TOGETHER WE CREATE POSSIBILITIES

www.greatech-group.com

GREATECH

Greatech Technology Berhad

(Company No. 1270647-H)
(Incorporated in Malaysia under the Companies Act 2016)

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

Phone: +604 646 3260 | Email: info@greatech-group.com

GREATECH TECHNOLOGY BERHAD

PROSPECTUS

GREATECH

Greatech Technology Berhad

(Company No. 1270647-H)
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

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

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

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

Principal Adviser, Sponsor, Sole Underwriter and Placement Agent

ALLIANCE INVESTMENT BANK
Alliance Investment Bank Berhad (21605-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

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

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

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

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

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

This Prospectus is dated 13 May 2019

RESPONSIBILITY STATEMENTS

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

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

STATEMENTS OF DISCLAIMER

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

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

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

OTHER STATEMENTS

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

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

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

OTHER STATEMENTS

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

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

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

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

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

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

ELECTRONIC PROSPECTUS

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

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

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

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

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

(i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other material downloaded from the Third Party Internet Sites is at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

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

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

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

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

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

INDICATIVE TIMETABLE

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

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

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

PRESENTATION OF INFORMATION

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

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

(i) demand of our products and services;

(ii) our business strategies;

(iii) our plans and objectives for future operations;

(iv) our financial position; and

(v) our future earnings, cash flows and liquidity.

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

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

DEFINITIONS

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

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

DEFINITIONS (Cont'd)

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

DEFINITIONS (Cont'd)

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

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

DEFINITIONS (Cont'd)

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

DEFINITIONS (Cont'd)

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

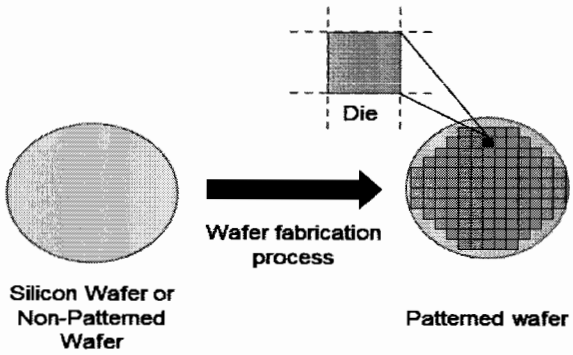
GLOSSARY OF TECHNICAL TERMS

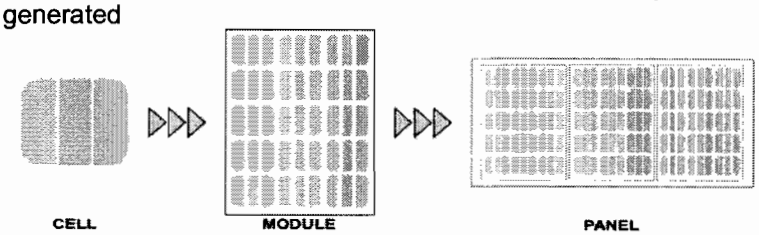
The following technical terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

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

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Semiconductor	:	It is a material that has electric conductivity properties somewhere between a good conductor like copper and an insulator like plastic. The term "semiconductor" used in this Prospectus refers to "semiconductor devices or components" and not the material, unless otherwise stated. Some examples of semiconductors devices or components include the following:- (a) electronic substrates (for example semiconductor wafers); (b) discrete electronic components (for example transistors, diodes, capacitors and resistors); (c) optoelectronics and sensors (for example LED and solar cells); and (d) integrated circuits (for example CPU or memory components)
Semiconductor package	:	A semiconductor package refers to a casing containing one or more semiconductor electronic components. The package provides protection against impact and corrosion, holds the contact pins or leads which are used to connect from external circuit to the device, and disperses heat produced in the device
Semiconductor wafer	:	Thin layer of materials used in the manufacturing of semiconductor components Semiconductor wafer is a round disc of semiconductor material such as silicon in which integrated circuits are simultaneously fabricated onto the wafer during the wafer fabrication process. In some cases, the term patterned wafer and non-patterned wafer is used to distinguish between a bare wafer (i.e. before undergoing the wafer fabrication process) and a wafer that has a circuit pattern etched onto it (i.e. after undergoing the wafer fabrication process)
Solar cell, module and panel	:	A solar cell is made up of semiconductors that converts the sun's light directly to electricity. It is the basic building block of a solar module or solar panels. However, each solar cell is small and generates a very small amount of electricity. These cells are then placed and connected together to become a solar module. The number of cells in a module varies and may contain 36, 48, 60 or 72 cells. These modules are then placed and connected together to become a solar panel. A solar array comprises many solar panels connected together and may cover a larger surface area depending on the amount of electricity required to be generated





GLOSSARY OF TECHNICAL TERMS (Cont'd)

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

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Company No. 1270647-H

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES :

Thum Sook Fun
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar
10200 Pulau Pinang

Telephone No.	:	(04) 263 1966
Professional Qualification	:	Malaysian Institute of Accountants ("**MIA**") (MIA Membership No. : MIA 24701)

Low Seow Wei
Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar
10200 Pulau Pinang

Telephone No.	:	(04) 263 1966
Professional Qualification	:	The Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") (MAICSA Membership No. : MAICSA 7053500)

REGISTERED OFFICE :

Suite 18.05, MWE Plaza
No. 8, Lebuh Farquhar
10200 Pulau Pinang

Telephone No.	:	(04) 263 1966
Website	:	http://www.securities-services.com.my
Email	:	info@sshsb.com.my

HEAD OFFICE :

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

Telephone No.	:	(04) 646 3260
Website	:	http://www.greatech-group.com
Email	:	info@greatech-group.com

1. CORPORATE DIRECTORY (Cont'd)

EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS	:	BDO PLT (LLP0018825-LCA & AF 0206) 51-21-F, Menara BHL Jalan Sultan Ahmad Shah 10050 Pulau Pinang Telephone No. : (04) 227 6888 Partner-in-charge : Lee Beng Tuan Professional Qualification : MIA (MIA Membership No. : MIA 15129) Institute of Chartered Accountants in England and Wales ("**ICAEW**") (ICAEW Membership No. : ICAEW 4463432) Association of Chartered Certified Accountants ("**ACCA**") (ACCA Membership No. : ACCA 2641326)
SOLICITORS FOR THE LISTING	:	Azman Davidson & Co Suite 13.03, 13th Floor Menara Tan & Tan 207 Jalan Tun Razak 50400 Kuala Lumpur Telephone No. : (03) 2164 0200
PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT	:	Alliance Investment Bank Berhad Level 3, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Telephone No. : (03) 2604 3333
SHARE REGISTRAR	:	Securities Services (Holdings) Sdn Bhd (36869-T) Suite 18.05, MWE Plaza No. 8, Lebuh Farquhar 10200 Pulau Pinang Telephone No. : (04) 263 1966
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Telephone No. : (03) 7841 8289

1. CORPORATE DIRECTORY (Cont'd)

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

2. PROSPECTUS SUMMARY

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

2.1 PRINCIPAL STATISTICS RELATING TO THE IPO

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

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

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

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

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

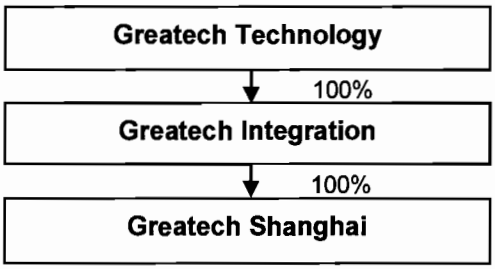
2.2 BACKGROUND AND OVERVIEW

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

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

2. PROSPECTUS SUMMARY (Cont'd)

Our current corporate Group structure is as follows:-



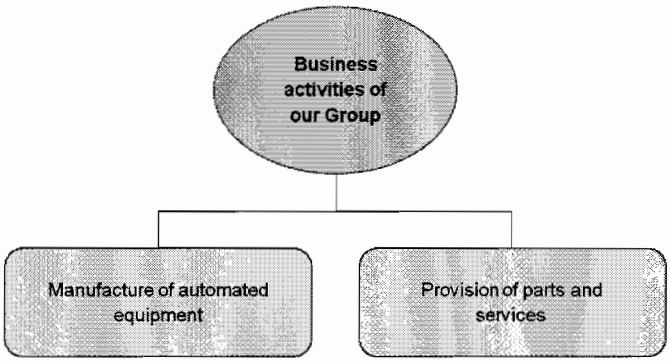
The principal activities of our subsidiaries are as follows:-

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

Note:-

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

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



(i) Overview of business activities

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

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

2. PROSPECTUS SUMMARY (Cont'd)

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

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

(ii) Manufacture of automated equipment

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

(a) Single automated equipment

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

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

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

2. PROSPECTUS SUMMARY (Cont'd)

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

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

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

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

(c) Provision of parts and services

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

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

2. PROSPECTUS SUMMARY (Cont'd)

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

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

Note:-

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

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

2.3 COMPETITIVE STRENGTHS

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

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

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

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

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

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

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

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

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

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

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

2.4 BUSINESS STRATEGIES

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

(i) Business expansion and development, and marketing activities

(a) Business expansion and development

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

(i) We intend to establish an office in Silicon Valley, California in the 2nd half of 2019. This is to provide engineering sales and service support to our existing and new customers in the semiconductor and consumer electronics sectors. As such, we intend to hire 3 engineering sales and service support personnel in Silicon Valley, California to provide pre-sales technical assistance for the preparation of technical proposals with the intention of securing new sales orders.

(ii) We provide post-sales technical support and assistance to our customers upon the completion of installation and commissioning works. To enable us to serve our existing customers in the solar sector better, including faster response time where we can directly interact with our existing customers in the solar sector, we intend to hire 2 technical service support personnel, 1 in Perrysburg and 1 in Buffalo. We intend to begin the hiring of technical service support personnel in the 2nd half of 2019.

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

(b) Marketing activities

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

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

(ii) Establishing new operational facilities

On-going construction of operational facility

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

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

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

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

Acquisition of a new piece of land

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

(iii) Focusing on product development and expansion

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

Our product development milestones are as follows:-

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

2. PROSPECTUS SUMMARY (Cont'd)

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

2.5 RISK FACTORS

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

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

(i) We are dependent on certain major customers;

(ii) The prospect of our business is dependent on the demand and performance of the solar sector as a key market for the FYE 31 December 2016 to 2018;

(iii) We are dependent on our Executive Directors and key senior management for the continuing success of our Group;

(iv) Our financial performance are affected by the purchase orders we receive as we do not have long-term contractual agreements with our customers; and

(v) We are subject to the risk of product liability.

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

2.6 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

Our Directors and key senior management are as follows:-

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

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

2. PROSPECTUS SUMMARY (Cont'd)

2.7 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

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

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

Notes:-

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

Based on our enlarged issued share capital of 626,000,000 Shares after the IPO.

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

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

2.8 USE OF PROCEEDS FROM THE IPO

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

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

2. PROSPECTUS SUMMARY (Cont'd)

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

2.9 FINANCIAL HIGHLIGHTS

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

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

Notes:-

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

(2) Gross profit margin is calculated based on gross profit divided by revenue.

(3) PBT margin is calculated based on PBT divided by revenue.

(4) PAT margin is calculated based on PAT divided by revenue.

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

2.10 DIVIDEND POLICY

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

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

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

3. PARTICULARS OF THE IPO

3.1 DETAILS OF THE IPO

3.1.1 Listing Scheme

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

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

(a) Acquisition of Greatech Integration

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

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

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

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

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

Notes:-

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

3. PARTICULARS OF THE IPO (Cont'd)

(b) SmartCap Venture Sdn Bhd is held by Khoo Choon Keat and See Bee Hoon with equity interest of 50% each. Khoo Choon Keat and See Bee Hoon are shareholders and directors of KCK Consultancy Services Sdn Bhd. KCK Consultancy Services Sdn Bhd provided tax compliance services to Greatech Integration prior to its resignation on 23 August 2018. In addition, Khoo Choon Keat is one of the partners of KCK & Associates, who was the auditors for Greatech Integration for the FYE 31 December 2015 and ceased to be its auditors with effect from 8 May 2017.

(c) LLH Holdings Sdn Bhd is held by Koay Lin Lin, Lee Choong Li and Lee Hong Wah with equity interest of 50%, 25% and 25%, respectively. Koay Lin Lin, Lee Choong Li and Lee Hong Wah are the employees of our Group.

(d) SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd acquired the shares in Greatech Integration for RM4.500 million and RM2.000 million respectively from GTECH Holdings on 10 April 2018. The difference between the Issue Price and the price paid by SmartCap Venture Sdn Bhd and LLH Holdings Sdn Bhd is illustrated below:-

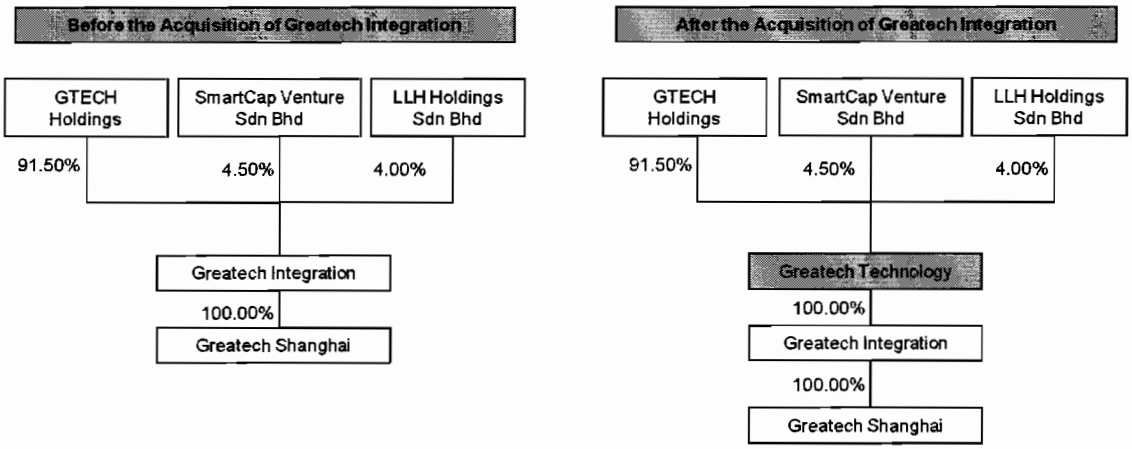
	Cost of investment in Greatech Integration (RM)	**No. of Greatech Technology Shares issued**	**Price paid (RM)**	**Difference between Issue Price and price paid (RM)**
	(A)	**(B)**	**(A)/(B)**	
SmartCap Venture Sdn Bhd	4,500,000	22,781,250	0.20	0.41
LLH Holdings Sdn Bhd	2,000,000	20,250,000	0.10	0.51

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

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

3. PARTICULARS OF THE IPO (Cont'd)

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



(b) Public Issue

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

(i) Malaysian Public

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

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

(a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocation as described in Section 3.1.1(b)(ii) of this Prospectus;

(b) Secondly, by our selected investors as described in Section 3.1.1(b)(iii) of this Prospectus; and

(c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

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

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

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

3. PARTICULARS OF THE IPO (Cont'd)

Eligibility	No. of persons	Aggregate number of Issue Shares allocated[3]
Directors of Greatech Technology[1]	3	1,050,000
Employees[2]	259	7,670,500
Persons who have contributed to the success of our Group[3]	21	669,500
Total	**283**	**9,390,000**

Notes:-

(1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.

(2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-

(i) The employee must be a full time employee and on the payroll of our Group; and

(ii) The number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance/contribution as well as other factors deemed relevant by our Board.

(3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our suppliers, shall be based on their contribution to our Group and as approved by our Board.

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

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

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

(a) Firstly, by other eligible Directors, employees and persons who have contributed to the success of our Group;

(b) Secondly, by the Malaysian Public and our selected investors as described in Sections 3.1.1(b)(i) and 3.1.1(b)(iii) of this Prospectus respectively; and

(c) Lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

3. PARTICULARS OF THE IPO (Cont'd)

(iii) Placement to selected investors

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

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

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

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

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

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

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

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

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

3. PARTICULARS OF THE IPO (Cont'd)

(c) Listing

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

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

Note:-

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

The Issue Price is payable in full upon Application.

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

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

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

3. PARTICULARS OF THE IPO (Cont'd)

3.2 BASIS OF ARRIVING AT THE ISSUE PRICE

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

(i) Financial and operating history

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

(ii) Business strategies

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

(iii) Competitive strengths and industry prospects

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

(iv) Pro forma consolidated NA

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

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

3.3 DILUTION

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

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

3. PARTICULARS OF THE IPO (Cont'd)

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

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

Notes:-

\# Includes 1 Share that was transferred from our Company's previous shareholder.

(1) Tan Eng Kee is deemed interested in Greatech Technology by virtue of his direct shareholdings in GTECH Holdings pursuant to Section 8(4) of the Act.

(2) Koay Lin Lin and Lee Choong Li are deemed interested in Greatech Technology by virtue of her/his direct shareholdings in LLH Holdings Sdn Bhd pursuant to Section 8(4) of the Act.

^ Based on the purchase consideration for the Acquisition of Greatech Integration.

* Assuming that all Pink Form Allocation is fully subscribed.

3. PARTICULARS OF THE IPO (Cont'd)

3.4 USE OF PROCEEDS FROM THE IPO

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

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

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

(1) Business expansion and development, and marketing activities

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

(a) Business expansion and development

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

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

Description	Total RM
Silicon Valley, California, USA[(i)]	10,300,000
Perrysburg, Ohio, USA[(ii)]	1,100,000
Buffalo, New York, USA[(ii)]	1,100,000
Total	**12,500,000**

3. PARTICULARS OF THE IPO (Cont'd)

Notes:-

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

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

Notes:-

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

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

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

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

(b) Marketing activities

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

3. PARTICULARS OF THE IPO (Cont'd)

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

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

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

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

(2) Capital expenditure

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

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

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

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

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

Description	**Total RM**
Partial payment for construction costs[(i)]	3,700,000
Fitting out works[(ii)]	1,300,000
Total	**5,000,000**

3. PARTICULARS OF THE IPO (Cont'd)

Notes:-

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

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

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

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

(3) R&D expenditure

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

	Internally generated funds RM	IPO proceeds RM
• **Production line system for the assembly of battery module and pack**		
- Development of prototypes[(i)]	-	1,500,000[(iv)]
- Expansion of R&D division[(ii)]	1,250,000	800,000
- Purchase of R&D facilities[(iii)]	550,000	-
	1,800,000	**2,300,000**
• **Loading and unloading equipment to handle solar wafer**		
- Development of prototypes[(i)]	-	150,000
- Expansion of R&D division[(ii)]	-	1,000,000
- Purchase of R&D facilities[(iii)]	-	350,000
	-	**1,500,000**
• **Loading and unloading equipment to handle semiconductor panel substrate**		
- Development of prototypes[(i)]	150,000	-
- Expansion of R&D division[(ii)]	150,000	850,000
- Purchase of R&D facilities[(iii)]	-	350,000
	300,000	**1,200,000**
Total	**2,100,000**	**5,000,000**

Notes:-

(i) The cost for the development of prototypes mainly comprises the purchase of direct material and component, and engagement with subcontractors.

(ii) We intend to have about 35, 20 and 20 employees, comprising engineers and technical personnel, for the product development of production line system for the assembly of battery module and pack, loading and unloading equipment to handle solar wafer, and loading and unloading equipment to handle semiconductor panel substrate, respectively.

(iii) Purchase of R&D facilities comprises the purchases of calibration tools, hardware such as laptops and desktop computers, and software for engineering design.

(iv) Including RM500,000 which will be used by 2020 for enhancement and/or improvement of our production line system for the assembly of battery modules and battery packs.

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

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

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

(4) Working capital

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

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

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

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

3. PARTICULARS OF THE IPO (Cont'd)

Description	Total RM
Purchase of direct material and components for our automated equipment[(i)]	29,547,500
Engagement of additional subcontractors[(ii)]	7,000,000
Total	**36,547,500**

Notes:-

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

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

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

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

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

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

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

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

3. PARTICULARS OF THE IPO (Cont'd)

(5) Repayment of bank borrowings

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

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

Note:-

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

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

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

(6) Estimated listing expenses

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

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

Notes:-

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

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

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

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

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

3.5 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

3.5.1 Brokerage

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

3.5.2 Underwriting commission

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

3.5.3 Placement fee

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

3.5.4 Salient terms of the Underwriting Agreement

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

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

(I) Termination

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

3. PARTICULARS OF THE IPO (Cont'd)

(a) there is any breach by the Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated within the notice given to the Company or by the Closing Date, whichever is earlier; or

(b) there is withholding of information which is required to be disclosed to the Sole Underwriter pursuant to the Underwriting Agreement which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Issue Shares, and if capable of remedy, is not remedied within such number of days as stipulated within the notice given to the Company; or

(c) there shall have occurred, happened or come into effect any of the following circumstances:-

(aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or the occurrence of any combination of any of the foregoing;

(bb) any new or material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Sole Underwriter or any event or series of events beyond the reasonable control of the Sole Underwriter;

(cc) any material and adverse change to the business or financial condition of the Company or the Group; or

(dd) approval for the IPO is withdrawn, modified and/or subject to terms and conditions not acceptable to the Sole Underwriter,

which would have or can reasonably be expected to have, a material adverse effect on the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

(d) there is failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement; or

(e) the Closing Date is more than three (3) calendar months from the date of the Underwriting Agreement or any later date as the Company and the Sole Underwriter may mutually agree upon, the Underwriting Agreement will automatically lapse without the requirement for any notice in writing to be given to such effect and the Sole Underwriter will be released and discharged from its obligations.

(ii) The Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if the success of the Listing is in the reasonable opinion of the Sole Underwriter seriously jeopardised by any of the following occurs:-

(a) the coming into force of any laws, governmental regulations or directives which seriously affects or is likely seriously affect the business of the Group;

(b) any material and adverse change in the condition (financial or otherwise) of the Group from that described in this Prospectus;

3. PARTICULARS OF THE IPO (Cont'd)

(c) the Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by the Sole Underwriter and the Company;

(d) any commencement of legal proceedings or action against the Company or any of its directors, which in the reasonable opinion of the Sole Underwriter, would have a material adverse effect or make it impracticable to market the Public Issue or to enforce contracts to allot and issue the Issue Shares;

(e) if the SC or any other relevant authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Sole Underwriter (after consultation with the Company), impracticable to market the Public Issue or to enforce contracts to allot and transfer the Issue Shares;

(f) there is any breach by the Company of any of its obligations under the Underwriting Agreement and where such breach if capable of remedy, the same not being remedied within two (2) Market Days from the date of a written notice to the Company by the Sole Underwriter; or

(g) the placement arrangement shall have been terminated or rescinded in accordance with its terms.

(II) Force Majeure

(i) It will be an event of force majeure if the Sole Underwriter is unable to perform its obligations in the Underwriting Agreement resulting from any event or series of events beyond the reasonable control of the Sole Underwriter, including without limitation any of the following:-

(a) acts of God;

(b) national disorder or a declaration of a state of national emergency;

(c) armed conflict or serious threat of the same;

(d) hostilities, embargo, detention, revolution, riot;

(e) any unavailability of transportation or severe economic dislocation;

(f) earthquake, outbreak of war, outbreak of disease, acts of terrorism;

(g) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for three (3) or more consecutive Market Days;

(h) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Sole Underwriter is likely to have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FBM KLCI is, at the close of normal trading on Bursa Securities, on any Market Day:-

(aa) on or after the date of the Underwriting Agreement; and

(bb) prior to the Closing Date,

3. PARTICULARS OF THE IPO (Cont'd)

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

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

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

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

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

4. RISK FACTORS

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

4.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

4.1.1 We are dependent on certain major customers

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

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

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

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

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

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

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

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

4. RISK FACTORS (Cont'd)

4.1.2 The prospect of our business is dependent on the demand and performance of the solar sector as a key market for the FYE 31 December 2016 to 2018

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

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

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

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

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

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

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

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

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

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

4. RISK FACTORS (Cont'd)

4.1.5 We are subject to the risk of product liability

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RISK FACTORS (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.2 RISKS RELATING TO OUR INDUSTRY

4.2.1 We are subject to economic, political and regulatory risks in foreign countries that we export our products as well as in Malaysia

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

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

4. RISK FACTORS (Cont'd)

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

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

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

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

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

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

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

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

4.3 RISKS RELATING TO INVESTING IN OUR SHARES

4.3.1 There has been no prior market for our Shares

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

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

4. RISK FACTORS (Cont'd)

4.3.2 Our Share price and trading volume may be volatile

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

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

(i) Variations in our results and operations;

(ii) Success or failure in our management team in implementing business and growth strategies;

(iii) Changes in securities analysts' recommendations, perceptions or estimates of our financial performance;

(iv) Changes in conditions affecting the industry, the prevailing local and global economic conditions or stock market sentiments or other events or factors;

(v) Additions or departures of key personnel;

(vi) Fluctuations in stock market prices and volumes; or

(vii) Involvement in litigation.

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

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

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

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

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

(i) The MITI approved Bumiputera investors fail to acquire the Shares allocated to them under the Public Issue;

(ii) Our Sole Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;

4. RISK FACTORS (Cont'd)

(iii) The revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or

(iv) We are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

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

(a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our Issue Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(b) our Listing is aborted, investors will not receive any of our Issue Shares, all monies paid in respect of all applications for our Issue Shares will be refunded free of interest.

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

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:-

(aa) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

(bb) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

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

5. INFORMATION ON OUR GROUP

5.1 INFORMATION ON OUR GROUP

5.1.1 Overview and History

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

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

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

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

Year	Events
1997	• Incorporation of Dynacut Engineering Sdn Bhd in Malaysia on 18 September 1997 as a private limited company before changing its name to Greatech Automation (M) Sdn Bhd in October 1998 and later to its current name, Greatech Integration in April 2005.
1998	• We commenced business operations as a fabricator of machined parts and components used in the manufacture and assembly of hard disk drives. Subsequently we expanded into the manufacture of our first semi-automated assembly equipment for hard disk drives. We also made our first export of this said equipment to Thailand.
2002	• We started to design and manufacture our first fully automated tape splicing equipment for semiconductor manufacturing, which has a splicing tool to join two separate length of tape containing semiconductors together.
2003	• We expanded our range of automated equipment namely material handling equipment for semiconductor packages. This equipment incorporated functions such as loading and unloading, vision inspection and identification.
2004 – 2005	• We expanded our range of automated equipment to handle semiconductor device including pick and place equipment, trimming and forming equipment.
2008	• We made inroads into the solar sector when we supplied manual handling equipment and tools to a solar module manufacturer in Kulim, Kedah.
2013	• Greatech Integration commenced its pioneer status granted by MITI under "automated handlers for front end solar wafer and solar panel" valid from 2013 up to 2018 and subsequently extended to 28 March 2023. • We continued to expand our customer base to include a global original brand manufacturer of smart devices and computers. This was for the manufacture of an automated equipment to measure the distance and height of a home button on the smart device during final quality inspection.

5. INFORMATION ON OUR GROUP (Cont'd)

Year	Events
2015	• We secured additional orders for loading and unloading equipment to handle solar wafer with wafer sizes up to 156 mm x 156 mm, and thickness of 120 microns.
2017	• In April 2017, we entered into the EPSA with Panasonic for the sale of loading and unloading equipment to handle solar wafer. • We expanded our business to design and manufacture production line systems. A production line system is a self-contained system comprising multiple automated equipment to perform a series of tasks. Please refer to Section 5.4.2(b) of this Prospectus for further details of the production line system. In June 2017, through Greatech Integration, we entered into the MEPA with First Solar group of companies. This agreement is for the sale of production line systems for solar modules to First Solar group of companies. Please refer to Section 5.4.12 of this Prospectus for further details on the MEPA and EPSA. • During the same year, we expanded our capabilities to manufacture loading and unloading equipment to handle semiconductor wafers.

Key Awards, Certifications and Recognitions

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

Year	Award/Certification
2017	• "5th position winner" of the Top 10 Excellent Eagle under the Golden Eagle Award 2017 organised by Nanyang Siang Pau.
2018	• Obtained ISO 9001:2015 certificate for "Design and Manufacturing of Automated Industrial Equipment" by Newera International Certification Sdn Bhd. This certificate is valid from 2018 to 2021. • "Top Winner" of the 100 Excellent Eagles under the Golden Eagle Award 2018 organised by Nanyang Siang Pau.

5.1.2 Our competitive strengths

Our competitive strengths are as follows:-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.1.3 Share capital and changes in share capital

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

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

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

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

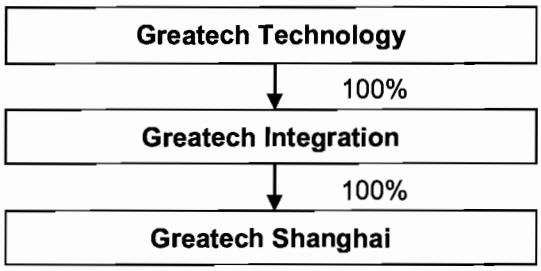
As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.1.4 Subsidiaries

Our existing corporate Group structure is as follows:-



Details of our subsidiaries are set out below:-

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

Notes:-

* Date of commencement of business refers to the date of commencement of business in the manufacture of automated equipment.

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.2 INFORMATION ON OUR MATERIAL SUBSIDIARY

5.2.1 Greatech Integration

(a) Background, history and principal activities

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

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

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

(b) Share capital

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

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

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

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

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

(c) Substantial shareholder

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

(d) Subsidiary and associate company

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

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

5.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES

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

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

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

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

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

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

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

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

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

5.4 BUSINESS OVERVIEW

5.4.1 Our business model

(a) Business activities and strategies

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

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

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

Our Business Activities and Strategies

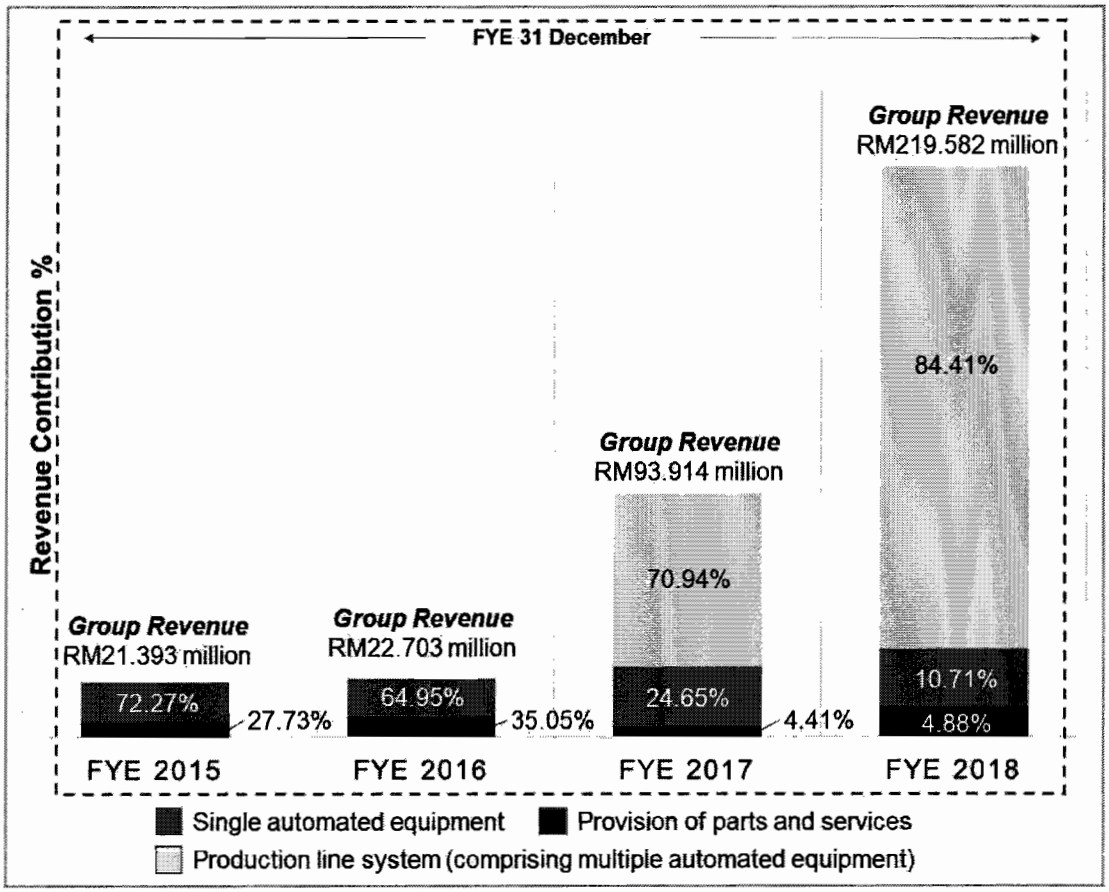
Notes:-

(1) Others mainly include provision of modification works by upgrading or retrofitting on existing equipment, supply of metal racks and provision of engineering services including disassembly and reassembly of production lines.

(2) Please refer to Section 5.7 for further details on our business strategies.

(b) Revenue streams

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



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

(c) Target industry sectors

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

(d) Sales model

All our automated equipment sales are based on purchase orders.

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

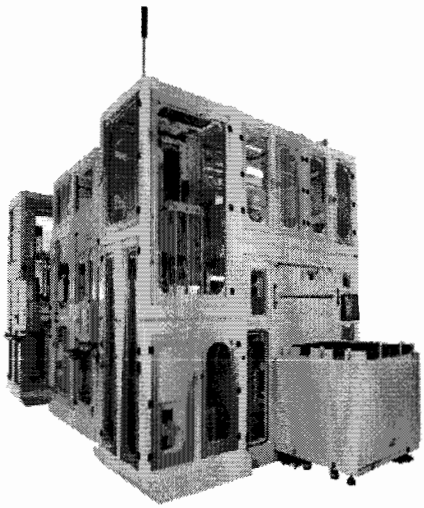
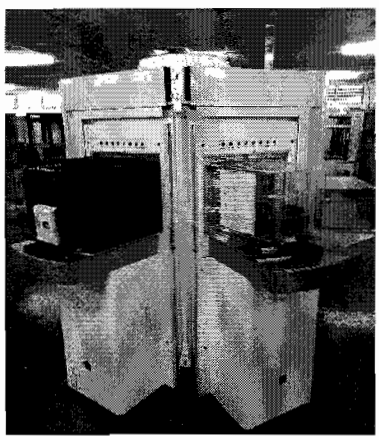
5.4.2 Our Products and Services

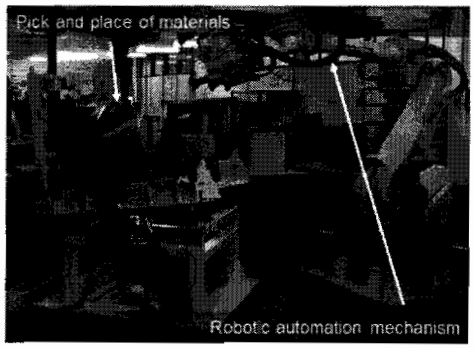
Details relating to our products and services are as follows:-

(a) Manufacture of single automated equipment

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

Our range of single automated equipment is as follows:-

Types of single automated equipment	Description
(i) Material handling equipment	
Loading and unloading equipment[1] to handle solar wafer	The key features of this equipment include the following:- • motion controller to automate and perform movements and functions including pick and place; • visual inspection on defects; and • transfer solar wafer from one station to another station for further processing. This equipment is designed to handle solar wafer during the manufacturing of solar cell. 
Loading and unloading equipment to handle semiconductor wafer	The key features of this equipment include the following:- • robotics to pick up the semiconductor wafer and transport the wafer from one station to another station; • code reading capabilities for identification; and • alignment of the wafer position. This equipment is designed to handle semiconductor wafer during the manufacturing of fan-out WLP. 

Types of single automated equipment	Description
Robotic handling equipment	Picking up and placing of solar modules in the production line, through programmed motion control. The key features of this equipment are as follows:- • scalable in size to cater for the expansion in production capacity; • programmed to handle various sizes of solar modules; • vision inspection for precise placement positioning; and • can be installed into an existing production line.  Robotic automation mechanism
Pick and place equipment	Pick and place mechanism to handle sealing materials which is a part used in the manufacturing of smart devices. These sealing materials are used to prevent water from permeating through the smart device.
(ii) Assembly equipment	Feeding mechanism to place a part such as screws into smart devices.
(iii) Inspection and measurement equipment	Inspect and measure the height of a home button of a smart device.

Note:-

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

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

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

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

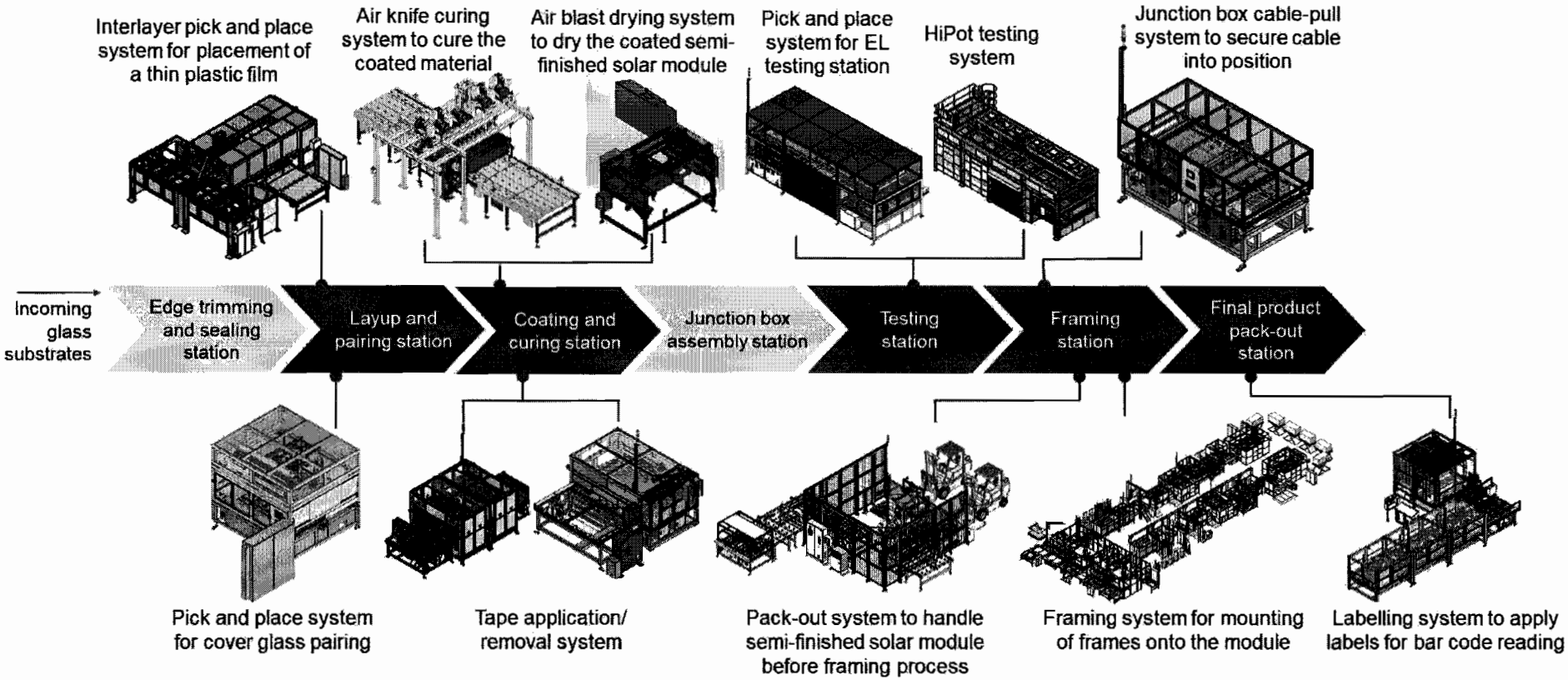
Generally, the equipment will be shipped to the customers' premises and we will undertake onsite installation and commissioning works at customers' site.

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

Production of Solar Modules



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

5. INFORMATION ON OUR GROUP (Cont'd)

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

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Interlayer pick and place system	Consists of multiple equipment including material handling and vision inspection equipment as follows:- • load, unload and transport semi-finished solar modules via conveyor system; and • pick and place equipment to pick-up and place a thin plastic film onto the semi-finished solar modules. The vision inspection equipment is for accurate placement of the thin plastic film onto the semi-finished solar modules. The footprint of this equipment is approximately 38 sq m (equivalent to 409 sq ft).	Up to194 uph	± 1 mm
Cover glass pairing system	Consists of multiple equipment including material handling and vision inspection equipment as follows:- • load, unload and transport the semi-finished solar modules after the interlayer process via conveyor system; and • pick and place equipment to pick-up the cover glass and place it onto the semi-finished solar module, thus sandwiching the thin plastic film between the cover glass and the semi-finished solar module. The vision inspection equipment is for accurate placement of the cover glass onto the semi-finished solar module. The footprint of this system is approximately 8 sq m (equivalent to 86 sq ft).	Up to 205 uph	± 0.5 mm

5. INFORMATION ON OUR GROUP (Cont'd)

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Air knife curing system	Consists of multiple equipment including material handling and air-drying equipment as follows:- • load, unload and transport the coated semi-finished solar module via conveyor system for curing; and • air-drying equipment to cure the coated material. The footprint of this equipment is approximately 23 sq m (equivalent to 248 sq ft).	Up to 128 uph	N/A
Air blast drying system	Consists of multiple equipment including material handling and air-drying equipment as follows:- • load, unload and transport the coated semi-finished solar module via conveyor system (after air knife curing system) into the air blast drying system; and • air-drying equipment to blow cool air to dry the coated semi-finished solar module. The footprint of this system is approximately 4 sq m (equivalent to 43 sq ft).	N/A	N/A
Tape application/ removal system	Consists of multiple equipment including material handling and vision inspection equipment as follows:- • load, unload and transport the semi-finished solar module via conveyor system into the tape application and tape removal system; and • pick and place equipment to pick up plastic tape and place it over the hole in the cover glass to prevent water from penetrating into the semi-finished solar module during the washing process; and • peeling equipment to peel-off the plastic tape after the washing process.	Up to 205 uph for tape application system/up to 200 uph for tape removal system	± 2 mm for tape application system

5. INFORMATION ON OUR GROUP (Cont'd)

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Tape application/ removal system (cont'd)	The vision inspection equipment is for checking presence or absence of the plastic tape. The footprint of this system is approximately 10 sq m and 25 sq m (equivalent to approximately 108 sq ft and 269 sq ft) for tape application and removal system respectively.		
Pick and place system for EL testing station	Consists of multiple equipment including material handling equipment as follows:- • load, unload and transport the unframed semi-finished solar module via conveyor system into the EL testing station to detect any defects; and • pick and place equipment to pick up the unframed semi-finished solar module into the EL testing enclosure. The footprint of this system is approximately 20 sq m (equivalent to 215 sq ft).	Up to 100 uph	± 1 mm
HiPot testing system	Consists of multiple equipment including material handling and testing equipment as follows:- • load, unload and transport the unframed semi-finished solar module via conveyor system; and • testing equipment to perform various electrical tests in relation to the performance and efficiency of the solar module. The footprint of this system is approximately 51 sq m (equivalent to approximately 549 sq ft).	Up to 100 uph	± 1 mm

5. INFORMATION ON OUR GROUP (Cont'd)

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Junction box cable-pull system	Consists of multiple equipment including material handling and cable-pulling equipment as follows:- • load, unload and transport the unframed semi-finished solar module into the junction box cable-pull system via conveyor system; and • cable-pulling equipment with sensors to pull the junction box cable to a specific position. The sensor is to ensure that the cable is placed in the right position. The footprint of this system is approximately 6 sq m (equivalent to approximately 65 sq ft).	Up to 225 uph	N/A
Pack-out system	Consists of multiple equipment including material handling equipment as follows:- • load, unload and transport the semi-finished solar module via conveyor system; • pick and place equipment:- - to pick up the semi-finished solar module and placing it onto the metal rack prior to the framing process; - to pick up the semi-finished solar module from the metal rack and transfer it to the framing system via conveyor system. The footprint of this system is approximately 125 sq m (equivalent to 1,345 sq ft).	Up to 200 uph	± 0.5 mm for placement accuracy and ± 0.05 mm for repeatability
Framing system	Consists of multiple equipment including material handling and assembly equipment as follows:- • load, unload and transport the tested and unframed semi-finished solar module via conveyor system into the framing system; and	Up to 100 uph	± 0.5 mm

System	General descriptions	Throughput (uph)	Placement accuracy/ Repeatability
Framing system (cont'd)	• assembly equipment to assemble aluminium frame and subsequently mount the assembled frame onto the back of the semi-finished solar module. The footprint of this system is approximately 939 sq m (equivalent to approximately 10,107 sq ft).		
Labelling system	Consists of multiple equipment including material handling and printing equipment as follows:- • load, unload and transport the framed solar module via conveyor system into the labelling system; • printing equipment for label printing; and; • pick and place equipment to pick up the printed labels and stick the label onto the back of the framed solar module. The footprint of this system is approximately 32 sq m (equivalent to 344 sq ft).	Up to 205 uph	± 3 mm for placement accuracy and repeatability

(iii) Provision of parts and services

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.3 Our principal markets

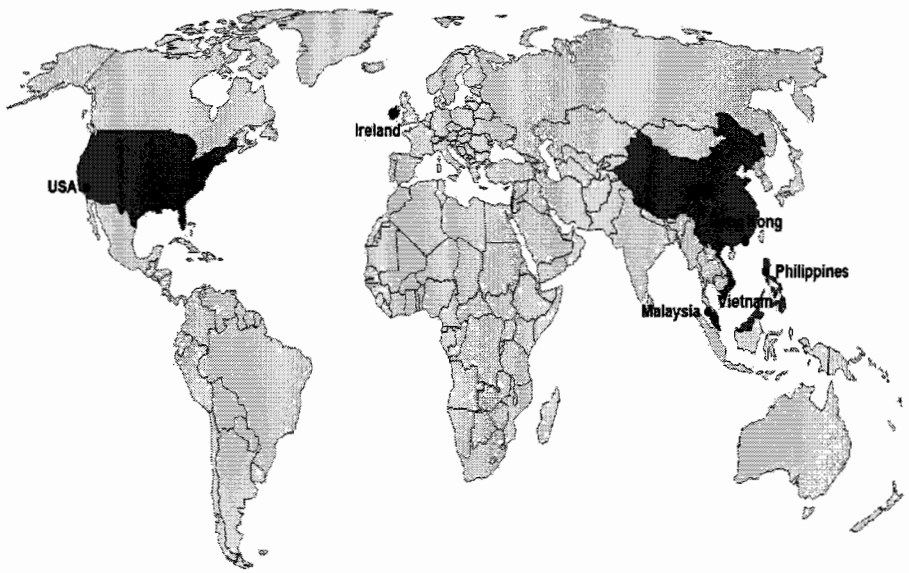
The breakdown of our Group's revenue by principal markets, based on the billing country, is as follows:-

	<----------Audited---------->							
	<----------FYE 31 December---------->							
	2015		2016		2017		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local	3,888	18.17	14,300	62.99	17,878	19.04	21,991	10.01
Overseas	17,505	81.83	8,403	37.01	76,036	80.96	197,591	89.99
Total	**21,393**	**100.00**	**22,703**	**100.00**	**93,914**	**100.00**	**219,582**	**100.00**
Overseas								
Vietnam	-	-	3	0.03	37,490	49.31	137,618	69.65
USA	4,175	23.85	3,687	43.88	34,052	44.78	55,694	28.19
Philippines	2	0.01	1	0.01	2,797	3.68	3,754	1.90
Ireland[(1)]	12,650	72.27	3,837	45.66	1,655	2.18	206	0.10
PRC	651	3.72	426	5.07	42	0.05	26	0.01
Hong Kong[(1)]	-	-	420	5.00	-	-	-	-
Others[(2)]	27	0.15	29	0.35	-	-	293	0.15
Total	**17,505**	**100.00**	**8,403**	**100.00**	**76,036**	**100.00**	**197,591**	**100.00**

Notes:-

(1) Products and services were delivered and performed in PRC.
(2) Others include Japan, Israel and Singapore.

Principal Markets
(FYE 31 December 2015 to 2018)



5. INFORMATION ON OUR GROUP (Cont'd)

5.4.4 Key types, sources and availability of supplies

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

Purchases of Materials and Services

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

Notes:-

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

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

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

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

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

(i) Materials

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

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

- Others such as steel materials are used in the fabrication of metal structure, casing and mechanical parts.

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

(ii) Services

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

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

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

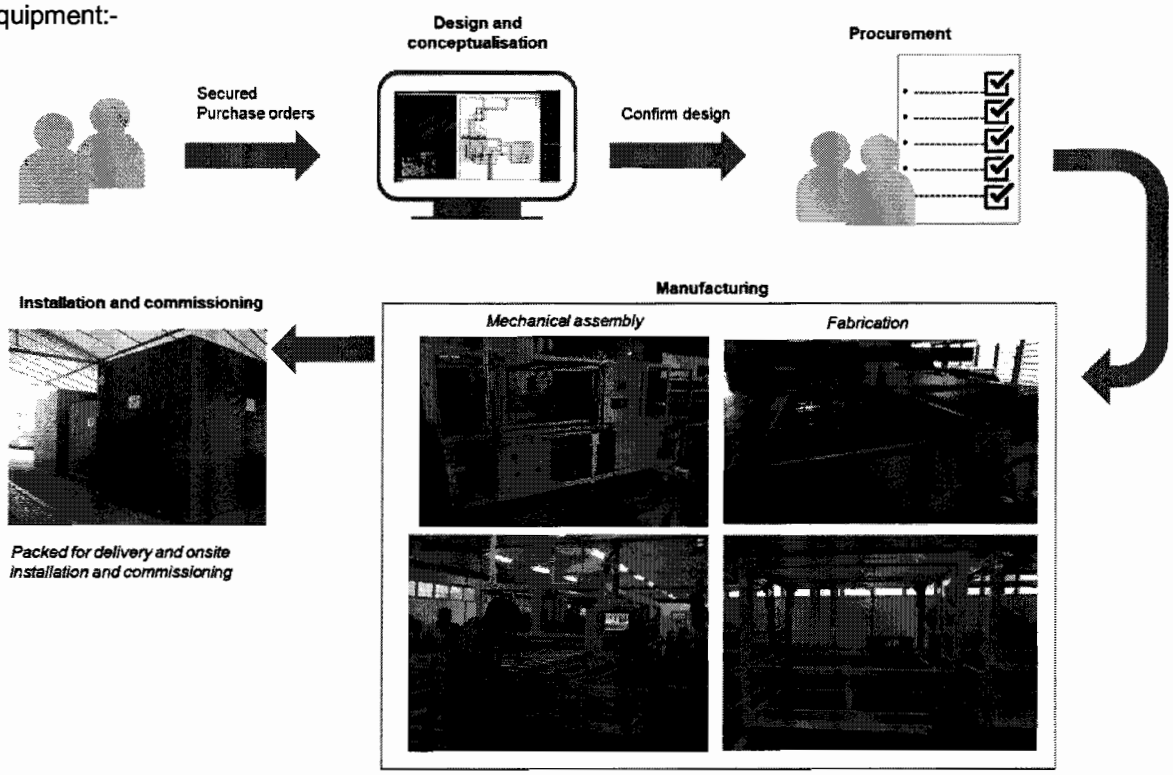
Thus far, we have not experienced any significant shortages in sourcing the abovementioned input materials or services. The prices of our key materials, such as steel materials, are subject to price fluctuations as a result of demand and supply conditions. We purchase these materials on a purchase order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

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.5 Process flow

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



Design and conceptualisation

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

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

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

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

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

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

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

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

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

Procurement

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

Manufacturing

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

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

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

Installation and commissioning

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

5.4.6 Quality control procedure

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

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

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

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

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

5.4.7 R&D

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

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

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

5.4.8 Technology

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

(i) Vision systems

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

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

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

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

(ii) Robotics

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

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

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

5.4.9 Modes of marketing, distribution and sales

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

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

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

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

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.10 Major approvals, licences and permits obtained

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Business Premises Licence at Plot 287B and Plot 287C for:- (i) processing of electric and mechanic works; and (ii) advertising signboard without lighting.	Pulau Pinang City Council	KOM00005511	10 January 2019/ 31 December 2019 (License shall be renewed before or at the end of February of each year)	None	N/A
Greatech Integration	Business Premises Licence at Lot No. 1515 for:- (i) processing stainless steel/iron; and (ii) office.	Kulim Municipal Council	L0016045-01	27 March 2019/ 26 September 2019 (License shall be renewed on or before the expiry date of the license)	None	N/A

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

Company	Description of licence/approval	Authority	Licence/ Reference no.	Issue date/ Expiry date	Major conditions imposed	Status of compliance
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing at Plot 287B for the manufacturing of the factory automation machine and related components for the manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 019466 (Serial No. A 035255)	7 March 2017/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares. (ii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied Noted and complied
Greatech Integration	Manufacturing Licence issued pursuant to the Industrial Co-ordination Act 1975 to act as licensed manufacturer effective from 10 January 2017 at the place of manufacturing at Plot 287C for the manufacturing of the factory automation machine and related components for the production of wafer solar, lithium-ion battery, inkjet and 3D printers and consumer IoT.	MITI	A 020180 (Serial No. A 035256)	7 March 2017/ This license does not need to be renewed and is valid until it is revoked.	(i) Greatech Integration must notify MITI and MIDA for any disposal of its shares. (ii) Greatech Integration shall comply with the Environmental Quality Act 1974 and applicable regulations. (iii) The total full time employees of the company shall comprise of at least 80% Malaysian by year 2020.	Noted and to be complied Noted and complied Noted and complied

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.11 Intellectual property rights, patents, trademarks and registrations

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

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

5.4.12 Contracts/arrangements on which our Group is materially dependent

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

(i) MEPA

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

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

(ii) EPSA

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.13 Interruptions to business and operations

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

5.4.14 Seasonality

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

5.4.15 Major customers

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

FYE 31 December 2015

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

5. INFORMATION ON OUR GROUP (Cont'd)

FYE 31 December 2016

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

FYE 31 December 2017

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

5. INFORMATION ON OUR GROUP (Cont'd)

FYE 31 December 2018

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

Notes:-

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

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

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

Customer X is a solar panel technology and manufacturing company.

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

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

^ Customers Z and Y are not part of the same group of companies.
Customers Z and X are not part of the same group of companies.

^^ Length of business relationship is determined as at the respective FYE.

* Length of business relationship is less than 1 year as at the respective FYE.

5. INFORMATION ON OUR GROUP (Cont'd)

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

(i) 27.00%, 62.24%, 72.10%, 87.61% for the FYE 31 December 2015 to 2018 respectively from First Solar group of companies; and

(ii) 20.33% and 8.71% for the FYE 31 December 2017 and 2018 respectively from Panasonic.

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

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

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

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

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

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

5.4.16 Major suppliers

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

FYE 31 December 2015

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

FYE 31 December 2016

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

5. INFORMATION ON OUR GROUP (Cont'd)

FYE 31 December 2017

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

FYE 31 December 2018

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

Notes:-

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

^ Length of business relationship is determined as at the respective FYE.

* Length of business relationship is less than 1 year as at the respective FYE.

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

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

5.5 KEY MACHINERY AND EQUIPMENT

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

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

Notes:-

* The CNC turret punch press machine and hydraulic press brake have been fully depreciated as at 31 December 2018.

^ With timely preventive maintenance, the average lifespan of these key machinery and equipment may be prolonged.

5.6 OPERATING CAPACITY AND OUTPUT

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

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

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

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

FYE 31 December 2018

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

Notes:-

* SFM = sq ft month

^ The ceiling height in each assembly facilities are as follows:-

(i) Plot 16A = 5.0 metres;

5. INFORMATION ON OUR GROUP (Cont'd)

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

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

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

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

(2) The actual space occupied = the number of units occupied × the floor space required for each automated equipment × the number of months in which the automated equipment occupying the space.

(3) Utilisation rate = Actual space occupied/Space capacity.

(4) Since June 2018, the space in Plot 287C (Level 1) is no longer used as an assembly facility and has been converted to office space. In this respect, the available working floor space which was used for assembly purposes was only 5 months, from January to May 2018.

5. INFORMATION ON OUR GROUP (Cont'd)

5.7 BUSINESS STRATEGIES

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

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

(i) Business expansion and development, and marketing activities

(a) Business expansion and development

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

(i) We intend to establish an office in Silicon Valley, California in the 2nd half of 2019. This is to provide engineering sales and service support to our existing and new customers in the semiconductor and consumer electronics sectors. As such, we intend to hire 3 engineering sales and service support personnel in Silicon Valley, California to provide pre-sales technical assistance for the preparation of technical proposals with the intention of securing new sales orders.

(ii) To enable us to serve our existing customers in the solar sector better, we intend to hire 2 technical service support personnel, 1 in Perrysburg and 1 in Buffalo. Part of our product offerings is the provision of post-sales technical support and assistance to our customers upon the completion of installation and commissioning works. Hence, we envisaged the hiring of technical service support personnel will allow us to have, among others, a faster response time to these customers, where we can directly interact with them. We intend to begin the hiring of technical service support personnel in the 2nd half of 2019.

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

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

(b) Marketing activities

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

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

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

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

(ii) Establishing new operational facilities

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

On-going construction of operational facility

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

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

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

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

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

23 January 2018	• Approval of building plan for construction from Majlis Bandaraya Pulau Pinang.
March 2019	• Completion of physical works for construction of building.
March 2019 up to the LPD	• Commencement of interior fit out and finishing works.
LPD to 1st half of 2019	• Target submission of application for CCC. • Expected completion of interior fit out and finishing works.
2nd half of 2019	• Expected approval and issuance of CCC. • Target submission of application to MIDA for manufacturing license. • Expected issuance of manufacturing license. • Expected relocation into new operational facility and commencement of operations.

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

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

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

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

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

Acquisition of a new piece of land

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

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

(iii) Focusing on product development and expansion

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

5. INFORMATION ON OUR GROUP (Cont'd)

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

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

- Development of 3 prototypes between 2018 and 2020, which are sample models of automated equipment built on conceptual design. These prototypes serve as a marketing tool which are intended to be used for demonstration to our potential customers in the solar and semiconductor sectors as well as new industry sector namely the battery segment.

- Expansion of R&D division whereby we intend to expand our existing development team from various disciplines such as mechanical and electrical engineering and software development, as well as other technical personnel to assemble prototype equipment.

- Purchase of R&D facilities which includes purchases of calibration tools, hardware and software.

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

FYE 31 December	Total estimated cost RM'000	Internally generated funds RM'000	IPO proceeds RM'000
2018	1,800	1,800	-
2019	3,300	-	3,300
2020	2,000	300	1,700[1]
Total	**7,100**	**2,100**	**5,000**

Note:-

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

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

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

5. INFORMATION ON OUR GROUP (Cont'd)

We intend to develop prototypes of the following products:-

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

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

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

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

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

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

(i) Loading and unloading equipment to handle solar wafer

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

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

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

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

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

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

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

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

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

Our product development milestones are as follows:-

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

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

- **Solar sector**

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

- **Semiconductor and consumer electronics sectors**

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

- **Lithium-ion batteries**

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

(Source: Industry Overview)

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

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
(Company No.: 266797-T)
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia
Tel (603) 7931 3188
Fax (603) 7931 2188
www.vitalfactor.com

15 April 2019

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

Dear Sirs/Madam

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

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

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

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

Yours sincerely

Wong Wai Ling
Director

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

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

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

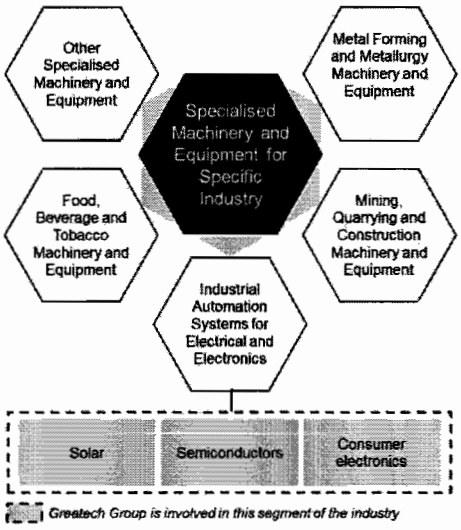
1. INTRODUCTION AND FOCUS OF REPORT

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

2. INDUSTRIAL AUTOMATION SYSTEM INDUSTRY

- Industrial automation systems refer to a single automated equipment and/or an integrated set of machinery and equipment to perform a series of processing or manufacturing tasks. Industrial automation systems play a critical role in the manufacturing industry as most high-volume operations involve highly automated processes. This is due to the need to reduce per unit product costs, attain high volume output within a short timeframe, increase product quality, and in some situations handle small items at high speed.

- Greatech Group operates within the industrial automation systems for electrical and electronics (E&E), which is part of the total umbrella under specialised machinery and equipment.



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

- Automation plays a critical role in the manufacturing of E&E products as most of the work cannot be done manually due to miniaturisation where precision at micron levels are quite commonly required and components are too small or fragile to be handled manually. In addition, industrial automation enables the manufacturing of E&E products to be undertaken in large volume and completed in a relatively short period of time. Greatech Group mainly manufactures automated equipment for the manufacturing of solar cells and solar modules.

- E&E industrial automation systems include machineries for the manufacture of semiconductors and machineries to assemble E&E devices. Common types of machinery and their functions used in the E&E industry include assembly, handling and test equipment.

- However, industrial automation systems for solar modules are focused on large items, but automation is still required to perform precision processes with high output and product quality particularly in terms of minimising contamination and damage due to handling.

- Malaysia's E&E industry is the largest contributor to the country's overall manufacturing sector which drives Malaysia's economy. In 2018, E&E exports accounted for 45.6% of Malaysia's total manufactured goods export. Industrial automation systems play a major role in E&E manufacturing.

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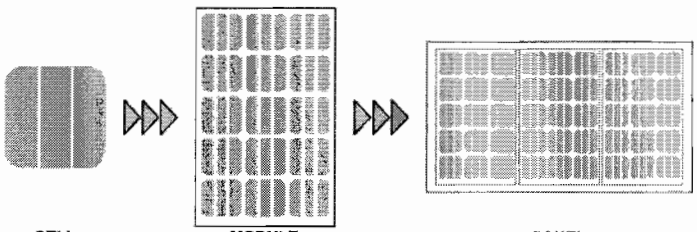
3. OVERVIEW OF THE PHOTOVOLTAIC (PV) SECTOR

- The following section provides a brief overview of the PV or solar sector as a user-industry of Greatech Group's automated equipment.

- PV is the process of converting sunlight directly into electricity using solar cells, sometimes known as PV cell. It excludes solar energy used for illumination and heating.

Solar cell, solar module and solar panel



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

- The PV sector is a growing subsector of the E&E industry in Malaysia. This is supported by the fact that Malaysia has developed a solar industry cluster comprising upstream polysilicon production, ingot and wafer manufacturing, solar cell and solar module manufacturing, through to downstream activities including systems integration. Some of the major foreign cell and/or module manufacturers with manufacturing facilities in Malaysia include, among others, First Solar Malaysia Sdn Bhd, Panasonic Energy Malaysia Sdn Bhd, Jinko Solar Technology Sdn Bhd, Longi (Kuching) Sdn Bhd, JA Solar Malaysia Sdn Bhd and Hanwha Q Cells Malaysia Sdn Bhd. In 2017, Malaysia was the third largest manufacturers of solar cells and solar modules in the world which accounted for 7% and 6% of the total global production in terms of GW respectively.

- The Malaysian Government has implemented several initiatives to increase the use of solar energy as a renewable energy source. These initiatives include net energy metering, supply agreement of renewable energy programme and installation of large-scale solar projects. The net energy metering scheme allows consumers to offset their electricity usage against the electricity generated through its PV system. Any excess electricity generated through its PV system will be exported to the grid. For the net energy metering scheme, consumers can choose to lease their PV system by paying monthly leasing fees via their electricity bills. This leasing programme is referred to as the supply agreement of renewable energy programme. In February 2019, the Energy Commission called for bids from the private sector for an estimated RM2 billion worth of projects under the third phase of the large scale solar projects with a targeted PV installed capacity of 500 megawatt (MW). These initiatives are expected to drive the growth of the solar industry in Malaysia.

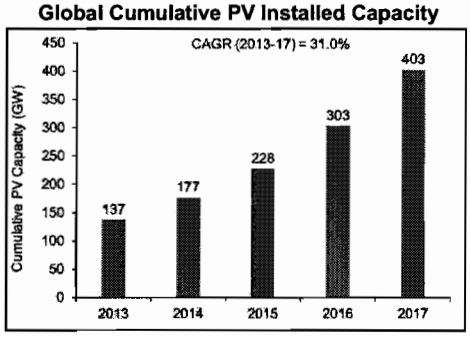
- Globally, solar energy using PV is the fastest growing source of renewable energy driven by rapid deployment in Asia particularly China, Japan and India. Demand for the solar can be demonstrated in the cumulative PV installed capacity. In 2017, the global cumulative PV installed capacity reached 403 Gigawatt (GW) with China leading the world with a cumulative PV installed capacity of 131 GW. The rapid growth in China's solar sector was largely driven by government

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

- Between 2013 and 2017, global cumulative PV installed capacity grew at a CAGR of 31.0% amounting to 403 GW in 2017. In 2018, the growth in the global cumulative PV installed capacity in the immediate term may be affected by China's policy to restructure the country's solar incentive schemes, including a reduction in subsidies and halting of new solar utility scale projects in the country.

- Moving forward, the global cumulative PV installed capacity is expected to reach 1 terawatt by 2023. It is expected that the future growth in cumulative PV installed capacity will continue to be driven by China despite its policy changes.

Global Cumulative PV Installed Capacity

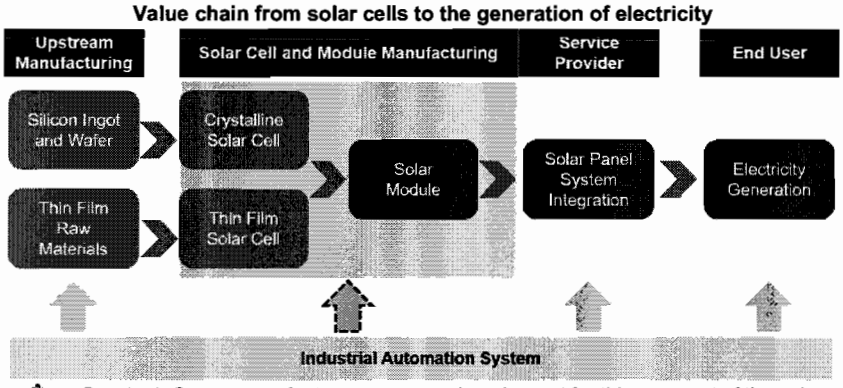


(Source: Vital Factor analysis)

3.1 Solar Cell and Solar Module Manufacturing

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

Value chain from solar cells to the generation of electricity

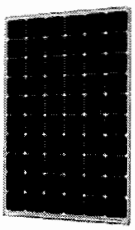


Greatech Group manufactures automated equipment for this segment of the solar sector.

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

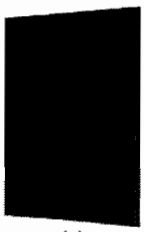
3.2 Types of Solar Panels

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



(a)

(b)



(c)

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

- The above are the most common types of solar panels namely crystalline silicon solar and thin film solar. Although thin film solar panels are the least costly among these types of different solar panels, they require a larger surface area to generate the same power output as their efficiency level is lower compared to crystalline silicon solar panels. Crystalline silicon solar panels also last longer compared to thin film solar panels.

- Other types of PV systems include building integrated solar panels known as building-integrated photovoltaics (BIPV) can either be crystalline silicon solar panels or thin film solar panels. The solar panels are installed onto the building structure or other parts of the building such as roof, windows and walls.

3.3 Solar Module Production Line

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

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

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

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

4. DEMAND DEPENDENCIES

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

4.1 Performance of the Solar Cell and Solar Module Manufacturing Sector

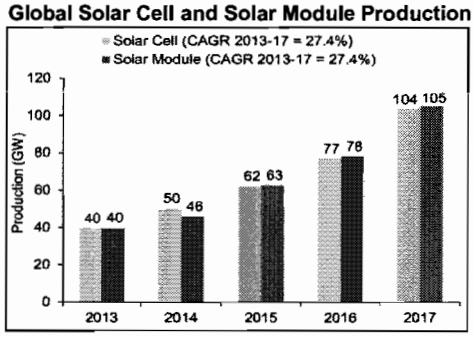
4.1.1 Global Production, Imports and Exports of Solar Cells and Solar Modules

- As Greatech Group's automated equipment are used in the manufacture of solar cells and solar modules, the demand for the Group's automated equipment will be dependent on the performance of the manufacturing of solar cells and solar modules.

- The global production of solar cell and solar module both recorded CAGR of 27.4% respectively between 2013 and 2017. In 2017, the global production of solar cell and solar module reached 104 GW and 105 GW respectively.

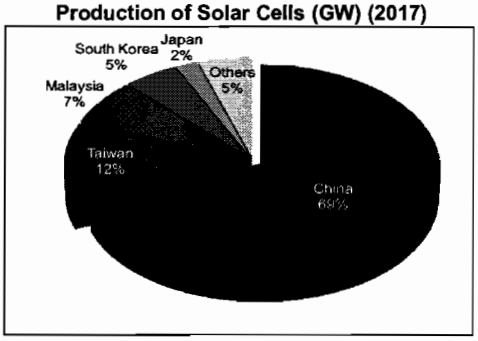
- In 2017, China was the largest producing country for solar cells and solar modules, which accounted for 69% and 72% of the total global production respectively. In the same year, Malaysia was the third largest producer of solar cells and solar modules in the world, which accounted for 7% and 6% of the total global production in terms of GW respectively.

Global Solar Cell and Solar Module Production

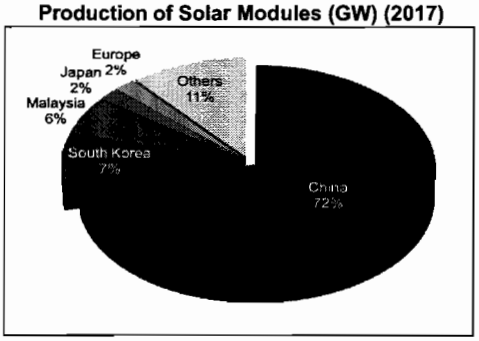


Note: Above are the latest available statistics.
(Source: Vital Factor analysis)

Production of Solar Cells (GW) (2017)



Production of Solar Modules (GW) (2017)



(Source: Vital Factor analysis)

- The increase in the production of solar cells and solar modules indicates continuing demand for these types of products, therefore creating opportunities for manufacturers of industrial automation systems that are used in the production of solar cells and solar modules.

- The global imports and exports of solar cells and solar modules also provide indicators for the demand of these types of products. Solar cells and solar modules fall under the category of photosensitive semiconductor devices, which include light-emitting diodes. The following statistics are global imports and exports of photosensitive semiconductor devices, including solar cells and solar modules:

Global Imports and Exports of Photosensitive Semiconductor Devices*

	2013	2014	2015	2016	2017	CAGR (2013-17)	Growth (2017)
Imports	51,459	54,815	55,754	55,621	54,563	1.5%	-1.9%
Exports	50,573	54,527	56,941	53,138	50,614	#	-4.7%

* Including solar cells and solar modules, as well as light-emitting diodes; # Negligible.
Notes: All units in USD million, except percentages. Latest available statistics. *(Source: Vital Factor analysis)*

- In 2017, China was the largest exporter contributing 32.3% of the total export of photosensitive semiconductor devices, followed by Korea which accounted 9.1% of the total exports. The largest importer of the said products in 2017 was also China followed by USA which accounted for 17.1% and 14.2% of the total imports respectively.

4.1.2 Developments pertaining to import tariff imposed on certain crystalline silicon solar cells and solar modules into the USA market

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

- For FYE 2017 and FYE 2018, Greatech Group serves a customer who is a manufacturer of crystalline silicon solar cells and solar modules with production facilities in the USA. For the FYE 2017 and FYE 2018, revenue contribution from this customer accounted for 20.3% and 8.7% of Greatech Group's total revenue respectively.

4.1.3 Decreasing price trend of solar modules and financial impact on solar module manufacturers

- Globally, prices of solar modules have been declining mainly due to production capacity increasing faster than demand in terms of installation. In 2017, global solar module production capacity increased from 105 GW per year in 2016 to 133 GW per year in 2017, or 26.7% increase. The increase in production capacity may place some competitive pressure on the pricing of solar modules, which may adversely impact on solar module manufacturers who are unable to reduce costs relative to the drop in prices. This may result in a consolidation of solar module manufacturers. *(Source: Vital Factor analysis)*

  In 2017, the largest increase in global production capacity was from China. China's PV module production capacity rose from 79 GW per year in 2016 to 105 GW per year in 2017, or 33.0% increase. *(Source: Vital Factor analysis)*

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5. PERFORMANCE OF THE INDUSTRIAL AUTOMATION SYSTEM INDUSTRY

- Greatech Group is involved in the manufacturing of automated equipment, mainly for the solar sector. The exports of these automated equipment fall under the category "machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays".

- The following statistics are global imports and exports of machineries under this category:

Global Imports and Exports of Machineries

	2013	2014	2015	2016	2017	CAGR (2013-17)	Growth (2017)
Imports	44,331	51,789	50,943	59,631	80,997	16.3%	35.8%
Exports	42,820	47,478	48,668	56,277	76,476	15.6%	35.9%

Notes: All units in USD million, except percentages. Latest available statistics. *(Source: Vital Factor analysis)*

- The following statistics are Malaysia's imports and exports of machineries under this category:

Malaysia's Imports and Exports of Machineries

	2014	2015	2016	2017	2018	CAGR (2014-18)	Growth (2018)
Imports	2,244	2,645	3,141	5,645	4,752	20.6%	-15.8%
Exports	1,536	2,128	2,866	4,187	4,193	28.5%	0.1%

Notes: All units in RM million, except percentages. *(Source: Department of Statistics, Malaysia)*

- The growth in the global imports and exports of machineries under this category indicate continuing demand for these products.

6. COMPETITIVE ANALYSIS

6.1 Operators in the Industrial Automation System Industry

- The following table is a list of selected public listed companies on Bursa Securities that are involved in the manufacture of industrial automation systems, which are sorted in descending order of revenue.

Public Listed Companies and Greatech Group

Company name	FYE	Revenue (RM'000)	Net Profit (RM'000)
Pentamaster Corporation Berhad[1][4]	31/12/18	422,201	94,019
Vitrox Corporation Berhad[4]	31/12/18	394,684	105,484
Greatech Group[1]	**31/12/18**	**219,582**	**31,719**
SAM Meerkat (M) Sdn Bhd[1][2]	31/3/18	166,883	19,504
Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad)[4]	31/12/18	160,390	44,372
Genetec Technology Berhad[1]	31/3/18	101,028	5,117
Elsoft Research Berhad[4]	31/12/18	78,150	39,917
MMS Ventures Berhad[4]	31/12/18	47,873	8,974
Visdynamics Holdings Berhad	31/10/18	41,394	8,169
Aemulus Holdings Berhad	30/9/18	36,958	5,296
QES Mechatronic Sdn Bhd[3]	31/12/17	25,434	5,377
AT Systematization Berhad	31/3/18	23,086	-5,985

(Source: Audited figures from annual reports of respective listed companies, unaudited figures announced on Bursa Malaysia Berhad's website, Companies Commission of Malaysia (CCM) and Greatech Group)

Notes:

(1) In addition to test and inspection equipment, these companies are involved in the manufacture of production line systems for the E&E industry and/or other industries for example automotive, pharmaceutical, food and beverage.
(2) Subsidiary of SAM Engineering & Equipment (M) Berhad, a listed entity on Bursa Securities.
(3) Subsidiary of QES Group Berhad, a listed entity on Bursa Securities, also formally known as Creden Mechatronic Sdn Bhd. Latest available financial figures from CCM.
(4) Unaudited figures from quarterly reports announced on Bursa Malaysia Berhad's website.

- The above comparative group of public listed companies were selected based on the following criteria:
  - These companies must be involved in the automation of one or more manufacturing processes including, among others, inspection, testing, assembly and/or material handling functions;
  - These companies serve either one or a combination of user-industries sectors within semiconductor, and/or solar and/or consumer electronics.
  - These companies may also be involved in other business activities or serve additional industry sectors.

- The methodology used to compile the above list of companies include secondary market research (such as published documents, websites and industry directories), and primary market research (involving direct communications). While there may be other companies with similar activities, the above are some of the public listed companies that are comparable to Greatech Group.

6.2 Market Size

- In 2017, the market size for the manufacture of industrial automation systems based on the revenue of operators in the industry (including public listed and private companies) in Malaysia was estimated at **RM3.7 billion**. *(Source: Vital Factor analysis)*

- The market size above was derived based on revenue of public listed and private companies in Malaysia that are involved in the manufacture of industrial automation systems using latest available financial figures from sources including CCM and Annual Reports of respective companies. Revenue from Greatech Group was derived from audited combined financial statements for FYE 2017. The list of companies for market size (public listed and private companies) are selected based on similar criteria and methodology as stated in Section 6.1.

6.3 Market Share

- In 2017, Greatech Group had a market share of approximately **3%** for the manufacture of industrial automation systems based on the above market size in Malaysia. This was based on the Group's revenue of RM93.9 million for FYE 31 December 2017. *(Source: Vital Factor analysis)*

- Market share was calculated using Greatech Group's revenue of RM93.9 million divided by the market size of RM3 billion. Revenue from Greatech Group was derived from audited combined financial statements for FYE 31 December 2017. Note that for FYE 31 December 2018, Greatech Group's revenue was RM219.6 million.

7. AREAS OF GROWTH AND OPPORTUNITIES

- Part of Greatech Group's business strategy is to serve existing and new customers in the solar, semiconductor and consumer electronics sectors as well as address future business opportunities by extending its expertise in automated equipment for the manufacturing of lithium-ion battery. The Malaysian Government's support for digitalisation and automation in the

manufacturing industry will also continue to provide opportunities for operators in the industrial automation system industry.

7.1 Lithium-ion Batteries

- Lithium-ion batteries are rechargeable batteries and are mainly used in applications that require lightweight and high-energy density solutions. These batteries are commonly used in consumer electronic devices such as mobile phones, tablets and laptop computers. Lithium-ion batteries are also used other applications including among others, electric vehicles, military and aerospace applications. Lithium-ion batteries are used in solar power generation applications where the batteries are used to store excess power for use during periods with low or no sunlight. Between 2013 and 2017, the global imports of lithium-ion batteries recorded a CAGR of 6.9%, from US$2.3 billion in 2013 to US$3.0 billion in 2017. Between 2013 and 2017, the global exports of lithium-ion batteries grew at a CAGR of 6.4%, from US$2.2 billion in 2013 to US$2.8 billion in 2017.

- The consumer electronics sector is one of the largest markets for lithium-ion batteries. Battery is one of the critical components to power consumer electronic products. The development of smart devices such as smartphones are constantly evolving, as operators in the industry continue to introduce new applications and functions to differentiate among themselves. Between 2014 and 2018, the sales of smartphones worldwide increased at a CAGR of 5.7%.

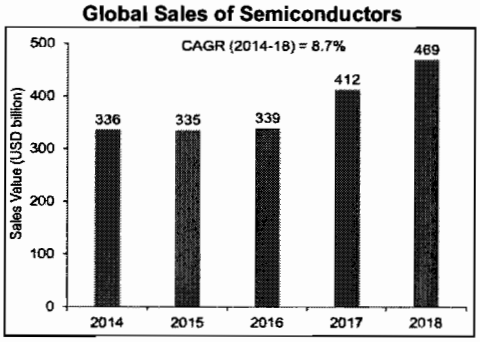
- The demand for electric vehicles has been increasing, supported by the CAGR of 72.0% in the global electric passenger cars on the road between 2013 and 2017. It is forecasted that by 2040, electric vehicles will account for 55% of total new car sales and 33% of the total global vehicles. Demand for lithium-ion battery for electric vehicles is expected to grow at a CAGR of 34.3% between 2016 and 2030, reaching 1,300 GWh in 2030.

- The rise in demand from these user-industries augurs well for the demand for lithium-ion batteries. This will in turn provide opportunities for providers of industrial automation systems for the manufacturing of lithium-ion batteries.

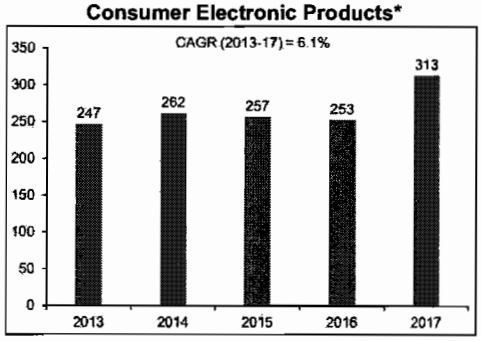
7.2 Semiconductors and Consumer Electronics

- Semiconductors are made up of mostly very small components placed within an electrical circuit to perform some functions. Some of the common examples of semiconductors include diodes, light emitting diodes (LED), transistors, solar cells and sensors. Semiconductors are used in all electronic devices including consumer electronics such as smartphones, tablets devices, wearables and computers, as well as other applications such as automotive electronics and electrical products.

Global Sales of Semiconductors



Global Sales of Semiconductors used in Consumer Electronic Products*



** Latest available statistics. (Source: Vital Factor analysis)*

- Between 2014 and 2018, global sales of semiconductors increased at a CAGR of 8.7%, from US$335.8 billion in 2014 to US$468.8 billion in 2018. The global sales of semiconductors are expected to grow at 2.6% in 2019. The growth in 2019 is expected to be contributed by optoelectronics and sensors, driven by the continuing demand in LED products used in electronic products and automotive, and the increasing interconnectivity of devices. The increase in global sales of semiconductors will also stimulate the demand for industrial automation systems.

- The consumer electronics sector is the largest user market for semiconductors. In 2017, the global sales of semiconductors used in consumer electronic products accounted for 75.9% of the total global sales of semiconductors. Between 2013 and 2017, the global sales of semiconductors for consumer electronics products grew at a CAGR of 6.1%, from US$246.9 billion in 2013 to US$312.9 billion in 2017. In 2017, the global sales of semiconductors used in consumer electronic products grew by 23.9%.

- Some of the key drivers will come from among others, the following trends in consumer electronics:
  - the introduction of fifth generation (5G) of mobile internet connectivity in smart phones over the next few years offering faster speed and increasing connectivity to other devices.
  - increasing trend towards connectivity of devices in the home including, among others, smart televisions, home audio systems, robot vacuum cleaners, home security systems and lightings using smart devices that are controlled remotely.
  - the advancement of wearables from fitness band to smart watches with digital payment features which enables the consumer to make payment electronically.

  These trends in consumer electronics will continue to drive the demand for semiconductors such as sensors, microcontrollers, memory storage devices and wireless devices. Similarly, these trends may give rise to the demand for industrial automation systems as a supporting industry.

7.3 Industry 4.0

- Industry 4.0 refers to the fourth industrial revolution. It refers to the digitalisation of the manufacturing and production industry, which involves the use of technology and real-time data to improve productivity as well as reduce costs. It incorporates advanced robotics and automation, Internet of Things (IoT), big data and analytics as well as cloud computing technology.

- In a digitalised factory environment, the machinery and equipment are digitally interconnected and are able to improve processes through self-optimisation and autonomous decision making. In addition, the collection and analysis of real time data from the entire manufacturing network, enables the management to make more informed decision and help to improve manufacturing process. The integration of new technology, digitalisation and automation of manufacturing process are aimed at increasing efficiency, improving productivity and quality while reducing cost.

- Under the Budget 2018, the Malaysian Government has proposed various tax incentives to support and encourage the adoption of Industry 4.0. These includes extension of the incentive period for accelerated capital allowance on automation equipment until 2020, accelerated capital allowance incentive for manufacturing and manufacturing-related services sectors, as well as capital allowance for ICT equipment and development of computer software.

- The adoption and transformation to Industry 4.0 in the E&E manufacturing sectors will continue to create opportunities for operators in the industrial automation system industry.