(3,000)	0	0	0	0	(110,759)
Written off		0	(11,750)	(208,391)	0	(456,449)	0	(247,878)	0	(924,468)
Translation adjustment		0	0	29,187	0	0	0	6,578	0	35,765
Balance as at 31 December 2022		122,750,000	42,889,969	36,496,392	3,992,386	3,880,579	2,171,163	3,213,679	0	215,394,168

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Note	Buildings, at valuation RM	Plant and machinery RM	Furniture, fittings, office equipment and computer system RM	Motor vehicles RM	Electrical installation RM	Tools and equipment RM	Renovation RM	Construction in progress RM	Total RM
<b>31 December 2022</b>										
<b>Accumulated depreciation</b>										
Balance as at										
1 January 2022		778,448	7,856,229	4,222,137	1,308,497	392,698	220,969	644,163	0	15,423,141
Current charge		1,111,781	3,305,888	2,840,332	678,513	204,305	152,426	247,991	0	8,541,236
Reclassification from right-of-use assets	6	0	0	0	208,370	0	0	0	0	208,370
Revaluation		(1,890,229)	0	0	0	0	0	0	0	(1,890,229)
Disposal		0	0	(59,238)	(3,000)	0	0	0	0	(62,238)
Written off		0	(5,777)	(106,607)	0	(236,327)	0	(94,344)	0	(443,055)
Translation adjustment		0	0	1,889	0	0	0	444	0	2,333
Balance as at		0	11,156,340	6,898,513	2,192,380	360,676	373,395	798,254	0	21,779,558
31 December 2022		0	11,156,340	6,898,513	2,192,380	360,676	373,395	798,254	0	21,779,558
<b>Carrying amount</b>										
Balance as at										
31 December 2022		122,750,000	31,733,629	29,597,879	1,800,006	3,519,903	1,797,768	2,415,425	0	193,614,610

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (a) 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.

After initial recognition, property, plant and equipment except for buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. 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. The surplus arising from 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 are as follows:

Buildings	31.4 - 50 years
Plant and machinery	10 years
Furniture, fittings, office equipment and computer system	3.3 - 10 years
Motor vehicles	5 years
Electrical installation	10 years
Tools and equipment	10 years
Renovation	10 years

Construction-in-progress represents building under construction and was stated at cost. Construction-in-progress was not depreciated until such time when the asset was available for use.

- (b) The buildings of the Group were last valued on 31 December 2022 by the Directors based on a valuation exercise carried out in December 2022 by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at historical cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2023 RM	2022 RM
Buildings	<u>105,099,461</u>	<u>107,596,753</u>

- (c) The fair value of buildings (at valuation) of the Group are categorised as Level 3 in the fair value hierarchy.
- (i) Level 3 fair value of 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. The fair value of buildings were derived using comparison/cost method.

The comparison/cost method of valuation entails separate valuations of the buildings to arrive at the market value of the subject property. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in term of building differences, improvements and amenities, time element and other relevant characteristics. Appropriate adjustments are then made for the factors of obsolescences, optimisation and existing physical condition of the buildings. The estimated fair value would be higher if the estimated replacement cost is lower and vice versa. The significant unobservable input into this valuation method is adjustment factors to prices of comparable assets.

- (ii) The fair value measurements of the buildings (at valuation) are based on the highest and best use which does not differ from their actual use.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (d) As at the end of the reporting period, building with a total carrying amount of RM66,439,297 (2022: RM21,800,000) of the Group has been charged to banks for credit facilities granted to the Group as disclosed in Note 18(c) to the financial statements.
- (e) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Purchase of property, plant and equipment	<b>161,072,739</b>	82,229,857
Unpaid and included under other payables	<b>(38,458,713)</b>	<u>(1,918,956)</u>
Cash payments on purchase of property, plant and equipment	<b><u>122,614,026</u></b>	<u>80,310,901</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### The Group as lessee

#### Right-of-use assets

Group	Balance as at 1 January 2023 RM	Acquisition of a subsidiary (Note 7) RM	Addition RM	Depreciation RM	Effect of lease modification RM	Lease termination RM	Translation adjustment RM	Balance as at 31 December 2023 RM
<b>Carrying amount</b>								
Leasehold land, at valuation	94,485,000	0	0	(1,875,712)	0	0	0	92,609,288
Motor vehicles	0	217,178	0	(7,261)	0	0	(234)	209,683
Hostels	134,069	0	72,752	(108,960)	11,024	(3,397)	0	105,488
Plant and machinery	0	1,491,591	0	(17,275)	0	0	(1,614)	1,472,702
Rented premises	3,323,248	3,087,109	0	(531,886)	0	0	128,236	6,006,707
	<b>97,942,317</b>	<b>4,795,878</b>	<b>72,752</b>	<b>(2,541,094)</b>	<b>11,024</b>	<b>(3,397)</b>	<b>126,388</b>	<b>100,403,868</b>

Group	Balance as at 1 January 2022 RM	Additions RM	Depreciation RM	Revaluation RM	Translation adjustment RM	Reclassification (Note 5) RM	Balance as at 31 December 2022 RM
<b>Carrying amount</b>							
Leasehold land, at valuation	68,149,521	17,834,989	(1,271,945)	9,772,435	0	0	94,485,000
Motor vehicles	152,054	0	(22,526)	0	0	(129,528)	0
Hostels	0	155,907	(21,838)	0	0	0	134,069
Rented premises	3,583,580	0	(463,416)	0	203,084	0	3,323,248
	<b>71,885,155</b>	<b>17,990,896</b>	<b>(1,779,725)</b>	<b>9,772,435</b>	<b>203,084</b>	<b>(129,528)</b>	<b>97,942,317</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

#### The Group as lessee (Cont'd)

##### Lease liabilities

Group	Balance as at 1 January 2023 RM	Acquisition of a subsidiary (Note 7) RM	Addition RM	Lease payments RM	Interest expense RM	Effects of lease modification RM	Lease termination RM	Translation adjustment RM	Balance as at 31 December 2023 RM
<b>Carrying amount</b>									
Motor vehicles	0	158,943	0	(10,452)	925	0	0	(172)	149,244
Hostels	135,311	0	72,752	(113,220)	6,020	11,024	(3,584)	0	108,303
Plant and machinery	0	997,040	0	(39,469)	4,395	0	0	(1,078)	960,888
Rented premises	3,425,953	3,096,651	0	(574,749)	78,898	0	0	132,539	6,159,292
	<b>3,561,264</b>	<b>4,252,634</b>	<b>72,752</b>	<b>(737,890)</b>	<b>90,238</b>	<b>11,024</b>	<b>(3,584)</b>	<b>131,289</b>	<b>7,377,727</b>

Group	Balance as at 1 January 2022 RM	Addition RM	Lease payments RM	Interest expense RM	Translation adjustment RM	Balance as at 31 December 2022 RM
<b>Carrying amount</b>						
Motor vehicles	17,753	0	(17,931)	178	0	0
Hostels	0	155,907	(21,786)	1,190	0	135,311
Rented premises	3,635,529	0	(479,521)	63,883	206,062	3,425,953
	<b>3,653,282</b>	<b>155,907</b>	<b>(519,238)</b>	<b>65,251</b>	<b>206,062</b>	<b>3,561,264</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

### The Group as lessee (Cont'd)

#### Lease liabilities (Cont'd)

	Group	
	2023 RM	2022 RM
Represented by:		
Current liabilities	1,652,358	515,663
Non-current liabilities	<u>5,725,369</u>	<u>3,045,601</u>
Total lease liabilities	<u>7,377,727</u>	<u>3,561,264</u>
Lease liabilities owing to a financial institution	149,244	0
Lease liabilities owing to non-financial institutions	<u>7,228,483</u>	<u>3,561,264</u>
	<u>7,377,727</u>	<u>3,561,264</u>

- (a) The right-of-use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use) at cost initially. The cost of right-of-use assets comprise the initial amount of the lease liabilities, initial direct costs incurred adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets except for leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities. Leasehold land is stated at valuation, which is the fair value at the date of revaluation less subsequent accumulated depreciation. The surplus arising from 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.

The right-of-use assets are depreciated from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	30.4 - 60 years
Hostels	2 years
Motor vehicles	5 years
Plant and machinery	10 years
Rented premises	3 - 9 years

- (b) The leasehold land of the Group was last valued on 31 December 2022 by the Directors based on a valuation exercise carried out in December 2022 by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at historical cost less accumulated depreciation, the carrying amounts would have been:

	2023 RM	2022 RM
Leasehold land	<u>73,801,162</u>	<u>75,399,768</u>



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

- (c) The fair value of leasehold land (at valuation) of the Group are categorised as Level 3 in the fair value hierarchy.
- (i) Level 3 fair value of leasehold land (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. The fair value of leasehold land was derived using comparison method.
- Under the comparison method of valuation, the leasehold land is valued by reference to transactions of similar lands in close proximity with adjustments made for differences in location, size and other relevant characteristics. The estimated fair value would be higher if the differential rate is lower and vice versa. The significant unobservable input into this valuation method is adjustment factors to prices of comparable assets.
- (ii) The fair value measurements of the leasehold land (at valuation) are based on the highest and best use which does not differ from their actual use.
- (d) As at the end of the reporting period, leasehold land with a total carrying amount of RM31,434,871 (2022: RM12,000,000) of the Group has been pledged to banks as securities for credit facilities granted to the Group as disclosed in Note 18(c) to the financial statements
- (e) The Group has certain leases of warehouse and hostel with lease term of twelve (12) months or less, and certain low-value leases of office equipment of RM20,000 and below. The Group applies the 'short-term leases' and 'lease of low-value assets' exemptions for these leases.
- (f) The following are the amounts recognised in profit or loss:

	Group	
	2023 RM	2022 RM
Depreciation charge of right-of-use assets		
(included in cost of sales)	<b>1,984,672</b>	1,293,783
(included in administrative and marketing expenses)	<b>556,422</b>	485,942
Expenses relating to short-term leases		
(included in cost of sales)	<b>561,602</b>	512,717
Expenses relating to low-value assets		
(included in cost of sales)	<b>113,846</b>	76,924
(included in administrative and marketing expenses)	<b>0</b>	10,219
Interest expense on lease liabilities		
(included in finance costs)	<b>90,238</b>	65,251
Gain on lease termination (included in other income)	<b>(187)</b>	0
	<b><u>3,306,593</u></b>	<b><u>2,444,836</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(g) The following are total cash outflows for leases as a lessee:

	Group	
	2023 RM	2022 RM
Included in net cash from operating activities:		
Payment relating to short-term leases and low value assets	675,448	599,860
Included in net cash from investing activities:		
Purchase of right-of-use assets	0	17,834,989
Included in net cash from financing activities:		
Payment of lease liabilities	<u>737,890</u>	<u>519,238</u>
Total cash outflows for leases	<u><u>1,413,338</u></u>	<u><u>18,954,087</u></u>

(h) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

There are no potential future rental payments that are not included in the lease terms.

(i) Information on financial risks of lease liabilities is disclosed in Note 33 to the financial statements.

### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
<b>At cost</b>		
Unquoted equity shares	60,664,460	40,500,000
Equity contributions in a subsidiary in respect of SOP and SGP	<u>19,135,832</u>	<u>8,482,581</u>
	<u><u>79,800,292</u></u>	<u><u>48,982,581</u></u>

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
Greatech Integration (M) Sdn.Bhd.	Malaysia	100%	100%	Designing and manufacturing of single automated equipment, production line system and provision of related components and engineering services.
Greatech Integration (Ireland) Limited (formerly known as Allied Automation Limited) *	Ireland	100%	0%	Development, design and precision engineering of custom automated equipment.
<u>Subsidiaries of Greatech Integration (M) Sdn. Bhd.</u>				
Greatech Integration (Shanghai) Limited *	People's Republic of China	100%	100%	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. # Currently, it has not commenced operations.
Greatech Integration (USA) Inc. ^	United States of America	100%	100%	Design, development and production of system, machinery and equipment and related components and engineering services.
GT Integration (Philippines) Inc. *	Philippines	100%	100%	To act as a design support center for holding company, an automation solution provider for all kinds of automated products ranging from single automated machines to production line systems; to hire qualified professionals to provide such designs, drawings and plans; to procure parts and components for machines and equipment; to commission and install machine and equipments for its holding company. Currently, it has not commenced operations.

\* Subsidiaries not audited by BDO PLT, Malaysia or BDO member firms.

# Approved projects according to law, approved by relevant departments before carrying out business activities.

^ Subsidiary not required to be audited in the country of incorporation.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

### (c) Acquisition of a subsidiary

During the financial year, the Company acquired 10 ordinary shares, representing 100% equity interest in Greatech Integration (Ireland) Limited ("GII") for a total consideration of Euro 1,000,000 (equivalent to RM5,086,500) settled in cash and cash equivalents.

Fair values of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	<b>Recognised value on acquisition RM</b>
Property, plant and equipment	1,762,128
Right-of-use assets	4,795,878
Intangible asset	2,525,534
Inventories	2,261,590
Trade and other receivables	6,885,539
Current tax assets	633,986
Cash and cash equivalents	3,233,305
Trade and other payables	(15,422,883)
Contract liabilities	(5,642,109)
Deferred tax liabilities	(315,694)
Term loans	(115,509)
Bank overdraft	(485,558)
Lease liabilities	<u>(4,252,634)</u>
Total identifiable net liabilities	<u>(4,136,427)</u>
Purchase consideration settled by way of cash and cash equivalents	5,086,500
Fair value of identifiable net liabilities	<u>4,136,427</u>
Goodwill on consolidation (Note 9)	<u>9,222,927</u>
Purchase consideration settled by way of cash and cash equivalents	5,086,500
Cash and bank balances of a subsidiary acquired	<u>(2,747,747)</u>
Net cash outflow of the Group on acquisition	<u>2,338,753</u>

If the acquisition occurred on 1 January 2023, the management estimates that the consolidated revenue and profit after tax of the Group for the financial year ended 31 December 2023 would have been RM681,245,937 and RM143,546,704 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 7. INVESTMENTS IN SUBSIDIARIES (Cont'd)

- (d) During the financial year, the Company further invested in the capital of its wholly-owned subsidiary, Greatech Integration (M) Sdn. Bhd. by way of subscribing 9,000,000 ordinary shares at RM1 for a total consideration of RM9,000,000, which was satisfied by way of cash and cash equivalents.
- (e) During the financial year, the Company further invested in the capital of its wholly-owned subsidiary, GII by way of subscribing 960,000 ordinary shares at Euro 1.25 for a total consideration of Euro 1,200,000 (equivalent to RM6,077,960), which was satisfied by way of cash and cash equivalents.

### 8. INTANGIBLE ASSET (2023 ONLY)

	<b>Customer relationships RM</b>
<b>Group</b>	
<b>2023</b>	
<b>Cost</b>	
Balance as at 1 January 2023	0
Acquisition of a subsidiary (Note 7(c))	<u>2,525,534</u>
Balance as at 31 December 2023	<u>2,525,534</u>
<b>Accumulated amortisation</b>	
Balance as at 1 January 2023	0
Amortisation	<u>42,092</u>
Balance as at 31 December 2023	<u>42,092</u>
<b>Carrying amount</b>	
Balance as at 31 December 2023	<u><u>2,483,442</u></u>

- (a) Customer relationships acquired in a business combination are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Customer relationships represent the relationships established with its customers through continuous contracts which give rise to contractual rights.

- (b) Amortisation is calculated to write off the cost of the assets to its residual value on a straight line basis over its estimated useful lives. The principal amortisation period is as follows:

Customer relationships	5 years
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The residual values, useful lives and amortisation methods are reviewed at the end of each reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. GOODWILL ON CONSOLIDATION (2023 ONLY)

	<b>Group 2023 RM</b>
Balance as at 1 January	<b>0</b>
Acquisition of a subsidiary (Note 7(c))	<b><u>9,222,927</u></b>
Balance as at 31 December	<b><u>9,222,927</u></b>

- (a) Goodwill is initially measured at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.
- (b) Goodwill and fair value adjustments arising on acquisition of foreign operation are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policies for foreign currencies.
- (c) Impairment test for goodwill with indefinite useful life

For the purpose of impairment testing, goodwill is allocated from the acquisition date, to each of the cash-generating unit ("CGU") of the Group that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. The recoverable amounts of CGUs is determined based on value-in-use calculations using cash flows projections from the financial budgets and forecasts approved by management covering a period of five (5) years. Cash flows beyond the five (5) year period are extrapolated assuming zero growth rate.

Key assumptions on which management has based its cash flow projections are as follows:

- (i) the anticipated annual revenue growth rate are determined based on the industry trends and past performance of the CGU;
- (ii) the pre-tax discount rates which are the weighted average cost of capital adjusted for specific risks relating to relevant segments. The average discount rates used is 15.50%; and
- (iii) the exchange rate used to translate foreign currencies transactions into the other segment's functional currency is based on the exchange rates obtained immediately before the forecast year. Values assigned are consistent with external sources of information.

Based on the annual impairment testing undertaken by the Group, no impairment loss was required for the carrying amount of goodwill assessed as at 31 December 2023 as its recoverable amount was in excess of its carrying amount. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount, which would cause CGU's carrying amount to materially exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 10. INVENTORIES

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
Raw materials	9,689,150	15,201,327
Work-in-progress	43,295,338	6,609,357
Finished goods	4,081	130,745
<b>At net realisable value</b>		
Raw materials	<u>698</u>	<u>26,908</u>
	<u><b>52,989,267</b></u>	<u><b>21,968,337</b></u>

- (a) 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 inventories comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.
- (b) As at the end of each reporting period, the following are the amounts recognised in cost of sales:

	Group	
	2023 RM	2022 RM
Cost of inventories	296,300,513	281,813,093
Inventories written down	<u>694</u>	<u>26,891</u>

The Group writes down its slow moving inventories whenever there are events that indicate the carrying amounts could not be recovered (eg. percentage of write down based on ageing of inventories). During the financial year, the Group had written down inventories amounted to RM694 (2022: RM26,891).



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade receivables</b>				
Third parties	132,803,044	66,024,713	0	0
Less: Impairment losses	(3,778,150)	(1,363,715)	0	0
Total trade receivables	129,024,894	64,660,998	0	0
<b>Other receivables</b>				
Other receivables	1,099,413	76,650	3,680	3,180
Deposits	631,932	457,014	1,000	1,000
Amount owing by a subsidiary	0	0	28,105,479	0
Total other receivables	1,731,345	533,664	28,110,159	4,180
<b>Total receivables</b>	130,756,239	65,194,662	28,110,159	4,180
<b>Prepayments</b>	32,089,221	46,121,371	24,547	21,308
<b>Total trade and other receivables</b>	162,845,460	111,316,033	28,134,706	25,488

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 to 90 days (2022: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) During the financial year, non-trade portion of an amount owing by a subsidiary is unsecured, bears an interest rate at 5.50% and payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (d) The currency exposure profile of trade and other receivables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	40,328,393	54,388,229	28,134,706	25,488
United States Dollar	114,119,787	56,927,804	0	0
Euro	8,397,280	0	0	0
	162,845,460	111,316,033	28,134,706	25,488

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 11. TRADE AND OTHER RECEIVABLES (Cont'd)

- (e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ('ECL').

The Group uses an allowance matrix to measure the ECL of trade receivables from monthly aging based on common credit risk characteristic - the days past due.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (Export Unit Value Indices, US inflation rate and Ireland GDP growth rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL 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 in the statements 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.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

The Group considers receivables to be in default when the receivables are more than twelve (12) months past due and there is no reasonable expectation of recovery.

- (f) The ageing analysis and impairment losses for trade receivables of the Group are as follows:

Group	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
<b>31 December 2023</b>			
Current	60,282,796	(198,440)	60,084,356
1 to 30 days past due	3,284,156	(51,931)	3,232,225
31 to 60 days past due	30,018,940	(1,319,881)	28,699,059
61 to 90 days past due	345,898	(15,043)	330,855
More than 90 days past due	38,871,254	(2,192,855)	36,678,399
Total	<u>132,803,044</u>	<u>(3,778,150)</u>	<u>129,024,894</u>
<b>31 December 2022</b>			
Current	63,308,384	(788,114)	62,520,270
1 to 30 days past due	987,532	(92,974)	894,558
31 to 60 days past due	1,125,459	(97,589)	1,027,870
61 to 90 days past due	209,064	(55,728)	153,336
More than 90 days past due	394,274	(329,310)	64,964
Total	<u>66,024,713</u>	<u>(1,363,715)</u>	<u>64,660,998</u>

During the financial year, the Group did not renegotiate the terms of any trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. TRADE AND OTHER RECEIVABLES (Cont'd)

- (g) Movements in the impairment losses for trade receivables are as follows:

	Group	
	2023 RM	2022 RM
Balance as at 1 January	1,363,715	655,952
Reversal of impairment losses	(1,363,715)	(655,952)
Charge for the financial year	<u>3,778,150</u>	<u>1,363,715</u>
Balance as at 31 December	<u>3,778,150</u>	<u>1,363,715</u>

- (h) Impairment for other receivables are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking ECL 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. The Group defined significant increase in credit risk when there are changes in contractual terms and delay in payment. The Group considered the qualitative and quantitative information that are reasonable, including historical experience and observable forward-looking information without undue cost or efforts. At the end of the reporting period, 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. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Credit impaired refers to individually determined receivables who is in significant financial difficulties and has defaulted on payments to be impaired as at the end of the reporting period.

No expected credit loss is recognised arising from other receivables as it is negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 33 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 12. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2023 RM	2022 RM
<b>Contract assets</b>		
Construction contracts	<b>138,332,370</b>	196,144,918
Less: Impairment losses	<b>(375,825)</b>	(2,537,468)
	<b>137,956,545</b>	193,607,450
<b>Contract liabilities</b>		
Construction contracts	<b>(73,169,234)</b>	(236,688,535)
Deferred revenue	<b>(2,983,845)</b>	(667,432)
	<b>(76,153,079)</b>	(237,355,967)
	<b>61,803,466</b>	(43,748,517)

- (a) Contract assets and contract liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to trade receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

- (b) Contract assets/(contract liabilities) from construction contracts are as follows:

	Group	
	2023 RM	2022 RM
Aggregate costs incurred to date	<b>292,051,167</b>	218,792,717
Add: Attributable profits	<b>167,210,081</b>	131,820,890
Less: Impairment losses	<b>(375,825)</b>	(2,537,468)
	<b>458,885,423</b>	348,076,139
Less: Progress billings	<b>(394,098,112)</b>	(391,157,224)
	<b>64,787,311</b>	(43,081,085)
Represented by:		
Contract assets	<b>137,956,545</b>	193,607,450
Contract liabilities	<b>(73,169,234)</b>	(236,688,535)
	<b>64,787,311</b>	(43,081,085)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 12. CONTRACT ASSETS/(CONTRACT LIABILITIES) (Cont'd)

- (c) The amount of RM236,688,535 (2022: RM64,686,239) recognised in contract liabilities at the beginning of the respective financial years have been recognised as revenue for the financial years ended 31 December 2023 and 31 December 2022.
- (d) Contract assets have decreased as the Group has provided more services ahead than the agreed billing schedules in previous financial year.

Contract liabilities for construction contracts have decreased is due to the negotiation of larger prepayments from customers in previous financial year.

- (e) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group			
	2023 RM	2024 RM	2025 RM	Total RM
31 December 2023	0	752,742,169	108,082,667	860,824,836
31 December 2022	590,463,240	126,002,769	0	716,466,009

- (f) Impairment for contract assets that do not contain a significant financing component are recognised based on simplified approach using the lifetime ECL as disclosed in Note 11(e) to the financial statements.

The lifetime ECL allowance for contract assets are as follows:

Group	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
<b>31 December 2023</b>			
Current	138,332,370	(375,825)	137,956,545
<b>31 December 2022</b>			
Current	196,144,918	(2,537,468)	193,607,450

- (g) Movements in the impairment losses on contract assets are as follows:

	Group	
	2023 RM	2022 RM
Balance as at 1 January	2,537,468	35,721
Reversal of impairment losses	(2,537,468)	(35,721)
Charge for the financial year	375,825	2,537,468
Balance as at 31 December	375,825	2,537,468

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 13. DERIVATIVE ASSETS/(DERIVATIVE LIABILITIES)

	Contracts amount RM	Group 2023 Asset RM	Liability RM
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#### Financial asset at fair value through profit or loss

Forward foreign exchange contracts	<u>27,273,500</u>	<u>261,900</u>	<u>(78,250)</u>
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(a) The fair value adjustments on derivative instruments are as follows:

	Group 2023 RM	2022 RM
Fair value changes in derivatives	<u>183,650</u>	<u>(7,437)</u>

(b) Derivative of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(c) Forward foreign exchange contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

### 14. SHORT TERM FUNDS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM

#### Financial asset at fair value through profit or loss

Short term funds in Malaysia (Note 15(b))	<u>33,899,481</u>	<u>108,304,263</u>	<u>30,535,029</u>	<u>79,153,820</u>
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(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 are investments in money market fund which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(c) The currency exposure profile of short term funds are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	<u>33,491,182</u>	79,384,549	<u>30,535,029</u>	79,153,820
United States Dollar	<u>408,299</u>	28,919,714	<u>0</u>	0
	<u>33,899,481</u>	<u>108,304,263</u>	<u>30,535,029</u>	<u>79,153,820</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 14. SHORT TERM FUNDS (Cont'd)

- (d) Short term funds of the Group and of the Company are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (e) Information on financial risks of short term funds is disclosed in Note 33 to the financial statements.

### 15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	<b>153,953,573</b>	198,354,559	<b>5,729,060</b>	3,943,008
Deposits with licensed banks	<b>0</b>	20,000,000	<b>0</b>	0
	<b>153,953,573</b>	218,354,559	<b>5,729,060</b>	3,943,008

- (a) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	<b>36,571,265</b>	39,086,961	<b>3,616,798</b>	2,999,993
United States Dollar	<b>108,663,370</b>	177,041,585	<b>0</b>	0
Euro	<b>5,548,759</b>	1,196,824	<b>2,112,262</b>	943,015
Japanese Yen	<b>3,039,752</b>	122,479	<b>0</b>	0
Chinese Renminbi	<b>76,314</b>	75,160	<b>0</b>	0
Philippine Peso	<b>49,065</b>	821,116	<b>0</b>	0
Singapore Dollar	<b>5,048</b>	10,434	<b>0</b>	0
	<b>153,953,573</b>	218,354,559	<b>5,729,060</b>	3,943,008

- (b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	<b>153,953,573</b>	198,354,559	<b>5,729,060</b>	3,943,008
Deposits with licensed banks	<b>0</b>	20,000,000	<b>0</b>	0
Short term funds (Note 14)	<b>33,899,481</b>	108,304,263	<b>30,535,029</b>	79,153,820
	<b>187,853,054</b>	326,658,822	<b>36,264,089</b>	83,096,828
Less:				
Bank overdrafts (Note 18)	<b>(494,793)</b>	0	<b>0</b>	0
	<b>187,358,261</b>	326,658,822	<b>36,264,089</b>	83,096,828



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 15. CASH AND BANK BALANCES (Cont'd)

- (c) No expected credit losses were recognised arising from the cash and bank balances and deposits with financial institutions because the probability of default by these financial institutions were negligible.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 33 to the financial statements.

### 16. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Issued and fully paid-up ordinary shares with no par value:				
Balance as at 1 January	1,252,837,250	116,585,280	1,252,130,700	113,083,638
Issuance of ordinary shares pursuant to:				
- SGP vested	1,362,200	5,944,653	702,100	3,463,068
- SOP exercised	0	0	4,450	38,574
Balance as at 31 December	<u>1,254,199,450</u>	<u>122,529,933</u>	<u>1,252,837,250</u>	<u>116,585,280</u>

- (a) Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,252,837,250 ordinary shares to 1,254,199,450 ordinary shares by way of issuance of 1,362,200 new ordinary shares pursuant to SGP at weighted average share price of RM4.364.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (c) In the previous financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,252,130,700 ordinary shares to 1,252,837,250 ordinary shares by way of issuance of 706,550 new ordinary shares pursuant to the following:
- (i) 702,100 new ordinary shares under the SGP at weighted average share price of RM4.932; and
- (ii) 4,450 options exercised under the SOP at exercise price of RM5.475 each for cash.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. RESERVES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable:</b>				
Exchange translation reserve	(798,587)	(401,878)	0	0
Reorganisation debit reserve	(39,500,000)	(39,500,000)	0	0
Revaluation reserve	24,722,051	25,347,646	0	0
Share options reserve	0	1,137,649	0	1,137,649
Share grant reserve	8,158,874	3,450,276	8,158,874	3,450,276
	(7,417,662)	(9,966,307)	8,158,874	4,587,925
<b>Distributable:</b>				
Retained earnings	636,272,407	480,146,058	13,495,586	10,836,318
	<u>628,854,745</u>	<u>470,179,751</u>	<u>21,654,460</u>	<u>15,424,243</u>

(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. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Reorganisation debit reserve

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital of Greatech Integration (M) Sdn. Bhd. pursuant to business combination under common control.

(c) Revaluation reserve

Revaluation reserve represents the surplus arising on the revaluation of the leasehold land and buildings of the Group.

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.

	Group	
	2023 RM	2022 RM
Balance as at 1 January	25,347,646	8,369,611
Gross revaluation increase of properties	0	22,665,384
Transfer to deferred tax liabilities (Note 19)	0	(5,432,010)
Realisation of revaluation surplus	(625,595)	(255,339)
Balance as at 31 December	<u>24,722,051</u>	<u>25,347,646</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 17. RESERVES (Cont'd)

(d) Share options reserve

Share options reserve represents the effect of equity-settled share options granted to employees. This reserve comprises the cumulative value of services received from employees for the issue of share options. Whenever options are exercised, an amount from the share options reserve is transferred to share capital. Whenever the share options expire, an amount from the share options reserve is transferred to retained earnings.

(e) Share grant reserve

The share grant reserve represents the value of equity-settled shares granted to employees under share grant scheme ('SGP'). The reserve is made up of the cumulative value of services received from employees recorded on grant of shares. The share grant plan will be vested from a period ranged from 3 years to 4 years from the grant date as disclosed in Note 30 to the financial statements.

### 18. BORROWINGS

	Group	
	2023 RM	2022 RM
<b>Non-current liabilities</b>		
<i>Secured</i>		
Term loans	<u>12,816,654</u>	<u>13,916,658</u>
<b>Current liabilities</b>		
<i>Unsecured</i>		
Bank overdraft	<b>494,793</b>	0
Term loans	<u>77,948</u>	<u>0</u>
	<b>572,741</b>	0
<i>Secured</i>		
Term loans	<u>1,100,004</u>	<u>1,100,004</u>
	<b>1,672,745</b>	<u>1,100,004</u>
<b>Total borrowings</b>		
Bank overdraft	<b>494,793</b>	0
Term loans	<u>13,994,606</u>	<u>15,016,662</u>
	<b>14,489,399</b>	<u>15,016,662</u>

(a) Borrowings are classified as financial liabilities measured at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 18. BORROWINGS (Cont'd)

(b) The currency profile of borrowings are as follows:

	Group	
	2023 RM	2022 RM
Ringgit Malaysia	13,916,658	15,016,662
Euro	572,741	0
	<u>14,489,399</u>	<u>15,016,662</u>

(c) Certain term loan is secured by the following:

- (i) a legal charge over leasehold land and buildings as disclosed in Note 6(d) and Note 5(d) to the financial statements respectively; and
- (ii) corporate guarantee by the Company.

(d) The carrying amounts of borrowing are reasonable approximation of fair values, as they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

Fair values of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(e) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 33 to the financial statements.

## 19. DEFERRED TAX LIABILITIES

(a) The deferred tax (assets)/liabilities are made up of the following:

	Group	
	2023 RM	2022 RM
Balance as at 1 January	9,216,547	8,626,159
Recognised in:		
Acquisition of a subsidiary (Note 7(c))	315,694	0
- profit or loss (Note 28)	(153,338)	(4,841,622)
- other comprehensive income (Note 17(c))	0	5,432,010
Balance as at 31 December	<u>9,378,903</u>	<u>9,216,547</u>
Presented after appropriate offsetting:		
Deferred tax assets	(473,800)	(6,566,064)
Deferred tax liabilities	9,852,703	15,782,611
	<u>9,378,903</u>	<u>9,216,547</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 19. DEFERRED TAX LIABILITIES (Cont'd)

- (b) The components and movements of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

#### Deferred tax assets

	Provision for warranties RM	Others RM	Total RM
Balance as at 1 January 2023	6,420,447	145,617	6,566,064
Recognised in profit or loss	(6,261,047)	168,783	(6,092,264)
Balance as at 31 December 2023	159,400	314,400	473,800
Balance as at 1 January 2022	111,900	12,400	124,300
Recognised in profit or loss	6,308,547	133,217	6,441,764
Balance as at 31 December 2022	6,420,447	145,617	6,566,064

#### Deferred tax liabilities

	Property, plant and equipment RM	Revaluation surplus of revalued properties RM	Total RM
Balance as at 1 January 2023	7,803,864	7,978,747	15,782,611
Acquisition of a subsidiary	315,694	0	315,694
Recognised in profit or loss	(6,095,459)	(150,143)	(6,245,602)
Balance as at 31 December 2023	2,024,099	7,828,604	9,852,703
Balance as at 1 January 2022	6,116,000	2,634,459	8,750,459
Recognised in:			
- other comprehensive income	0	5,432,010	5,432,010
- profit or loss	1,687,864	(87,722)	1,600,142
Balance as at 31 December 2022	7,803,864	7,978,747	15,782,611

- (c) The amount of temporary difference for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2023 RM	2022 RM
Unabsorbed capital allowance	0	1,520,600

Deferred tax assets of a subsidiary had not been recognised in respect of these items as it was not probable that taxable profits of the subsidiary would be available against which the deductible temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 20. GOVERNMENT GRANTS

	Group	
	2023 RM	2022 RM
Balance as at 1 January	393,559	526,151
Amortisation during the financial year	<u>(132,592)</u>	<u>(132,592)</u>
Balance as at 31 December	<u>260,967</u>	<u>393,559</u>
Represented by:		
Current liabilities	132,592	132,592
Non-current liabilities	<u>128,375</u>	<u>260,967</u>
	<u>260,967</u>	<u>393,559</u>

Government grants related to an asset are recognised as income and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

## 21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade payables</b>				
Third parties	45,505,676	52,583,502	0	0
<b>Other payables</b>				
Other payables	53,192,895	9,981,876	26,576	86,836
Accruals	21,406,475	5,224,836	36,349	39,433
Total other payables	<u>74,599,370</u>	<u>15,206,712</u>	<u>62,925</u>	<u>126,269</u>
<b>Total trade and other payables</b>	<u>120,105,046</u>	<u>67,790,214</u>	<u>62,925</u>	<u>126,269</u>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade and other payables are non-interest bearing and the normal credit terms granted to the Group ranged from 30 to 90 days (2022: 30 to 90 days).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 21. TRADE AND OTHER PAYABLES (Cont'd)

- (c) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	<b>92,438,796</b>	55,956,889	<b>62,925</b>	126,269
United States Dollar	<b>16,348,987</b>	11,151,499	<b>0</b>	0
Euro	<b>9,302,655</b>	124,941	<b>0</b>	0
Indian Rupee	<b>1,751,493</b>	0	<b>0</b>	0
Singapore Dollar	<b>245,247</b>	536,312	<b>0</b>	0
Chinese Renminbi	<b>15,384</b>	18,178	<b>0</b>	0
Philippines Peso	<b>2,484</b>	1,717	<b>0</b>	0
Pound Sterling	<b>0</b>	678	<b>0</b>	0
	<b><u>120,105,046</u></b>	<u>67,790,214</u>	<b><u>62,925</u></b>	<u>126,269</u>

- (d) Maturity profile of trade and other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.
- (e) Information on financial risks of trade and other payables is disclosed in Note 33 to the financial statements.

### 22. PROVISION FOR WARRANTIES

- (a) The Group provides warranty on certain automated production system and equipment for a period of up to three (3) years and undertakes 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 and probability of warranties claims.

It requires management to exercise significant judgements and estimates in determining the valuation of provision for warranties. The key input on the valuation of provision for warranties is the estimation of probability of warranty claims. In arriving the probability of warranty claims, the management analyses the historical warranty claims, if any, to determine the amount of provision.

- (b) Movements during the financial year in the amount recognised in the consolidated statements of financial position in respect of the provision for warranties are as follows:

	Group	
	2023 RM	2022 RM
Balance as at 1 January	<b>26,751,917</b>	34,408,157
Provision made during the financial year	<b>5,939,864</b>	9,349,912
Provision reversed during the financial year	<b>(16,402,654)</b>	(17,006,152)
Balance as at 31 December	<b><u>16,289,127</u></b>	<u>26,751,917</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment		
- contracted but not provided for	<u>56,066,538</u>	<u>4,279,409</u>

## 24. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2023 RM	2022 RM

### Unsecured

Financial guarantee given to financial institutions for credit facilities

- Limit of guarantee	<b>145,624,606</b>	80,200,000
- Amount utilised	<u>13,916,658</u>	<u>15,016,662</u>

- (a) The Company provides financial guarantees to financial institutions for credit facilities granted to a subsidiary.
- (b) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (c) The fair values of the financial guarantees have not been recognised on initial recognition as it is negligible. As at the end of each reporting period, there was no indication that the subsidiary would default in payment.
- (d) Maturity profile of financial guarantee contracts of the company at the end of each reporting period based on contractual undiscounted obligations is repayable upon any default by the subsidiary.
- (e) Information of financial risks of financial guarantee contracts are disclosed in Note 33 to the financial statements.

## 25. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers:</b>				
Construction contracts revenue	<b>623,838,618</b>	509,089,647	<b>0</b>	0
Sale of goods	<b>4,974,504</b>	19,572,689	<b>0</b>	0
Provision of parts and services	<u>29,936,409</u>	<u>17,552,149</u>	<u>0</u>	<u>0</u>
	<u><b>658,749,531</b></u>	<u>546,214,485</u>	<u><b>0</b></u>	<u>0</u>



## NOTES TO THE FINANCIAL STATEMENTS

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### 25. REVENUE (Cont'd)

*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.

Group	Timing of revenue recognition		Total RM
	Transferred over time RM	Transferred at a point in time RM	
<b>31 December 2023</b>			
Germany	0	450,387	450,387
India	75,044,103	6,686,479	81,730,582
Ireland	2,717,740	195,732	2,913,472
Lithuania	398,594	4,167	402,761
Malaysia	51,686,328	7,051,506	58,737,834
Netherlands	0	2,214,855	2,214,855
People's Republic of China	0	45,454	45,454
Singapore	0	1,027,170	1,027,170
Switzerland	1,647,139	0	1,647,139
United States of America	491,541,385	14,564,059	506,105,444
Vietnam	803,329	2,671,104	3,474,433
	<u>623,838,618</u>	<u>34,910,913</u>	<u>658,749,531</u>
<b>31 December 2022</b>			
India	195,813,600	0	195,813,600
Ireland	0	594,465	594,465
Malaysia	8,700,171	4,858,886	13,559,057
People's Republic of China	0	5,828	5,828
Singapore	0	4,484,984	4,484,984
United States of America	303,579,930	24,445,309	328,025,239
Vietnam	995,946	2,735,366	3,731,312
	<u>509,089,647</u>	<u>37,124,838</u>	<u>546,214,485</u>

(a) Revenue from construction contracts

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. REVENUE (Cont'd)

### (a) Revenue from construction contracts (Cont'd)

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the cost incurred relative to the total expected cost for satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and costs in applying the input method to recognise revenue over time.

The management specifically analyses the contract with customers to identify performance obligations that are distinct and material, which is judgmental in the context of contract. The management also estimated total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the management relies on past experience of completed project and considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims. A change in the estimates will directly affect the revenue to be recognised.

There is no significant financing component in the revenue arising from construction contracts as the contracts are on normal credit terms not exceeding twelve (12) months.

### (b) Sale of products and services rendered

Revenue from sale of products and services rendered is recognised at a point in time when the products has been transferred or the services has been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as sales or services are made on the normal credit terms not exceeding twelve (12) months.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 26. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income	<b>7,118,488</b>	1,268,257	<b>285,084</b>	117,468
Dividend income	<b>437,118</b>	278,634	<b>369,610</b>	111,858
Fair value gain on short term funds	<b>2,476,308</b>	3,259,966	<b>1,940,766</b>	1,693,793
Fair value gain on derivative financial instruments	<b>183,650</b>	0	<b>0</b>	0
Realised gain on foreign exchange	<b>13,587,521</b>	9,703,505	<b>850,122</b>	0
Gain on lease termination	<b>187</b>	0	<b>0</b>	0
Amortisation of government grant	<b>132,592</b>	132,592	<b>0</b>	0
Unrealised gain on foreign exchange	<b>720,606</b>	0	<b>24,705</b>	18,282
Others	<b>3,097,082</b>	2,861,522	<b>0</b>	0
	<b><u>27,753,552</u></b>	<u>17,504,476</u>	<b><u>3,470,287</u></b>	<u>1,941,401</u>

#### Interest income

Interest income is recognised as it accrues, using the effective interest method.

#### Dividend income

Dividend income is recognised when the right to receive payment is established.

### 27. FINANCE COST

	Group	
	2023 RM	2022 RM
Interest expenses on:		
- term loans	<b>584,923</b>	492,172
- lease liabilities	<b>90,238</b>	65,251
- bank overdraft	<b>18,194</b>	5,736
	<b><u>693,355</u></b>	<u>563,159</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 28. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year	<b>12,019,706</b>	408,336	<b>19,706</b>	17,336
Overprovision of income tax expense in prior years	<b>(177,709)</b>	(7,750)	<b>(17,336)</b>	(7,750)
	<b>11,841,997</b>	400,586	<b>2,370</b>	9,586
Deferred tax (Note 19):				
- crystallisation of deferred tax liability on revaluation surplus	<b>(150,143)</b>	(87,722)	<b>0</b>	0
- relating to origination and reversal of temporary differences	<b>(3,195)</b>	(4,753,900)	<b>0</b>	0
	<b>(153,338)</b>	(4,841,622)	<b>0</b>	0
Withholding tax expense	<b>16,217</b>	451,885	<b>0</b>	0
Total taxation	<b>11,704,876</b>	(3,989,151)	<b>2,370</b>	9,586

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<b>166,067,981</b>	127,898,799	<b>1,523,989</b>	661,400
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	<b>39,856,315</b>	30,695,712	<b>365,757</b>	158,736
Tax effects in respect of:				
Non-allowable expenses	<b>10,521,227</b>	4,784,637	<b>233,754</b>	296,344
Non-taxable income	<b>(10,461,796)</b>	(4,331,737)	<b>(579,805)</b>	(437,744)
Tax exempt income under pioneer status	<b>(27,534,335)</b>	(35,577,776)	<b>0</b>	0
Annual crystallisation of deferred tax on revaluation surplus	<b>(150,143)</b>	(87,722)	<b>0</b>	0
Deferred tax asset not recognised during the year	<b>0</b>	83,600	<b>0</b>	0
Utilisation of deferred tax asset previously not recognised	<b>(364,900)</b>	0	<b>0</b>	0
Withholding tax expense	<b>16,217</b>	451,885	<b>0</b>	0
Overprovision of income tax expense in prior years	<b>(177,709)</b>	(7,750)	<b>(17,336)</b>	(7,750)
Taxation for the financial year	<b>11,704,876</b>	(3,989,151)	<b>2,370</b>	9,586

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 28. TAXATION (Cont'd)

- (c) The Group has been granted pioneer status for 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 five (5) years beginning on 29 March 2013 and expired on 28 March 2018 and subsequently included related modules of automated handlers for front end solar wafer and solar panel and factory automation machine for production of lithium-ion battery and expired on 28 March 2023.

The Group has been granted approval-in-principle by Malaysian Investment Development Authority ("MIDA") under Income Tax Act 1967 on 4 October 2023 for fully automated production line complete with multiple equipment for continuous assembly process of PV module which exempt 70% of its statutory income derived from those activities for a period of five (5) years from the manufacturing date. The Group is required to submit the application of pioneer status certificate to MIDA within twenty-four (24) months from the approval date. As at the date of this report, the application has been submitted to MIDA.

The Group has been granted approval-in-principle by MIDA under Income Tax Act 1967 on 27 June 2022 for its pioneer status incentive application for the robotic and factory automation system and related modules and components for electric vehicle and energy storage industries. The statutory income for this activity is exempted from tax for a period of ten (10) years from the manufacturing date. The Group is required to submit the application of pioneer status certificate to MIDA within twenty-four (24) months from the approval date. As at the date of this report, the application has yet been submitted to MIDA.

- (d) Tax on components of other comprehensive income of the Group are as follows:

	Before tax RM	Tax effect RM	After tax RM
<b>2023</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	<u>(396,709)</u>	<u>0</u>	<u>(396,709)</u>
<b>2022</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	<u>(332,333)</u>	<u>0</u>	<u>(332,333)</u>
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Revaluation surplus on property, plant and equipment and right-of-use assets	<u>22,665,384</u>	<u>(5,432,010)</u>	<u>17,233,374</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries, overtime and bonuses	<b>104,879,992</b>	62,559,902	<b>0</b>	0
Directors' fees	<b>569,032</b>	360,000	<b>569,032</b>	360,000
Contributions to defined contribution plan	<b>12,682,346</b>	7,695,306	<b>0</b>	0
Social security contributions	<b>1,727,776</b>	1,871,540	<b>0</b>	0
Other benefits	<b>476,262</b>	305,508	<b>42,000</b>	27,000
SGP expenses	<b>10,653,251</b>	6,913,344	<b>0</b>	0
	<b><u>130,988,659</u></b>	<u>79,705,600</u>	<b><u>611,032</u></b>	<u>387,000</u>

- (a) Included in the employee benefits of the Group are Directors' remuneration amounting to RM2,127,690 (2022: RM1,832,946).
- (b) Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group is RM45,400 (2022: RM45,400).

## 30. SHARE OPTION PLAN ('SOP') AND SHARE GRANT PLAN ('SGP')

The establishment of LTIP which consist of Share Option Plan ('SOP') and Share Grant Plan ('SGP') was approved by the shareholders of the Company at an Extraordinary General Meeting held on 27 November 2020. The LTIP was came into effect on 11 January 2021 and will continue to be in force for a period of five (5) years.

Salient features of the LTIP are as follows:

- (a) The maximum number of shares which may be made available under the LTIP shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the LTIP.
- (b) The maximum number of shares to be awarded to an eligible person under the LTIP at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee, and subject to the following conditions:
- (i) not more than ten percent (10%) of the total number of issued shares of the Company made available under the Proposed LTIP shall be allocated to any eligible person who, either singly or collectively through persons connected with the eligible person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
  - (ii) up to fifty percent (50%) of the total number of shares which may be made available under LTIP could be allocated, in aggregate, to the Executive Directors and senior management of the Company who are eligible persons.

## NOTES TO THE FINANCIAL STATEMENTS

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### 30. SHARE OPTION PLAN ('SOP') AND SHARE GRANT PLAN ('SGP') (Cont'd)

Salient features of the LTIP are as follows (Cont'd)

- (c) Any employee of the Group who fulfill the following conditions shall be eligible to participate in the LTIP as at the date of award, the employee:
- (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) is employed by the Group on a full-time basis or serving in a specific designation under an employment contract with the Group for a fixed duration and is on the payroll of any company within the Group and has not served a notice of resignation or received notice of termination;
  - (iii) must have been in employment of the Group for a period of at least six (6) months prior to the LTIP award date; and
  - (iv) is confirmed in writing as a full time employee of the Group prior to and up to the LTIP award date.
- (d) The Executive Director of the Group shall be eligible to participate in the LTIP as at the date of award, the Executive Director:
- (i) is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
  - (ii) is appointed as an Executive Director of the Company or any company within the Group prior to and up to the LTIP award date.
- (e) The shares to be issued upon vest of SGP and/or exercise of the SOP will not be subjected to any retention period or restriction on transfer.
- (f) The shares to be allotted and issued upon vest of SGP and/or exercise of the SOP will, upon such allotment and issuance, rank equally, in all respects with the existing shares in the Company, save and except that the new shares allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions.

The details of the share options of the Company are as follows:

Date of offer	[-----Number of options over ordinary shares -----]				
	Balance as at 1.1.2023	Exercised	Lapsed	Outstanding as at 31.12.2023	Exercisable as at 31.12.2023
10 March 2021	356,250	0	(356,250)	0	0

Date of offer	[-----Number of options over ordinary shares -----]				
	Balance as at 1.1.2022	Exercised	Forfeited*	Outstanding as at 31.12.2022	Exercisable as at 31.12.2022
10 March 2021	422,700	(4,450)	(62,000)	356,250	356,250

Exercise price (RM) of SOP

5.475

\* Due to resignation.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 30. SHARE OPTION PLAN ('SOP') AND SHARE GRANT PLAN ('SGP') (Cont'd)

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

Fair value of share options at the following grant dates (RM)	3.193
Weighted average share price (RM)	5.539
Weighted average exercise price (RM)	5.475
Expected volatility (%)	67.98
Expected life (years)	5
Risk free rate (%)	2.63
Expected dividend yield (%)	0

The following table illustrates the movement of shares under the SGP during the financial year:

Date of grant	[-----Number of ordinary shares granted under SGP-----]			
	Balance as at 1.1.2023	Vested	Forfeited*	Outstanding as at 31.12.2023
17 January 2022	1,401,800	(302,400)	(181,800)	917,600
26 January 2022	1,400,500	(325,500)	(97,600)	977,400
24 November 2022	2,500,000	(734,300)	(91,900)	1,673,800
	<b>5,302,300</b>	<b>(1,362,200)</b>	<b>(371,300)</b>	<b>3,568,800</b>

Date of grant	[-----Number of ordinary shares granted under SGP-----]				
	Balance as at 1.1.2022	Granted	Vested	Forfeited*	Outstanding as at 31.12.2022
17 January 2022	0	2,000,000	(344,400)	(253,800)	1,401,800
26 January 2022	0	2,000,000	(357,700)	(241,800)	1,400,500
24 November 2022	0	2,500,000	0	0	2,500,000
	0	6,500,000	(702,100)	(495,600)	5,302,300

\* Due to resignation.

The share grant vested during the financial year resulted in the issuance of 1,362,200 new ordinary shares as disclosed in Note 16(b) to the financial statements. The weighted average share price at the date of vesting for the financial year was RM4.364.



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 31. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM)	<u>154,363,105</u>	<u>131,887,950</u>
Weighted average number of ordinary shares in issue	<b>1,252,135,150</b>	1,252,130,700
SOP exercised	<b>0</b>	4,316
SGP vested	<u>490,821</u>	<u>155,808</u>
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	<u><b>1,252,625,971</b></u>	<u>1,252,290,824</u>
Basic earnings per ordinary share (sen)	<u><b>12.32</b></u>	<u>10.53</u>

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM)	<u>154,363,105</u>	<u>131,887,950</u>
Weighted average number of ordinary shares in issue	<b>1,252,625,971</b>	1,252,290,824
Effect of dilution due to SGP	<u>3,568,800</u>	<u>5,302,300</u>
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	<u><b>1,256,194,771</b></u>	<u>1,257,593,124</u>
Diluted earnings per ordinary share (sen)	<u><b>12.29</b></u>	<u>10.49</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 32. 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.

Related parties of the Group include:

- (i) immediate and ultimate holding company, GTECH Holdings Sdn. Bhd.;
  - (ii) direct and indirect subsidiaries as disclosed in Note 7 to the financial statements; and
  - (iii) key management personnel as disclosed in Note 32(c) to the financial statements.
- (b) The Company has not entered into transactions with related parties during the financial year.
- (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, either directly or indirectly. The key management personnel include all the Directors and certain members of the senior management of the Group.

The total remuneration of Directors and key management personnel during the financial year was as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fees	<b>569,032</b>	360,000	<b>569,032</b>	360,000
Short term employee benefits	<b>4,141,164</b>	3,037,275	<b>42,000</b>	27,000
Contributions to defined contribution plan	<b>469,744</b>	354,684	<b>0</b>	0
SGP expenses	<b>418,812</b>	416,753	<b>0</b>	0
	<b><u>5,598,752</u></b>	<u>4,168,712</u>	<b><u>611,032</u></b>	<u>387,000</u>

Estimated monetary value of benefits-in-kind provided to the Executive Directors and key management personnel of the Group is RM544,790 (2022: RM228,864).

## NOTES TO THE FINANCIAL STATEMENTS

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### 33. CAPITAL AND FINANCIAL RISK MANAGEMENT

#### (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.

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 during the financial years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity attributable to the owners of the parent. Net debt is calculated as borrowings, lease liabilities and provision for warranties, less short term funds and cash and bank balances.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Borrowings	<b>14,489,399</b>	15,016,662	<b>0</b>	0
Lease liabilities	<b>7,377,727</b>	3,561,264	<b>0</b>	0
Provision for warranties	<b>16,289,127</b>	26,751,917	<b>0</b>	0
Less:				
Short term funds	<b>(33,899,481)</b>	(108,304,263)	<b>(30,535,029)</b>	(79,153,820)
Cash and bank balances	<b>(153,953,573)</b>	(218,354,559)	<b>(5,729,060)</b>	(3,943,008)
Net cash	<b>(149,696,801)</b>	(281,328,979)	<b>(36,264,089)</b>	(83,096,828)
Total equity attributable to owners of the parent	<b>751,384,678</b>	586,765,031	<b>144,184,393</b>	132,009,523
Gearing ratio	<b>*</b>	*	<b>*</b>	*

\* No gearing ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2023.

#### (b) Financial risk management

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Financial risk management (Cont'd)

The Group and the Company are 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.

#### (i) Credit risk

Short term funds, deposits with licensed banks, trade receivables and financial guarantee contracts 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 major licensed financial institutions, creditworthy debtors and a subsidiary with good payment records. It is the policy of the Group and of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and of the Company 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, where deposits in advance are normally required. The credit period is ranged between 30 days to 90 days. 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.

#### Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### 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:

By country	Group			
	2023 RM	% of total	2022 RM	% of total
Germany	429,679	0%	0	0%
India	39,216,314	30%	207,900	0%
Ireland	5,228,125	4%	0	0%
Lithuania	2,497,225	2%	0	0%
Malaysia	12,538,826	10%	3,474,702	5%
Netherlands	1,824,709	2%	0	0%
People's Republic of China	751	0%	3,106	0%
Singapore	12,821	0%	549,926	1%
United States of America	66,706,520	52%	59,839,784	93%
Vietnam	569,924	0%	585,580	1%
	<b>129,024,894</b>	<b>100%</b>	<b>64,660,998</b>	<b>100%</b>

At the end of the reporting period, approximately seventy-four (74%) (2022: eighty-four (84%)) of the trade receivables of the Group were due from two (2) (2022: one (1)) major customers who are multi-industry conglomerates located in United States of America and India (2022: United States of America).

At the end of 31 December 2023, approximately 99.91% of the receivables of the Company was amount owing by a subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(ii) 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 Group and the Company also holds short term funds and cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily USD and Euro.

The following table demonstrates the sensitivity analysis of the Group and of the Company to a reasonably possible change in the USD exchange rate against the functional currency of the Group and of the Company, with all other variables held constant:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Profit after tax</b>				
<u>Increase by 5%</u>				
USD/RM	<b>7,860,014</b>	9,566,029	<b>0</b>	0
EURO/RM	<b>154,684</b>	40,732	<b>80,266</b>	40,732
<u>Decrease by 5%</u>				
USD/RM	<b>(7,860,014)</b>	(9,566,029)	<b>0</b>	0
EURO/RM	<b>(154,684)</b>	(40,732)	<b>(80,266)</b>	(40,732)

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

Sensitivity analysis of the foreign currencies to the Group's equity are not disclosed as the fluctuation of those foreign exchange rates against the Group's functional currency are negligible.

(iii) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting their financial obligations due to shortage of funds. The exposure of the Group to liquidity and cash flow risk arises primarily from mismatches of maturities of financial assets and financial liabilities. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of available credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the 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 and the Company practice 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Liquidity and cash flow risk (cont'd)

The table below summaries the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	Over one year to within five years RM	Over five years RM	Total RM
<b>31 December 2023</b>				
<b>Group</b>				
Lease liabilities	1,947,741	5,487,078	562,877	7,997,696
Trade and other payables	120,105,046	0	0	120,105,046
Borrowings	2,252,977	6,103,676	9,717,201	18,073,854
Total undiscounted liabilities	<u>124,305,764</u>	<u>11,590,754</u>	<u>10,280,078</u>	<u>146,176,596</u>
<b>31 December 2022</b>				
<b>Group</b>				
Lease liabilities	575,758	2,103,808	1,109,264	3,788,830
Trade and other payables	67,790,214	0	0	67,790,214
Borrowings	1,504,885	5,712,670	10,676,407	17,893,962
Total undiscounted liabilities	<u>69,870,857</u>	<u>7,816,478</u>	<u>11,785,671</u>	<u>89,473,006</u>
<b>31 December 2023</b>				
<b>Company</b>				
Other payables	62,925	0	0	62,925
Financial guarantee contracts	13,916,658	0	0	13,916,658
Total undiscounted liabilities	<u>13,979,583</u>	<u>0</u>	<u>0</u>	<u>13,979,583</u>
<b>31 December 2022</b>				
<b>Company</b>				
Other payables	126,269	0	0	126,269
Financial guarantee contracts	15,016,662	0	0	15,016,662
Total undiscounted liabilities	<u>15,142,931</u>	<u>0</u>	<u>0</u>	<u>15,142,931</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company will fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from their borrowings, short term funds and deposits placed with financial institutions. The Group and the Company borrow at both, floating and fixed rates of interest to generate the desired interest profile and to manage the Group's and the Company's exposure to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Profit after tax</b>				
- Increase by 0.5%	<b>73,758</b>	354,493	<b>116,033</b>	300,785
- Decrease by 0.5%	<b>(73,758)</b>	(354,493)	<b>(116,033)</b>	(300,785)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the interest rates/incremental borrowing rates as at the end of the reporting period and the remaining maturities of the financial instruments and lease liabilities of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Interest rates/ Incremental borrowing rates* %	Within 1 year					More than 5 years	Total RM
			RM	RM	RM	RM	RM		
<b>31 December 2023</b>									
<b>Fixed rates</b>									
Lease liabilities	6	1.75 - 7.95*	(1,652,358)	(1,658,579)	(1,130,802)	(1,191,694)	(1,129,584)	(614,710)	(7,377,727)
<b>Floating rates</b>									
Short term funds	14	1.62 - 2.96	33,899,481	0	0	0	0	0	33,899,481
Bank overdraft	18	8.08	(494,793)	0	0	0	0	0	(494,793)
Term loans	18	2.79 - 5.47	(1,177,952)	(1,100,004)	(1,100,004)	(1,100,004)	(1,100,004)	(8,416,638)	(13,994,606)
<b>31 December 2022</b>									
<b>Fixed rates</b>									
Deposits with licensed banks	15	2.65	20,000,000	0	0	0	0	0	20,000,000
Lease liabilities	6	1.75 - 3.89*	(515,663)	(518,251)	(471,509)	(479,827)	(488,291)	(1,087,723)	(3,561,264)
<b>Floating rates</b>									
Short term funds	14	1.18 - 2.77	108,304,263	0	0	0	0	0	108,304,263
Term loans	18	2.79	(1,100,004)	(1,100,004)	(1,100,004)	(1,100,004)	(1,100,004)	(9,516,642)	(15,016,662)



## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 33. CAPITAL AND FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the interest rates/incremental borrowing rates as at the end of the reporting period and the remaining maturities of the financial instruments and lease liabilities of the Group and of the Company that are exposed to interest rate risk: (Cont'd)

Company	Note	Interest rates %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
<b>31 December 2023</b>									
<b>Floating rates</b>									
Short term funds	14	2.78	30,535,029	0	0	0	0	0	30,535,029
Amount due from a subsidiary	11	5.50	28,105,479	0	0	0	0	0	28,105,479
<b>31 December 2022</b>									
<b>Floating rates</b>									
Short term funds	14	2.50	79,153,820	0	0	0	0	0	79,153,820

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 34. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 19 March 2024, a subsidiary of the Company, Greatech Integration (M) Sdn. Bhd. incorporated a wholly-owned subsidiary, Greatech Integration (S) Pte. Ltd. in Singapore for a cash consideration of SGD 1 (equivalent to RM3.50) comprising of 1 ordinary share.

## 35. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### 35.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments to the Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendment to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M

Adoption of the above Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

### 35.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments to the 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 and the Company:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company do not expect the adoption of the above Standards and Amendments to Standards to have a significant impact on the financial statements.

## LIST OF PROPERTIES

(as at 31 December 2023)

Registered/ Beneficial owner	Property address	Description/ Existing use	Tenure of property	Date of acquisition/ Date of revaluation	Approximate age of building	Land/ Gross built- up area (sq ft)	Carrying amount as at 31 December 2023 RM'000
Greatech Integration (M) Sdn Bhd	Plot 287A, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang	Industrial land with a three-storey detached office block and an annexed double storey detached factory /Used as head office, assembly plant and storage	Leasehold (44 years expiring on 29 May 2051)	21 March 2018 /31 December 2022	5 years	69,599/ 74,701	24,313
Greatech Integration (M) Sdn Bhd	Plot 287B, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang	Industrial land with a double storey detached office block, an annexed single storey detached factory and a guard house /Used as office and storage	Leasehold (60 years expiring on 29 May 2051)	5 November 2014 /31 December 2022	30 years	33,044/ 20,064	6,127
Greatech Integration (M) Sdn Bhd	Plot 287C, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang	Industrial land with a double storey detached office block, an annexed double storey detached factory and a guard house /Used as office, assembly plant and storage	Leasehold (60 years expiring on 29 May 2051)	6 February 2015 /31 December 2022	30 years	30,053/ 24,283	6,850
Greatech Integration (M) Sdn Bhd	Lot 72493, Mukim 12, Lengkok Kampung Jawa Satu, Daerah Barat Daya, Pulau Pinang ("Plot 287D")	Industrial land with tar road and sidewalk /Used as car park	Leasehold (30 years expiring on 6 Mar 2052)	16 November 2021 /31 December 2022	N/A	10,764/ N/A	1,000
Greatech Integration (M) Sdn Bhd	PMT 778, Persiaran Cassia Selatan 2, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia ("Batu Kawan I")	Industrial land with a double storey detached office block, an annexed single storey detached factory and a guard house /Used as office, manufacturing plant and storage	Leasehold (60 years expiring on 17 August 2074)	20 June 2019 /31 December 2022	3 years	183,244/ 126,694	33,121

## LIST OF PROPERTIES

(as at 31 December 2023)

Registered/ Beneficial owner	Property address	Description/ Existing use	Tenure of property	Date of acquisition/ Date of revaluation	Approximate age of building	Land/ Gross built- up area (sq ft)	Carrying amount as at 31 December 2023 RM'000
Greatech Integration (M) Sdn Bhd	PMT 800, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Seberang Perai Selatan, Pulau Pinang ("Batu Kawan II")	Industrial land with a double storey detached office block, an annexed single storey detached factory and a guard house /Used as office, assembly plant and storage	Leasehold (60 years expiring on 14 October 2082)	13 January 2021 /31 December 2022	2 years	257,052/ 209,721	49,110
Greatech Integration (M) Sdn Bhd	807, Jalan Cassia Selatan 7/1, Taman Perindustrian Batu Kawan, MK 13 Seberang Perai Selatan, 14110 Bandar Cassia, Penang ("Batu Kawan III")	Industrial land with a double storey detached office block, an annexed single storey detached factory and a guard house /Used as office, assembly plant and storage	Leasehold (61 years expiring on 18 January 2083)	10 September 2021 /31 December 2022	2 years	305,522/ 241,222	64,467
Greatech Integration (M) Sdn Bhd	No. H.S.(D) 40377, PT 4083, Mukim 13, Seberang Perai Selatan, Pulau Pinang (known as Plot 1(c) at Batu Kawan Industrial Park) ("Batu Kawan IV")	Industrial land with a double storey detached office and double storey factory and a guard house.	Leasehold (60 years expiring on 20 October 2069)	3 November 2021 /31 December 2022	N/A	504,224/ 629,301	177,627

## ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

### Share Capital

Total Issued Shares	:	1,254,199,450 Ordinary Shares
Type of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share on a poll

Size of Shareholdings	No. of Holders	%	No. of Holdings	%
1 - 99	50	0.47	546	*
100 – 1,000	4,557	42.85	2,849,504	0.23
1,001 – 10,000	4,772	44.88	17,603,961	1.40
10,001 - 100,000	937	8.81	28,374,658	2.26
100,001 to less than 5% of Issued Shares	317	2.98	437,481,481	34.88
5% and above of Issued Shares	1	0.01	767,889,300	61.23
<b>Total</b>	<b>10,634</b>	<b>100.00</b>	<b>1,254,199,450</b>	<b>100.00</b>

\* Negligible

### 30 Largest Securities Account Holders based on Record of Depositors

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	GTECH HOLDINGS SDN BHD	767,889,300	61.23
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	40,522,100	3.23
3	LEMBAGA TABUNG HAJI	36,734,700	2.93
4	LLH HOLDINGS SDN BHD	29,738,700	2.37
5	SMARTCAP VENTURE SDN BHD	23,771,300	1.90
6	PERMODALAN NASIONAL BERHAD	18,027,800	1.44
7	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	17,152,500	1.37
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	15,790,200	1.26
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	11,236,800	0.90
10	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	8,942,600	0.71

## ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

### 30 Largest Securities Account Holders based on Record of Depositors (Cont'd)

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	8,553,300	0.68
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	6,620,700	0.53
13	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	5,370,700	0.43
14	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,237,400	0.42
15	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,136,500	0.41
16	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	4,933,100	0.39
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	4,864,000	0.39
18	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	4,829,614	0.39
19	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	4,033,900	0.32
20	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	3,962,200	0.32
21	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	3,887,600	0.31
22	OOI HOE LENG	3,738,700	0.30
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	3,477,975	0.28
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	3,315,700	0.26
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD	3,165,800	0.25
26	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	2,983,700	0.24

## ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

### 30 Largest Securities Account Holders based on Record of Depositors (Cont'd)

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
27	TAN ENG KEE	2,936,300	0.23
28	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA 3	2,857,500	0.23
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AM INV)	2,829,700	0.23
30	CARTABAN NOMINEES (TEMPATAN) SDN BHD CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	2,723,500	0.22

### Directors' Shareholdings based on Register of Director's Shareholdings

Name of Directors	No. of Shares beneficially held			
	Direct	%	Indirect	%
DATO' SERI TAN ENG KEE	4,936,300	0.39	767,901,000 **	61.23
KHOR LEAN HENG	1,398,500	0.11	-	-
OOI HOOI KIANG	1,536,600	0.12	-	-
MARIAMAH BINTI DAUD	650,000	0.05	65,000 #	0.01
DATO' OOI BOON CHYE	207,900	0.02	-	-
DATO' SERI WONG SIEW HAI	-	-	1,056,700 ^	0.08
DR. MICHAEL DOMINIC KIRK	-	-	-	-
DR. KONG SIEW MUI	-	-	-	-

\*\* Dato' Seri Tan Eng Kee is deemed interested through GTECH Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("Act") and through his child pursuant to Section 59(11)(c) of the Act.

# Mariamah Binti Daud is deemed interested through her child pursuant to Section 59(11)(c) of the Act.

^ Dato' Seri Wong Siew Hai is deemed interested through his children pursuant to Section 59(11)(c) of the Act.

### Substantial Shareholders' Shareholdings based on Register of Substantial Shareholders

Name of Substantial Shareholders	No. of Shares beneficially held			
	Direct	%	Indirect	%
GTECH HOLDINGS SDN BHD	767,889,300	61.23	-	-
DATO' SERI TAN ENG KEE	4,936,300	0.39	767,901,000 **	61.23

\*\* Dato' Seri Tan Eng Kee is deemed interested through GTECH Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("Act") and through his child pursuant to Section 59(11)(c) of the Act

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Sixth Annual General Meeting (“**6<sup>th</sup> AGM**”) of Greatech Technology Berhad (“**GTB**” or “**Company**”) will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice:

<b>Day and Date</b>	: <b>Friday, 24 May 2024</b>
<b>Time</b>	: <b>9.00 am</b>
<b>Broadcast Venue</b>	: The Auditorium, Plot 287(A), Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang
<b>Online Meeting Platform</b>	: Securities Services ePortal at <a href="https://sshbsb.net.my/">https://sshbsb.net.my/</a>
<b>Modes of Communication</b>	: 1. Typed text in the Online Meeting Platform 2. Email your questions to <a href="mailto:enquiry@greatech-group.com">enquiry@greatech-group.com</a> prior to the 6 <sup>th</sup> AGM

### AGENDA

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
- To re-elect Dato’ Seri Tan Eng Kee who retires pursuant to Clause 170 of the Company’s Constitution and being eligible, has offered himself for re-election. **Resolution 1**  
*Mariamah binti Daud who is subject to retirement pursuant to Clause 170 of the Company’s Constitution has expressed her intention not to seek re-election and hence, she will retire as Director at the conclusion of the 6<sup>th</sup> AGM of the Company.*
- To re-elect the following Directors who retire pursuant to Clause 161 of the Company’s Constitution and being eligible, have offered themselves for re-election:
  - Dato’ Ooi Boon Chye; and **Resolution 2**
  - Dr. Kong Siew Mui **Resolution 3**
- To approve the payment of Directors’ fees of RM8,000.00 per month to the following Directors:
  - Dato’ Ooi Boon Chye for the period from 15 May 2023 to 24 May 2024; and **Resolution 4**
  - Dr. Kong Siew Mui for the period from 23 February 2024 to 24 May 2024. **Resolution 5**
- To approve the payment of Directors’ fees of RM8,000.00 per month for each of the Directors of the Company for the period from 25 May 2024 until the next Annual General Meeting of the Company to be held in the year 2025. **Resolution 6**
- To approve the payment of Directors’ benefits (excluding Directors’ fees) to the Directors up to an amount of RM100,000.00 for the period from 25 May 2024 until the next Annual General Meeting of the Company to be held in the year 2025. **Resolution 7**
- To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**
- To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016 (“**Act**”) and the Company’s Constitution.



## NOTICE OF ANNUAL GENERAL MEETING

### AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:

#### 9. ORDINARY RESOLUTION NO. 1

#### Resolution 9

##### **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

**"THAT** subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

**THAT** pursuant to Section 85 of the Act to be read together with Clause 32 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

## NOTICE OF ANNUAL GENERAL MEETING

### 10. ORDINARY RESOLUTION NO. 2

### Resolution 10

#### PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

**“THAT** subject to the Companies Act 2016 (**“Act”**), the Constitution of Company, Bursa Malaysia Securities Berhad (**“Bursa Securities”**) Main Market Listing Requirements (**“MMLR”**) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (**“Proposed Share Buy-Back”**) as may be determined by the Board of Directors (**“Board”**) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that:

- (a) the aggregate number of ordinary shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company; and
- (b) the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its Audited Financial Statements for the financial year ended 31 December 2023 of RM13,495,586;

**THAT** at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees' share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and Bursa Securities MMLR and any other relevant authorities for the time being in force;

**THAT** such authority shall commence immediately upon the passing of this resolution until:

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

whichever occurs first.

**AND THAT** the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board,

**YEOW SZE MIN**, SSM PC NO. 201908003120 (MAICSA 7065735)  
**LOW SEOW WEI**, SSM PC NO. 202008000437 (MAICSA 7053500)  
Company Secretaries

Penang  
25 April 2024

### (A) NOTES:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 May 2024 (General Meeting Record of Depositors) shall be eligible to participate in the 6<sup>th</sup> AGM.
2. The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 ("**Act**") which stipulates that the Chairman of the Meeting shall be present at the main venue of the Meeting.

Members/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 6<sup>th</sup> AGM in person at the Broadcast Venue on the day of the Meeting.

3. Every member including authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote in his stead at the 6<sup>th</sup> AGM, and that such proxy need not be a Member. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 6<sup>th</sup> AGM.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointer or his/her attorney duly appointed under a Power of Attorney or, if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
7. Pursuant to Paragraph 8.29A of Bursa Securities MMLR, all resolutions set out in the Notice of the 6<sup>th</sup> AGM will be put to vote on a poll.
8. The instrument appointing proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 6<sup>th</sup> AGM or any adjournments thereof:

**(i) In Hardcopy Form**

The proxy form shall be deposited at the Company's Registered Office at Suite 18.05, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Pulau Pinang, Malaysia.

**(ii) By Electronic Means**

The proxy form may also be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).

## NOTICE OF ANNUAL GENERAL MEETING

### (A) NOTES:- (Cont'd)

9. The members or their proxies or their corporate representatives may submit questions to the Company at [enquiry@greatech-group.com](mailto:enquiry@greatech-group.com) prior to the 6<sup>th</sup> AGM not later than **15 May 2024** at **5.00 p.m.** The questions and/or remarks submitted by the members or their proxies or their corporate representatives will be presented and responded by the Chairman/Board/Management during the Meeting.

### (B) EXPLANATORY NOTES: -

#### 1. **Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2023 ("FY2023")**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

#### 2. **Resolutions 1,2 and 3: Re-election of Directors who are retire**

Clause 170 of the Company's Constitution states that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Clause 161 of the Company's Constitution states that a person who appointed as an additional Director automatically retires at the first annual general meeting after their appointment and shall be eligible for re-election.

Dato' Seri Tan Eng Kee who retires in accordance with Clause 170 of the Company's Constitution and being eligible, has offered himself for re-election. Mariamah binti Daud who are also due to retire by rotation in accordance with Clause 170 of the Company's Constitution has notified the Board that she does not wish to seek for re-election as Director of the Company. Hence, she shall retire as Director of the Company at the conclusion of the 6<sup>th</sup> AGM of the Company.

Dato' Ooi Boon Chye and Dr. Kong Siew Mui were appointed as an Independent Non-Executive Director ("**INED**") of the Company with effective from 15 May 2023 and 23 February 2024 respectively is subject to the retirement in accordance with Clause 161 of the Company's Constitution and being eligible, have offered themselves for re-election.

The profiles of the Directors who are standing for re-election are stated on pages 8, 9 and 15 of the Company's Annual Report 2023.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 6<sup>th</sup> AGM, the Nominating Committee ("**NC**") has reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board for the FY2023.

The NC had recommended the re-election of retiring Directors based on the following consideration:

- (i) satisfactory performance and meeting the Board's expectations in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence, and time commitment in discharging their roles as directors of the Company;
- (iii) the level of independence demonstrated by the INED; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board endorsed the NC's recommendation for the retiring Directors pursuant to Clause 170 and Clause 161 of the Constitution of the Company.

All the retiring Directors have consented to their re-election and have abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant NC and Board meetings.

The retiring Directors who are also shareholders of the Company will abstain from voting on the resolution of his/her re-election at the 6<sup>th</sup> AGM.

## NOTICE OF ANNUAL GENERAL MEETING

### (B) EXPLANATORY NOTES: - (Cont'd)

#### 3. Resolutions 4, 5, 6 and 7: Directors' fees and benefits

Clause 186 of the Company's Constitution, any fees and benefits payable to Directors shall be subject to annual shareholders' approval at a General Meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees to Directors (Resolutions 4 to 6) and benefits payable to Directors (Resolution 7).

The proposed payment of the Directors' fees of RM8,000.00 per month to Dato' Ooi Boon Chye and Dr. Kong Siew Mui is payable for their tenure in office from 15 May 2023 to 24 May 2024 and from 23 February 2024 to 24 May 2024 respectively.

The shareholders' approval shall be sought at this 6<sup>th</sup> AGM for the payment of Directors' fees of RM8,000 per month to each of the Directors of the Company from 25 May 2024 until the next AGM of the Company to be held in the year 2025 ("**Mandated Period**"), to be payable on monthly basis in arrears. The Ordinary Resolution 6, if passed, shall also facilitating the payment of Directors' fees to the new Director(s) appointed during the Mandated Period.

The Remuneration Committee and the Board opined that it is just and equitable for the Directors to be paid such payment upon them discharging their responsibilities and rendering their services to the Company.

The payment of Directors' fees and benefits to the Directors has been reviewed by the Remuneration Committee and the Board of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from 25 May 2024 up to the conclusion of the next AGM. The benefits comprise Directors and Officers Liabilities Insurance and the meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors.

The Directors who are also shareholders of the Company and persons connected to the said Director will abstain from voting on the resolutions in respect of the fees and benefits payable to him/her at the 6<sup>th</sup> AGM.

#### 4. Resolution 8: Re-appointment of Auditors

The Audit and Risk Management Committee ("**ARMC**") and the Board have considered the re-appointment of Messrs. BDO PLT as Auditors of the Company, are satisfied with the performance, competency, audit approach and independence of Messrs. BDO PLT and collectively agreed that they have met the relevant criteria prescribed by Paragraph 15.21 of Bursa Securities MMLR.

The Board endorsed ARMC's recommendation to seek for shareholders' approval to re-appoint Messrs. BDO PLT as external auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

### (B) EXPLANATORY NOTES: - (Cont'd)

#### 5. Resolution 9: Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights

The proposed Resolution 9 is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time to such persons in their absolute discretion for such purposes as the Board considers to be in the best interests of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the last AGM held on 12 May 2023 of which will lapse at the conclusion of the 6<sup>th</sup> AGM (hereinafter referred to as the "**Previous Mandate**").

The Previous Mandate granted by the shareholders had not been utilised and therefore, no proceed been raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

#### 6. Resolution 10: Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 10, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Bursa Securities MMLR by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next AGM.

Please refer to the Share Buy-Back Statement dated 25 April 2024 which is despatched together with the Company's Annual Report 2023 for further information.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 6<sup>th</sup> AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 6<sup>th</sup> AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Bursa Securities MMLR)

- As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the 6<sup>th</sup> AGM.
- The renewal of General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the Bursa Securities MMLR.

Details of the renewal of General Mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Note 5 of the Explanatory Notes of the Notice of the 6<sup>th</sup> AGM.

**GREATECH TECHNOLOGY BERHAD**

(Registration No.: 201801008633 (1270647-H))

(Incorporated in Malaysia)

CDS Account No	
No. of ordinary shares held	

**PROXY FORM**

I/We \_\_\_\_\_ (Tel: \_\_\_\_\_) NRIC/Registration No. \_\_\_\_\_  
 (Full Name in Capital Letters)

of \_\_\_\_\_

(Full address in Capital Letters)

being a member of **GREATECH TECHNOLOGY BERHAD** ("the Company") hereby appoint the following person(s):

<b>First Proxy</b>		
Name	NRIC/Passport No.	No. of shares to be represented
<b>Second Proxy</b>		
Name	NRIC/Passport No.	No. of shares to be represented

or failing him/her, the Chairman of the Meeting, as \*my/our proxy/proxies to attend and to vote for \*me/us on \*my/our behalf at the Sixth Annual General Meeting ("6<sup>th</sup> AGM") of the Company to be held **virtually** at the Broadcast Venue, The Auditorium, Plot 287(A), Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang on **Friday, 24 May 2024 at 9.00 am** and at any adjournment thereof.

My/Our Proxy is to vote as indicated below:

<b>AGENDA</b>					
To receive the Audited Financial Statements for financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.					
<b>ORDINARY RESOLUTIONS</b>		<b>First Proxy</b>		<b>Second Proxy</b>	
<b>Ordinary Business</b>		<b>For</b>	<b>Against</b>	<b>For</b>	<b>Against</b>
Resolution 1	To re-elect Dato' Seri Tan Eng Kee as a Director of the Company.				
Resolution 2	To re-elect Dato' Ooi Boon Chye as a Director of the Company.				
Resolution 3	To re-elect Dr. Kong Siew Mui as a Director of the Company.				
Resolution 4	To approve the payment of Directors' Fee for the period from 15 May 2023 to 24 May 2024 to Dato' Ooi Boon Chye.				
Resolution 5	To approve the payment of Directors' Fee for the period from 23 February 2024 to 24 May 2024 to Dr. Kong Siew Mui.				
Resolution 6	To approve the payment of Directors' Fee to each of Director of the Company for the period from 25 May 2024 until the next Annual General Meeting of the Company to be held in the year 2025.				
Resolution 7	To approve the payment of Directors' benefits (excluding Directors' fees) for the period from 25 May 2024 until the next Annual General Meeting of the Company to be held in the year 2025.				
Resolution 8	To re-appoint Messrs. BDO PLT as Auditors of the Company.				
<b>Special Business</b>					
Resolution 9	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights.				
Resolution 10	Proposed Renewal of Share Buy-Back Authority.				

(Please indicate with an 'X' in the space provided against each resolution of how you wish your vote to be cast. In the absence of specific directions, your proxy(ies) or Chairman of the Meeting will vote or abstain as he/she thinks fit.

Note: Please note that the short description given above on the Resolutions to be passed does not in any way whatsoever reflect the intent and purpose of the Resolutions. Shareholders are encouraged to refer to the Notice of 6<sup>th</sup> AGM for the full purpose and intent of the Resolutions to be passed.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
 \*Signature /Common Seal of Member

\* Strike out whichever not applicable.





**Notes:**

1. In respect to deposited securities, only members whose names appear in the Record of Depositors on 15 May 2024 (General Meeting Record of Depositors) shall be eligible to participate in the 6<sup>th</sup> AGM.
2. The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 ("Act") which stipulates that the Chairman of the Meeting shall be present at the main venue of the Meeting.  
Members/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 6<sup>th</sup> AGM in person at the Broadcast Venue on the day of the Meeting.
3. Every member including authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote in his stead at the 6<sup>th</sup> AGM, and that such proxy need not be a Member. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 6<sup>th</sup> AGM.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointer or his/her attorney duly appointed under a Power of Attorney or, if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
7. Pursuant to Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 6<sup>th</sup> AGM will be put to vote on a poll.
8. The instrument appointing proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 6<sup>th</sup> AGM or any adjournments thereof:
  - (i) **In Hardcopy Form**  
The proxy form shall be deposited at the Company's Registered Office at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang, Malaysia.
  - (ii) **By Electronic Means**  
The proxy form may also be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).
9. The members or their proxies or their corporate representatives may submit questions to the Company at [enquiry@greatech-group.com](mailto:enquiry@greatech-group.com) prior to the 6<sup>th</sup> AGM not later than **15 May 2024 at 5.00 p.m.** The questions and/or remarks submitted by the members or their proxies or their corporate representatives will be presented and responded to by the Chairman/Board/ Management during the Meeting.
10. Any alteration in this form must be initialed.

**Personal data privacy:**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 6<sup>th</sup> AGM of the Company and any adjournment thereof.

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Please fold across the lines and close

Affix  
Stamp

The Company Secretaries  
**GREATECH TECHNOLOGY BERHAD**  
**201801008633 (1270647-H)**  
Suite 18.05, MWE Plaza  
No. 8, Lebuh Farquhar  
10200 George Town  
Pulau Pinang  
Malaysia

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Please fold across the lines and close

**GREATECH TECHNOLOGY BERHAD**

201801008633 (1270647-H)

Plot 287(A)  
Lengkok Kampung Jawa Satu  
Bayan Lepas Free Industrial Zone Phase 3  
11900 Bayan Lepas  
Pulau Pinang, Malaysia

Tel : (604) 646 3260  
Fax : (604) 646 3261

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<https://www.greatch-group.com/en/>