



Together We Create
POSSIBILITIES
ANNUAL REPORT 2019

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Proxy Form

Cover Rationale



Audacity. Tenacity. Vitality.

These qualities reveal the inner strength of an unshaken unity. Greatech places togetherness at the helm of our achievements and success. The company takes pride in nurturing its team and cultivating a spirit of teamwork. These attributes will empower Greatech to blaze a trail marked by passion and zeal. Greatech believes "Together We Create Possibilities" will accelerate the company forward.

Together – We are mightier together than we are on our own

We Create – Our innovative approaches distinguish us from the rest and bring forth limitless excellence

Possibilities – Nothing can stop us from turning our dreams into reality



For more information, visit our website
www.greatech-group.com



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.



CORE VALUES



These core values encourage us to continue striving for Greatness and have become part of the Greatech culture.

1	2	3	4	5	6
INTEGRITY	INNOVATION	PERFORMANCE	CUSTOMER SATISFACTION	CARE & RESPECT	TEAMWORK
Accountable to being ethical	Think new, Dream big	Eyes focused on our goals	Partnership for success	Valuing our people	Creating possibilities in diversity

About Us

Incorporated in 2018 and listed on the ACE Market of the Bursa Malaysia Securities Berhad (“Bursa Securities”) on 13 June 2019, Greatech Technology Berhad (“Company” or “Greatech”, and 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 photovoltaics, consumer electronics, semiconductor, energy storage and medical device industries.

Greatech’s automation system is installed in countries across the world, including China, Vietnam, Singapore, Philippines, the 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.



KEY FIGURE FOR 2019

REVENUE
RM215.94_M

EMPLOYEES
418

RETURN ON EQUITY
26.7%

NET CASH & CASH EQUIVALENTS
RM215.11_M

THE JOURNEY FOR GREATECH HAS JUST BEGUN



BOARD OF DIRECTORS

OOI HOOI KIANG

Chairman
Independent Non-Executive Director

TAN ENG KEE

Chief Executive Officer
Executive Director

KHOR LEAN HENG

Chief Operating Officer
Executive Director

MARIAMAH BINTI DAUD

Independent Non-Executive Director

OOI CHING HOCK

Independent Non-Executive Director

DATO' SERI WONG SIEW HAI*

Independent Non-Executive Director

**AUDIT AND RISK
MANAGEMENT COMMITTEE**

Mariamah binti Daud
Chairman

Ooi Hooi Kiang
Member

Ooi Ching Hock
Member

Dato' Seri Wong Siew Hai*
Member

**REMUNERATION
COMMITTEE**

Ooi Hooi Kiang
Chairman

Mariamah binti Daud
Member

Ooi Ching Hock
Member

Dato' Seri Wong Siew Hai*
Member

**NOMINATING
COMMITTEE**

Mariamah binti Daud
Chairman

Ooi Hooi Kiang
Member

Ooi Ching Hock
Member

Dato' Seri Wong Siew Hai*
Member

* *Appointed as Independent Non-Executive Director and Board Committee Member w.e.f. 8 May 2020*

COMPANY SECRETARIES

Thum Sook Fun
SSM PC No. 201908000139 (MIA 24701)

Low Seow Wei
SSM PC No. 202008000437 (MAICSA 7053500)

AUDITORS

BDO PLT (LLP0018825-LCA & AF 0206)
51-21-F, Menara BHL
Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Tel : (604) 222 0288
Fax : (604) 222 0299

REGISTERED OFFICE

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

PRINCIPAL BANKER

CIMB Bank Berhad

PRINCIPAL PLACE OF BUSINESS

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

SPONSOR

Alliance Investment Bank Berhad
(Registration no. 197401004393 (21605-D))
Level 3, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : (603) 2604 3333
Fax : (603) 2691 9028

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

STOCK EXCHANGE LISTING

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

06 Corporate Structure



GREATECH

Greatech Technology Berhad
201801008633 (1270647-H)

Investment holding

100%

**Greatech Integration
(M) Sdn. Bhd.**
199701031741 (447240-X)

Manufacture of automated equipment
and provision of parts and services

100%

**Greatech Integration
(Shanghai) Limited**
91310115MA1K3N1L40

Dormant



OOI HOOI KIANG
Chairman
Independent Non-Executive Director

-  **Gender**
Female
-  **Nationality**
Malaysian
-  **Age**
51
-  **No. of Board Meeting Attended in Financial Year ("FY") 2019**
4/4

Ooi Hooi Kiang, is our Group’s Chairman and Independent Non-Executive Director and was first appointed to the Board on 20 August 2018. She serves as Chairman of Remuneration Committee, as well as member of Audit and Risk Management Committee and Nominating Committee of the Company.

Ms Ooi has more than 26 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 and tax planning in both public listed and private companies.

Ms Ooi has been appointed as Chief Financial Officer (“CFO”) and overseeing finance division of PG Automotive Holdings Pte Ltd (“PGA”) since November 2018 until to-date. Prior to joining PGA, she was the CFO of Anchor Resources Limited, a company listed on 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 include 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 company.

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

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

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

08 Profile of Directors (cont'd)



TAN ENG KEE
Chief Executive Officer
Executive Director

-  **Gender**
Male
-  **Nationality**
Malaysian
-  **Age**
50
-  **No. of Board Meeting Attended in FY2019**
4/4

Tan Eng Kee, is our Group's Chief Executive Officer ("CEO") and Executive Director and was appointed to our Board on 14 May 2018. Mr Tan is one of Greatech's founding shareholders since the incorporation of Greatech Integration (M) Sdn. Bhd. in 1997 and is currently responsible for overall management and operation of the Group. As one of the founders, Mr 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 25 years of experience in managing company, marketing strategy planning and business development. Mr Tan has, and continues to be, instrumental to our Group's continued success and growth.

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


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



KHOR LEAN HENG

Chief Operating Officer
Executive Director

 **Gender**
Male

 **Nationality**
Malaysian

 **Age**
50

 **No. of Board Meeting Attended
in FY2019**
4/4

Khor Lean Heng, is our Group's Chief Operating Officer ("COO") and Executive Director and was appointed to our Board on 14 May 2018. Mr Khor is a co-founder of the Group. He has had more than 25 years of experience in areas of precision machining, sheet metal manufacturing and automation equipment business.


Mr Khor is currently responsible for overseeing the daily operations, including supply chain function (procurement, inventory management and logistic) and production floor planning of our Group. He also assists the Group CEO in the formulation and execution of the Group's business strategies.

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

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



**MARIAMAH
BINTI DAUD**
Independent Non-Executive Director

-  **Gender**
Female
-  **Nationality**
Malaysian
-  **Age**
55
-  **No. of Board Meeting Attended
in FY2019**
4/4

Mariamah binti Daud, was first 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 Nominating Committee and a member of 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 Technology Development Division of MTDC, a government agency that involves in technology development and commercialisation as well as nurturing of technopreneurs since August 1993. She is responsible for overseeing the Technology Incubator Department, Industry 4.0 Department, Ecosystem Development and Partnership Department as well as Technopreneur Academy Department. In her 27-year tenure with MTDC, she is involved in several management roles in charge of corporate communication and corporate services, technology transfer and commercialisation, nurturing and coaching of entrepreneurs and businesses.

Other than our Company, she does not hold any 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.



OOI CHING HOCK
Independent Non-Executive Director

-  **Gender**
Male
-  **Nationality**
Malaysian
-  **Age**
59
-  **No. of Board Meeting Attended in FY2019**
4/4

Ooi Ching Hock, was first appointed to the Board as Independent Non-Executive Director on 20 August 2018. He serves as a member of Audit and Risk Management Committee, Remuneration Committee and Nominating Committee of the Company.

Mr Ooi has more than 30 years of operation management experience in the semiconductor, hard disk drive, electronic and manufacturing industries covering Malaysia, Singapore and China. He had held several senior positions in multinational corporations, local and foreign companies. He brings a dynamic and unique technology experience to the Company. He is currently a director of Bizlearning Solutions Sdn. Bhd., a company involved in promoting business learning seminars and Biz Connect Sdn. Bhd., a company involved in investment in various industries such as genetic engineering, e-commerce and other industries since 2017.

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

Mr Ooi holds a Bachelor of Engineering degree (Honours) in Electrical Engineering from the University of Malaya.



**DATO' SERI
WONG SIEW HAI**
DSPN, DMPN, DGPN
Independent Non-Executive Director

-  **Gender**
Male
-  **Nationality**
Malaysian
-  **Age**
69
-  **No. of Board Meeting Attended in FY2019**
Not applicable (*appointed w.e.f. 8 May 2020*)

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

Dato' Seri Wong is an electronics industry veteran, with nearly 30 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 and Malaysian American Electronics Industry ("MAEI"), and an industry committee of American Malaysian Chamber of Commerce ("AMCHAM"). He is an Independent Non-Executive Director of Malaysia Venture Capital Management Berhad and a Director of Penang Tech Centre Bhd. and Penang Science Cluster. 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.

In June 2007, he was appointed as Independent Non-Executive Director of SAM Engineering & Equipment (M) Berhad, a public company listed on the Main 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.

**Note 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 in the Company can be found in the "Analysis of Shareholdings as at 4 May 2020" section of this Annual Report. Dato' Seri Wong Siew Hai was appointed as an Independent Non-Executive Director of the Company with effect from 8 May 2020. Dato' Seri Wong does not hold direct interest in the Company, while his indirect interest in the Company as at 8 May 2020 is 547,000 ordinary shares held through his children pursuant to Section 59(ii)(c) of the Companies Act 2016.

3. Non-Conviction of Offences

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

4. No Conflict of Interest

None of the Directors have any conflict of interest with the Company.

5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the Directors have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

14 Profile of Key Senior Management Team



Gender	Nationality	Age
Female	Malaysian	47

KOAY LIN LIN

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 is responsible for financial management and corporate finance matters, overseeing finance, accounting, human resources & administration and management information systems function of the Group.

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

Ms Koay graduated with National Vocational Qualification in Accounting from the Association of Accounting Technicians (UK) ("AAT") in 1994. She is a member of the Malaysian Institute of Accountants and holds an Association of Chartered Certified Accountants ("ACCA") qualification.



Gender	Nationality	Age
Male	Malaysian	41

LOO KIM HAI, MARTIN

Loo Kim Hai, Martin, was appointed as our Group's Business Unit Manager in October 2019. He is responsible for overseeing the Energy Storage division of the Group. His roles and responsibilities are to manage the team and projects which include planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the projects. He has 15 years of management and machine design experience in the LED and semiconductor industry. Mr Martin Loo started his career as Mechanical Design Engineer in Genetec Technology Berhad in April 2004 and thereafter joined Multiled Technology Sdn. Bhd. in August 2005 as a Project Manager. Prior to joining the Group, he was the Senior Mechanical Design Manager of a public listed entity involved in the manufacturing of high-tech automation system. In his 12-year tenure with the public listed entity, he led its Engineering Department to design and develop a wide range of custom-designed machine and standard back-end automation equipment for the LED and semiconductor industry. He was involved in conceptual design, machine design and development, project management and technical support.

Mr Martin Loo holds a Bachelor Degree in Mechanical Engineering from the University of Malaya.



Gender Male
Nationality Malaysian
Age 37



Gender Male
Nationality Malaysian
Age 35

TAN ENG SENG

Tan Eng Seng, is currently a Business Unit Manager of Medical division of the Group. His roles and responsibilities are to manage the team and projects which include planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the projects. He joined the Group in 2014 and oversees the project and team management and was promoted to Business Unit Manager of Battery division in January 2018. In November 2019, he was transferred to lead the Medical division. Prior to joining the Group, Mr Tan was an Engineer of STEC Technology Sdn. Bhd. (which was subsequently acquired by HGST Technologies Malaysia Sdn. Bhd.) from 2011 to 2014. He has 15 years of experience in software programming and development in the automation system of semiconductor and hard disk drive industry. Mr Tan started his career as a Field Staff with Manpower Staffing Services (M) Sdn. Bhd. in 2005, and he joined Micro View Technologies Sdn. Bhd. and Micro Modular System Sdn. Bhd. as a Software Development Engineer in 2007 and 2008 respectively.

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

YEAP HAN KEOW

Yeap Han Keow, is currently a Business Unit Manager of Thin Film Solar division of the Group. His roles and responsibilities are to manage the team and projects which include planning, execution, monitoring, risk management and the resolution of issues and achievement of the targets for the projects. Mr Yeap joined the Group in August 2005 as the Electrical Assembly Technician. Subsequently, he was promoted to Software & Control Engineer and Assistant Software Manager of the Group, where he is responsible in managing and overseeing the software department since January 2015. Mr Yeap became Business Unit Manager in January 2018. He has 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.



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. Non-Conviction of Offences

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

4. No Conflict of Interest

None of the key senior management personnel have any conflict of interest with the Company.

5. Public Sanction or Penalty Imposed by Relevant Regulatory Bodies

None of the key senior management personnel have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year 2019.

16 Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("Board"), it is an honour and privilege to deliver the inaugural annual report of Greatech Technology Berhad ("Company" or "Greatech", and together with its subsidiaries, "Group") for the financial year ended 31 December 2019 ("FY2019").

 **REVENUE**
RM215.94_M

 **PROFIT AFTER TAXATION**
RM52.30_M



BUSINESS REVIEW

2019 marked an exciting and remarkable year for Greatech as we embarked into the arena of the capital market. The listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 13 June 2019 was a significant milestone achieved, which has subsequently opened up the Group to a new chapter and platform to forge further ahead.

The Group recorded a revenue and profit after taxation of RM215.94 million and RM52.30 million, respectively for the FY2019. Due to the initiatives taken by the Management in improving productivity, managing material wastage better and streamlining of processes through leveraging on past experiences, the Group saw a 64.9% improvement in profitability.

Besides strong profitability, the Group also has a strong cash position. As of 31 December 2019, net cash and cash equivalents stood at approximately RM215.11 million against total liabilities of RM149.05 million, with a net cash position of about RM66.06 million. This strong cash position allows the Group to remain resilient despite the global economic slowdowns.

The share price of the Company has appreciated by 368.9% to RM2.86 as at 30 April 2020, since its listing on Bursa Securities on 13 June 2019 at the initial public offering price of RM0.61. As at 31 December 2019, Greatech ranked first (based on market capitalisation) in the technology equipment sector of the ACE Market with a market capitalisation of approximately RM1.50 billion.

FUTURE PROSPECTS

In 2020, the Group plans to relocate its assembly operations in Kulim, Kedah by constructing a new operational facility in Batu Kawan and upgrading its current facilities in Lunas with internally generated funds and bank facilities. As at 31 January 2020, the Group has an order book of RM215.00 million and these orders are expected to be delivered in the current year and fiscal year 2021.

Amidst the global outbreak of COVID-19, the Group is constantly assessing the resultant impact on our performance. As of 30 April 2020, there is no cancellation of any sales order, and material supplies remain sufficient to fulfil orders received to-date. The implementation of Movement Control Order from 18 March to 12 May 2020 did not significantly impact our commitment to our customers, and we were allowed to operate at full capacity starting 29 April 2020. Thus, we remain cautiously confident and steadfast in delivering our targets for financial year 2020.

The listing of the Company on Bursa Securities is in line with our strategy in levelling up the Group's image, strengthening confidence to our stakeholders, improving the ability to attract talented individuals for business expansion, and to go beyond organic growth through mergers and acquisitions, hence enhancing the Group's overall value. With strong cash position and the expected downturn of world economy, the Group anticipates good opportunity for acquisition of valuable target companies.

STRATEGIES FOR SUSTAINABLE GROWTH

In FY2019, the Group continued to build on its strength as a leading factory automation solutions provider based in Malaysia. To achieve sustainable growth, the Board adopted three key principles – People (Social), Planet (Environment), Profit (Economy) as we understand that building a sustainable business goes beyond mere profitability.

In 2019, the Research & Development team expanded from 27 to 38 headcounts. With this expansion, initiatives such as product enhancements, development of new prototypes and conceptualisation of prototypes for the energy storage and medical device segment were implemented. We are confident that such initiatives will enhance the value of our existing products. This will allow the Group to expand the current product range and reach out to a wider customer base, thus creating a more sustainable revenue stream.

The talent management programs which are aimed to attract, develop and retain employees have resulted in the recruitment of 35 young engineers and 17 apprentices. Coupled with the delivery of 123 different training courses with more than 12,000 employee-training hours, the Group has achieved improvement in the performance of its employees, as well as a lower average monthly voluntary staff turnover rate of 1.1%. We believe that these efforts will lead to uninterrupted operations, delivery of premium products to our customers and growth of talent pool to undertake new business initiatives.

The launch of six corporate values, namely Integrity, Innovation, Performance, Customer Satisfaction, Care & Respect and Teamwork aim to foster a solid corporate culture and build a strong team towards achieving Greatech's motto of **TOGETHER WE CREATE POSSIBILITIES**.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to the management and staff for their dedication and contribution to the Group. Special thanks to those who were involved in the listing exercise. Your enormous effort over the last two years throughout the journey of our successful listing is commendable.

To my fellow Board of Directors, my sincere gratitude to your invaluable contribution and unwavering support throughout the year. Special thanks to the outgoing Independent Non-Executive Director, Mr Ooi Ching Hock for his contributions in the past year and we wish him all the best for his future endeavor. I would like to take this opportunity to welcome Dato' Seri Wong Siew Hai to the Board as Independent Non-Executive Director. We are confident that he will be able to contribute significantly in the Group's strategy with his invaluable experience and network gained in the industry for the past 30 years.

Lastly, to all the shareholders, I truly appreciate your confidence in the Group. I trust that in the year 2020, the Group shall continue to strive to improve shareholders' value, and continue to have strong financial performance.

Thank you.

OOI HOOI KIANG

Chairman
8 May 2020

18 Management Discussion & Analysis

BUSINESS AND OPERATION OVERVIEW

Greotech Technology Berhad (“Company” or “Greotech”, and together with its subsidiaries, “Group”) is a Penang-based leading factory-automation systems provider and system integrator. We offer our customers with a single-source comprehensive solution from conceptualisation, engineering development, prototyping, system integration to installation and commissioning. The Group also provide customer training, after-sales service, parts, retrofits and equipment relocation in addition to automating manufacturing processes.

As at 31 December 2019, there were a total of 418 employees working for the Group, both locally and abroad. The Group operates three (3) plants in Bayan Lepas, Penang comprising of Corporate Headquarters, quality control, warehouse and assembly, five (5) manufacturing plants in Lunas, Kedah comprising of machining, sheet metal fabrication, quality control and warehouse and two (2) assembly plants in Kulim, Kedah. The Group’s fabrication plants in Lunas are equipped with state-of-the-art machine, consisting of 5 axis Computer Numerical Control (“CNC”) machining center, CNC press brake, CNC punching, Waterjet cuttings which enable us to manufacture a wide range of customised precision engineering for metal and plastic parts used in our automation systems. Measurement of these parts is done in our own Quality laboratories equipped with highest-end Coordinate Measuring Machine (“CMM”).

We develop customised equipment and systems for customers in solar, semiconductors, consumer electronics, medical device and energy storage industry. In solar sector, our solar division delivers automation system to leading global manufacturers of crystalline solar cells and thin-film solar modules. Other areas of business include the semiconductors and consumer electronics industry which we mainly serve our leading global customers that are manufacturers of smart devices, computers and computer peripherals. Leveraging our core expertise in design and build, we ventured into different growing market that is medical device and energy storage. In medical device, we started to automate a production system for a notable surgical instrumentation manufacturer. In energy storage, we generated our first revenues in the automated handling system for battery cell for a global manufacturer of electric car.

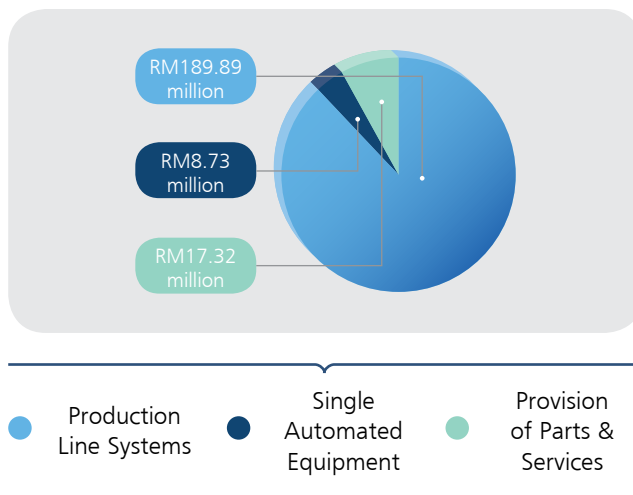
With over 20 years of continuous experience and innovation, we seek to be the market leader in factory automation by delivering cutting edge automation solutions to all our customers. Our designers and engineering specialists are committed to develop the best possible automation solution to our customers and are constantly upgrading their skills through the continuous training and developments opportunities provided.

Key Markets

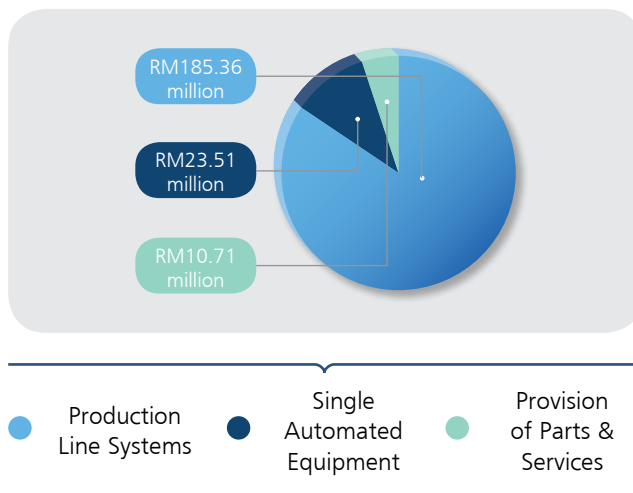
The Group manage the business into three (3) categories, namely Production Line Systems, Single Automated Equipment and Provision of Parts & Services and across three regions, namely America, Europe and Asia.

For the financial year ended 31 December 2019 (“FY2019”) and 31 December 2018 (“FY2018”), the revenue by categories were:

2019 Revenue Composition



2018 Revenue Composition



BUSINESS AND OPERATION OVERVIEW (CONT'D)

Key Markets (cont'd)

While the revenue by regions for FY2019 were:



America

RM153.17_M

FY2018: RM55.69 million



Europe

RM0.50_M

FY2018: RM0.21 million



Asia

RM62.27_M

FY2018: RM163.68 million

Geographically, we are currently more focused in regions outside of Malaysia, with exports of approximately 94.3% recorded in the FY2019 revenue. We do not rule out the possibility of focusing in Malaysia, should the opportunity to do so arises. The Group will consider all the opportunities by assessing them from all angles before deciding to undertake those projects as it is the utmost importance to have the stakeholders' interest in mind.

Corporate Developments

The year 2019 is regarded as a year of great achievement for the Group since its establishment in 1997. The Group has focused on the completion of two (2) major milestones – the Group's Initial Public Offering ("IPO") on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and the completion of its Headquarters ("HQ") facility in Bayan Lepas, Penang.

Despite the gloomy condition faced by the domestic equity market, the Group achieved a successful listing on the ACE Market of Bursa Securities in June 2019. The IPO which raised net proceeds of approximately RM73.05 million, through the offering of 119.75 million ordinary shares at RM0.61 each, has helped to strengthen the Group's financial position and to better prepare the Group for the next phase of growth. The IPO was oversubscribed by 9.41 times for the offering to the Malaysian public via balloting. The keen support and interest from institutional, high net worth and retail investors in the Group's IPO also demonstrated confidence and recognition of the Group's established track record and growth prospects.

The Group's 74,701 square feet new factory building, funded by a combination of existing funds and bank borrowings, was fully operational with effect from July 2019. Situated at the Phase 3 Bayan Lepas Free Industrial Zone, Penang, the new facility is ready to serve the upcoming orders from customers.

Corporate Strategy

The Group has a clear strategy for delivering greater shareholders value in the long-term. The Group will achieve this through:

- A

Organic Growth

increasing sales to new customers and growing revenue from existing customers
- B

Internal Investment

invest in our global marketing infrastructure, research & development and operations to broaden product and technology portfolio and improve operational efficiency
- C

Potential Acquisition

through sensible acquisition of businesses which add value to the Group and enhance our customer proposition

Diversification of Customer Base and Product

We are constantly looking for opportunities to strengthen our business by diversifying our customer base and products. We see significant future potential in the medical device and energy storage market. We are concentrating our efforts and investment in driving the business of these fast-growing market and we are happy to announce that the new orders were well delivered and commercially successful.

20 Management Discussion & Analysis (cont'd)

BUSINESS AND OPERATION OVERVIEW (CONT'D)

Recurring Revenue

While targeting opportunities in other growing market, generating more recurring revenue and earning repetitive business is also crucial in sustaining our growth. We aim to meet or go beyond our customers' expectations and working relentlessly to optimise processes and improve the performance of our machines. To ensure that the Group remains competitive and deliver increased value to our customers, we continuously nurture and develop our employees' expertise through intensive training courses, workshop, engagement, empowerment and soft skill enhancement because our employees are significant to our Group's performance.

Research & Development

Innovative product and process development are of importance to the Group. Through the development work, the Group aims to enter a new boundary of technology, in terms of products and processes whilst increasing competitive capability. We maintain close contact with customers thereby enabling us to identify new market trend. Most of the development work by the Group in the earlier years is done in connection of customers' orders. In 2019, in line with the Group's growth strategy and positive market prospects, the Group focuses on developing new technologies in the area of lithium-ion batteries for energy storage sector and medical products for medical device sector. Progress was made also in the on-going development of Production Line Systems for the crystalline and thin-film solar sector. In the coming years, the Group's technology development will mainly focus on energy storage and medical device sectors so as to launch new and innovative products.

Regional Presence

With approximately 94.3% of total revenue of the Group generated outside of Malaysia, the Group provides its international customer base with extensive sales, engineering and field support services across the region. To support our global position and remain in regular contact with our customers, the Group is focusing on its expansion into international markets and establishing an entity in America, a country where the Group expects to see significant growth opportunities. Additional experienced sales team with local presence close to customers increases the Group's access to the American market.

The Group delivers Production Line Systems to America and provide regular maintenance, training and parts to customers. Offering comprehensive services to maximise machine uptime and responding quickly to customers' emergency support calls is a key success factor to the Group.

In year 2019, the Group launched several new products at the major industry exhibition and trade show abroad. The Group aims to increase the visibility, showcased branding and market awareness of its products.

Operational Efficiency

The Group has successfully moved to its new HQ facility in Bayan Lepas in July 2019 and has now established an impressive customer-oriented facility, engaging customers to participate in the new project discussions. Besides that, the new facility enables new machine acceptance test and the showcasing of new innovative products.

To maintain our competitiveness, the Group is concentrating on creating a flexible supply chain management to provide a cost-effective solution to customers and to adapt to the changes in customer demand rapidly. A key focus in 2020 is to work on migrating onto a common business system to further improve our operational flexibility and efficiency.

FINANCIAL HIGHLIGHTS

Financial Performance

Despite the geopolitical uncertainties, the Group managed to deliver a stable revenue of RM215.94 million in FY2019, a decrease of approximately RM3.64 million or 1.7% from RM219.58 million in the FY2018. During the FY2019, 87.9% of total revenue was generated from the Production Line Systems of thin-film solar division primarily due to the increasing capacity investment by our customer contributed by the America region from 18.7% in FY2018 to 75.4% in FY2019. Order intake for Single Automated Equipment has made considerable progress in energy storage and medical device division however the progress was offset by a sluggish demand of crystalline solar division resulting in revenue falling by RM13.27 million or 69.1% as compared with FY2018.

Revenue from the Asia region, predominantly driven by Production Line Systems of thin-film solar reduced to RM40.13 million as compared to RM134.49 million in FY2018. This was mainly due to investment plans of a major customer in the thin-film solar market which were directed towards America, resulting in revenue drop in FY2019.

FINANCIAL HIGHLIGHTS (CONT'D)

Financial Performance (cont'd)

Order intake for the Provision of Parts & Services in FY2019 of RM17.32 million was 61.8% above its contribution in FY2018. This was mainly driven by our thin-film solar division as one of our major customers expanded its capacities in its facilities located in America and Asia.

Our gross profit has increased from RM45.23 million in FY2018 to RM72.86 million in FY2019. The gross profit margin has increased to 33.7% in FY2019 from 20.6% in FY2018. The improvement in gross profit margin can be associated with the increased operational efficiencies, lesser development cost and other cost reduction initiatives.

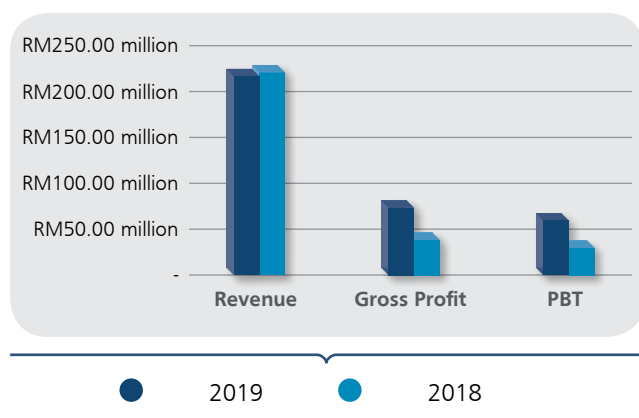
The profit before taxation ("PBT") for the FY2019 has increased from RM31.86 million in FY2018 to RM57.57 million, with PBT margin of 26.7% in FY2019 as compared to 14.5% in FY2018. The increase in PBT was primarily due to the improved gross profit margin, despite having a higher other income of RM10.00 million which was being offset by higher administrative and marketing expenses of RM24.38 million as compared to FY2018.

Other income has increased by RM2.47 million or 32.8% in FY2019 as a result of dividends and fair value gain from the placements of short-term money market funds as well as interest received from the placements of fixed deposits.

Higher administrative and marketing expenses was primarily contributed by (i) increased in headcounts from the research & development and administrative division, salary increment and bonuses, and (ii) participation in major industry trade show and exhibition.

The Group has recorded other comprehensive income of RM1.98 million, mainly due to the net revaluation surplus of properties in FY2019 for accounting purposes.

Revenue, Gross Profit and PBT



Financial Position

The Group is in a healthy financial position, with net assets of RM195.59 million and net cash and cash equivalents of RM215.11 million for FY2019.

The Group's total assets has doubled to RM344.64 million as at 31 December 2019 in comparison to RM152.35 million as at 31 December 2018. It was primarily due to the increase of short-term funds, cash and bank balances by RM152.94 million arising from net proceeds received from the Group's IPO and surplus generated from daily business operations, and an increase in the non-current assets by RM29.13 million arising from the recognition of right-of-use assets primarily relating to the acquisition of vacant leasehold lands, apart from the leased premises and motor vehicles.

Throughout the FY2019, the Group has invested RM12.11 million for the purchase of property, plant and equipment and committed a further RM3.24 million in capital assets involving construction cost of new HQ, upgrading our facilities, machine purchases as well as deployment of Enterprise Resource Planning ("ERP") system which was launched in 2019.

Total liabilities has also increased to RM149.05 million in comparison to RM82.49 million in FY2018, mainly due to the increase in contract liabilities by RM42.01 million, provision for warranties by RM14.39 million, borrowings and lease liabilities by RM10.99 million and RM3.52 million respectively and deferred tax liabilities by RM3.14 million. The increase was offset by a reduction in trade and other payables by RM7.36 million.

Total equity has increased to RM195.59 million as compared to RM69.87 million in FY2018 mainly due to RM71.45 million of net IPO proceeds, RM1.97 million arising from net revaluation surplus of properties and RM52.30 million of profit recognised in FY2019.

Cash Flow

The net cash generated from operating activities amounted to RM104.14 million in FY2019. This was mainly due to higher operating profit before changes in working capital of RM80.61 million as well as the increased cash inflow to fund the working capital operations of the Group.

Net cash used in investing activities amounted to RM29.14 million in FY2019, mainly due to the construction of our HQ factory building, purchase of vacant land of our HQ and Batu Kawan, alongside the acquisition of computer hardware, software and motor vehicles.

22 Management Discussion & Analysis (cont'd)

FINANCIAL HIGHLIGHTS (CONT'D)

Cash Flow (cont'd)

Net cash generated from financing activities amounted to RM80.79 million in FY2019. This was mainly due to (i) RM73.05 million of the gross IPO proceeds offset by share issuance expense of RM1.60 million; and (ii) the net proceeds from bank borrowings amounted to RM19.18 million for the construction of the HQ. This was partially offset by the repayment of lease liability and term loans for a total amount of RM9.84 million.

The Group recorded higher net cash and cash equivalents as at FY2019 of RM215.11 million as compared to RM62.27 million for the FY2018. This has provided the Group with sufficient funds to invest in the strategic initiatives to deliver profitable growth in future years.

RISK MANAGEMENT

Technological Obsolescence

Technological obsolescence is inherent in our nature of business. In this fast-paced technological era, customers' demand and requirements will change constantly. As such, it is our mission to ensure continuous innovation and research & development is being made to mitigate the risk. Continuous staff development is also emphasised to ensure skills and knowledge of our employees and managements are aligned with the latest technology in our business. With this right set of knowledge and skills, the Group will be able to continue to deliver cutting edge automation solutions to meet our customers' demand and requirements while keeping up with the technological changes.

Foreign Exchange Risk

The Group is exposed to foreign exchange risk as majority of the Group's revenue is denominated in US dollars. The Group has a wide range of suppliers based in different countries. Some of the purchases of goods and services outside Malaysia are transacted in currencies other than Ringgit Malaysia. The revenue generated in US dollars has exceeded the natural hedge provided by purchases of goods and services in US dollars. Hence, the Group manages a portion of its foreign currency exposure by entering into forward foreign exchange contracts to minimise its currency exposures.

Dependent on Certain Major Customers

The Group's business is project-based and most orders awarded were dependent on large capital projects by its customers each year of which the timing of customer decisions is out of the Group's control. The revenue driven by a single customer or several customers may contribute to a larger percentage of the Group's revenues. Several risks associate from the nature of this type of business, including the potential for cost over-runs and delays in delivering the orders. The completions of projects are dependent on customer delivery schedules and the timing of third-party content. Thus, the revenue recognised may fall outside the financial period that was originally forecast. This in turn will have a negative impact on the Group's operating performance. The Group has started to diversify and seeing an opportunity to continuously expand its customer base across multiple sectors with a focus on energy storage and medical device sector. Project management team is undertaking the technical and commercial reviews of major projects regularly. Resource capacity and lists of prospective orders are also regularly reviewed.

OUTLOOK

The Group entered the year 2020 with a stronger order book, a broader portfolio of customers together with new technology and product portfolio than a year before.

Despite the ongoing trade tensions and slow economic growth, the Group is confident that this will benefit the Group and Malaysia as a whole, as more and more companies realise the importance of process and operation automation. The trade war might open up a window of opportunity for the Group to penetrate new markets with the shifting of the global supply chain towards Southeast Asia.

The market outlook for solar, medical device and energy storage remained strong. As for the America's solar market that the Group is focusing on, lower-cost alternative, technological advancements to improve efficiency of thin-film solar modules and tariffs on Imported Solar Modules are the major drivers of growth. The US government policy to support the RE100, a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity, has led to capacity expansion by our major customer, hence contributing positively to our order book in the last few months and a key driver of our business result for FY2019.

OUTLOOK (CONT'D)

The market for medical device industry continues to grow steadily, driven by increasing healthcare expenditure, technological development, growing aging population, and chronic diseases. These market drivers will continue to drive demand for the medical equipment and benefit the Company in long term growth.

We continue to see the change and growth in the energy storage market due to the increase in the demand for zero-emission vehicles, decrease in the cost of the electric vehicle battery system and increase in global awareness regarding climate change. The rising trend of electrified vehicles is encouraging manufacturers to invest in production equipment and technologies which would drive demand in our market.

Significant progress has been made in the execution of our strategy to meet our objectives and we continue to focus on the growth sectors in which the Group currently operates: the solar, medical device and energy storage industry. With the current order visibility levels, we expect the Group's fiscal year 2020 results to exhibit a similar positive trend to which we have experienced in FY2019.

The outbreak of COVID-19 virus recently has been understandably impacting businesses globally. We see markets becoming increasingly volatile and the environment will remain uncertain and unpredictable throughout the year 2020. Our business is considered essential by the local government. At this time, the Group is continuing to run majority of its domestic operations as permitted by local authorities. We are committed to ensure the health and safety of our employees and their families while continuing to support our customers, business partners and communities. An Employee Health Response Team is established to implement the precautionary measures and ensure compliance with guidelines issued by government of Malaysia. Given our strong inventory levels, we do not anticipate a material disruption to our supply chain in the near-term. However, the Group will continue to actively manage the situation closely with our customers and suppliers. Despite the unprecedented challenges, the Group will continue to invest in the business, develop our people to be adequately prepared for these challenges and tasks ahead, and grow the business sustainably.

DIVIDEND

The Group does not have an explicit dividend policy and the Board did not recommend any dividend for FY2019 as the Group aims to utilise its funds for development of and investment in growth market as well as development of technology and product portfolio.

APPRECIATION

Last but not least, we wish to extend our sincerest gratitude to our valued shareholders, customers, suppliers and bankers for their unwavering support. To our valued employees and management, your dedication and commitment to the Group are very much appreciated.



24 Sustainability Statement

INTRODUCTION AND OUR APPROACH TOWARDS SUSTAINABILITY

This is Greatech Technology Berhad and its subsidiaries (“Group”) first publication of Sustainability Statement for the financial year ended 31 December 2019 (“FY2019”). We would like to state categorically that our Group gives prominence to sustainability practices, which are of paramount importance to the Group’s long-term success. We believe that sustainability has to run through everything we do, hence we are committed to embedding this philosophy in our business operations and letting it play its role in creating value for our stakeholders.

As one of the leading automation providers in the areas of factory automation, we spare no efforts towards sustaining economic and social growth, at the same time making sure that our environmental impact is minimal and ethical. 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 our employees and fulfilling wherever possible the expectations of our stakeholders in our business activities.

On 26 August 2019, the Board of Directors (“Board”) approved the formation of a Sustainability Working Group (“SWG”). The SWG is chaired by our Group’s Chief Executive Officer (“CEO”), Mr Tan Eng Kee to promote and oversee the sustainable development strategy of the Group and its implementation according to objectives and action plan approved by the Board on annual basis. In furtherance of this strategy, the Board has adopted a Sustainability Policy, with emphasis on three key principles namely - People (Social), Planet (Environment) and Profit (Economy) in achieving its sustainability development goals, and embracing the importance of business sustainability as a fundamental element of our Group’s culture.

The Group’s inaugural statement is prepared with the aim of communicating our sustainability initiatives and commitments of the year to our stakeholders under three main aspects - Economic, Environmental and Social (“EES”), in accordance to the Sustainability Reporting Guide and Toolkits released by Bursa Malaysia Securities Berhad (“Bursa Securities”).

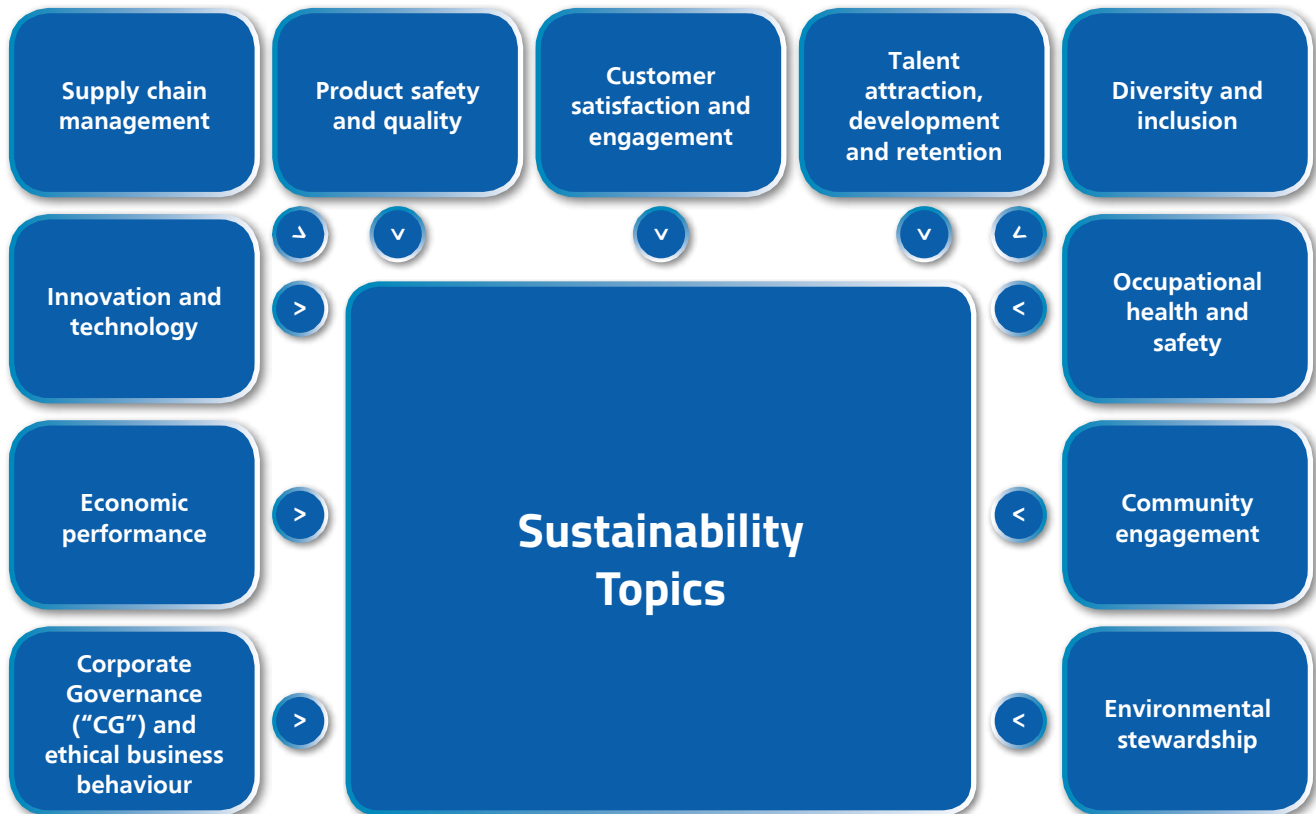
IDENTIFYING OUR SUSTAINABILITY THEMES

The Group recognises the importance of maintaining an active engagement with our stakeholders as it is imperative to our business’ sustainability. Through the engagement, insights of our stakeholders’ views and concerns will certainly aid us in identifying, prioritising and addressing material matters that can be adopted into our business strategies.

Our employees, customers, suppliers, investors, government and regulators, non-governmental organisations (“NGOs”) and local communities are among our identified key stakeholders, considering the degree of influence and dependence they have on our business. We cultivate our stakeholders’ engagement via a variety of formal and informal communication modes on a regular basis, to supply them with quality and timely information with regards to our business operations. Furthermore, we listen to their feedback regularly. The outcomes of communication are then considered in the course of the Group’s materiality assessment.

Collectively, during the reporting year, we undergo a thorough assessment in defining our theme and aspiration towards sustainability of the Group. Together with our SWG, a cross-functional team within the system, we ensure that as our business grows, the changing social, environment and economic context, and above all, our stakeholders’ expectations are taken into account while measuring the materiality matters to the Group. In conclusion, our elemental material topics are developed and summarised in the areas as shown in the diagram on page 25.

IDENTIFYING OUR SUSTAINABILITY THEMES (CONT'D)



Our Board and management recognise the importance of being a competent and sustainable organisation and that it goes beyond measuring our financial performance. As such, we understand that we need to continually enhance our disclosures and maintain an open channel to provide updates on our sustainability efforts. We apply high standards for transparency and strive to live up to our stakeholders' expectations. Your comments, feedbacks and critiques on our sustainability practices and reporting are valuable to us. Please drop us a message via our website on the [Contact Us](#) page.

CORPORATE GOVERNANCE ("CG") AND ETHICAL BUSINESS BEHAVIOUR

The Group places strong emphasis on corporate governance as the basis for management to develop its corporate values over the medium and long term, rather than just responding to legal requirements or social trends. Our well-founded business principles and practices foster a strong innovative and collaborative culture, which is committed to ethical behaviour, accountability and transparency. This is undoubtedly essential for earning the trust of all stakeholders, protecting our reputation and creating sustainable value.

The core governance structure of the Group is an effective Board, which along with the support of senior management, aims to advocate and attain a high level of corporate governance in the interest of our stakeholders. To enhance the effectiveness of the Board's function and operation, our Board has formed three (3) committees to assist in discharging its duties. These include an Audit and Risk Management Committee, Nominating Committee and Remuneration Committee. Each committee has defined Terms of Reference, which can be viewed on our [website](#). Further details of our corporate governance framework and practices are disclosed in the Corporate Governance Report available in our [website](#) and Bursa Securities' [website](#).

We conduct our business in accordance to the highest standards of business ethics. Integrity – one of our corporate values, is stressed in the Group's Code of Conduct & Ethics, which forms the foundation of our internal governance, and commitment to responsible business behaviour. The Code of Conduct & Ethics also ensures that all our employees understand the Group's standpoint – behaving ethically and maintaining integrity in the marketplace, workplace, Group, and communities.

26 Sustainability Statement (cont'd)

CORPORATE GOVERNANCE ("CG") AND ETHICAL BUSINESS BEHAVIOUR (CONT'D)

The Group's Code of Conduct & Ethics and policies strongly uphold ethical and responsible business discipline in the following business areas:

The Group's Code of Conduct & Ethics



Antitrust and Competition Practice

Dedicated to engage marketplace in ethical, fair and vigorous competition, in accordance with antitrust or fair competition laws of any country in which the Group conduct businesses.

Compliance with Laws and Regulations

Committed to comply with all applicable local, national and international laws and regulations governing our business.

Non-Public Confidential Information

Protect and exercise carefulness to safeguard the Group's non-public confidential information unless the laws and regulations require the employee to disclose such information.

Prohibition of Corruption

Any form of corruption, whether direct or indirect including through other intermediaries will not be tolerated by the Group. Employees found violating the rule shall face disciplinary actions, up to termination of employment and initiation of criminal proceedings.

Anti-Money Laundering and Terrorist-Related Activities

Committed in not engaging or conduct any transaction directly or indirectly that support money laundering or providing financial assistance to aid terrorism or terrorist related activities.

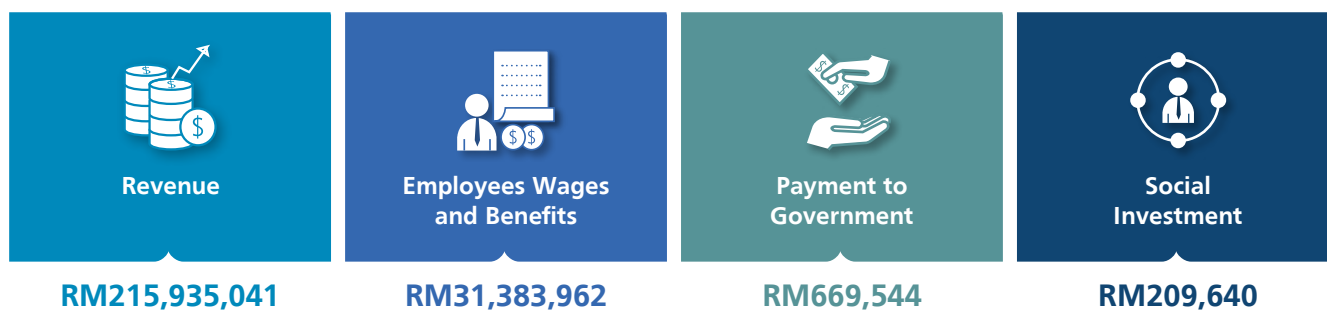
Reporting of Violations of the Code

Employees are encouraged to report any suspects or known violation of the Code of Conduct & Ethics, relevant laws and regulations through introduction of the Whistleblowing Policy.

The provisions of the Code of Conduct & Ethics are subject to our Board's periodic review and may be modified accordingly to ensure they remain appropriate and consistent with the Group's objectives, including compliance towards other regulatory requirements.

ECONOMIC PERFORMANCE

Snapshots of our economic contribution for FY2019 are as below:



ECONOMIC PERFORMANCE (CONT'D)

The Group has a portfolio of offering automation solutions in various industries in order to meet customer productivity challenges, improve on return on investment and cost effectiveness, to international customers across the United States of America ("USA"), People's Republic of China ("PRC"), Ireland and Asia Pacific ("AP"). Our automated equipment, ranging from Single Automated Equipment up to a Production Line System which comprises multiple automated equipment are used in the manufacturing of solar cells, solar modules, semiconductors, energy storage, medical and consumer electronics. Other business activity is in the Provision of Parts and Services, mainly for our own manufactured equipment.

We achieved a solid profit growth in the FY2019 fuelled by strong performance in our business lines. We recorded a revenue of RM215.94 million in FY2019. Our profit after tax for the financial year grew 64.9% to RM52.30 million in FY2019 from RM31.72 million reported in financial year ended 31 December 2018 ("FY2018"). As part of our commitment in promoting local economic development, a portion of the revenue is contributed back to our stakeholders through various avenues – to employees through wages and benefits, to government through taxes, to suppliers through purchases, and to communities through donations, sponsorships and internship opportunities.

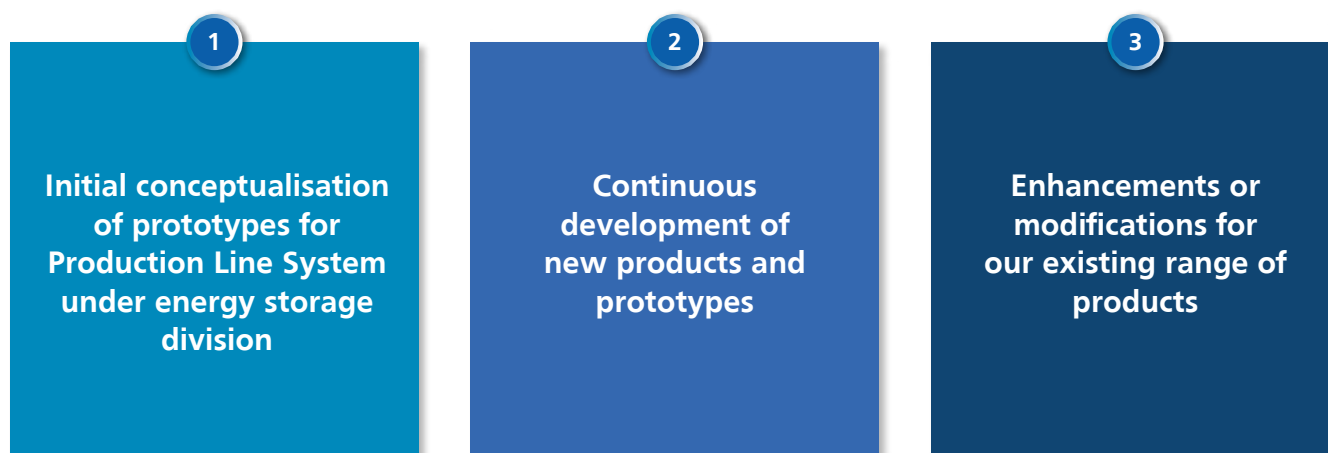
For detailed information on the Group's economic performance in FY2019, please refer to the [Investor](#) page in our website, or the Audited Financial Statements in this Annual Report.

INNOVATION AND TECHNOLOGY

As one of the world's leading automation solution providers for factories, we strive to explore new business opportunities and encourage innovation to improve our technology, enabling us to meet the sophisticated needs of our customers and contribute to their product success in today's challenging market environment.

In the preceding years, the Group relied on confirmed purchase orders to conduct its product development activities. Thus, the product development processes were engaged jointly and in consultation with our customers from conceptual design to pilot runs and acceptance testing. For year 2019, we adopted a proactive sales approach to market our new range of products to our existing and new customers in the solar, semiconductor and consumer electronics sector, as well as new industry sectors such as energy storage for the automotive applications, by developing exclusively new prototypes that serve as a marketing tool to our potential customers. In addition, these prototypes will be the platform for us to address new opportunities arising from energy storage for automotive applications.

To support our operational advancement and innovation development, we introduced a Research & Development ("R&D") division in May 2018 with a team of 27 employees, and the team has expanded to 38 employees in December 2019 (an 40.7% increase in headcounts) to focus on the R&D activities relating to:



28 Sustainability Statement (cont'd)

INNOVATION AND TECHNOLOGY (CONT'D)

A total of RM3.30 million, funded from Initial Public Offering ("IPO") in 13 June 2019, is allocated to our R&D division for the abovementioned activities, including the purchases of R&D facilities.

Summary of our investments on innovation initiatives are pictured as below:



SUPPLY CHAIN MANAGEMENT

The Group's reputation, excellence of products and services, as well as local employment and businesses are broadly dependent on our approach towards supply chain management. Our main challenge for supply chain management concerns the need to improve cost efficiency without compromising on product quality, safety and its long term sustainability. The Group delivers large, complex and customised automation solutions and services to customers and the supply chain differs in each project. Most of our direct suppliers are component manufacturers, metallic material suppliers and fabrication workshop. The rest are logistics, packaging and other service providers.

In the year 2019, the Group spent RM58.10 million on customer-related purchasing and partnered with more than 500 suppliers in over 12 countries supplying components, direct materials and fabrication work.

The Group has definite expectations of suppliers when it comes to selecting and managing them. Suppliers are selected based on price, quality, delivery, services, financial stability, flexibility, capability, growth potential and business integrity. We constantly screen and monitor our suppliers' performance, ensure they consistently deliver quality materials and remain as reliable suppliers. All prospective suppliers received an initial screening based on the following criteria:



Supplier off-site survey

Review information on the webpage, market reputation, recommendation, reference, etc.



Supplier on-site survey

Supplier visit, supplier audit, on-site product inspection, on-site process control verification, etc.



Process approval

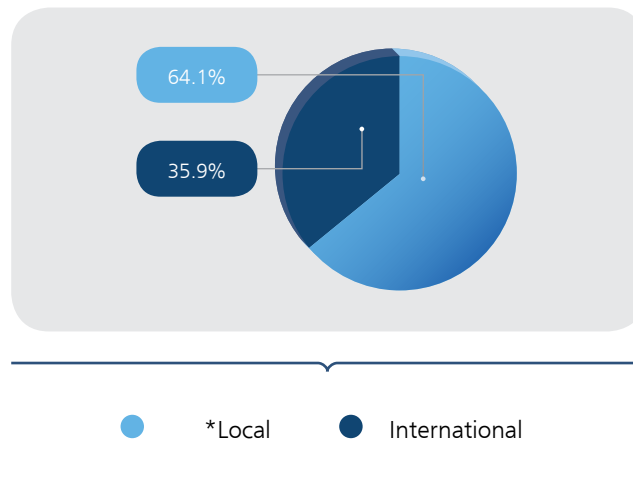
Control plan and/or process control records verification.

SUPPLY CHAIN MANAGEMENT (CONT'D)

For existing suppliers, we assess their performance in accordance with our defined set of Key Performance Indicators ("KPI"), including quality, delivery/flexibility, cost reduction and services. The results of the assessment will serve as an important basis for us to determine future partnership and business volume. Business activities will be terminated in the event a supplier does not adequately meet our expectations and is unable to correct the gaps.

The Group strives to constantly explore the global procurement opportunity and purchases from local suppliers in response to requirement from customers. Our procurement practice prioritises local sourcing wherever possible as an effort to create domestic employment, supporting local businesses as well as reducing carbon footprint from overseas shipment, further resulting in transportation cost saving to the Group. In FY2019, our spending on suppliers based in Malaysia accounted for 64.1%, equivalent to RM37.26 million of total supply spend.

Ratio of Local and International Suppliers



*Local sources include purchases from local manufacturers and/or foreign products with representatives in Malaysia.

PRODUCT SAFETY AND QUALITY

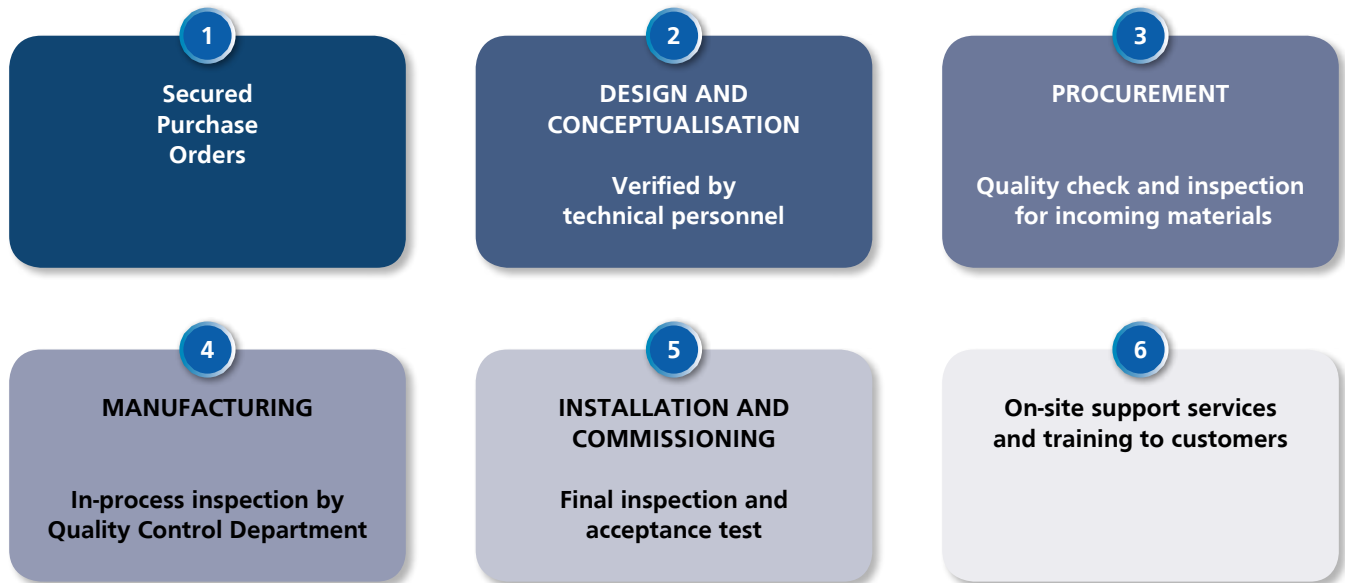
Safety of our products is the most significant element to the Group's sustainable business model and value creation. It is also essential that our products are functional and safe for all users. As such, we strive to build and strengthen the safety of our automated equipment during the product design stage and throughout the manufacturing process. In addition, the Group endeavours to accommodate our customer's request to include additional product safety requirements, and work closely with customers to further enhance product safety.

In demonstrating our professional integrity and ethical business practice, we are committed to deliver the highest quality of products and services, in line with our corporate values and Code of Conduct & Ethics. We are accredited with ISO Quality Management System certification in year 2018. In year 2019, the Group successfully underwent external audits to verify compliance to ISO 9001:2015.

30 Sustainability Statement (cont'd)

PRODUCT SAFETY AND QUALITY (CONT'D)

We have a team of 13 personnel involved in quality assurance and control activities, adopting the following approach in ensuring the quality standards are controlled and adhere to the ISO management system:



We understand the support of our employees at all levels, whether they are in sales, planning, R&D, procurement, manufacturing or quality assurance is a prerequisite for improving product quality and product safety. Hence, to elevate the awareness of our employees, we have been continuously making efforts to educate and train our employees.

With reference to our historical records, we have a relatively small percentage of warranty claims in comparison to our revenue which demonstrates the reliability of our products. Additionally, we did not receive any reports of non-compliance concerning the impacts of our products and services in relation to the health and safety of our customers in FY2019.

CUSTOMER SATISFACTION AND ENGAGEMENT

The Group knows that our economic success and, particularly, the success of our extension strategy are directly associated with the satisfaction levels of our customers. As a result, our customers' satisfaction is a priority within the Group which serves to be the focus in establishing the competitive advantage for the Group.

The Group's customers include leading photovoltaic manufacturers that make products such as solar panels and solar cells. We attempt to encourage continuous dialogue with our key customers to deeply understand and meet their emerging needs. Our experienced sales team interacts and maintains close relationships with key customers as they provide insights into technology roadmaps and future market trends.

The Group conducts surveys to gauge customer satisfaction every year to identify areas for improvement. We assess our performance with customers in various areas, from product quality, timely delivery to after sales service and support. Through the recent survey conducted in October 2019, majority of customers rated the Group's product and services to be good or excellent. Despite the encouraging results, the Group is devoted to continuously improve our operational process and service performance in the interests of our customers.

TALENT ATTRACTION, DEVELOPMENT AND RETENTION



Mandatory corporate compliance training



Career booth setting during UTAR Science Fiesta



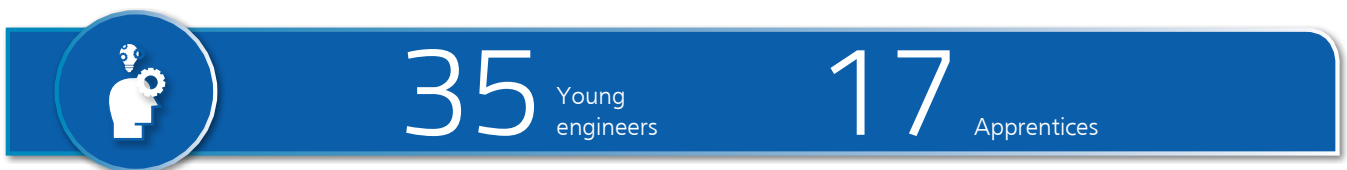
In house training - Failure Modes and Effects Analysis ("FMEA")



In house training - Design For Manufacturing and Assembly ("DFMA")

Our people are the bedrock of our operational success. Their skills, expertise, dedication and ingenuity safeguard the constant development of the Group. Accordingly, their contributions are essential towards the Group's present and eventual success. As they are part of our indispensable assets, we are committed towards attracting, developing and retaining best talent by supplying a workplace that offers extensive, rewarding, invaluable experiences and growth opportunities.

Step 1 - Attraction



In 2019, we launched 6 corporate values across the Group to provide a clear direction to all employees on how we should behave. They are guided by our Code of Conduct & Ethics that is fundamental to our approach in conducting the business and ultimately reaching our goal. These include, for example, integrity, care & respect and innovation. To promote a nurturing, motivating and innovative culture, we focus on engaging and aligning our employees into our Corporate Values, Vision and Mission, with the aim to deliver excellence to customers and achieve success. As we grow, the engagement and alignment of our employees will be built around the common values, which will further develop their full potential.

Over the year, we have actively participated in career fairs organised by various universities and colleges in Malaysia, targeting graduate and under-graduate engineering students. In 2019, 83.8% of our new hires were university and college graduates. Our robust on-boarding program, mentoring and trainings are in place to assist them in acclimating to the new working environment once they join the Group. Periodic employee surveys are conducted to evaluate the level of employees' satisfaction with the overall working environment and facilities, as well as to identify issues or concerns. Our Whistleblowing Policy provides a mechanism for employees to report concerns over any business ethic issues.

32 Sustainability Statement (cont'd)

TALENT ATTRACTION, DEVELOPMENT AND RETENTION (CONT'D)

Step 1 – Attraction (cont'd)

To attract, retain and motivate our employees, we offer compensation packages that are competitive within the relevant market practice and reward exceptional performance and behaviours against corporate goal through our compensation and benefit plan. To remain competitive, we offer bonuses based on individual and Group's performance. In 2019, we have introduced the contractual bonus plan for all of the Group's employees.

Step 2 – Development

To keep ourselves as a high-performance organisation that has the right people with the right skills, we invest in training and development programs to foster employees at all level, from new hire to management, up until executive positions with the purpose of building the capabilities of our people and organisation. Our trainings are conducted through:



Our comprehensive training programs are developed by means of training needs analysis performed by each department to identify training and development gaps for the purpose of enhancing their skills. All training needs will also be formulated via a yearly training and development plan. In 2019, a total of RM147,027.61 was invested in training and skill development. 211 training sessions were delivered across 123 different courses, totalling more than 12,000 employee-training hours. In ensuring our people have the skills and knowledge they need to perform their roles, we offer regular training on core topics such as technical knowledge, management and leadership.



Quality and ISO Requirements

Focus on manufacturing quality and reliable equipment and compliance to the International Standards



Environment, Safety and Health

Promote awareness on workplace safety and health, and care for the environment



Engineering & Technical Courses

Improve engineering excellence in process and product development

Enhance technical skills in daily operation



Soft Skills

Advancement in leadership skills and personal effectiveness of our people

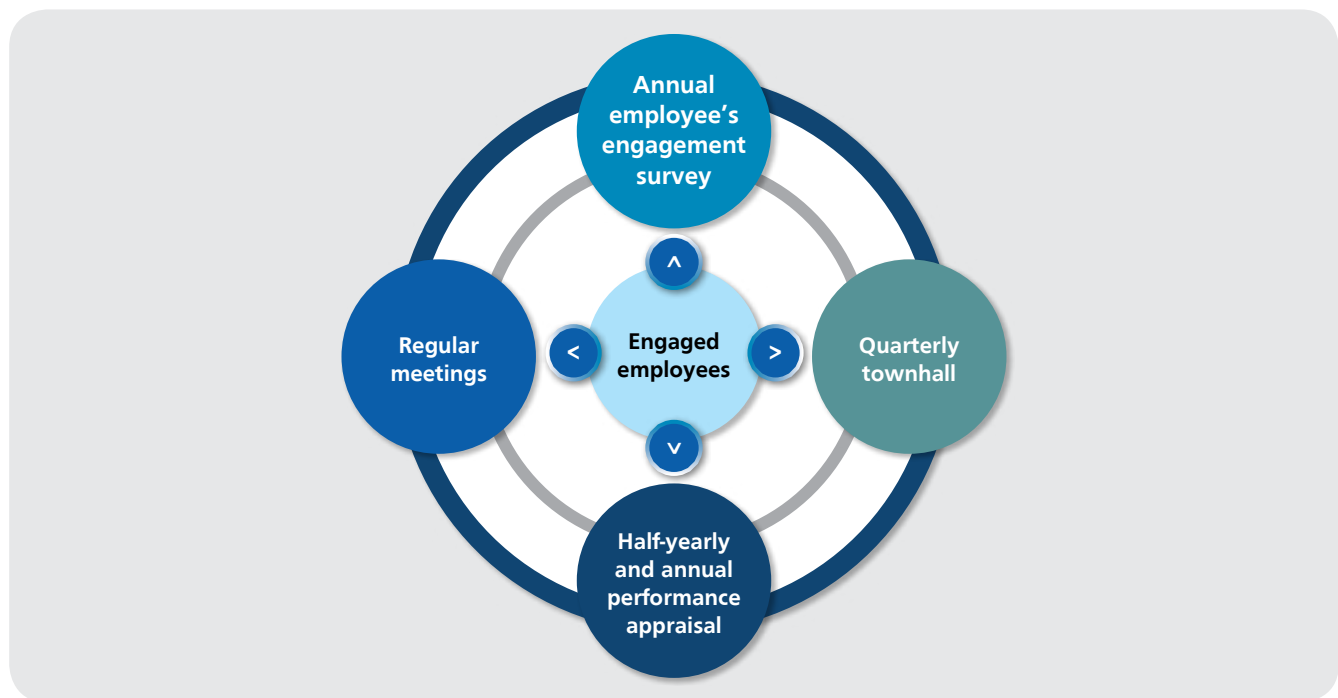
TALENT ATTRACTION, DEVELOPMENT AND RETENTION (CONT'D)

Step 3 – Retention



Retention underpins the organisation’s success and healthy work culture that ultimately supports the longevity of our business. In the Group, our mission stresses on our strong commitment in delivering excellent value to our customers by providing talent, technology solutions and world class service support. As such, there is high focus on cultivating and maintaining a sustainable workforce as we believe sustainability starts with our people.

Our Group understands that engaged employees are focused, passionate and inspired to contribute their best at work. As part of our organisation’s culture, we promote effective, regular and open dialogues among employees along with dialogues between employees and our Group in various forms:



The Group analyses the data gathered from the feedbacks of our employees and strives to address the areas of concerns and plan for continuous improvement. This year, we attended to our employees’ concerns by implementing flexible working hours for working mothers, setting up a fitness centre to safeguard employees’ health, establishing a reading corner in our business premises, celebrating our employee’s birthdays, establishing a Great Care committee and awarding our top performers to create a joyful and healthier workplace for our people. The Group also customised health and dental check-ups for employee each year. A total of 355 (84.1%) eligible employees are entitled to free health and dental check-ups.

In addition, we ensured that we prioritised internal candidates in filling our key positions. Each of our departmental head and manager is empowered to identify and select high potential employees during their early stage, through monitoring KPI set by the Group and assessing their overall performance. These talents will undergo the Talent Management Program that concentrates on professional development and leadership skills, ensuring they will be fit to assume leadership roles when the time comes.

34 Sustainability Statement (cont'd)

DIVERSITY AND INCLUSION



Auditorium



Gym room



Reading corner



Training area

The Group is diligently developing a diverse and inclusive workplace with equal opportunities for all employees. Diversity, an essential element in an organisation, promotes lateral and divergent thinking that serves as an essence for innovation and flexibility. Apart from that, a diverse workforce also benefits us in bringing an extensive range of skills and experience with which we can react to challenges and opportunities, including satisfying our customers' needs. In view of this, we entrust and develop our people based on individual performance and his or her demonstrated potential.

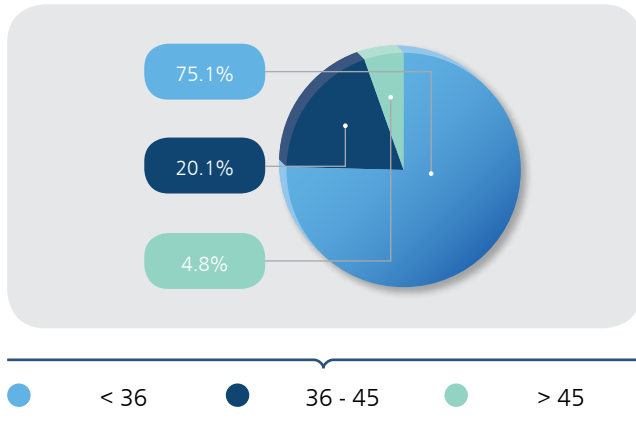
In line with our Code of Conduct & Ethics, we do not tolerate with any form of abuse of power and all our employees are obliged to treat everyone equally with respect regardless of race, religion, gender, age, sexual orientation and national origin in the workplace. We are strongly committed to the prevention and elimination of discrimination and any kind of harassment, and such principles are also extended to our vendors, independent contractors and others who have business engagement with us. We firmly believe that the right culture encourages accountability and empowerment which will help us achieve our sustainability ambitions in a systematic manner.

As of 31 December 2019, we have a total workforce of 418 employees, of whom 95.9% are local people. The remaining 4.1% consists of foreign employees and expatriate where they are employed under a stipulated contract period. The majority of our workforce is aged below 36 years old, followed by the age group between 36 to 45 years old and 45 years old and above. We are also mindful on the area of attention in creating an inclusive culture and empowering women in our workforce. Action was taken to champion female leaders in our Group and is reflected in female representation in managerial positions which encompass 12.5% of the workforce, 33.3% in chief executive positions, and 40.0% in Board of Directors.

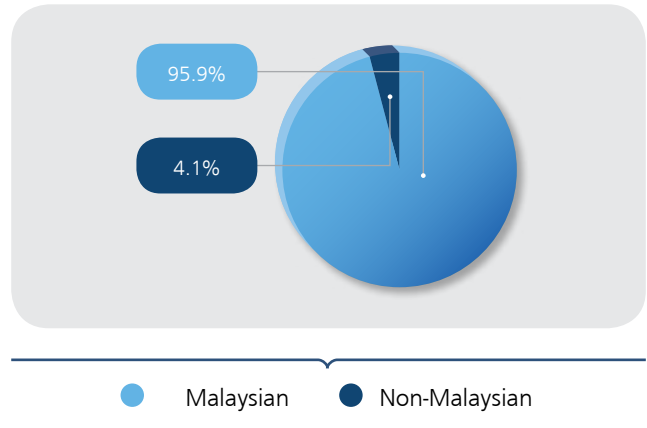
DIVERSITY AND INCLUSION (CONT'D)

The Group's Employee Demographic as of 31 December 2019

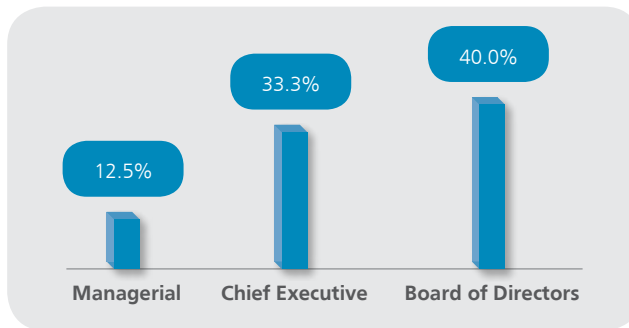
Age Group



Nationality



Woman Workforce



OCCUPATIONAL HEALTH AND SAFETY

The management of the Group places its greatest emphasis in minimising the safety risks inherent in our business, and strive to maintain the health and safety of all parties involved in our operations, including our employees, customers, suppliers, contractors, and the public. We concentrate on detecting, understanding and controlling the risks associated with hazards in the workplace as we believe healthy and safe work environment makes a substantial contribution towards a more constructive and productive workforce. In other respects, we reckon everyone has the right to return home safe eventually.

Safety of our employees is a priority in the Group's operation. We highlighted our commitment of workplace safety in the Employee's Handbook, Code of Conduct & Ethics and Safety, Health & Environment Policy as a guideline to ensure our employees take responsibility for their own safety and that of their colleagues.

Safety & Health Committees are in place to ensure that health and safety regulations are strictly adhered to and awareness is raised across the Group. Safety awareness training are made compulsory for all new recruits and we are contemplating to practice a yearly refresher to all our employees as a preventive measure to avoid injury in the workplace environment. Employees working in customer sites are provided with mandatory trainings on health and safety matters, the use of protective equipment, hazard identification and preventive actions. Apart from this, fire evacuation drills are conducted annually at all sites with all workers to increase awareness on safety and health measures to take should an incident happen and take steps to improve any shortcomings.

36 Sustainability Statement (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

We follow KPI set for safety measures, and conduct regular management reviews to identify root causes for incidents, recommending corrective actions and improving our safety performance. We measure our safety performance through rate of recordable work-related injuries ("RRWI") per 200,000 work hours. In 2019, our RRWI was 0.51.

Incidents with hand tools, slips and trips, machine related injuries and road accident are some of the work-related injuries identified at the Group. In 2019, we reported 2 work-related injuries caused by hand tool and strike by falling object, at our own fabrication workshop. These incidents were closely followed up and remediated within 30 days. This indicates that our management is serious in handling and resolving work injuries by ensuring that appropriate actions are taken accordingly.

There were no fatal incidents reported in 2019 by the Group's employees, customers, our supply chain and members of the public.



With utmost efforts, the Group is proud to announce that we have

ZERO WORK RELATED FATALITIES reported in the FY2019.

2 work related
injuries in 2019

CORONAVIRUS ("COVID-19")

As the COVID-19 situation continues to evolve since early 2020, the Group remained in operation with minimal headcounts as permitted by the local authorities. The Group has set up an Employee Health Response Team ("EHRT") to ensure compliance with all national and local directives to mitigate the impact of COVID-19. The EHRT monitors all our local manufacturing plants closely and has implemented the appropriate plan to mitigate the risk of virus transmission. In particular, the EHRT has implemented measures aligned with the Ministry of Health and pre-cautionary measures are put in place including temperature surveillance, provision of masks and sanitiser to employees and social distancing practices. For the protection of our employees, the Group has stepped up on the frequency of cleaning and disinfection of its premises and vehicles.

On 17 March 2020, we encouraged reduction in meetings with external parties and limited visitor access to our facilities. Our employees are encouraged to use teleconferencing to maintain contact with our customers and suppliers.

Starting from 18 March 2020, the Group has initiated its Business Continuity Plan ("BCP") as we split our employees into a team that is engaged in critical engineering projects to work on site at the Group and a team that works remotely when possible during the Movement Controls Order set to last until 12 May 2020 by the government.

The Group has also sourced for items like masks and disinfectants which are critical for our frontline and backend staffs.

Thankfully none of our staff have fallen ill with COVID-19 as of this writing. To protect the safety and wellbeing of employees, customers, suppliers and communities, the Group continues to take the necessary preventive measures while also meeting the needs of our customers' businesses that support essential services.

COMMUNITY ENGAGEMENT



Donation 2 units wheel chairs to Pertubuhan membantu Pesakit Parah Miskin Malaysia



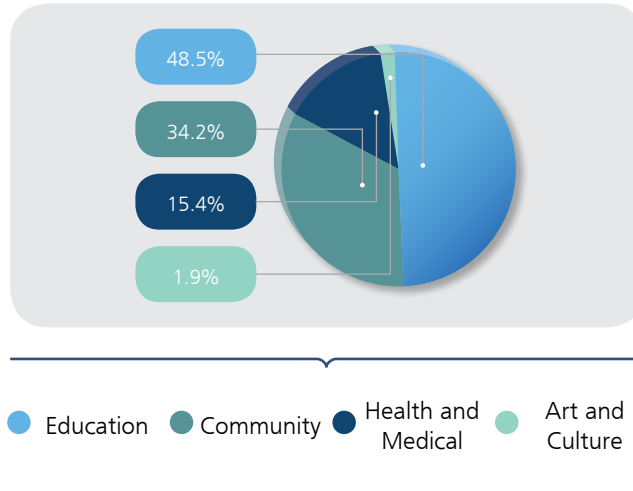
Sponsor for Pesta Open Badminton Tournament



Sponsor for Secretariat of UniMAP's Chinese Cultural Festival Programme

The Group is committed to actively engage with local communities by supporting local organisations, local initiatives and employee volunteerism to improve socio-economic status of the community that we work and live in. In 2019, we contributed RM209,640 in cash and in-kind donations to charities, non-profit organisations, educational institutions and civil organisations across Malaysia.

Community Engagement **RM209,640** in 2019



CHARITIES, WELFARE HOME, DISABLED AND UNDERPRIVILEGED GROUPS

As part of our continuous effort in supporting the underprivileged community, we made contributions to charities, welfare homes and NGOs which included the disabled, handicapped, special children and senior citizens.

SPORTS

To foster a healthy lifestyle and facilitating community to experience the spirit of sports, we give donation in cash to support local sport activity. We had also sponsored our staffs to encourage their participation in Pesta Open Badminton Tournament sporting events, held on 30 November and 1 December 2019.

38 Sustainability Statement (cont'd)

COMMUNITY ENGAGEMENT (CONT'D)

CULTURE AND ARTS

The Group has always remained mindful of its ability to nurture and enrich society through arts and cultural development that bring happiness and inspiration to people's lives. As part of this commitment, the Group sponsored UniMAP's Chinese Cultural Festival Programme 2019 to cultivate appreciation for arts and culture.

STEM EDUCATION

The Group believes that our nation needs more collaboration in Science, Technology, Engineering and Mathematics ("STEM") education. We view STEM education as a powerful and productive force in driving a prosperous economy and enhancing well-being for our community in this increasing competitive market. The Group needs employees with superior technical knowledge and skills to compete effectively. Therefore, to be in sync with Penang's government initiative, namely Penang STEM StepUP Initiative launched in 13 September 2019, we support and promote STEM program by sponsoring and adopting SMJK Heng Ee, with the objective to inspire the next generation of innovators and leaders while positioning the Group to advance in this rapidly changing world.

Computer programming and robotics represent a substantial segment in current and future economy. To impart local academy students with exclusive opportunities to participate in high quality STEM-based robotic coding and program using the FANUC control platform, the Group donated a FANUC Robot to Penang Skills & Development Centre ("PSDC") on 12 November 2019. This donation serves as a tool for students to engage in STEM, developing their skills while laying the foundation for their future career growth.

We continued our commitment to Robomania, a STEM related activity in 2019. Robomania is the largest interactive robotic learning single event in Malaysia, with the goal to encourage students to gain their interest in STEM using robotics. In support of our local government initiative, the Group contributed RM10,000 in cash and 20 volunteer employees to interact with students and share our passion in science and STEM careers.

HUMANE PROGRAMME FOR THE STRAYS

Since 2018, Majlis Bandaraya Pulau Pinang ("MBPP") collaborates with International Aid for the Protection & Welfare of Animals ("IAPWA"), to launch the Trap, Neuter & Release/Re-home ("TNR") programme. The objectives of this initiative are to manage the population of stray dogs in Penang Island and to promote humane treatment for stray dogs. With the aim of bringing positive impact to the society and contribute towards the welfare of animals, the Group contributes to the cause by sponsoring RM16,330 worth of merchandise from IAPWA. These merchandises are then gifted to all employees of the Group and invited guests during our annual dinner. Through this, the Group is able to support the initiative, at the same time enabling a meaningful annual dinner event.

EMPLOYEE VOLUNTEER

Other than cash and in-kind contributions, we encourage our employees to volunteer their time and service in serving the local community. In 2019, 20 employees supported annual beach clean-up in Penang where our employees live and work, collecting over 40kg of rubbish.

COMMUNITY ENGAGEMENT (CONT'D)



Sponsor & employee volunteer for Robomania



Employee voluntary beach clean up in collaboration with UTAR student & Trash Hero



Sponsor in STEM education programme



Sponsorship one FANUC robot to PSDC for training purpose



Sponsor and collaboration with IAPWA of the doorgift in annual dinner

ENVIRONMENTAL STEWARDSHIP

While pursuing operational growth, the Group pays sufficient attention to the rising environmental concerns on climate change, biodiversity depletion, chemical substances and marine plastic. Aiming to be a market leader in factory automation, we are determined to react with greater responsibility when it comes to the matters that oppress our society. Moreover, all corporate efforts taken to strengthen its sustainability will be our fundamental sources to address the stakeholders' concerns while assessing the Group's future business opportunities and potential risks.

40 Sustainability Statement (cont'd)

ENVIRONMENTAL STEWARDSHIP (CONT'D)

As a starting point, we focus on addressing the environmental aspect that associated with energy consumption whereby our ambition is to continually improve on the overall energy efficiency. Our new operational facility in Plot 287A, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang, Malaysia is installed with low-energy lighting and related electrical equipment, as well as manufacturing-line optimisation. Currently, we are working towards switching all other operating facilities to low-energy lighting to maximise energy saving.

We generate emissions, waste and effluent as consequences of production but their development are minimal than energy consumption. Production waste in the form of metal is separated and recycled or reused where possible, otherwise disposed of. This also includes chemically contaminated waste such as contaminated metal, which is disposed of by external licensed contractor in accordance with Department of Environment's rules and regulation. During this reporting year, we have disposed of 28,440 kg of hazardous waste, with no significant spills reported throughout the process. In 2019, there were no penalties or sanctions concerning environmental issue from the local authorities and we endeavour to maintain this track record.

TOWARDS A SUSTAINABLE FUTURE

The Group pledged to relentlessly pursuit excellence in its sustainability efforts. As we continue to make progress in our sustainability journey, our ambition is to establish an extensive set of short, medium and long term targets that serve as a direction towards a sustainable organisation. These targets will be the touchstone to measure the performance and results of our initiatives, and detect deficiency and challenges that require further attention.

We comprehend that we have potential growth over the current initiatives and the reporting structure. Secondly, we understand that it is essential for us to continually keep abreast of developments in our industry, and maintain an open channel to engage our stakeholders from time-to-time. We appreciate suggestion on improvements to ensure we remain informed, reactive and inclusive. Please submit your valuable feedbacks via our [website](#). We would be grateful to have you join us in contributing your ideas towards the Group's sustainable development.

With ingenuity, determination and partnership, together we can certainly achieve our goal of becoming the market leader in factory automation for the foreseeable future. We look forward to share our greater success stories in the 2020 Sustainability Statement.

The Board of Directors (“Board”) of Greatech Technology Berhad (“Company” or “Greatech”) acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”). The Board is fully committed to applying high standards of corporate governance practices throughout the Company and its subsidiaries (“Group”) to protect and enhance long-term shareholders’ value and all stakeholders’ interests.

The Board is pleased to present the Corporate Governance Overview Statement to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 31 December 2019 (“FY2019”) after the Company has been listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 13 June 2019.

The Corporate Governance Overview Statement is prepared in compliance with the ACE Market Listing Requirements (“AMLR”) of Bursa Securities and shall be read together with the Corporate Governance Report (“CG Report”) of the Company, which provides details on how the Company has applied each practice as set out in MCCG. The CG Report is available on the Company’s [website](#) and Bursa Securities’ [website](#).

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 Board has adopted a Board Charter which sets out its primary responsibilities as follows:

- To effectively represent and promote the interest of shareholders with a view to add long term value to the Company’s shares.
- To review and adopt a strategic plan for the Company, and ensure that the Company’s strategic plan supports long term value creation.
- To establish policies for strengthening the performance of the Company.
- To identify principal risks, set the risk appetite within which the Board expects the management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and ensure there is a sound framework for internal controls and risk management.
- To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management.
- To review the adequacy and the integrity of the Company’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- To decide on necessary steps to protect the Company’s financial position and the ability to meet its debts and other obligations when they fall due, and ensure that such steps are taken.
- To ensure that the Company’s financial statements are true and fair and conform with any applicable laws and/or regulations.
- To ensure that the Company adheres to high standards of ethics and corporate behaviour.
- To review, challenge and decide on the Management’s proposals for the Company, and monitor its implementation by the Management.
- To supervise and assess Management performance to determine whether the business is being properly managed.
- To ensure that the Company has in place procedures to enable effective communication with the stakeholders.

The Board Charter also clearly defines the functions that are reserved for the Board and those delegated to the Management of the Group. In general, all decisions that would materially impact on the strategy, direction, values and financial standing of the Group, or decisions that may potentially create material conflict of interest with related parties, decisions that may be prone to fraud risk, and decisions in high value transactions are reserved exclusively for the Board. None of the members of the Board has unfettered powers of decision.

42 Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1.1 Strategic Aims, Value and Standards (cont'd)

The Board is accountable to the shareholders and it is ultimately responsible for the Group adherence to sound corporate governance practices and highest standard of ethics. The Board sets the Group strategy and overseeing its execution, reviewing business performance, formulating policy on key issues and bringing long term benefits to the shareholders. The Board is made up of a combination of Executive Directors who are involved in strategic formulation and implementation and Independent Non-Executive Directors who are involved in decision evaluation and approval.

The Executive Directors together with the key senior management team are responsible for the day-to-day operations of the Group whereby operational issues and problems are discussed, major transactions and matters relating to the Group are reviewed and operational strategies are formulated.

Independent Non-Executive Directors deliberate and discuss policies and strategies formulated and proposed by the Management to take into account the long-term interests of all stakeholders. The Independent Non-Executive Directors provide independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision-making process to safeguard the long-term interests of all stakeholders and the community.

To assist in the execution of Board's duties, powers and authority and, facilitates effective decision making, the Board has established the following committees on 20 August 2018, each with delegated responsibilities and duties:

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

These Committees oversee the broad strategic areas within the Group such as audit and finance, risk, remuneration, sustainability and ethics, Board renewals and related matters. Each of these committees has its own written Terms of Reference ("TOR"), which are reviewed on a regular basis by each Committee and the Board, to ensure its effectiveness. The Committees report to, and their actions are reviewed by, the Board. The Chairman and members of each Committee are nominated by the Board with each Committee comprising at least three Independent Non-Executive Directors.

1.2 The Chairman of the Board

The Chairman undertakes a leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders. The Chairman is primarily responsible for leading the Board to effectively discharge its fiduciary duties and responsibilities and ensuring the adequacy and integrity of the governance process.

Ms Ooi Hooi Kiang, who is an Independent Non-Executive Director was appointed as the Company's Chairman and Independent Non-Executive Director on 20 August 2018.

1.3 Chairman and Chief Executive Officer ("CEO")

The role of the Chairman and the CEO are held by separate individual who are not related to each other, to ensure a good balance of power and authority.

The Chairman is responsible for overseeing the function of the Board while the CEO assumes executive responsibility for the Group's business and executing corporate strategies and policies, as approved by the Board. There is a clear delineation of responsibilities between the Chairman of the Board and the CEO.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. BOARD RESPONSIBILITIES (CONT'D)****1.4 Company Secretaries**

The Board is supported by an experienced and competent Company Secretaries in discharging its duties and responsibilities.

The Company Secretaries or the representative of the Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened, and all deliberations and decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.

The Board has separate and independent access to the advice and services of the Company Secretaries.

1.5 Access to Information and Meeting Materials

The Board meets at least, quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meeting will be called when and if necessary.

A full year meeting schedule which sets out the meeting dates is prepared and circulated to the Directors before the commencement of each calendar year to allow Directors to plan ahead to attend such meetings.

Board members are provided with sufficient and timely information prior to all Board and Board Committee meetings through Board papers and related materials, or explanatory information relating to matters to enable the Board to make informed decisions.

Notices are sent to the Directors at least seven (7) days in advance of Board meetings, followed by the Board papers in order for the Directors to have sufficient time to prepare for the meetings.

At each quarterly Board meeting, Key Principal Officers which comprises of CEO, Chief Operating Officer ("COO") and Chief Financial Officer ("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 attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board. To keep the Board members abreast of the Group's business, Directors are also updated by the CEO of any significant developments or events relating to the Company. The Board also has unrestricted access to Management and entitled to request from Management additional information as and when required.

The Company Secretaries are responsible for the proper maintenance of the records of Board and Board Committee meetings and record of discussions on key deliberations and decisions taken. Minutes of the meeting are circulated to the members of the Board and Board Committee, and the Management for review and comments in a timely manner.

2.0 Demarcation of Responsibilities**2.1 Board Charter**

The Board has approved and adopted the Board Charter on 10 June 2019. The Board Charter serves as a guide to the Board members of their roles and responsibilities in discharging their duties as Directors.

The Board Charter is subject to review and update by the Board from time to time to ensure it remain consistent with the Board's objectives and kept up-to-date with changes in regulations and governance practices.

The Board Charter is available on the Company's website at www.greotech-group.com in line with Practice 2.1 of the MCGG.

44 Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3.0 Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct & Ethics

The Directors and employees are committed to observe good corporate governance practices with high standards of ethical and honest culture within the Group. The Core Values of Integrity, Innovation, Performance, Customer Satisfaction, Care & Respect and Teamwork are observed by all our people from Directors to employees as a commitment to sustainable growth. The Board puts in place a Code of Conduct & Ethics which sets out the principles and standard of business conduct and ethics in relation to integrity, responsibility and corporate social responsibility to ensure proper accountability within the Group.

The Code of Conduct & Ethics is available on the Company's website at www.greatech-group.com in line with Practice 3.1 of the MCCG and will be reviewed by the Board as and when the need arises.

3.2 Whistleblowing Policy

The Board has approved and adopted Whistleblowing Policy on 10 June 2019. The Policy provides a mechanism for employees of the Group and external parties to raise genuine concerns through secure and confidential disclosure channel about possible improprieties and any malpractices such as fraud, breach of legal obligations at the earliest opportunity to Chairman or ARMC Chairman. Employees making the report in good faith are protected from reprisals.

There was no incident of whistle blowing received in FY2019. The Whistleblowing Policy is available on the Company's website at www.greatech-group.com in line with Practice 3.2 of the MCCG and will be reviewed by the Board as and when the need arises.

II. BOARD COMPOSITION

4.0 Board Objectivity

4.1 Composition of the Board

For the FY2019, the Board is made up of three (3) Independent Non-Executive Directors and two (2) Executive Directors. Dato' Seri Wong Siew Hai was appointed as Independent Non-Executive Director of the Company with effect from 8 May 2020. With the latest appointment, the Board size had increased from five (5) to six (6) members with one-third (1/3) women representation on the Board. The present composition complies with Rule 15.02 of the AMLR and Practice 4.1 of the MCCG as more than half of its members are Independent Directors.

The Board currently comprises the following members:

- Ooi Hooi Kiang, Chairman, Independent Non-Executive Director
- Mariamah binti Daud, Independent Non-Executive Director
- Ooi Ching Hock, Independent Non-Executive Director
- Dato' Seri Wong Siew Hai, Independent Non-Executive Director (*appointed w.e.f. 8 May 2020*)
- Tan Eng Kee, Executive Director and Chief Executive Officer
- Khor Lean Heng, Executive Director and Chief Operating Officer

The Board has examined its size and is of the view that the current Board size is appropriate and facilitates effective decision-making, taking into consideration the scope and nature of the Company's operation.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****4.2 Tenure of Independent Non-Executive Director****4.3 Policy on Tenure of Independent Non-Executive Director**

As the Company was recently listed on ACE Market, none of the Independent Directors has exceeded a cumulative term of more than nine (9) years in the Company as at 31 December 2019. Under Part 4.10.1 of the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years.

Upon completion of the nine (9) years' term, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director or the Board to seek annual shareholders' approval with justification if the Board intends to retain an Independent Director who is beyond nine (9) years' term.

The Board through the NC has carried out an annual assessment of independence of all the Independent Directors. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company. The Independent Directors remain objective and independent in expressing their views and in participating in deliberations and decision makings of the Board and Board Committees.

4.4 Diversity of Board and Senior Management

The Board recognises that board diversity is an essential element contributing to the sustainable development of the Group and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board believes that diversity facilitates multi perspectives resulted in productivity, sustainability and competencies to deliver the business performance of the Company for the benefit of the shareholders over the medium to long term.

The current Board comprises of two (2) female Directors and four (4) male Directors with an age group ranging from 50 to 69 years old. Each Director has been appointed based on their core competencies and relevant experience critical to the Company and its businesses.

The Board is satisfied that its members have the appropriate balance and mix of skill set, knowledge and experience which is relevant for the current position of the Company.

4.5 Gender Diversity Policy

The Company adopted Board Diversity Policy on 25 November 2019 to encourage Board gender diversity. The Board did not set any specific target for women representation at the senior management level. Two (2) out of six (6) Directors on the Board are females as of the time of writing, which demonstrates the Group's commitment on gender diversity. The prevailing requirement of Practice 4.5 of the MCCG that at least 30% women directors is satisfied.

4.6 Board Appointment

The NC is responsible for identifying and nominating candidates to fill Board vacancies for approval by the Board as and when they arise. The search and nomination process for new directors, if any, are through directors' personal contacts, recommendations of the Company's sponsor or may engage executive search firms to source for potential candidates.

Mix of skills, competencies, integrity, diversity, ability to commit time and industry knowledge may also be sought. The NC will review, shortlist candidates and make recommendations to the Board for its consideration and approval.

46 Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

4.6 Board Appointment (cont'd)

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.

Dato' Seri Wong Siew Hai was a proposed candidate nominated by the CEO which has been submitted to the NC for review.

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 reviewed Dato' Seri Wong's profile, curriculum vitae, academic qualifications and the disclosure of Dato' Seri Wong's directorships and considered his skills, experiences and competencies for the appointment as an Independent Non-Executive Director. The Board after taking into consideration of the NC's recommendations, endorsed and approved the appointment of Dato' Seri Wong as an Independent Non-Executive Director of the Company with effect from 8 May 2020.

4.7 Nominating Committee

The Board has delegated its authority to the NC to make recommendations on all board appointments and re-appointments. The NC comprises exclusively of Independent Non-Executive Directors. The current members of the NC are as follows:

- Puan Mariamah binti Daud (Chairman)
- Ms Ooi Hooi Kiang
- Mr Ooi Ching Hock
- Dato' Seri Wong Siew Hai (*appointed w.e.f. 8 May 2020*)

The NC has adopted a formal set of TOR approved by the Board. The TOR of the NC can be found on the Company's website at www.greatech-group.com.

The NC meets as and when necessary, but at least once a year. Its duties comprise of, amongst others, to review the composition of the Board and its succession planning. It leads the process for identifying and nominating, for approval by the Board, candidates to fill the Board and committee vacancies, the Board evaluation process, Director performance and recommendations for re-elections at the Annual General Meeting ("AGM"), and consideration of Director's independence in accordance with the MCCG.

The attendance of the NC at the NC meetings held during FY2019 is tabulated below:

Designation	Directors	Attendance
Chairman	Puan Mariamah binti Daud	2/2
Member	Ms Ooi Hooi Kiang	2/2
	Mr Ooi Ching Hock	2/2
	Dato' Seri Wong Siew Hai	N/A

A summary of key activities undertaken by the NC during the FY2019 are as follows:

- Reviewing and adoption of the TOR of NC.
- Reviewing the re-election of the Directors who were subject for retiring at the AGM of the Company.
- Reviewing the Key Results Areas for the Key Principal Officers for the FY2019 for performance evaluation purposes.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****4.7 Nominating Committee (cont'd)**

In accordance with the Company's Constitution, all the Directors shall retire from office at the first AGM and 1/3 of the Board will retire by rotation at every AGM of the Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next AGM and shall then be eligible for re-election. None of the Directors has been appointed for a fixed term.

The retiring Directors at the upcoming AGM pursuant to Clause 170 of the Constitution are Mr Ooi Ching Hock and Mr Khor Lean Heng. Mr Ooi Ching Hock has indicated his intention to retire as an Independent Non-Executive Director of the Company and as such, he will not be seeking re-election at the AGM. Henceforth, he will retain in office until the conclusion of the forth coming 2nd AGM of the Company.

After assessing the contributions of Mr Khor Lean Heng in terms of guidance and time devoted to the Board affairs and in virtue of his skills and experience, the NC has recommended the re-election of Mr Khor Lean Heng at the forthcoming AGM.

5.0 Overall Effectiveness of the Board and Individual Directors**5.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors**

For FY2019, an annual assessment of the Board, its Committees and contribution of each individual Director is carried out by the NC, with the assistance of Company Secretaries, taking the form of comprehensive evaluation questionnaires which provide all Directors with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the three (3) Board Committees, and to comment on procedures or any relevant matters.

The evaluation of the Board covers factors such as mix and composition of the Board, quality of decision making, timeliness of Board papers, internal controls, conduct of Board meetings, interactions with the Management and stakeholders and effectiveness of the Chairman.

The Board Committees are assessed based on efficiency and effectiveness of each Committee and its member's continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties. Likewise, the NC is able to assess the contribution of each individual Director to the effectiveness of the Board.

The completed evaluation forms were submitted to Company Secretaries for collation and consolidated responses were presented to the NC for review before being shared with the Board for discussion and are taken into accounts when the NC assesses the Board effectiveness.

The NC has also reviewed the independence of the Independent Directors for FY2019 in accordance with the MCCG and is of the view that Ms Ooi Hooi Kiang, Puan Mariamah binti Daud and Mr Ooi Ching Hock are considered independent.

During the FY2019, four (4) Board Meetings were held to review and deliberate on the key activities and strategy of the Group, including annual budget, capital assets investment, financial performance and to endorse the release of the quarterly financial results. All Board and Board Committees' meetings for FY2019 have been scheduled well in advance in consultation with the Directors to ensure maximum attendance. In addition to holding meetings, important matters regarding the Group are 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.

As a mean to facilitate Directors' planning and time management, an annual meeting calendar is prepared and given to Directors before the beginning of each new financial year.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors (cont'd)

The attendance of the Directors at Board meetings held during FY2019 is tabulated below:

Directors	Attendance
Ms Ooi Hooi Kiang	4/4
Puan Mariamah binti Daud	4/4
Mr Ooi Ching Hock	4/4
Dato' Seri Wong Siew Hai*	N/A
Mr Tan Eng Kee	4/4
Mr Khor Lean Heng	4/4

* Appointed as Independent Non-Executive Director w.e.f. 8 May 2020.

Following the review of overall performance of the Board, Board Committees and each Director, the NC is of the view that the Board operates effectively and the contribution of each Director to the effectiveness of the Board has been satisfactory.

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. Prior to the listing of the Company, all Directors were actively involved in the verification meetings. Briefing was conducted by the Legal Advisers to the Company on the laws of Malaysia in respect of the roles and responsibilities of a director of a public listed company in Malaysia during the Initial Public Offering ("IPO") process. In addition, all five (5) Directors went through the Mandatory Accreditation Programme ("MAP") as conducted by The Iclif Leadership and Governance Centre in FY2019. The Company Secretaries would also inform the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company.

The trainings attended by the Directors during the FY2019 are as follows:

Directors	Trainings
Ooi Hooi Kiang	<ul style="list-style-type: none"> MAP Transfer Pricing-Enforcement and Documentation Empowering Women Series: Bursa Malaysia Diversity Experience Building Corporate Longevity Briefing by the Company Secretaries on the amendments to the AMLR and MCCG
Mariamah binti Daud	<ul style="list-style-type: none"> MAP Evaluating Effective Internal Audit Function - Audit Committee's Guide on How To Preparation for Corporate Liability on Corruption Fraud Risk Management Related Party Transactions & Conflicts of Interest Briefing by the Company Secretaries on the amendments to the AMLR and MCCG

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****5.1 Annual Evaluation of Effectiveness of the Board, Board Committees and Directors (cont'd)**

The trainings attended by the Directors during the FY2019 are as follows: (cont'd)

Directors	Trainings
Ooi Ching Hock	<ul style="list-style-type: none"> • MAP • Evaluating Effective Internal Audit Function - Audit Committee's Guide on How To • Preparation for Corporate Liability on Corruption • Fraud Risk Management • Related Party Transactions & Conflicts of Interest • Briefing by the Company Secretaries on the amendments to the AMLR and MCCG
Tan Eng Kee	<ul style="list-style-type: none"> • MAP • The 4th China International Lithium Battery & Electric Vehicle Technology Forum • Enterprise Risk Management (ERM) Awareness • Risk Assessment Workshop 2019 • Cyber Security Awareness • Preparation for Corporate Liability on Corruption • Fraud Risk Management • Related Party Transactions & Conflicts of Interest • Briefing by the Company Secretaries on the amendments to the AMLR and MCCG
Khor Lean Heng	<ul style="list-style-type: none"> • MAP • Briefing on Insider Trading and Share Policy • Overhead Crane Training • Navigating Corporate Liability • How to Improve Technical Skill in Greatech • Enterprise Risk Management (ERM) Awareness • Risk Assessment Workshop 2019 • Cyber Security Awareness • Safety, Health & Environment Awareness • Preparation for Corporate Liability on Corruption • Fraud Risk Management • Related Party Transactions & Conflicts of Interest • Briefing by the Company Secretaries on the amendments to the AMLR and MCCG

In addition, the Company Secretaries and External Auditors also update the Directors on the latest changes to the regulations, laws and accounting standards to discharge their duties as Directors of the Company.

Upon review, the Board concluded that the Directors' trainings for the FY2019 were adequate.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III REMUNERATION

6.0 Level and Composition of Remuneration

6.1 Remuneration Policy

The Board has approved and adopted Remuneration Policy for Directors and Key Principal Officers on 10 June 2019. The Policy is designed to align the interest of the Directors and Key Principal Officers with those of shareholders, by linking reward to the Group's and individual's performance, therefore promoting long term sustainability of the Company. It seeks to attract, motivate and retain key employees with competitive remuneration packages base on respective individual's responsibilities, expertise, prevailing market conditions and relevant market benchmarks.

The remuneration package of Executive Directors and Key Principal Officers comprises 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 targets.

As approved by the shareholders at the Company's AGM in FY2019, all Directors are paid fixed directors' fee of RM5,000 per month for serving as a member of the Board and all Independent Non-Executive Directors are also paid a meeting allowance of RM1,000 for attending each Board and Board Committee meeting. The Executive Directors are not entitled to any meeting allowance.

The remuneration of the Company's Independent Non-Executive Directors 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 director fees of the Independent Non-Executive Directors are subject to approval by shareholders at each AGM thereby ensuring that their independence is not compromised. Each of the Independent Non-Executive Directors should abstain from deliberating and voting on decision in respect of his or her own remuneration.

6.2 Remuneration Committee

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

- Ms Ooi Hooi Kiang (Chairman)
- Puan Mariamah binti Daud
- Mr Ooi Ching Hock
- Dato' Seri Wong Siew Hai (*appointed w.e.f. 8 May 2020*)

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 at www.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 deciding their own remuneration.

The attendance of the RC at the RC meetings held during FY2019 is tabulated below:

Designation	Directors	Attendance
Chairman	Ms Ooi Hooi Kiang	2/2
Member	Puan Mariamah binti Daud	2/2
	Mr Ooi Ching Hock	2/2
	Dato' Seri Wong Siew Hai	N/A

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**III REMUNERATION (CONT'D)****6.2 Remuneration Committee (cont'd)**

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 FY2019.

A summary of key activities undertaken by the RC during the FY2019 are as follows:

- Reviewing and assessing the Executive Directors and Key Principal Officers remuneration prior to floatation on Bursa Securities to ensure it is in line with market benchmarks.
- Reviewing and recommending to the Board a remuneration policy framework and guidelines for remuneration of the Directors and Key Principal Officers.
- Reviewing and setting the Key Result Areas ("KRA") for Key Principal Officers for the FY2019 for reward purposes.

7.0 Remuneration of Directors and Key Senior Management**7.1 Directors' Remuneration**

The Directors' remuneration received/receivable from the Company and its subsidiary for the FY2019 is presented in the table below:

Category	Directors' Fees RM'000	Meeting Allowance RM'000	Salary, Bonus and Incentive RM'000	Employees Provident Fund RM'000	Benefits-in-kind and Others RM'000	Total RM'000
COMPANY						
Executive Directors						
Tan Eng Kee#	35	-	-	-	-	35
Khor Lean Heng#	35	-	-	-	-	35
Non-Executive Directors						
Ooi Hooi Kiang	60	4	-	-	-	64
Mariamah binti Daud	60	4	-	-	-	64
Ooi Ching Hock	60	4	-	-	-	64
Dato' Seri Wong Siew Hai*	-	-	-	-	-	-
SUBSIDIARY						
Executive Directors						
Tan Eng Kee	-	-	938	115	25	1,078
Khor Lean Heng	-	-	621	74	18	713

Only received the Directors' Fees since June 2019 upon the listing of the Company to ACE Market of Bursa Securities

* Appointed as Independent Non-Executive Director w.e.f. 8 May 2020

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III REMUNERATION (CONT'D)

7.2 Key Senior Management's Remuneration

Although the MCCG recommends full disclosure by the Company of the remuneration of its key senior management on named basis, the Company is of the view that it is not in its best interest to disclose confidential details of remuneration due to the confidentiality and sensitive nature of such information. The Company does not intend to adopt the recommendation to disclose the detailed remuneration of each member of key senior management in the bands of RM50,000 on a named basis.

In setting the remuneration packages for key senior management, the Company keeps in mind the remuneration and employment conditions within the industry and in comparable companies. The level and structure of the key senior management's remuneration is aligned with the Company's long-term interest and desire to attract, retain and motivate the right talent to achieve superior performance and continued growth and development of the Company.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

8.0 Effective and Independent Audit Committee

8.1 Chairman of the Audit Committee

The Board has established an ARMC, which report to the Board on all matters requiring audit of the Company. The ARMC comprises wholly of four (4) Independent Non-Executive Directors as of the time of writing. The ARMC is chaired by Puan Mariamah binti Daud who is not the Chairman of the Board.

The composition of the ARMC is in compliance with Rule 15.10 of the AMLR and Practice 8.1 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 at www.greotech-group.com.

The ARMC composition and a summary of the activities during the FY2019 are set out in ARMC Report contained in this Annual Report.

8.2 Former Key Audit Partner

None of the ARMC members were former partners of the Company's existing auditing firm within the previous twenty-four (24) months. This policy has been formalised in the TOR of the ARMC.

8.3 Suitability, Objectivity and Independence of the External Auditors

The Board has approved and adopted External Auditors Assessment Policy on 13 December 2019. The Policy defined the guidelines and procedures to be undertaken by the ARMC to assess the suitability, objectivity and independence of external auditors. This is also in accordance with TOR of the ARMC, to review the annual performance assessment, including the suitability, objectivity and independence of the external auditors.

During the financial year under review, the ARMC members met with the external auditors, BDO PLT ("BDO") once in the absence of the Management.

The ARMC had obtained a written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**I AUDIT COMMITTEE (CONT'D)****8.3 Suitability, Objectivity and Independence of the External Auditors (cont'd)**

The ARMC has conducted an annual review of all the non-audit services provided by the affiliated firm of the external auditors for the FY2019, as disclosed on page 58 of this Annual Report, before recommending their re-nomination to the Board. The ARMC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

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 AGM.

8.4 Composition of the Audit Committee

The Company adopted Step-Up Practice 8.4 of the MCCG. The ARMC comprises wholly of Independent Non-Executive Directors.

8.5 Qualification of the Audit Committee

The members of the ARMC are suitably qualified and possess sufficient financial management expertise, as determined by the Board in its business judgement, to discharge their responsibilities as ARMC members. One (1) member of the ARMC namely Ms Ooi Hooi Kiang is the members of the Malaysian Institute of Accountant ("MIA") thus fulfilling the Rule 15.09(1)(c)(i) of the AMLR which requires at least one (1) of the ARMC members to be a member of the MIA.

All ARMC members are financially literate and its composition and performance are reviewed by the NC annually and recommended to the Board for its approval.

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**9.0 Risk Management****9.1 Effective Risk Management and Internal Control Framework**

The Board is 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 Group has in place an Enterprise Risk Management ("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. Key risks identified are discussed at the Board meeting while all other risks are managed by respective department head and reported to the Board on an exceptional basis.

9.2 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.

9.3 Risk Management Committee

In terms of Step-Up Practice 9.3 of the MCCG which recommends that the establishment of a stand-alone Risk Management Committee with majority of its members being independent, the Company does not intend to adopt such step-up practice for the time being. The function of Risk Management Committee is currently assumed by the ARMC.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

10.0 Effective Governance, Risk Management and Internal Control Framework

10.1 Internal Audit Function

The Group has appointed Sterling Business Alignment Consulting Sdn. Bhd. ("Internal Auditors") to conduct internal audit ("IA") review based on an agreed scope of review. The Internal Auditors has also performed IA review for the purposes of the Group's IPO. The Internal Auditors reports directly to ARMC for all IA matters. The ARMC approves the appointment, removal, evaluation and compensation of the Internal Auditors.

The ARMC reviews and approves the annual IA plan and reviews the IA reports and activities on an on-going basis. It also oversees the implementation of the IA plan and ensures that management provides the necessary co-operation to enable the Internal Auditors to perform its function.

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 system. The IA work carried out is guided by International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

During the FY2019, the ARMC had assessed and reviewed the adequacy of the scope, functions, resources, competency and independence of the Internal Auditors. 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.

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

I COMMUNICATION WITH STAKEHOLDERS

11.0 Communication with Stakeholders

11.1 Effective, Transparent and Regular Communication with its Stakeholders

The Board considers effective communication with shareholders to be integral to long term growth and success. It is committed to providing timely, transparent, accurate and credible material information about the Company to its shareholders, stakeholders and investors.

The information is disseminated to stakeholders through:

- Annual report prepared and issued to shareholders.
- Quarterly announcements containing a summary of the financial information and affairs of the Group disclosed on Bursa Securities' [website](#).
- Public announcements on price sensitive information released via Bursa Securities' [website](#).
- Press releases on major developments of the Group.
- Company's [website](#).

The Group has in place Investor Relations Policy which spells out guidelines and practices that it applies when communicating with shareholders and prospective investors with appropriate information necessary to make well-informed investment decisions.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I COMMUNICATION WITH STAKEHOLDERS (CONT'D)

11.1 Effective, Transparent and Regular Communication with its Stakeholders (cont'd)

As the Company was newly listed on 13 June 2019, it currently handles its investor relations matter internally. During the year, the Company conducted dialogue sessions and meeting with investors, investment analysts, fund managers and media to ensure the Group's management strategies, corporate direction and operational developments are clear and understood. This include analyst briefings, investor non-deal roadshows, conference calls, ad-hoc meeting and site tours in both large and small groups as well as 1-to-1 meetings with broking houses and analysts. Our Key Principal Officers presented and answered the key issues of which investors were mainly concerned.

As the Company is not categorised as "Large Companies", hence the Company have not adopted integrated reporting based on a globally recognised framework.

II CONDUCT OF GENERAL MEETINGS

12.0 Engagement with Shareholders

12.1 Notice of Annual General Meeting

In compliance with Practice 12.1 of the MCCG, shareholders will receive annual reports, circular and notices of AGM, which are to be issued at least twenty-eight (28) days before the date of AGM.

The forthcoming AGM will be the first AGM of the Company after the Company is listed on the ACE Market of Bursa Securities.

In line with good CG practice, the notice of the forthcoming 2nd AGM is issued more than 28 days prior to the AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the 2nd AGM. The notice of AGM is also published in the nationally circulated daily newspaper within the mandatory period and the Company's announcements via Bursa Securities as well as the Company's [website](#).

The Notice of AGM provides further explanation beyond the minimum content stipulated in the AMLR 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.

12.2 Shareholders' Participation at General Meetings

The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavor to encourage shareholders to participate in these meetings.

In line with the recommendation of MCCG which encourages more shareholders to participate the general meeting of the Company while adhering to the social distancing requirements under the COVID-19 pandemic, the Company intends to adopt the Guidelines issued by the Securities Commission Malaysia on the conduct of a general meeting and to enable the voting in absentia or remote shareholders' participation at the forthcoming 2nd AGM.

All Directors including Chairman of the Board and the respective Chairman of the Board Committees, the CEO and other Key Principal Officers will be present to answer any questions put to them and address concerns from shareholders. The external auditors are also present to address any shareholders' queries about the conduct of audit and the preparation and content of the auditors' reports.

56 Corporate Governance Overview Statement (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II CONDUCT OF GENERAL MEETINGS (CONT'D)

12.2 Shareholders' Participation at General Meetings (cont'd)

Minutes of meeting which incorporate substantial comments and queries from shareholders and responses from the Company are available on the Company's [website](#) after the conclusion of the general meeting.

12.3 Voting

Under COVID-19 pandemic, the Company has considered various factors which aimed to adhere to the social distancing requirements and thus, the Company had leveraged technology to facilitate electronic voting ("e-voting") for the conduct of poll on all resolutions for the first time.

All shareholders are encouraged to attend the Company's AGM to ensure a high level of accountability and to be updated on the Company's strategy and developments. In order to do so, the shareholders are given the opportunity to participate and vote remotely at the 2nd AGM via the facility which is available on the Company's Share Registrar's online portal, i.e. **Securities Services e-Portal** at www.sshsb.net.my/login.aspx.

The shareholders are given opportunities to raise questions and feedback their view on issues affecting the Company and to vote in AGM remotely.

To have greater transparency, accuracy and efficiency in the voting process, the Company will be adopting the system of e-voting by poll at the forthcoming 2nd AGM to allow the shareholders or the appointed proxy or authorised representative to submit their votes online. A shareholder who participates remotely via live streaming at the 2nd AGM may login to **Securities Services e-Portal** for casting his/her vote online until the close of the voting session at the venue of the 2nd AGM.

An independent scrutineer will be appointed to validate the votes cast and results of each resolution put to vote are announced at the meeting. An Announcement detailing the results, including the total number of votes cast for and against each resolution and the respective percentages will be announced via Bursa Securities' [website](#) after the conclusion of the general meeting.

Statement on Compliance

The Board is satisfied that the Company complies substantially the principles and practices set out in the MCCG as well as the AMLR for the FY2019.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors.

The Board of Directors (“Board”) presents the Audit and Risk Management Committee (“ARMC”) report which provides insights into the manner in which the ARMC discharged its functions for the Group in the financial year ended 31 December 2019 (“FY2019”).

INTRODUCTION

The ARMC was established by the Board of the Company on 20 August 2018 to assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiary, monitoring the management of risk and system of internal control, external and internal audit process, compliance with legal and regulatory matters and such other matters that may be specifically delegated to the ARMC by the Board.

MEMBERS

The present composition of the ARMC comprises of four (4) members of the Board, all of whom are Independent Non-Executive Directors (“INEDs”), as follows:

Puan Mariamah binti Daud	-	Chairman/INED
Ms Ooi Hooi Kiang	-	Member/INED
Mr Ooi Ching Hock	-	Member/INED
Dato’ Seri Wong Siew Hai (<i>appointed w.e.f. 8 May 2020</i>)	-	Member/INED

The above composition of ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Ms Ooi Hooi Kiang is a member of the Malaysian Institute of Accountant (“MIA”). As such, the composition of ARMC meets the requirements of Rule 15.09(1)(c)(i) of the AMLR, which stipulates that at least one member of the ARMC must be a member of MIA.

All members of the ARMC are financially literate with diverse background, experience and knowledge in accountancy, finance, commercial, corporate service and investment. The Nominating Committee (“NC”) had on 24 February 2020 reviewed the terms of office and performance of the ARMC’s members and based on the results of its review, the NC was satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the ARMC’s Terms of Reference (“TOR”) and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

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 at www.greatech-group.com.

MEETINGS

The attendance of the ARMC at the ARMC meetings held during FY2019 is tabulated below:

Designation	Directors	Attendance
Chairman	Puan Mariamah binti Daud	3/3
Member	Ms Ooi Hooi Kiang	3/3
	Mr Ooi Ching Hock	3/3
	Dato’ Seri Wong Siew Hai	N/A

The ARMC meetings were structured through the use of agendas and relevant meeting papers which were distributed to the ARMC prior to the meetings. The meetings were of adequate length to allow the ARMC to accomplish its agenda with sufficient time to discuss emerging issues.

58 Audit and Risk Management Committee Report (cont'd)

MEETINGS (CONT'D)

The ARMC conducted its meeting in an open and constructive manner and encouraged focused discussion, questioning and expressions of differing opinions. The Directors of the Company, internal auditors, external auditors and the relevant key personnel were invited to attend the meeting as and when necessary.

The external auditors will report their findings of the significant accounting and auditing issues to the ARMC for review, deliberation and decision making. While, the finance team will present the unaudited quarterly financial statements, as well as other financial reporting related matters for the ARMC's deliberation and recommendation to the Board for approval, where appropriate. The Chairman of the ARMC will report and highlight the key issues discussed at each ARMC meeting to the Board accordingly.

In FY2019, the ARMC met once with the external auditors without the presence of the Executive Directors and Management team on 25 November 2019. Based on the auditors' feedback, the Management had provided full cooperation to the external auditors in the course of their previous year audits.

SUMMARY OF ACTIVITIES

The works of the ARMC were primarily in accordance with its TOR. The main works undertaken by the ARMC during the FY2019 were as follows:

(i) Financial Performance and Reporting

- reviewed the Group's quarterly unaudited consolidated financial results. During the review, the Chief Financial Officer was invited to present and respond to questions raised by the ARMC on the performance and significant financial reporting concerning compliance with applicable approved accounting standards and other regulatory requirements. Upon review and satisfied with the clarification and justification provided by the Management, the ARMC recommended the financial results to the Board for consideration and approval.

(ii) Oversight of External Auditors

- reviewed the external auditors' 2019 Audit Planning Memorandum outlining their scope of work including audit risk areas, approach emphasis and timeline at the 25 November 2019 meeting. 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 service to the Group.
- discussed and reviewed with external auditors the applicability and the corresponding impact of the new and revised approved accounting standards and financial reporting regime issued by the Malaysian Accounting Standards Board.
- the ARMC had met once on 25 November 2019 with the external auditors without the presence of the Executive Directors and Management team in order to reinforce the independence of the External Audit Function of the Company.

(iii) Oversight of Internal Audit ("IA")

- reviewed the nomination and appointment of the internal auditors during the meeting held on 10 June 2019.
- reviewed the internal audit plan as tabled by the outsourced internal auditors. Make enquiries as to the internal auditors' resources, expertise, professionalism and independency to meet plan audit activities across the Group.
- reviewed the IA Reports and assessed the internal auditors' findings and the Management's responses, and reported the same to the Board.

SUMMARY OF ACTIVITIES (CONT'D)

(iii) Oversight of Internal Audit ("IA") (cont'd)

- reviewed the implementation status of the corrective action arising from the audit recommendations to ensure that the key risks and control lapses identified were addressed in a timely manner.
- evaluate and reviewed the adequacy of the scope, functions, competency and performance of IA function and its comprehensiveness of the coverage of activities within the Group.

(iv) Related Party Transactions

- reviewed the policy and procedures on related party transactions/recurrent related party transactions to comply with the Companies Act 2016 and the AMLR.
- 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 no detrimental interest to the minority of the shareholders.

(v) Oversight of Internal Control and Corporate Governance Matters

- reviewed and confirmed the minutes of the ARMC Meetings.
- reviewed the impact of the relevant regulatory changes and ensured compliance by the Company and the Group.
- On 10 June 2019, the ARMC reviewed and recommended the TOR of ARMC as prescribed by the Malaysian Code on Corporate Governance to the Board for approval.

(vi) Risk Management and Internal Control

- reviewed the adequacy and effectiveness of risk management and internal control systems instituted within the Group.
- reviewed and discussed the appointment of a firm in relation to the provision of service on Enterprise Risk Management and recommended to the Board for approval.

During FY2019, the ARMC have sufficient resources available to discharge their responsibilities. The ARMC not only has access to any information that it needs, but also have the right to seek independent advice and the power to investigate any matter within the ambit of its authority.

IA Function

The IA function of the Group is assumed by the internal auditors to assist the ARMC in discharging its duties and responsibilities. The role of internal auditors is to provide the ARMC with independent assessment for adequate, efficient and effective Internal Control System to ensure compliance with policies and procedures. The IA function is also involved in risk management, risk evaluation and recommendation of control activities to manage such identified risk.

The Group appointed Messrs Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") as its internal auditors to carry out the IA on the Group in FY2019. Sterling is a professional firm which reports directly to the ARMC, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the IA function.

60 Audit and Risk Management Committee Report (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

IA Function (cont'd)

During FY2019, the work of audits and findings conducted by the Group's internal auditors were as follows:

- prepared the IA Plan of the Group.
- reviewed the system of internal control system based on 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 possible improvements to the existing system of internal control.
- IA Reports incorporating the audit observations, audit recommendations and management action plans were tabled to the ARMC for review and approval on quarterly basis.
- follow-ups were conducted on previously issued audit recommendations to ensure that all recommendations and management action plan had been implemented accordingly.

The total costs incurred for the IA function of the Group during the FY2019 was RM36,648.22.

The ARMC and Board were satisfied with the performance of the internal auditors for the FY2019 and have in the interest of greater independence and continuity in the IA function, taken the decision to continue with the outsource of the IA function.

This ARMC Report is made in accordance with a resolution of the Board of Directors.

INTRODUCTION

The Board of Directors ("Board") is pleased to provide the following Statement on Risk Management & Internal Control of Greatech Technology Berhad ("Company" or "Greatech", and together with its subsidiaries, "Group") for the financial year ended 31 December 2019 ("FY2019"). This Statement has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance 2017 ("MCCG") and Statement on Internal Control and Risk Management: Guidelines for Directors of Listed Issuers. The Board also acknowledges that the Group cannot achieve its objectives and sustain success without effective governance, risk management and internal control processes.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded. On a periodic basis, the Board, via Audit and Risk Management Committee ("ARMC"), evaluates the adequacy and operating effectiveness of the system of risk management and internal control and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. The process has been in place for the financial year under review and up to the date of approval of this Statement for the inclusion in the Annual Report of the Company.

The system of risk management and internal controls not only covers the financial aspect of the Group but also the operational and compliance aspects of the Group. Given the inherent limitations in the risk management and internal control system, such 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.

RISK MANAGEMENT FRAMEWORK

The Board fully supports the contents of Practices 9.1 and 9.2 of the MCCG which call for the establishment of an effective risk management and internal control framework and the disclosure thereof.

The ARMC of the Company was established on 20 August 2018 and its members were appointed by the Board. In particular, the roles and responsibilities of the ARMC in relation to risk management are as follows:

- a) Determine risk management policy and procedures;
- b) Approve risk management framework;
- c) Overall risk management oversight;
- d) Communication with shareholders and other stakeholders; and
- e) Review the risk profile of the Company.

62 Statement on Risk Management & Internal Control (cont'd)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The Board recognises that risk management shall be an integral part of the Group's culture and embedded into the day-to-day management of the Group's operations, processes and structures. Thus, it should be extensively applied in all decision-making and strategic planning. The Executive Risk Management Committee ("ERMC") is responsible for managing risks related to their functions or departments. The Company's ARMC relies on the ERMC to support in terms of:

- a) Communicate the Board's vision, strategy, policy, responsibilities and reporting lines to all personnel across the Company;
- b) Identify critical risks (present or potential) that the Company faces, their changes, and Management action plans to manage the risks;
- c) Perform risk oversight and review risk profile and organisational performance;
- d) Aggregate the organisation's risk position and yearly report to the Board on the risk situation/status;
- e) Set performance measures for the Company;
- f) Provide guidance to the various departments on the Company's risk appetite and other criteria which, when exceeded, trigger an obligation to report upward to the Board;
- g) Review the effectiveness of the Enterprise Risk Management ("ERM") Framework;
- h) Initiate instructions to risk owners to execute action plans when internal control efforts are deemed as not effective or requires improvement;
- i) Significant risk issues evaluated by the ERMC and/or major changes proposed by this committee shall be discussed at the ARMC and the Board meeting. The ERMC, in turn, is assisted by the Risk Coordinator, who acts as the Company's focal point for all risk management activities within the Group; and
- j) In the scope of the risk management policy set out in this document, the ERMC is primarily responsible for the review of the risk management process. The same principle applies analogously to the personnel of the Company, where risk monitoring accountability rests with the respective risk owners from each department.

The Group appointed an independent professional firm, KPMG Management & Risk Consulting Sdn. Bhd. during the FY2019 to facilitate the implementation of an ERM Framework. The risk management was conducted with reference to global standards and better practices that is aligned with ISO 31000:2018 Risk Management Standards and KPMG's global proprietary risk management methodology. The framework, risk profile and enterprise risk management dashboard report, risk and internal control rating methodology were presented to the ARMC on 25 November 2019.

INTERNAL AUDIT FUNCTION

The Company was listed on the ACE Market of Bursa Securities on 13 June 2019. The Group has outsourced the internal audit function to an external independent professional consulting firm namely Sterling Business Alignment Consulting Sdn. Bhd. prior to the Company's listing. A review of the Internal Control Systems of the Group was completed and presented to the Board on 28 March 2019. Subsequent to the listing of the Company, the Board has agreed to continue to engage the external independent professional consulting firm as part of its effort to ascertain adequacy and effectiveness of the internal control system of the Group.

The internal audit function reports directly to the ARMC during the ARMC meetings. 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 is of the opinion that the internal audit function is effective and able to function independently.

INTERNAL AUDIT FUNCTION (CONT'D)

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. The internal audit reviews are conducted according to the approved internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. The internal audit plan is reviewed and approved by the ARMC, to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

The internal audit function assists the Board, ARMC and ERMC in providing an independent assessment of the effectiveness and adequacy of the Group’s system of internal controls. The assessment of the adequacy and effectiveness of the internal controls established in mitigating risks is carried out through interviews and discussions with the ERMC, review of the relevant established policies and procedures and authority limits, and observing and testing the internal controls on a sample basis.

The internal audit reviews have resulted in action plans to be taken by the Group to address the weaknesses noted. Identified enhancement opportunities are then reported to the ARMC, who in turn reports these matters to the Board. Any highlighted issues will be followed up closely to determine the extent of the recommendation that has been implemented by the management.

For the FY2019, two (2) internal audit reviews had been carried out and reported by the internal auditors:

Audit for the period	Reporting Month	Name of Entity Audited	Audited Areas
April - June 2019	August 2019	Greatch Integration (M) Sdn. Bhd.	Project Management and Procurement functions
July - September 2019	November 2019	Greatch Integration (M) Sdn. Bhd.	Inventory Management functions

The total cost incurred for the internal audit function for the FY2019 amounted to RM36,648.22.

INTERNAL CONTROL FRAMEWORK

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, 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 ERMC 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.

The internal control matters are 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 noted will be analysed and acted in a timely manner.

Other key elements of the Group’s internal control systems are as follows:

- Clearly defined Terms of Reference, authorities and responsibilities of the various Board Committees which include the ARMC, Nominating Committee and Remuneration Committee;
- Well-defined organisational structure with clear lines of authority, accountability and responsibilities of the ERMC;
- Annual budgets for operating subsidiaries are prepared and consolidated at the Group level aligned with the Group’s business direction;

64 Statement on Risk Management & Internal Control (cont'd)

INTERNAL CONTROL FRAMEWORK (CONT'D)

Other key elements of the Group's internal control systems are as follows: (cont'd)

- d) Clearly defined corporate policies such as Code of Conduct & Ethics, Remuneration Policy and Whistleblowing Policy;
- e) Regular reporting of operational performance and financial results at timely intervals to enable proper review by the Executive Directors and the ERMC;
- f) Clearly defined and formalised internal policies and procedures are in place to support the Group in achieving its business objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;
- g) Management meetings are conducted to review financial performance, operational efficiency, quality performance, business development and risk assessment;
- h) The Group establishes a Performance Management System with core competencies assessment and key performance indicators to review and assess employees' performance and competency;
- i) The Group establishes a Cyber Security Policy to ensure that access to information systems and confidential information is adequately controlled and monitored; and
- j) The Group has adopted an Anti-Bribery and Anti-Corruption Policy in view of the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which will come into force in 1 June 2020.

The Group will continue to foster risk-awareness and internal control awareness in all decision making and managing 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 adequate to safeguard the shareholders' interests and the Group's assets. 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 obtained assurances from the Chief Executive Officer and Chief Operating Officer 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, contingencies or uncertainties that would require disclosure in the Group's Annual Report. The Board remains committed and resilient towards establishing a robust system of internal control and risk management, where improvements are made as considered appropriate.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Rule 15.23 of the AMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control.

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").

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS (CONT'D)

The external auditors have reported to the Board that nothing has come to the 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, 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 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 internal controls and risk management 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.

66 Additional Compliance Information

1. Utilisation of Proceeds

Greotech Technology Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad ("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").

As at 31 December 2019, the status of the utilisation of the IPO proceeds is set out as 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	848	4.7
Capital expenditure	Within 24 months	5,000	4,685	93.7
R&D expenditure	Within 24 months	5,000	380	7.6
Working capital	Within 30 months	36,548	14,791	40.5
Repayment of bank borrowings	Within 3 months	4,500	4,500	100.0
Estimated listing expenses	Immediately	4,000	4,000	100.0
Total		73,048	29,204	

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

Audit fees paid and payable to external auditors by the Company and the Group for the financial year ended 31 December 2019 amounted to RM26,000 and RM76,000 respectively.

Non-audit fees paid and payable to external auditors, or a firm or corporation affiliated to the external auditors by the Company and the Group for the financial year ended 31 December 2019 amounted to RM47,100 and RM48,100 respectively. The non-audit services rendered by BDO PLT and its affiliates mainly comprise of fees payable for review of Sustainability Statement, Statement of Risk Management & Internal Control and other compliance information.

3. Material Contracts Involving Directors', Chief Executive who is not a Director and Major Shareholders' Interests

There were no material contracts entered into by the Company and its subsidiaries involving directors', chief executive who is not a Director and major shareholders' interests, either still subsisting as at 31 December 2019 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions

The Company and its subsidiaries did not have any recurrent related party transactions during the financial year ended 31 December 2019.

Statement of Directors' Responsibilities

In Relation To The Financial Statements

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The Board of Directors is required under the Companies Act 2016 to prepare the financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

In preparing the financial statements for the year ended 31 December 2019, the Board considers that:

- (i) all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") have been followed;
- (ii) the Group and the Company have used appropriate accounting policies and have consistently applied them;
- (iii) reasonable and prudent judgments and estimates were made; and
- (iv) the financial statements were prepared on the 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 is responsible for ensuring that the Group and the Company maintains 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 the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and applicable approved accounting standards in Malaysia.

The Board has general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

This Statement of Directors' Responsibilities in relation to the Financial Statements is made in accordance with a resolution of the Board of Directors.

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Notes to the Financial Statements



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 2019.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities 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 Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>52,296,643</u>	<u>586,470</u>
Attributable to:		
Owners of the parent	<u>52,296,643</u>	<u>586,470</u>

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any payment of dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1 to 626,000,000 by way of issuance of 625,999,999 new ordinary shares pursuant to the following:

- (i) issuance of 506,249,999 new ordinary shares of RM0.08 each for cash pursuant to the acquisition of a subsidiary; and
- (ii) allotment of 119,750,000 new ordinary shares at an issue price of RM0.61 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

70 Directors' Report (cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Eng Kee*
Khor Lean Heng*
Mariamah binti Daud
Ooi Hooi Kiang
Ooi Ching Hock

* These Directors of the Company are also the Directors in certain subsidiaries of the Company.

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 2019 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 1-1-2019	Bought	Sold	Balance as at 31-12-2019
Shares in the Company				
Direct interests:				
Khor Lean Heng	0	200,000	0	200,000
Mariamah binti Daud	0	350,000	0	350,000
Ooi Hooi Kiang	0	350,000	0	350,000
Ooi Ching Hock	0	350,000	(50,000)	300,000
Indirect interests:				
Tan Eng Kee*	0	463,218,750	0	463,218,750

* Deemed interested by virtue of shareholdings in GTECH Holdings Sdn. Bhd..

By virtue of Tan Eng Kee's substantial indirect 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 period, 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 as disclosed in Note 31 to the financial statements.

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' REMUNERATION

The fees and other benefits of the Directors who held office during the financial year ended 31 December 2019 are as follows:

	Group RM	Company RM
Fees	250,000	250,000
Salaries	916,599	0
Bonuses	642,000	0
Others	203,748	12,000
	2,012,347	262,000

INDEMNITY AND INSURANCE FOR 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 RM26,847 and RM22,500 respectively.

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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

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OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(I) AS AT THE END OF THE FINANCIAL YEAR (CONT'D)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps (cont'd):
 - (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 render the amounts writing off for bad debts or 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
 - (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 its 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

Significant event subsequent to the end of the reporting period is disclosed in Note 33 to the financial statements.

HOLDING COMPANY

The Directors regard GTECH Holdings Sdn. Bhd., a company incorporated in Malaysia as the immediate and ultimate holding company.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2019 amounted to RM26,000 and RM50,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Eng Kee
Director

Penang

Dated: 5 May 2020

Khor Lean Heng
Director

74 Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 79 to 131 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 2019 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,

Tan Eng Kee
Director

Penang

Dated: 5 May 2020

Khor Lean Heng
Director

Statutory Declaration

I, Tan Eng Kee, being the Director primarily responsible for the financial management of Greatech Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 131 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 **5 May**
2020

Tan Eng Kee

Before me,

Commissioner for Oaths

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 2019 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 a summary of significant accounting policies, as set out on pages 79 to 131.

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 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs') and International Financial Reporting Standards ('IFRSs') 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' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 RM195,827,571.

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.

Key Audit Matters (cont'd)

(a) Revenue recognition for construction contracts (cont'd)

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.

(b) Provision for warranties

We refer to Note 23 to the financial statements on the provision for warranties which amounted RM37,124,259.

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 assess whether the total provision for warranties held at year-end were sufficient to cover 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.

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

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, IFRSs 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.

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.

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To the Members of Greotech Technology Berhad (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 (cont'd):

- 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, related safeguards.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary 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
LLP0018825-LCA & AF 0206
Chartered Accountants

Lee Beng Tuan
03271/07/2020 J
Chartered Accountant

Penang
Dated: 5 May 2020

Statements of Financial Position

as at 31 December 2019

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	Note	Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	37,547,516	35,542,658	0	0
Right-of-use assets	6	29,130,874	0	0	0
Investment in a subsidiary	7	0	0	40,500,000	0
		<u>66,678,390</u>	<u>35,542,658</u>	<u>40,500,000</u>	<u>0</u>
Current assets					
Inventories	8	2,864,976	3,594,407	0	0
Trade and other receivables	9	30,239,865	21,595,880	141,401	0
Contract assets	10	26,408,922	25,934,095	0	0
Derivative assets	11	8,728	0	0	0
Current tax assets		506,488	694,165	0	0
Short term funds	12	176,527,866	52,608,690	66,161,957	0
Cash and bank balances	13	41,404,714	12,384,031	5,774,038	1,950
		<u>277,961,559</u>	<u>116,811,268</u>	<u>72,077,396</u>	<u>1,950</u>
TOTAL ASSETS		<u>344,639,949</u>	<u>152,353,926</u>	<u>112,577,396</u>	<u>1,950</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	111,950,679	1,000,001	111,950,679	1
Reserves	15	83,639,317	68,866,155	473,286	(113,184)
TOTAL EQUITY		<u>195,589,996</u>	<u>69,866,156</u>	<u>112,423,965</u>	<u>(113,183)</u>
LIABILITIES					
Non-current liabilities					
Borrowings	17	18,128,267	5,700,677	0	0
Lease liabilities	6	2,185,516	0	0	0
Deferred tax liabilities	20	3,138,525	0	0	0
Government grant	21	658,743	791,334	0	0
		<u>24,111,051</u>	<u>6,492,011</u>	<u>0</u>	<u>0</u>

80 Statements of Financial Position (cont'd) as at 31 December 2019

	Note	Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Current liabilities					
Trade and other payables	22	29,147,262	36,510,441	140,431	115,133
Contract liabilities	10	56,189,453	14,176,251	0	0
Provision for warranties	23	37,124,259	22,733,981	0	0
Borrowings	17	1,001,323	2,442,494	0	0
Lease liabilities	6	1,331,013	0	0	0
Government grant	21	132,592	132,592	0	0
Current tax liability		13,000	0	13,000	0
		<u>124,938,902</u>	<u>75,995,759</u>	<u>153,431</u>	<u>115,133</u>
TOTAL LIABILITIES		<u>149,049,953</u>	<u>82,487,770</u>	<u>153,431</u>	<u>115,133</u>
TOTAL EQUITY AND LIABILITIES		<u>344,639,949</u>	<u>152,353,926</u>	<u>112,577,396</u>	<u>1,950</u>

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income 81

for the financial year ended 31 December 2019

	Note	Group		Company	
		1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
Revenue	25	215,935,041	219,581,853	0	0
Cost of sales		(143,075,628)	(174,349,394)	0	0
Gross profit		72,859,413	45,232,459	0	0
Other income		10,001,247	7,528,584	1,453,665	0
Administrative and marketing expenses		(24,383,228)	(20,340,119)	(827,195)	(113,184)
Finance cost	26	(904,980)	(560,740)	0	0
Profit/(Loss) before tax		57,572,452	31,860,184	626,470	(113,184)
Tax expense	27	(5,275,809)	(141,629)	(40,000)	0
Profit/(Loss) for the financial year/ period		52,296,643	31,718,555	586,470	(113,184)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		6,569	379	0	0
Item that will not be reclassified subsequently to profit or loss					
Revaluation surplus on property, plant and equipment		1,969,950	0	0	0
Other comprehensive income for the financial year/period, net of tax		1,976,519	379	0	0
Total comprehensive income/(loss) for the financial year/period		54,273,162	31,718,934	586,470	(113,184)
Profit/(Loss) attributable to owners of the parent		52,296,643	31,718,555	586,470	(113,184)
Total comprehensive income/(loss) attributable to owners of the parent		54,273,162	31,718,934	586,470	(113,184)
Earnings per ordinary share attributable to owners of the parent:					
Basic and diluted (sen)	29	11.29	5.07		

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes In Equity

for the financial year ended 31 December 2019

Group	Note	Non-distributable				Distributable		Total equity RM
		Share capital RM	Exchange translation reserve RM	Reorganisation debit reserve RM	Revaluation reserve RM	Retained earnings RM		
Balance as at 1 January 2019		1,000,001	396	0	3,605,139	65,260,620	69,866,156	
Profit for the financial year		0	0	0	0	52,296,643	52,296,643	
Gross revaluation increase of properties	16	0	0	0	2,592,040	0	2,592,040	
Deferred tax relating to revalued properties	16	0	0	0	(622,090)	0	(622,090)	
Realisation of revaluation surplus	16	0	0	0	(110,927)	110,927	0	
Other comprehensive income, net of tax		0	6,569	0	0	0	6,569	
Total comprehensive income		0	6,569	0	1,859,023	52,407,570	54,273,162	
Transactions with owners:								
Issuance of ordinary shares pursuant to:								
- acquisition of a subsidiary in business combination under common control	14	39,500,000	0	(39,500,000)	0	0	0	
- Initial Public Offering	14	73,047,500	0	0	0	0	73,047,500	
Share issue expenses	14	(1,596,822)	0	0	0	0	(1,596,822)	
Total transactions with owners		110,950,678	0	(39,500,000)	0	0	71,450,678	
Balance as at 31 December 2019		111,950,679	6,965	(39,500,000)	5,464,162	117,668,190	195,589,996	

Consolidated Statement of Changes In Equity (cont'd)

for the financial year ended 31 December 2019

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Group	Non-distributable			Distributable			Total equity RM
	Share capital RM	Exchange translation reserve RM	Revaluation reserve RM	Retained earnings RM	Total equity RM		
Balance as at 1 January 2018	1,000,000	17	3,716,066	32,745,949	37,462,032		
Profit for the financial year	0	0	0	31,718,555	31,718,555		
Realisation of revaluation surplus	0	0	(110,927)	110,927	0		
Other comprehensive income, net of tax	0	379	0	0	379		
Total comprehensive income	0	379	(110,927)	31,829,482	31,718,934		
Transactions with owners:							
Issuance of ordinary share	1	0	0	0	1		
Dividends paid	0	0	0	(3,400,000)	(3,400,000)		
Share-based payment transaction	0	0	0	4,085,189	4,085,189		
Total transactions with owners	1	0	0	685,189	685,190		
Balance as at 31 December 2018	1,000,001	396	3,605,139	65,260,620	69,866,156		

84 Statement of Changes In Equity for the financial year ended 31 December 2019

Company	Note	Share capital RM	(Accumulated loss)/ Retained earnings RM	Total equity RM
Balance as at 5 March 2018 (Date of incorporation)		1	0	1
Loss for the financial period		0	(113,184)	(113,184)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(113,184)	(113,184)
Balance as at 31 December 2018		1	(113,184)	(113,183)
Balance as at 1 January 2019		1	(113,184)	(113,183)
Profit for the financial year		0	586,470	586,470
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	586,470	586,470
Transactions with owners:				
Issuance of ordinary shares pursuant to:				
- acquisition of a subsidiary	14	40,500,000	0	40,500,000
- Initial Public Offering	14	73,047,500	0	73,047,500
Share issue expenses	14	(1,596,822)	0	(1,596,822)
Total transactions with owners		111,950,678	0	111,950,678
Balance as at 31 December 2019		111,950,679	473,286	112,423,965

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows 85

for the financial year ended 31 December 2019

	Note	Group		Company	
		1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		57,572,452	31,860,184	626,470	(113,184)
Adjustments for:					
Amortisation of government grant	21	(132,591)	(114,536)	0	0
Bad debt written off		184,473	0	0	0
Depreciation of property, plant and equipment	5	2,267,831	2,418,122	0	0
Depreciation of right-of-use assets	6	2,220,835	0	0	0
Fair value adjustment on derivative assets	11(a)	(8,728)	0	0	0
Gain on disposal of property, plant and equipment		(62,999)	0	0	0
Impairment losses on trade receivables	9(f)	180,124	523,329	0	0
Interest expense	26	904,980	560,740	0	0
Interest income		(639,744)	(52,880)	(310,222)	0
Inventories written down		200,924	0	0	0
Property, plant and equipment written off		1,593	1,971	0	0
Provision for warranties	23(b)	14,732,089	15,887,213	0	0
Revaluation deficit of property, plant and equipment		936,812	0	0	0
Reversal of impairment losses on trade receivables	9(f)	(523,329)	(241,658)	0	0
Reversal of unused provision for warranties	23(b)	(306,923)	0	0	0
Share-based payment transaction	15(d)	0	4,085,189	0	0
Unrealised loss on foreign exchange		3,082,086	2,961,917	0	0
Operating profit/(loss) before changes in working capital		80,609,885	57,889,591	316,248	(113,184)
Decrease in inventories		528,507	3,904,298	0	0
(Increase)/Decrease in trade and other receivables		(11,273,517)	15,365,829	(141,401)	0
Increase in contract assets		(474,827)	(2,806,619)	0	0
(Decrease)/Increase in trade and other payables		(7,328,733)	11,206,711	25,298	115,133
Increase/(Decrease) in contract liabilities		42,013,202	(8,216,871)	0	0
Warranties paid	23(b)	(34,888)	(33,000)	0	0
Cash generated from operations		104,039,629	77,309,939	200,145	1,949
Interest paid		(614,843)	(560,740)	0	0
Interest received		639,744	52,880	310,222	0
Tax paid		(669,544)	(693,732)	(27,000)	0
Tax refunded		740,046	0	0	0
Net cash from operating activities		104,135,032	76,108,347	483,367	1,949

86 Statements of Cash Flows (cont'd) for the financial year ended 31 December 2019

	Note	Group		Company	
		1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		63,000	0	0	0
Purchase of property, plant and equipment	5(c)	(12,111,192)	(11,954,048)	0	0
Purchase of right-of-use assets	6(c)	(16,986,817)	0	0	0
Net changes in deposits pledged with licensed banks		(103,886)	(987,329)	0	0
Net cash used in investing activities		(29,138,895)	(12,941,377)	0	0
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		0	(5,702,712)	0	0
Government grant received	21	0	241,500	0	0
Proceeds from:					
- bankers' acceptances		0	2,641,181	0	0
- term loans		19,181,638	0	0	0
- issuance of ordinary shares		73,047,500	1	73,047,500	0
Repayment of:					
- hire purchase creditors		0	(1,448,787)	0	0
- bankers' acceptances		0	(2,641,181)	0	0
- lease liabilities		(4,693,700)	0	0	0
- term loans		(5,147,882)	(719,130)	0	0
Share issue expenses paid		(1,596,822)	0	(1,596,822)	0
Net cash from/(used in) financing activities		80,790,734	(7,629,128)	71,450,678	0
Net changes in cash and cash equivalents		155,786,871	55,537,842	71,934,045	1,949
Effects of exchange rate changes on cash and cash equivalents		(2,950,898)	(2,721,180)	0	0
Cash and cash equivalents at beginning of financial year/date of incorporation		62,273,058	9,456,396	1,950	1
Cash and cash equivalents at end of financial year/period	13(b)	215,109,031	62,273,058	71,935,995	1,950

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities Note 6 RM	Hire purchase creditors Note 17 RM	Term loans RM
Balance as at 1 January 2018	0	3,224,886	5,814,964
Cash flows	0	(177,549)	(719,130)
Balance as at 31 December 2018	<u>0</u>	<u>3,047,337</u>	<u>5,095,834</u>
Balance as at 1 January 2019, as previously reported	0	3,047,337	5,095,834
Effects of adoption of MFRS 16	<u>7,557,848</u>	<u>(3,047,337)</u>	<u>0</u>
Balance as at 1 January 2019, as restated	7,557,848	0	5,095,834
Cash flows	(4,693,700)	0	14,033,756
Non-cash flows			
- addition of lease liabilities	362,244	0	0
- unwinding of interest	290,137	0	0
Balance as at 31 December 2019	<u>3,516,529</u>	<u>0</u>	<u>19,129,590</u>

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities Berhad has, vide its letter dated 30 January 2019, approved the admission of the Company to the Official List and the listing of and quotation for its entire enlarged issue share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad on 13 June 2019.

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 2019 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 5 May 2020.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and provision of management services. The principal activities 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 Group and of the Company 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'), International Financial Reporting Standards ('IFRSs') and the requirements 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 34.1 to the financial statements.

In the previous financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Greatech Integration (M) Sdn. Bhd. and its subsidiary by the Company in business combination under common control. Consequently, the Group presented comparative financial information as if the business combination had taken place before the start of the earliest period presented in the financial statements.

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combination under common control.

- (a) Assets and liabilities of Greatech Integration (M) Sdn. Bhd. and its subsidiary were recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings and other equity reserves of the Group as at 1 January 2018 are those of Greatech Integration (M) Sdn. Bhd. and its subsidiary; and
- (c) Share capital as at 1 January 2018 reflects the share capital of Greatech Integration (M) Sdn. Bhd. prior to the incorporation of the Company.

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.

(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 is as follows:

	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM
Revenue from external customers		
India	72,652	0
Ireland	319,950	205,595
Malaysia	12,232,795	21,991,166
People's Republic of China	1,831,538	26,341
Philippines	376,960	3,753,876
Singapore	5,165	292,454
Switzerland	183,038	0
United States of America	153,168,895	55,694,000
Vietnam	47,744,048	137,618,421
	215,935,041	219,581,853

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM
Customer A	47,744,048	137,614,645
Customer B	146,268,945	36,039,994
	194,012,993	173,654,639

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5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land, at valuation RM	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
31 December 2019										
At cost/At valuation										
Balance as at 1 January 2019, as previously reported	7,600,000	6,020,000	14,467,358	3,587,325	1,027,998	1,092,725	312,594	1,271,852	9,315,788	44,695,640
Effects of adoption of MFRS 16	(7,600,000)	0	(5,902,003)	0	(179,458)	0	0	0	0	(13,681,461)
Balance as at 1 January 2019, restated	0	6,020,000	8,565,355	3,587,325	848,540	1,092,725	312,594	1,271,852	9,315,788	31,014,179
Additions	0	581,673	710,000	1,256,944	330,733	83,300	265,874	47,801	8,834,867	12,111,192
Revaluation	0	(1,157,615)	0	0	0	0	0	0	0	(1,157,615)
Disposal	0	0	(1)	0	0	0	0	0	0	(1)
Written off	0	0	(3,200)	(1,700)	0	0	(1,380)	0	0	(6,280)
Transfer from right-of-use assets	0	0	5,902,003	0	482,406	0	0	0	0	6,384,409
Reclassifications	0	16,375,942	0	1,491,340	0	16,450	236,328	30,595	(18,150,655)	0
Balance as at 31 December 2019	0	21,820,000	15,174,157	6,333,909	1,661,679	1,192,475	813,416	1,350,248	0	48,345,884

31 December 2019

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land, at valuation RM	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
31 December 2019										
Accumulated depreciation										
Balance as at 1 January 2019, as previously reported	440,580	348,986	5,641,539	1,513,042	463,254	309,107	131,499	304,975	0	9,152,982
Effects of adoption of MFRS 16	(440,580)	0	(726,210)	0	(8,973)	0	0	0	0	(1,175,763)
Balance as at 1 January 2019, restated	0	348,986	4,915,329	1,513,042	454,281	309,107	131,499	304,975	0	7,977,219
Current charge	0	395,295	743,549	674,166	182,435	99,634	42,921	129,831	0	2,267,831
Revaluation	0	(744,281)	0	0	0	0	0	0	0	(744,281)
Written off	0	0	(2,907)	(1,700)	0	0	(80)	0	0	(4,687)
Transfer from right-of-use assets	0	0	1,218,044	0	84,242	0	0	0	0	1,302,286
Balance as at 31 December 2019	0	0	6,874,015	2,185,508	720,958	408,741	174,340	434,806	0	10,798,368
Carrying amount										
Balance as at 31 December 2019	0	21,820,000	8,300,142	4,148,401	940,721	783,734	639,076	915,442	0	37,547,516

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold	Buildings,	Plant	Furniture,	Motor	Tools and	Renovation	Construction-	Total
	land,	at	and	fittings,	vehicles	equipment		in-	
	at	at	machinery	office	RM	RM	RM	progress	RM
	valuation	valuation	RM	equipment	RM	RM	RM	RM	RM
	RM	RM	RM	and	RM	RM	RM	RM	RM
	RM	RM	RM	computer	RM	RM	RM	RM	RM
	RM	RM	RM	system	RM	RM	RM	RM	RM
31 December 2018									
At cost/At valuation									
Balance as at 1 January 2018	7,600,000	6,020,000	12,701,144	2,414,212	816,519	241,100	872,987	0	31,487,780
Additions	0	0	1,781,565	1,175,188	211,479	71,494	398,865	9,315,788	13,225,286
Written off	0	0	(15,351)	(2,075)	0	0	0	0	(17,426)
Balance as at 31 December 2018	7,600,000	6,020,000	14,467,358	3,587,325	1,027,998	312,594	1,271,852	9,315,788	44,695,640
Accumulated depreciation									
Balance as at 1 January 2018	220,290	174,493	4,529,691	1,003,426	310,834	110,711	186,783	0	6,750,315
Current charge	220,290	174,493	1,127,199	509,720	152,420	20,788	118,192	0	2,418,122
Written off	0	0	(15,351)	(104)	0	0	0	0	(15,455)
Balance as at 31 December 2018	440,580	348,986	5,641,539	1,513,042	463,254	131,499	304,975	0	9,152,982
Carrying amount									
Balance as at 31 December 2018	7,159,420	5,671,014	8,825,819	2,074,283	564,744	181,095	966,877	9,315,788	35,542,658

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially measured at cost.

After initial recognition, property, plant and equipment except for leasehold land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. Leasehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Leasehold land and buildings are revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Leasehold land	34.5 years
Buildings	32 - 34.5 years
Plant and machinery	10 years
Furniture, fittings, office equipment and computer system	5 - 10 years
Motor vehicles	5 years
Electrical installation	10 years
Tools and equipment	10 years
Renovation	10 years

Construction-in-progress represents office and factory buildings under construction and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

- (b) The leasehold land and buildings of the Group were revalued on 31 December 2019 by the Directors based on a valuation exercise carried out in December 2019 by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2019	2018
	RM	RM
Leasehold land	0	2,431,513
Buildings	22,218,121	5,655,318
	22,218,121	8,086,831

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31 December 2019

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2019	2018
	RM	RM
Purchase of property, plant and equipment	12,111,192	13,225,286
Financed by hire purchase arrangements	<u>0</u>	<u>(1,271,238)</u>
Cash payments on purchase of property, plant and equipment	<u>12,111,192</u>	<u>11,954,048</u>

- (d) In the previous financial year, the carrying amount of the property, plant and equipment of the Group under hire purchase arrangements at the end of the reporting period are as follows:

	Group
	2018
	RM
Plant and machinery	5,175,793
Motor vehicle	<u>170,485</u>
	<u>5,346,278</u>

- (e) The fair value of leasehold land and buildings (at valuation) of the Group are categorised as Level 3 in the fair value hierarchy.

- (i) Level 3 fair value of leasehold land and buildings (at valuation) was determined by an external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of leasehold land and buildings was derived using comparison/cost method.

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The 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. 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.

- (ii) The fair value measurements of the leasehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.

- (f) As at the end of the reporting period, buildings (2018: leasehold land and buildings) with a total carrying amount of RM18,220,000 (2018: RM12,830,434) of the Group have been charged to banks for credit facilities granted to the Group as disclosed in Note 17 and Note 19 to the financial statements.

31 December 2019

6. LEASES

The Group as lessee

Right-of-use assets

Group	Balance as at 1 January 2019 RM	Effects of adoption of MFRS 16 (Note 34.1) RM	Additions RM	Depreciation RM	Revaluation RM	Transfer to property, plant and equipment RM	Balance as at 31 December 2019 RM
Carrying amount							
Leasehold land, at valuation	0	7,159,420	16,645,973	(327,982)	2,068,562	0	25,545,973
Plant and machinery	0	5,175,793	0	(491,834)	0	(4,683,959)	0
Motor vehicles	0	170,485	640,844	(125,953)	0	(398,164)	287,212
Forklifts	0	214,806	62,244	(72,238)	0	0	204,812
Hostel	0	36,207	0	(9,403)	0	0	26,804
Rented premises	0	4,259,498	0	(1,193,425)	0	0	3,066,073
	0	17,016,209	17,349,061	(2,220,835)	2,068,562	(5,082,123)	29,130,874

Lease liabilities

Group	Balance as at 1 January 2019 RM	Effects of adoption of MFRS 16 (Note 34.1) RM	Additions RM	Lease payments RM	Interest expense RM	Balance as at 31 December 2019 RM
Carrying amount						
Plant and machinery	0	2,940,617	0	(3,054,929)	114,312	0
Motor vehicles	0	106,720	300,000	(298,521)	10,445	118,644
Forklifts	0	214,806	62,244	(75,600)	5,695	207,145
Hostel	0	36,207	0	(10,200)	1,351	27,358
Rented premises	0	4,259,498	0	(1,254,450)	158,334	3,163,382
	0	7,557,848	362,244	(4,693,700)	290,137	3,516,529

6. LEASES (CONT'D)

The Group as lessee (cont'd)

Lease liabilities (cont'd)

	Group 2019 RM
Represented by:	
Current liabilities	1,331,013
Non-current liabilities	2,185,516
	<u>3,516,529</u>
Lease liabilities owing to financial institutions	118,644
Lease liabilities owing to non-financial institutions	3,397,885
	<u>3,516,529</u>

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities 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 revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	32.5 - 34.5 years
Plant and machinery	10 years
Motor vehicles	5 years
Forklifts	3 - 3.5 years
Hostel	3.5 - 4.17 years
Rented premises	3 - 4.17 years

6. LEASES (CONT'D)

- (b) The leasehold land of the Group was revalued on 31 December 2019 by the Directors based on a valuation exercise carried out in December 2019 by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	2019	2018
	RM	RM
Leasehold land	18,894,978	0

- (c) During the financial year, the Group made the following cash payments to acquire right-of-use assets:

	2019	2018
	RM	RM
Purchase of right-of-use assets	17,286,817	0
Financed by hire purchase arrangement	(300,000)	0
Cash payments on purchase of right-of-use assets	16,986,817	0

- (d) 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 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.

- (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.

- (e) As at the end of the reporting period, leasehold land with a total carrying amount of RM13,700,000 of the Group have been charged to banks for credit facilities granted to the Group as disclosed in Note 17 and Note 19 to the financial statements.

- (f) The Group has certain low-value leases of office equipment of RM20,000 and below. The Group applies the 'lease of low-value assets' exemption for these leases.

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31 December 2019

6. LEASES (CONT'D)

(g) The following are the amounts recognised in profit or loss:

	Group 2019 RM
Depreciation charge of right-of-use assets (included in cost of sales)	2,094,882
Depreciation charge of right-of-use assets (included in administrative and marketing expenses)	125,953
Expenses relating to low-value assets (included in cost of sales)	1,472
Expenses relating to low-value assets (included in administrative and marketing expenses)	9,940
Interest expense on lease liabilities	290,137
	<u>2,522,384</u>

(h) At the end of the financial year, the Group had total cash outflow for leases of RM4,693,700.

(i) 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 term.

(j) Information on financial risks of lease liabilities is disclosed in Note 32 to the financial statements.

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2019	2018
	RM	RM
At cost		
Unquoted equity shares	<u>40,500,000</u>	<u>0</u>

(a) Investment in a subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses, if any.

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2019	2018	
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.

7. INVESTMENT IN A SUBSIDIARY (CONT'D)

(b) Details of the subsidiaries are as follows: (cont'd)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2019	2018	
<u>Subsidiary 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. #

* This subsidiary has not commenced its business as of the report date and the financial statements were not audited by BDO PLT, Malaysia or BDO member firms.

Approved projects according to law, approved by relevant departments before carrying out business activities.

- (c) On 21 March 2019, the Company completed the acquisition of entire equity interest in Greatech Integration (M) Sdn. Bhd. for a total purchase consideration of RM40,500,000 which was satisfied via the issuance of 506,249,999 new ordinary shares at an issue price of RM0.08 per new ordinary share. Consequently, Greatech Integration (M) Sdn. Bhd. became a wholly-owned subsidiary of the Company.
- (d) Business combination under common control that was undertaken in the previous financial year are disclosed in Note 3 to the financial statements.

8. INVENTORIES

	Group	
	2019	2018
	RM	RM
At cost		
Raw materials	2,859,170	3,594,407
At net realisable value		
Raw materials	5,806	0
	2,864,976	3,594,407

- (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 raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

100 Notes to the Financial Statements (cont'd)

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8. INVENTORIES (CONT'D)

- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM84,585,925 (2018: RM125,651,906).

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade receivables				
Third parties	11,243,818	5,441,899	0	0
Less: Impairment losses	(180,124)	(523,329)	0	0
Total trade receivables	11,063,694	4,918,570	0	0
Other receivables				
Other receivables	1,034,313	5,046,075	0	0
Deposits	693,517	1,348,367	0	0
Total other receivables	1,727,830	6,394,442	0	0
Total receivables	12,791,524	11,313,012	0	0
Prepayments	17,448,341	10,282,868	141,401	0
Total trade and other receivables	<u>30,239,865</u>	<u>21,595,880</u>	<u>141,401</u>	<u>0</u>

- (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 7 to 90 days (2018: 10 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) The currency exposure profile of trade and other receivables are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Ringgit Malaysia	20,277,543	15,594,811	141,401	0
US Dollar	9,962,322	6,001,069	0	0
	<u>30,239,865</u>	<u>21,595,880</u>	<u>141,401</u>	<u>0</u>

9. TRADE AND OTHER RECEIVABLES (CONT'D)

- (d) 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.

The Group considers credit loss experience and observable data such as current changes and future forecast in economic conditions by common credit risk characteristic-industry, to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the industrial production index as the key macroeconomic factor.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative and marketing expenses 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.

- (e) The ageing analysis and impairment losses for trade receivables of the Group are as follows:

	Gross carrying amount RM	Lifetime ECL* allowance RM	Net carrying amount RM
Group			
31 December 2019			
Current	10,743,952	(166,814)	10,577,138
1 to 30 days past due	263,094	(5,712)	257,382
31 to 60 days past due	236,461	(7,287)	229,174
More than 60 days past due	311	(311)	0
Total	11,243,818	(180,124)	11,063,694
31 December 2018			
Current	3,179,340	(68,737)	3,110,603
1 to 30 days past due	1,737,297	(37,560)	1,699,737
31 to 60 days past due	110,622	(2,392)	108,230
More than 60 days past due	414,640	(414,640)	0
Total	5,441,899	(523,329)	4,918,570

* Expected credit loss

During the financial year, the Group did not renegotiate the terms of any trade receivables.

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31 December 2019

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) Movements in the impairment losses for trade receivables are as follows:

	Group	
	2019	2018
	RM	RM
Balance as at 1 January	523,329	241,658
Reversal of impairment losses	(523,329)	(241,658)
Charge for the financial year	180,124	523,329
Balance as at 31 December	180,124	523,329

(g) No expected credit loss is recognised arising from other receivables as it is negligible.

(h) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2019	2018
	RM	RM
Contract assets		
Construction contracts	26,408,922	25,905,774
Deferred revenue	0	28,321
	26,408,922	25,934,095
Contract liabilities		
Construction contracts	(54,870,940)	(13,253,257)
Deferred revenue	(1,318,513)	(922,994)
	(56,189,453)	(14,176,251)
	(29,780,531)	11,757,844

(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 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.

10. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract assets/(contract liabilities) from construction contracts are as follows:

	Group	
	2019	2018
	RM	RM
Aggregate costs incurred to date	34,721,897	215,353,914
Add: Attributable profits	25,106,727	99,500,861
	<u>59,828,624</u>	<u>314,854,775</u>
Less: Progress billings	(88,290,642)	(302,202,258)
	<u>(28,462,018)</u>	<u>12,652,517</u>
Represented by:		
Contract assets	26,408,922	25,905,774
Contract liabilities	(54,870,940)	(13,253,257)
	<u>(28,462,018)</u>	<u>12,652,517</u>

(c) 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			Total
	2019	2020	2021	
	RM	RM	RM	RM
31 December 2019	0	218,729,004	1,761,838	220,490,842
31 December 2018	<u>123,971,659</u>	<u>0</u>	<u>0</u>	<u>123,971,659</u>

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on simplified approach using the lifetime expected credit losses as disclosed in Note 9(d) to the financial statements.

No expected credit loss is recognised arising from contract assets as it is negligible.

11. DERIVATIVE ASSETS

	Group	
	2019	
	Contract amount	Asset
	RM	RM
Financial asset at fair value through profit or loss		
Forward foreign exchange contracts	<u>377,100</u>	<u>8,728</u>

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31 December 2019

11. DERIVATIVE ASSETS (CONT'D)

- (a) The fair value adjustments on derivative instruments are as follows:

	Group 2019 RM
Gain on derivative assets	<u>8,728</u>

- (b) Derivative assets 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.

12. SHORT TERM FUNDS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Financial asset at fair value through profit or loss				
Short term funds in Malaysia (Note 13(b))	<u>176,527,866</u>	<u>52,608,690</u>	<u>66,161,957</u>	<u>0</u>

- (a) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (b) Short term funds are investments in money market fund which are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.
- (c) The currency exposure profile of short term funds are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Ringgit Malaysia	158,228,058	45,807,881	66,161,957	0
US Dollar	18,299,808	6,800,809	0	0
	<u>176,527,866</u>	<u>52,608,690</u>	<u>66,161,957</u>	<u>0</u>

- (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 32 to the financial statements.

13. CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash and bank balances	38,476,165	9,559,368	5,774,038	1,950
Deposits with licensed banks	2,928,549	2,824,663	0	0
	<u>41,404,714</u>	<u>12,384,031</u>	<u>5,774,038</u>	<u>1,950</u>

(a) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	34,939,276	11,178,779	5,774,038	1,950
US Dollar	5,051,541	658,994	0	0
Japanese Yen	28,213	28,155	0	0
Euro	1,287,052	449,762	0	0
Chinese Renminbi	76,781	68,341	0	0
Singapore Dollar	21,851	0	0	0
	<u>41,404,714</u>	<u>12,384,031</u>	<u>5,774,038</u>	<u>1,950</u>

(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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash and bank balances	38,476,165	9,559,368	5,774,038	1,950
Deposits with licensed banks	2,928,549	2,824,663	0	0
Short term funds (Note 12)	176,527,866	52,608,690	66,161,957	0
	<u>217,932,580</u>	<u>64,992,721</u>	<u>71,935,995</u>	<u>1,950</u>
Less: Deposits pledged to licensed banks	<u>(2,823,549)</u>	<u>(2,719,663)</u>	<u>0</u>	<u>0</u>
	<u>215,109,031</u>	<u>62,273,058</u>	<u>71,935,995</u>	<u>1,950</u>

(c) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(d) Deposits pledged to licensed banks are for credit facilities granted to the Group as disclosed in Note 17 to the financial statements.

(e) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

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14. SHARE CAPITAL

	Number of shares	RM
2019		
Group		
Issued and fully paid-up ordinary shares:		
Balance as at 1 January 2019	1,000,001	1,000,001
Effect of business combination under common control:		
- elimination of issued and paid-up ordinary share capital of Greatech Integration (M) Sdn. Bhd.	(1,000,000)	(1,000,000)
Issuance of ordinary shares pursuant to acquisition of a subsidiary	506,249,999	40,500,000
	505,249,999	39,500,000
Issuance of ordinary shares pursuant to Initial Public Offering	119,750,000	73,047,500
Share issue expenses	0	(1,596,822)
Balance as at 31 December 2019	<u>626,000,000</u>	<u>111,950,679</u>
2018		
Group		
Issued and fully paid-up ordinary shares:		
Balance as at 1 January 2018	1,000,000	1,000,000
Issuance of ordinary shares	<u>1</u>	<u>1</u>
Balance as at 31 December 2018	<u>1,000,001</u>	<u>1,000,001</u>
2019		
Company		
Issued and fully paid-up ordinary shares:		
Balance as at 1 January 2019	1	1
Issuance of ordinary shares pursuant to:		
- acquisition of a subsidiary	506,249,999	40,500,000
- Initial Public Offering	119,750,000	73,047,500
Share issue expenses	0	(1,596,822)
Balance as at 31 December 2019	<u>626,000,000</u>	<u>111,950,679</u>
2018		
Company		
Issued and fully paid-up ordinary shares:		
Balance as at 31 December 2018/5 March 2018 (date of incorporation)	<u>1</u>	<u>1</u>

14. SHARE CAPITAL (CONT'D)

- (a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1 to 626,000,000 ordinary shares by way of issuance of 625,999,999 new ordinary shares pursuant to the following:
- (i) issuance of 506,249,999 new ordinary shares of RM0.08 each for cash pursuant to the acquisition of a subsidiary; and
 - (ii) allotment of 119,750,000 new ordinary shares at an issue price of RM0.61 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) In the previous financial year, the number of ordinary shares of the Group was on a combined basis as explained in Note 3 to the financial statements.
- (c) 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.

15. RESERVES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Non-distributable:				
Exchange translation reserve	6,965	396	0	0
Revaluation reserve (Note 16)	5,464,162	3,605,139	0	0
Reorganisation debit reserve	(39,500,000)	0	0	0
Accumulated loss	0	0	0	(113,184)
	(34,028,873)	3,605,535	0	(113,184)
Distributable:				
Retained earnings	117,668,190	65,260,620	473,286	0
	<u>83,639,317</u>	<u>68,866,155</u>	<u>473,286</u>	<u>(113,184)</u>

- (a) Exchange translation reserve

Exchange translation reserve represents exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the presentation currency of the Group.

- (b) Revaluation reserve

Revaluation reserve represents the surplus arising on the revaluation of the leasehold land and buildings of the Group.

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31 December 2019

15. RESERVES (CONT'D)

- (c) 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.

- (d) Retained earnings

Included in the retained earnings for the financial year ended 31 December 2018 was the fair value of the services received from employees and others providing similar services in exchange for the grant of the equity instruments which amounted to RM4,085,189 and was recognised as an expense. The fair value of the equity instruments granted at the measurement date is based on the Directors' estimate, using the H Dividend Discount model.

The fair value of the equity instruments measures at grant date and the assumptions are as follows:

Fair value of equity instruments at the grant date (per share)	RM48.06
Stable stage annual dividend growth rate	13.30%
High stage annual dividend growth rate	94.48%
Expected rate of return	24.00%

16. REVALUATION RESERVE

The revaluation reserve which is non-distributable as cash dividend represents the surplus arising on the revaluation of the leasehold land and buildings of the Group.

	Group	
	2019	2018
	RM	RM
Balance as at 1 January	3,605,139	3,716,066
Gross revaluation increase of properties	2,592,040	0
Transfer to deferred tax liabilities (Note 20)	(622,090)	0
Realisation of revaluation surplus	(110,927)	(110,927)
Balance as at 31 December	5,464,162	3,605,139

17. BORROWINGS

	Group	
	2019	2018
	RM	RM
Current liabilities		
<i>Secured</i>		
Hire purchase creditors (Note 18)	0	1,674,492
Term loans (Note 19)	1,001,323	768,002
	1,001,323	2,442,494
Non-current liabilities		
<i>Secured</i>		
Hire purchase creditors (Note 18)	0	1,372,845
Term loans (Note 19)	18,128,267	4,327,832
	18,128,267	5,700,677
Total borrowings		
Hire purchase creditors (Note 18)	0	3,047,337
Term loans (Note 19)	19,129,590	5,095,834
	19,129,590	8,143,171

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in RM.
- (c) The bank facilities of the Group is secured by:
- (i) a legal charge over a leasehold land and building as disclosed in Note 5(f) and Note 6(e) to the financial statements;
 - (ii) a legal charge over certain deposits with licensed banks as disclosed in Note 13(d) to the financial statements;
 - (iii) jointly and severally guaranteed by certain Directors of the Group; and
 - (iv) corporate guarantee by the immediate and ultimate holding company.

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17. BORROWINGS (CONT'D)

(d) Movements of borrowings upon adoption of MFRS 16 are as follows:

Group	Note	Hire purchase creditors RM	Term loans RM	Total RM
Balance as at 1 January 2019, as previously reported		3,047,337	5,095,834	8,143,171
Effects of adoption of MFRS 16	34.1	(3,047,337)	0	(3,047,337)
Balance as at 1 January 2019, restated		<u>0</u>	<u>5,095,834</u>	<u>5,095,834</u>

(e) Fair value 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.

(f) Borrowings that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values are as follows:

	2019		2018	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Hire purchase creditors	<u>0</u>	<u>0</u>	<u>3,047,337</u>	<u>2,969,529</u>

Carrying amount of hire purchase creditors are reasonable approximation of fair values due to current rates offered to the Group approximate the market rates for similar borrowing of the same remaining maturities.

(g) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 32 to the financial statements.

18. HIRE PURCHASE CREDITORS

	Group	
	2019 RM	2018 RM
Minimum hire purchase payments:		
- not later than one (1) year	0	1,796,400
- later than one (1) year but not later than five (5) years	0	1,413,518
Total minimum hire purchase payments	<u>0</u>	<u>3,209,918</u>
Less: future interest charges	0	(162,581)
Present value of hire purchase payments	<u>0</u>	<u>3,047,337</u>

Repayable as follows:

Current liabilities		
- not later than one (1) year	0	1,674,492
Non-current liabilities		
- later than one (1) year but not later than five (5) years	<u>0</u>	<u>1,372,845</u>
	<u>0</u>	<u>3,047,337</u>

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 32 to the financial statements.

19. TERM LOANS

The term loans are secured by:

- (i) legal charges over leasehold land and building as disclosed in Note 5(f) and Note 6(e) to the financial statements;
- (ii) jointly and severally guaranteed by certain Directors of the Group; and
- (iii) corporate guarantee by the immediate and ultimate holding company.

Information on financial risks of borrowings and its remaining maturity is disclosed in Note 32 to the financial statements.

20. DEFERRED TAX LIABILITIES

- (a) The deferred tax (assets)/liabilities are made up of the following:

	Group	
	2019	2018
	RM	RM
Balance as at 1 January	0	0
Recognised in:		
- profit or loss (Note 27)	2,516,435	0
- other comprehensive income (Note 16)	622,090	0
Balance as at 31 December	3,138,525	0
Presented after appropriate offsetting:		
Deferred tax assets	(109,300)	(1,826,100)
Deferred tax liabilities	3,247,825	1,826,100
	3,138,525	0

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets

	Provision for warranties	Others	Total
	RM	RM	RM
Balance as at 1 January 2019	1,172,900	653,200	1,826,100
Recognised in profit or loss	(1,089,500)	(627,300)	(1,716,800)
Balance as at 31 December 2019	83,400	25,900	109,300

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20. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd):

Deferred tax liabilities

	Property, plant and equipment RM	Revaluation surplus of revalued properties RM	Total RM
Balance as at 1 January 2019	687,700	1,138,400	1,826,100
Recognised in:			
- profit or loss	834,600	(34,965)	799,635
- other comprehensive income	0	622,090	622,090
Balance as at 31 December 2019	1,522,300	1,725,525	3,247,825

Deferred tax assets

	Provision for warranties RM	Unused tax losses and unabsorbed capital allowances RM	Others RM	Total RM
Balance as at 1 January 2018	1,351,695	245,200	192,900	1,789,795
Recognised in profit or loss	(178,795)	(245,200)	460,300	36,305
Balance as at 31 December 2018	1,172,900	0	653,200	1,826,100

Deferred tax liabilities

	Property, plant and equipment RM	Revaluation surplus of revalued properties RM	Total RM
Balance as at 1 January 2018	616,300	1,173,495	1,789,795
Recognised in profit or loss	71,400	(35,095)	36,305
Balance as at 31 December 2018	687,700	1,138,400	1,826,100

21. GOVERNMENT GRANT

	Group	
	2019	2018
	RM	RM
Balance as at 1 January	923,926	796,962
Granted during the financial year	0	241,500
Amortisation during the financial year	(132,591)	(114,536)
Balance as at 31 December	791,335	923,926
Represented by:		
Current liabilities	132,592	132,592
Non-current liabilities	658,743	791,334
	791,335	923,926

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade payables				
Third parties	10,781,915	28,424,864	0	0
Other payables				
Other payables	2,593,056	5,024,462	59,915	7,624
Accruals	15,772,291	3,061,115	30,740	20,249
Amount due to a subsidiary	0	0	49,776	0
Amount due to a related party	0	0	0	87,260
Total other payables	18,365,347	8,085,577	140,431	115,133
Total trade and other payables	29,147,262	36,510,441	140,431	115,133

- (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 term granted to the Group ranged from 30 to 90 days (2018: 30 to 90 days).
- (c) Amounts due to a subsidiary and a related party are unsecured, non-interest bearing and payable within one (1) year in cash and cash equivalents.

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22. TRADE AND OTHER PAYABLES (CONT'D)

(d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Ringgit Malaysia	25,139,977	25,522,690	140,431	115,133
US Dollar	3,555,326	10,257,465	0	0
Singapore Dollar	119,177	670,770	0	0
Euro	327,432	44,654	0	0
Chinese Renminbi	5,350	14,862	0	0
	<u>29,147,262</u>	<u>36,510,441</u>	<u>140,431</u>	<u>115,133</u>

(e) 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.

(f) Information on financial risks of trade and other payables is disclosed in Note 32 to the financial statements.

23. PROVISION FOR WARRANTIES

(a) The Group provides warranty on certain automated production system and equipment for a period of up to two (2) years and undertake to repair or replace parts and components that fail to perform satisfactorily. A provision has been recognised at end of the reporting period for expected warranty claims based on management's expectation of the level of repair and replace 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 statement of financial position in respect of the provision for warranties are as follows:

	Group	
	2019 RM	2018 RM
Balance as at 1 January	22,733,981	6,879,768
Provision made during the financial year	14,732,089	15,887,213
Provision reversed during the financial year	(306,923)	0
Amount used during the financial year	<u>(34,888)</u>	<u>(33,000)</u>
Balance as at 31 December	<u>37,124,259</u>	<u>22,733,981</u>

24. CAPITAL COMMITMENT

	Group	
	2019	2018
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment		
- contracted but not provided for	3,239,088	15,604,958

25. REVENUE

	Group	
	1.1.2019	1.1.2018
	to	to
	31.12.2019	31.12.2018
	RM	RM
Revenue from contracts with customers		
Contract revenue	195,827,571	204,065,400
Sale of goods	2,784,027	4,809,157
Provision of parts and services	17,323,443	10,707,296
	215,935,041	219,581,853

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market and timing of revenue recognition.

	Timing of revenue recognition		
	Transferred over time	Transferred at a point in time	Total
	RM	RM	RM
Group			
31 December 2019			
India	0	72,652	72,652
Ireland	0	319,950	319,950
Malaysia	6,606,550	5,626,245	12,232,795
People's Republic of China	0	1,831,538	1,831,538
Philippines	0	376,960	376,960
Singapore	0	5,165	5,165
Switzerland	0	183,038	183,038
United States of America	149,093,501	4,075,394	153,168,895
Vietnam	40,127,520	7,616,528	47,744,048
	195,827,571	20,107,470	215,935,041

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25. REVENUE (CONT'D)

Group 31 December 2018	Timing of revenue recognition		Total RM
	Transferred over time RM	Transferred at a point in time RM	
Ireland	0	205,595	205,595
Malaysia	16,237,199	5,753,967	21,991,166
People's Republic of China	0	26,341	26,341
Philippines	0	3,753,876	3,753,876
Singapore	0	292,454	292,454
United States of America	53,340,025	2,353,975	55,694,000
Vietnam	134,488,176	3,130,245	137,618,421
	<u>204,065,400</u>	<u>15,516,453</u>	<u>219,581,853</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.

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 months.

(b) Sales of goods and services rendered

Revenue from sales 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 and warranty provided to the customers on the sale of products and services rendered.

26. FINANCE COST

	Group	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM
Interest expenses on:		
- bankers' acceptances	0	19,647
- bank overdraft	0	20,230
- hire purchase	0	187,184
- term loans	614,843	326,157
- lease liabilities	290,137	0
- others	0	7,522
	904,980	560,740

27. TAX EXPENSE

	Group		Company	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
Current tax expense based on profit/ (loss) for the financial year/period	128,100	115,800	40,000	0
Underprovision of income tax expense in prior years/period	2,075	25,829	0	0
	130,175	141,629	40,000	0
Deferred tax (Note 20):				
- crystallisation of deferred tax liability on revaluation surplus	(35,030)	(35,030)	0	0
- relating to origination and reversal of temporary differences	2,551,400	(177,670)	0	0
- underprovision in prior years/period	65	212,700	0	0
	2,516,435	0	0	0
Withholding tax expense	2,629,199	0	0	0
Total tax expense	5,275,809	141,629	40,000	0

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profits for the fiscal year.

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27. TAX EXPENSE (CONT'D)

- (b) The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
Profit/(Loss) before tax	57,572,452	31,860,184	626,470	(113,184)
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	13,817,388	7,646,444	150,353	(27,164)
Tax effects in respect of:				
Non-allowable expenses	5,205,610	6,117,607	179,690	27,164
Non-taxable income	(1,151,926)	(866,874)	(274,426)	0
Different tax rate for first RM500,000 of chargeable income	(50,617)	(30,000)	(15,617)	0
Tax exempt income under pioneer status	(15,140,955)	(12,929,047)	0	0
Annual crystallisation of deferred tax on revaluation surplus	(35,030)	(35,030)	0	0
Withholding tax expense	2,629,199	0	0	0
Underprovision of income tax expense in prior years/period	2,075	25,829	0	0
Underprovision of deferred tax in prior years/period	65	212,700	0	0
Tax expense for the financial year/period	5,275,809	141,629	40,000	0

The Group has been granted pioneer status for the following products:

- (a) Automated production machine and related components for manufacturing of smart phone, tablets, playing device and reading device which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 and expired on 28 March 2018; and
- (b) Automated handlers for front end solar wafer and solar panel which exempt 100% of its statutory income derived from those activities for a period of 5 years beginning on 29 March 2013 and expired on 28 March 2018 and subsequently included related modules of automated handlers for front end solar wafer and solar panel and extended to 28 March 2023.

28. EMPLOYEE BENEFITS

	Group		Company	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
Wages, salaries, overtime and bonuses	30,540,212	18,719,852	0	0
Directors' fees	250,000	145,000	250,000	75,000
Contributions to defined contribution plan	3,683,370	2,147,613	0	0
Social security contributions	263,905	193,614	0	0
Share-based payment transaction	0	1,922,442	0	0
Other benefits	101,278	66,528	12,000	3,000
	<u>34,838,765</u>	<u>23,195,049</u>	<u>262,000</u>	<u>78,000</u>

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,012,347 (2018: RM1,172,397).

29. 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 equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM
Profit for the financial year attributable to equity holders of the parent	<u>52,296,643</u>	<u>31,718,555</u>
Weighted average number of ordinary shares in issue (unit)*	<u>463,278,767</u>	<u>626,000,000</u>
Basic earnings per ordinary share (sen)	<u>11.29</u>	<u>5.07</u>

* Number of ordinary shares for the financial year ended 31 December 2018 was the expected number of ordinary shares of the Company upon completion of listing of the ordinary shares of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share, as the Group does not have any potential dilutive ordinary shares in issue during and at the end of the financial year.

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30. DIVIDENDS

	Group 2018	
	Dividend per share	Amount of dividend
	RM	RM
In respect of financial year ended 31 December 2018:		
Single tier first interim dividend of Greatech Integration (M) Sdn. Bhd.	1.70	1,700,000
Single tier second interim dividend of Greatech Integration (M) Sdn. Bhd.	1.70	1,700,000
	<u>3.40</u>	<u>3,400,000</u>

31. 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 31(c) to the financial statements.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transaction with its related parties during the financial year:

	Group	
	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018
	RM	RM
Related parties:		
- dividends	0	3,111,000
- deposit paid for acquisition of land	0	840,000
- remaining balance paid for acquisition of land	<u>7,560,000</u>	<u>0</u>

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with related parties.

31. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The total remuneration of Directors and key management personnel during the financial year was as follows:

	Group		Company	
	1.1.2019 to 31.12.2019 RM	1.1.2018 to 31.12.2018 RM	1.1.2019 to 31.12.2019 RM	5.3.2018 to 31.12.2018 RM
Directors' fees	250,000	145,000	250,000	75,000
Short term employee benefits	2,413,000	1,959,789	12,000	3,000
Contributions to defined contribution plan	290,394	243,728	0	0
	<u>2,953,394</u>	<u>2,348,517</u>	<u>262,000</u>	<u>78,000</u>

Estimated monetary value of benefits-in-kind provided to the Executive Directors and key management personnel of the Group is RM56,100 (2018: RM34,950).

32. 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 2019 and 31 December 2018.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debts. The Group includes within net debt, borrowings, lease liabilities, trade and other payables and provision for warranties, less cash and bank balances and short term funds. Capital includes equity attributable to the owners of the parent.

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31 December 2019

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (cont'd)

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Borrowings	19,129,590	8,143,171	0	0
Lease liabilities	3,516,529	0	0	0
Trade and other payables	29,147,262	36,510,441	140,431	115,133
Provision for warranties	37,124,259	22,733,981	0	0
Less: Short term funds	(176,527,866)	(52,608,690)	(66,161,957)	0
Cash and cash balances	(41,404,714)	(12,384,031)	(5,774,038)	(1,950)
Net (cash)/debt	<u>(129,014,940)</u>	<u>2,394,872</u>	<u>(71,795,564)</u>	<u>113,183</u>
Total capital	195,589,996	69,866,156	112,423,965	(113,183)
Net (cash)/debt	<u>(129,014,940)</u>	<u>2,394,872</u>	<u>(71,795,564)</u>	<u>113,183</u>
Equity	<u>66,575,056</u>	<u>72,261,028</u>	<u>40,628,401</u>	<u>0</u>

Gearing ratio * 3% * *

* 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 equal to or not less than the 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 2019.

The Group is not subject to any other externally imposed capital requirements.

(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.

The Group is exposed mainly to credit risk, foreign currency risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are creditworthy debtors with good payment records with the Group. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of seven (7) days, extending up to ninety (90) days for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

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:

	Group			
	2019		2018	
	RM	% of total	RM	% of total
By country				
India	38,792	0%	0	0%
Ireland	106,909	1%	153,457	3%
Malaysia	1,299,855	12%	1,063,814	22%
People's Republic of China	1,786,266	16%	1,779	0%
Singapore	0	0%	172,824	3%
United States of America	7,017,555	64%	1,957,582	40%
Vietnam	814,317	7%	1,569,114	32%
	11,063,694	100%	4,918,570	100%

At the end of the reporting period, approximately seventy-nine percent (79%) (2018: 65%) of the trade receivables of the Group were due from two (2) (2018: two) major customers who are multi-industry conglomerates located in United States of America and People's Republic of China (2018: United States of America and Vietnam).

32. 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 currency giving rise to this risk is primarily USD.

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD exchange rate against the functional currency of the Group entities, with all other variables held constant:

	Group	
	2019	2018
	RM	RM
Profit after tax		
USD/RM		
- Increase by 5%	1,130,817	121,729
- Decrease by 5%	<u>(1,130,817)</u>	<u>(121,729)</u>

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

(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.

32. 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 lease liabilities and financial liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 31 December 2019	On demand or within one year RM	Over one year to within five years RM	Over five years RM	Total RM
Group				
Lease liabilities	1,451,364	2,261,620	0	3,712,984
Trade and other payables	29,147,262	0	0	29,147,262
Borrowings	1,899,240	9,095,195	18,712,077	29,706,512
Total undiscounted liabilities	<u>32,497,866</u>	<u>11,356,815</u>	<u>18,712,077</u>	<u>62,566,758</u>

	On demand or within one year RM	Over one year to within five years RM	Over five years RM	Total RM
Company				
Trade and other payables	140,431	0	0	140,431
Total undiscounted liabilities	<u>140,431</u>	<u>0</u>	<u>0</u>	<u>140,431</u>

As at 31 December 2018	On demand or within one year RM	Over one year to within five years RM	Over five years RM	Total RM
Group				
Trade and other payables	36,510,441	0	0	36,510,441
Borrowings	2,840,748	3,624,165	3,511,447	9,976,360
Total undiscounted liabilities	<u>39,351,189</u>	<u>3,624,165</u>	<u>3,511,447</u>	<u>46,486,801</u>

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31 December 2019

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(iii) Liquidity and cash flow risk (cont'd)

As at 31 December 2018	On demand or within one year RM	Over one year to within five years RM	Over five years RM	Total RM
Company				
Trade and other payables	115,133	0	0	115,133
Total undiscounted liabilities	<u>115,133</u>	<u>0</u>	<u>0</u>	<u>115,133</u>

(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 will fluctuate because of changes in market interest rates.

The exposure of the Group to interest rate risk arises primarily from their bank borrowings and deposits placed with financial institutions. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit after tax				
- Increase by 0.5%	596,330	191,283	251,415	0
- Decrease by 0.5%	<u>(596,330)</u>	<u>(191,283)</u>	<u>(251,415)</u>	<u>0</u>

32. 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 rate/ rate/ Incremental borrowing rate	%	Within					Total	
				1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years		More than 5 years
				RM	RM	RM	RM	RM	RM	
As at 31 December 2019										
Fixed rates										
Deposits with licensed banks	13	3.15 - 3.35	2,928,549	0	0	0	0	0	0	2,928,549
Lease liabilities	6	2.63	(49,166)	(51,725)	(17,753)	0	0	0	0	(118,644)
Floating rates										
Short term funds	12	2.00 - 3.58	176,527,866	0	0	0	0	0	0	176,527,866
Term loans	17	4.00	(1,001,323)	(1,415,934)	(1,472,571)	(1,531,474)	(1,592,733)	(12,115,555)	(19,129,590)	
Lease liabilities	6	2.63 - 4.20	(1,281,847)	(1,335,406)	(769,789)	(10,843)	0	0	0	(3,397,885)
Company										
As at 31 December 2019										
Floating rates										
Short term funds	12	3.41	66,161,957	0	0	0	0	0	0	66,161,957

31 December 2019

32. 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):

Group	Note	Interest rate/ rate/ incremental borrowing rate	%	Within					Total
				1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	
				RM	RM	RM	RM	RM	RM
As at 31 December 2018									
Fixed rates									
Deposits with licensed banks	13	3.15 - 3.35	2,824,663	0	0	0	0	0	2,824,663
Hire purchase creditors	17	2.22 - 2.90	(1,674,492)	(1,169,014)	(160,715)	(23,123)	(19,993)	0	(3,047,337)
Floating rates									
Short term funds	12	1.88 - 3.63	52,608,690	0	0	0	0	0	52,608,690
Term loans	17	4.87 - 8.42	(768,002)	(830,010)	(391,645)	(159,837)	(167,798)	(2,778,542)	(5,095,834)

33. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ('MCO') effective from 18 March 2020 to 31 March 2020 arising from COVID-19. The MCO was subsequently extended on:

- (a) 25 March 2020 for 2 weeks until 14 April 2020;
- (b) 10 April 2020 for another 2 weeks until 28 April 2020; and
- (c) 23 April 2020 for another 2 weeks until 12 May 2020.

Since these developments occurred subsequent to the end of the reporting period, the COVID-19 pandemic is treated as a non-adjusting event in accordance with MFRS 110 *Events after the Reporting Period*. Consequently, the financial statements for the financial year ended 31 December 2019 do not reflect the effects arising from this non-adjusting event.

The financial reporting impact of the COVID-19 pandemic could be significant to the Group due to:

- (a) Reduced consumer demand for goods and services of the Group owing to lost income and/or restrictions on consumers' ability to move freely;
- (b) Lack of investment in capital improvements and construction, thus reducing demand for goods and services of the Group;
- (c) Reduction in market prices of financial assets, including debt and equity instruments; and
- (d) Disruption of global supply chains due to the restrictions imposed on the movement of people and goods.

The Group is constantly assessing the financial reporting impact of COVID-19 pandemic since ongoing developments remain uncertain and cannot be reasonably predicted as at the date of authorisation of the financial statements.

The Group anticipates that the potential financial reporting impact of COVID-19 would be recognised in the financial statements of the Group during the financial year ending 31 December 2020.

34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle:	
(i) Amendments to MFRS 3 <i>Business Combinations</i>	1 January 2019
(ii) Amendments to MFRS 11 <i>Joint Arrangements</i>	1 January 2019
(iii) Amendments to MFRS 112 <i>Income Taxes</i>	1 January 2019
(iv) Amendments to MFRS 123 <i>Borrowing Costs</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (CONT'D)

34.1 New MFRSs adopted during the financial year (cont'd)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 16 as described in the following section.

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019. The range of incremental borrowing rates of the Group applied to the lease liabilities on 1 January 2019 were between 2.63% to 4.20%.

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property and equipment lease data such that the respective inputs could be uploaded into management's model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- (a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;
- (c) Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 and do not contain a purchase option as short-term leases;
- (d) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

34. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (CONT'D)

34.1 New MFRSs adopted during the financial year (cont'd)

MFRS 16 Leases (cont'd)

On transition to MFRS 16, the Group recognised right-of-use assets and lease liabilities. The impact on transition is summarised below:

Group	Note	As at 31 December 2018 RM	Impact RM	As at 1 January 2019 RM
Property, plant and equipment		35,542,658	(12,505,698)	23,036,960
Right-of-use assets	(a)	0	17,016,209	17,016,209
Borrowings		8,143,171	(3,047,337)	5,095,834
Lease liabilities	(b)	0	7,557,848	7,557,848
Retained earnings		<u>65,260,620</u>	<u>0</u>	<u>65,260,620</u>

(a) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements as at 31 December 2018.

(b) Lease liabilities are measured as follows:

	Group RM
Operating lease commitments at 31 December 2018 under MFRS 117 <i>Leases</i>	2,110,975
Weighted average incremental borrowing rate as at 1 January 2019	4.13%
Discounted operating lease commitments as at 1 January 2019	1,873,708
Finance lease liabilities recognised as at 31 December 2018	3,047,337
Extension options reasonably certain to be exercised	2,636,803
Lease liabilities recognised at 1 January 2019	<u>7,557,848</u>

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2020

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2022
<i>Amendments to MFRS 10 and MFRS 128 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 to have a significant impact on the financial statements.

132 List of Properties

as at 31 December 2019

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 2019 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 double storey factory and three storey office block/Used as head office, assembly plant and storage	Leasehold (44 years expiring on 29 May 2051)	21 March 2018/ 31 December 2019	5 months	69,599/ 74,701	25,500
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 2019	26 years	33,044/ 20,064	6,420
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 2019	26 years	30,053/ 24,283	7,200
Greatech Integration (M) Sdn. Bhd.	H.S.(D) 47093, PT5822, Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang (known as Plot 311(a) at Batu Kawan Industrial Park)	Vacant land	Leasehold (55 years expiring on 17 August 2074)	20 June 2019/ N/A	N/A	183,244/ N/A	8,246

Issued Share Capital : 626,000,000 Ordinary Shares ("Shares")
 Class of Equity Securities : Ordinary Shares ("Shares")
 Voting Rights : One vote per Share

Distribution Schedule of Shareholders

No. of Holders	Size of Shareholdings	No. of Issued Shares	%
7	Less than 100 shares	56	0.00*
939	100 – 1,000 shares	605,678	0.09
1,616	1,001 – 10,000 shares	7,059,081	1.13
468	10,001 – 100,000 shares	14,643,381	2.34
156	100,001 to less than 5% of issued shares	140,473,054	22.44
1	5% and above of issued shares	463,218,750	74.00
3,187	Total	626,000,000	100.00

* Negligible

Directors' Shareholdings based on Register of Director's Shareholdings

Name of Directors	No. of Shares beneficially held			
	Direct	%	Indirect	%
Ooi Hooi Kiang	957,000	0.15	-	-
Tan Eng Kee	50,000	0.01	463,218,750**	74.00
Khor Lean Heng	-	-	-	-
Mariamah binti Daud	350,000	0.06	20,000#	0.00*
Ooi Ching Hock	300,000	0.05	-	-

* Negligible

** Mr Tan Eng Kee is deemed interested through GTECH Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("Act").

Puan Mariamah binti Daud is deemed interested through her 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.	463,218,750	74.00	-	-
Tan Eng Kee	50,000	0.01	463,218,750**	74.00

** Mr Tan Eng Kee is deemed interested through GTECH Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

134 Analysis of Shareholdings (cont'd) as at 04 May 2020

30 Largest Securities Account Holders

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
1	GTECH HOLDINGS SDN. BHD.	463,218,750	74.00
2	LLH HOLDINGS SDN. BHD.	20,250,000	3.23
3	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND</i>	14,581,700	2.33
4	SMARTCAP VENTURE SDN. BHD.	12,085,650	1.93
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR AIA BHD.</i>	9,686,100	1.55
6	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN. BHD.	8,196,000	1.31
7	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND</i>	3,126,800	0.50
8	AMANAHRAYA TRUSTEES BERHAD <i>PMB SHARIAH AGGRESSIVE FUND</i>	3,044,200	0.49
9	CARTABAN NOMINEES (ASING) SDN. BHD. <i>STATE STREET AUSTRALIA FUND OD51 FOR FSS TRUSTEE CORPORATION</i>	2,707,617	0.43
10	CITIGROUP NOMINEES (ASING) SDN. BHD. <i>UBS AG</i>	2,302,100	0.37
11	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND</i>	2,215,900	0.35
12	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND</i>	2,045,700	0.33
13	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>URUSHARTA JAMAAH SDN. BHD.</i>	1,914,100	0.31
14	HSBC NOMINEES (ASING) SDN. BHD. <i>J.P. MORGAN SECURITIES PLC</i>	1,817,500	0.29
15	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND</i>	1,740,000	0.28

30 Largest Securities Account Holders (cont'd)

(without aggregating the securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares held	%
16	HSBC NOMINEES (ASING) SDN. BHD. <i>JPMCB NA FOR BOILERMAKER BLACKSMITH NATIONAL PENSION TRUST</i>	1,734,000	0.28
17	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND</i>	1,676,500	0.27
18	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN. BHD. <i>PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT</i>	1,675,000	0.27
19	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. <i>CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2</i>	1,627,100	0.26
20	HSBC NOMINEES (TEMPATAN) SDN. BHD. <i>HSBC (M) TRUSTEE BHD FOR AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND</i>	1,614,000	0.26
21	CITIGROUP NOMINEES (ASING) SDN. BHD. <i>MACQUARIE BANK LIMITED (LONDON BRANCH)</i>	1,577,300	0.25
22	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.</i>	1,347,500	0.22
23	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR OOI BOON CHYE</i>	1,311,500	0.21
24	HSBC NOMINEES (TEMPATAN) SDN. BHD. <i>HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND</i>	1,161,500	0.19
25	DB (MALAYSIA) NOMINEE (ASING) SDN. BHD. <i>SSBT FUND 59HL FOR OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM</i>	1,147,998	0.18
26	MALACCA EQUITY NOMINEES (TEMPATAN) SDN. BHD. <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD.</i>	1,099,000	0.18
27	KOAY LIN LIN	1,081,900	0.17
28	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD <i>KENANGA ISLAMIC FUND</i>	937,500	0.15
29	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>AXA AFFIN LIFE INSURANCE BERHAD FOR ACTIVE BALANCED FUND</i>	888,100	0.14
30	CITIGROUP NOMINEES (ASING) SDN. BHD. <i>GOLDMAN SACHS INTERNATIONAL</i>	872,600	0.14

136 Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (“**2nd AGM**”) of Greatech Technology Berhad (“**GTB**” or the “**Company**”) will be held at The Auditorium, Plot 287A, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang on Monday, 29 June 2020 at 11.30 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*

2. To re-elect Mr Khor Lean Heng who retires by rotation in accordance with Clause 170 of the Company’s Constitution and being eligible, offered himself for re-election. *Resolution 1*

Mr Ooi Ching Hock who also retires by rotation pursuant to Clause 170 of the Company’s Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of this 2nd AGM.

3. To re-elect Dato’ Seri Wong Siew Hai who retires in accordance with Clause 161 of the Company’s Constitution and being eligible, offered himself for re-election. *Resolution 2*

4. To approve the payment of Directors’ Fee of RM60,000 per annum for each of the Directors for the period from 1 January 2020 until the next AGM of the Company to be held in year 2021. *Resolution 3*

5. To approve the payment of benefits to the Directors up to an amount of RM100,000 for the period from 29 June 2020 until the next AGM of the Company to be held in year 2021. *Resolution 4*

6. To re-appoint Messrs BDO PLT as the Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. *Resolution 5*

AS SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following as resolutions, with or without any modifications:

7.1 Ordinary Resolution

Authority to issue and allot shares pursuant to Section 75 of the Companies Act 2016

“THAT subject always to the Companies Act 2016 (“the Act”), the relevant Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) which the Company is listed at the relevant time (“Listing Requirements”), the Company’s Constitution and approvals of any relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company, pursuant to the Act, 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 share (excluding treasury shares) of the Company for the time being and the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued; AND 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 (“AGM”) of the Company, or the expiration of the period within which the next AGM is required to be held, whichever is earlier, unless such authority is revoked or varied by resolution passed by the shareholders in general meeting.”

Resolution 6

AS SPECIAL BUSINESS (cont'd)

7. To consider and if thought fit, to pass the following as resolutions, with or without any modifications: (cont'd)

7.2 Ordinary Resolution

Proposed authority for the purchase by the Company of its own ordinary shares

"THAT subject to the Act, the Company's Constitution, the relevant Listing Requirements of Bursa Securities which the Company is listed at the relevant time 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 of the Company ("Board") from time to time through Bursa Securities upon the expiration of the Company's Sponsorship Period pursuant to the Listing Requirements and such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that the aggregate number of ordinary shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company;

THAT the maximum amount of funds to be utilised by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained earnings based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities or transferred for the purpose of or under the employee' share scheme or share grant scheme which the Company may establish or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements and any other relevant authorities for the time being in force;

THAT such authority conferred by this resolution shall commence immediately upon the passing of this resolution and expiration of the Company's Sponsorship Period until:

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

whichever is the earliest.

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."

Resolution 7

8. To transact any other ordinary business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

By Order of the Board,

THUM SOOK FUN, SSM PC No. 201908000139 (MIA 24701)
LOW SEOW WEI, SSM PC No. 202008000437 (MAICSA 7053500)
Company Secretaries

Penang
Date: 29 May 2020

138 Notice of Annual General Meeting (cont'd)

(A) Notes:

1. As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 ("COVID-19"), and having regard to the well-being and the safety of our shareholders, the 2nd AGM will be conducted on a **fully virtual basis through live streaming and online remote voting** via Remote Participation and Voting facilities ("RPV") which are available on Securities Services e-Portal ("SSeP") at <https://www.sshsb.net.my/login.aspx>.

Please follow the procedures provided in the Administrative Guide for the 2nd AGM in order to register, participate and vote remotely via RPV.

2. The broadcast venue is strictly for the purpose of compliance with Section 327(2) of the Act which stipulates that the Chairman of the meeting shall be present at the main venue of the 2nd AGM and in accordance with Clause 96 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting.
3. As the 2nd AGM will be conducted via a virtual meeting, a member entitled to attend and vote at the meeting may appoint up to two (2) proxies or the Chairman of the Meeting as his/her proxy(ies), by indicating the voting instruction in the Form of Proxy:
 - a) A member entitled to attend and vote at the meeting may appoint up to two (2) proxies to attend and vote in his/her stead. A proxy may, but need not, be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
 - b) A member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.
4. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he/she may appoint the Chairman of the Meeting in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
5. Where a Member of the Company is an Exempt Authorised Nominee ("EAN") as defined under SICDA 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 EAN may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the EAN to appoint the Chairman of the Meeting to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
6. The instrument appointing a proxy shall be in writing signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its corporation's common seal or under the hand of an officer or of its attorney duly authorised.
7. The appointment of proxy(ies) may be made in hardcopy form or by electronic means as follows:
 - a) In Hardcopy Form

The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Registered Office at **Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang, Malaysia**.
 - b) By SSeP

The Form of Proxy can be electronically submitted to the Share Registrar of the Company via SSeP. The website to access SSeP is <https://www.sshsb.net.my/login.aspx>.

(Please refer to the Administrative Guide for more details)

in either case at least forty-eight (48) hours before the time set for holding this AGM or any adjournments thereof.

(A) Notes: (cont'd)

8. For the purpose of determining who shall be entitled to attend the meeting, only members whose names appeared on the Record of Depositors on 22 June 2020 ("General Meeting Record of Depositors") made available to the Company pursuant to Clause 134 of the Company's Constitution shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

(B) Explanatory Notes:

1. Item 1 of the Agenda: Audited Financial Statements for the financial year ended 31 December 2019

The first agenda of this meeting is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.

2. Items 2 and 3 of the Agenda: Re-election of Directors

Clause 170 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nominating Committee ("NC") has considered the following:

- (i) Evaluation on the effectiveness of the Board as a whole and all Board Committees; and
- (ii) For Independent Non-Executive Directors ("INEDs") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

In line with Practice 5.1 of the Malaysian Code on Corporate Governance 2017, the Board has conducted an assessment of the Directors of the Company based on the relevant performance criteria as elaborated in the Corporate Governance ("CG") Overview Statement of the Annual Report 2019 and the CG Report of the Company.

Mr Khor Lean Heng and Mr Ooi Ching Hock are due to retire pursuant to Clause 170 at the forthcoming 2nd AGM. Mr Khor Lean Heng has offered himself for re-election at the 2nd AGM pursuant to Clause 170 of the Company's Constitution, while Mr Ooi Ching Hock has expressed his intention that he will not seek for re-election and will retain in office until the conclusion of the forthcoming 2nd AGM.

Clause 161 of the Company's Constitution provides that any Director appointed during the year shall hold office only until the next AGM and shall be eligible for re-election.

The Company had, on 4 May 2020 announced the appointment of Dato' Seri Wong Siew Hai as an Independent Non-Executive Director of the Company effective on 8 May 2020.

Dato' Seri Wong Siew Hai whose appointment effective on 8 May 2020 shall hold office until the 2nd AGM and shall then be eligible for re-election pursuant to Clause 161 of the Company's Constitution.

The Board recommends the re-election of Mr Khor Lean Heng and Dato' Seri Wong Siew Hai as Directors of the Company at the forthcoming 2nd AGM.

All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

140 Notice of Annual General Meeting (cont'd)

(B) Explanatory Notes: (cont'd)

3. Items 4 and 5 of the Agenda: Directors' fee 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 and benefits payable to Directors, in separate resolutions as follows:

Resolution 3 – On payment of Directors' fees for the period from 1 January 2020 until the next AGM of the Company to be held in year 2021;

Resolution 4 – On payment of benefits to the Directors of the Company from 29 June 2020 until the next AGM of the Company to be held in year 2021.

The proposed Directors' fees of RM60,000.00 per annum for each of the Directors remain unchanged and are derived based on the assumption that all Directors of the Company will remain in office until the next AGM. In the event that the proposed Directors' fees is insufficient due to enlarged Board size, the Company will seek shareholders' approval at the next AGM of the Company for the additional Directors' fees to meet the shortfall.

The payment of Directors' fee and benefits to the Directors has been reviewed by the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period from the date of passing this resolution up to the conclusion of the next AGM. The benefits comprise of Directors and Officers Liabilities Insurance and the meeting allowance, which will only be accorded based on actual attendance of meetings by the Independent Non-Executive Directors.

Any Directors who are shareholders of the Company will abstain from voting on Resolution 3 and Resolution 4 concerning the remuneration to the Directors at this AGM.

The remuneration for each Director is set out in the CG Overview Statement.

4. Item 6 of the Agenda: Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2021. The current auditors, Messrs BDO PLT has expressed their willingness to continue in the office. The Board and the Audit and Risk Management Committee ("ARMC") had on their meeting held on 24 February 2020, considered the re-appointment of Messrs BDO PLT as auditors of the Company and collectively agreed that Messrs BDO PLT has met the relevant criteria prescribed by Rule 15.21 of ACE Market Listing Requirements of Bursa Securities.

The Board recommends the re-appointment of Messrs BDO PLT as External Auditors of the Company to hold office until the conclusion of the next AGM.

5. Item 7.1 of the Agenda: Authority to Director to issue and allot shares

The Ordinary Resolution 6 is primarily to seek general mandate to give flexibility to the Company and empower 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 for any possible fund-raising activities, including but not limited to the placing of shares, funding future investment, acquisitions, working capital and/or settlement of banking facilities, in accordance with Rule 6.04 of the ACE Market Listing Requirements of Bursa Securities (hereinafter referred to as the "General Mandate").

The purpose to seek for General Mandate is to enable the Directors to issue and allot shares at any time, as they consider appropriate in the best interest of the Company, to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organise a general meeting. This General Mandate, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company had not sought for the General Mandate in the preceding year since the Company is just listed on Bursa Securities on 13 June 2019.

(B) Explanatory Notes: (cont'd)

6. Item 7.2 of the Agenda: Authority to purchase the Company's own shares

The proposed resolution, if passed, will provide the mandate to the Company to buy back its own shares up to a maximum of 10% of the total number of issued shares of the Company upon the expiration of the Company's Sponsorship Period pursuant to the Listing Requirements.

For further information, please refer to the Share Buy-Back Statement dated 29 May 2020 which is despatched together with the Company's Annual Report 2019.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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 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.

142 Statement Accompanying Notice of Annual General Meeting (Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities)

- 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 this forthcoming AGM.
- General Mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirement of Bursa Securities.

Details of the 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 2nd AGM.

**GREATECH****GREATECH TECHNOLOGY BERHAD**Registration no. 201801008633 (1270647-H)
(Incorporated in Malaysia)

Proxy Form

CDS Account No.	
No. of shares held	

I/We _____ (Tel:) _____ NRIC/Registration No. _____
(Full Name in Capital Letters)

(Full address in Capital Letters)

being a member of **GREATECH TECHNOLOGY BERHAD** ("the Company") hereby appoint the following person(s):

First Proxy		
Name	NRIC/Passport No.	No. of shares to be presented
Second Proxy		
Name	NRIC/Passport No.	No. of shares to be presented

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 Second Annual General Meeting ("2nd AGM") of the Company to be held at The Auditorium, Plot 287A, Lengkok Kampung Jawa Satu, Bayan Lepas Free Industrial Zone Phase 3, 11900 Bayan Lepas, Pulau Pinang on Monday, 29 June 2020 at 11.30 am and at any adjournment thereof.

My/Our Proxy is to vote as indicated below:

AGENDA		First Proxy		Second Proxy	
		For	Against	For	Against
To receive the Audited Financial Statements for financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.					
Ordinary Business		For	Against	For	Against
Resolution 1	To re-elect Mr Khor Lean Heng who retires in accordance with Clause 170 of the Company' Constitution.				
Resolution 2	To re-elect Dato' Seri Wong Siew Hai who retires in accordance with Clause 161 of the Company's Constitution.				
Resolution 3	To approve the payment of Directors' Fee of RM60,000 per annum for each of the Directors for the period from 1 January 2020 until the next AGM of the Company to be held in year 2021.				
Resolution 4	To approve the payment of benefits to the Directors up to an amount of RM100,000 for the period from 29 June 2020 until the next AGM of the Company to be held in year 2021.				
Resolution 5	To re-appoint BDO PLT as Auditors of the Company for the ensuing year and to authorise Directors to fix their remuneration.				
Special Business					
Resolution 6	Authority to issue and allot shares.				
Resolution 7	Authority for the purchase by the Company of its own shares.				

* *Strike out whichever not applicable*

(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)

Signed this _____ day of _____, 2020.

Signature of Shareholder/Common Seal



Notes:

1. As part of the initiatives and the safety measures to curb the spread of Coronavirus Disease 2019 (“COVID-19”), and having regard to the well-being and the safety of our shareholders, the 2nd AGM will be conducted on a **fully virtual basis through live streaming and online remote voting** via Remote Participation and Voting facilities (“RPV”) which are available on Securities Services e-Portal (“SSeP”) at <https://www.sshsb.net.my/login.aspx>.
2. The broadcast venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the meeting shall be present at the main venue of the 2nd AGM and in accordance with Clause 96 of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members’ right to speak and vote at the general meeting.
3. As the 2nd AGM will be conducted via a fully virtual meeting, a member entitled to attend and vote at the meeting may appoint up to two (2) proxies or the Chairman the Meeting as his/her proxy(ies), by indicating the voting instruction in the Form of Proxy. Where a member of appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A member may appoint any person to be his/her proxy without any restriction as to the qualifications of such person.
4. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depository) Act, 1991 (“SICDA”), he/she may appoint the Chairman of the Meeting in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.
5. Where a Member of the Company is an Exempt Authorised Nominee (“EAN”) as defined under SICDA 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 EAN may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the EAN to appoint the Chairman of the Meeting to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
6. The instrument appointing a proxy shall be in writing signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its corporation’s common seal or under the hand of an officer or of its attorney duly authorised.
7. The appointment of proxy(ies) may be made in hardcopy form or by electronic means as follows:
 - a) In Hardcopy Form
The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s Registered Office at **Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang, Malaysia.**
 - b) By SSeP
The Form of Proxy can be electronically submitted to the Share Registrar of the Company via SSeP. The website to access SSeP is <https://www.sshsb.net.my/login.aspx>.
in either case at least forty-eight (48) hours before the time set for holding this AGM or any adjournments thereof.
8. For the purpose of determining who shall be entitled to attend the meeting, only members whose names appeared on the Record of Depositors on 22 June 2020 (“General Meeting Record of Depositors”) made available to the Company pursuant to Clause 134 of the Company’s Constitution shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
9. 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 Annual General Meeting of the Company and any adjournment thereof.

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, Lebuhr Farquhar
10200 George Town
Pulau Pinang
Malaysia

Please fold across the lines and close

GREATECH TECHNOLOGY BERHAD

201801008633 (1270647-H)

Plot 287A
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

 <http://www.greatech-group.com>