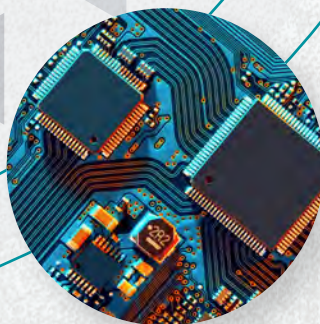
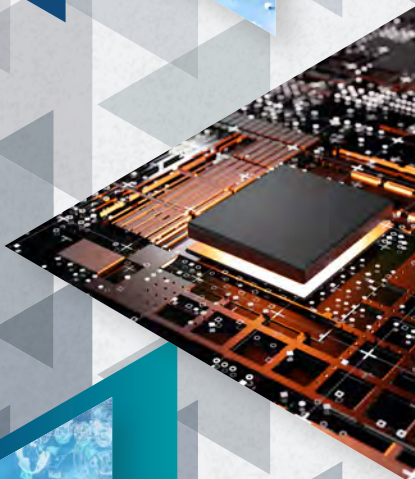
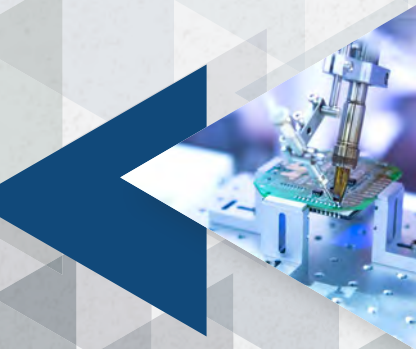




**AE MULTI HOLDINGS BERHAD**  
200101004021 (539777-D)



**“ LEVERAGING  
EXCELLENCE,  
CREATING VALUE ”**  
**ANNUAL REPORT 2021**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Dato' Nik Ismail Bin Dato' Nik Yusoff**  
(Independent Non-Executive Chairman)  
(Appointed on 8 September 2020)

**Yang, Chao-Tung**  
(Managing Director)

**Choong Lee Aun**  
(Executive Director)  
(Appointed on 8 September 2020)

**Yee Yit Yang**  
(Independent Non-Executive Director)  
(Appointed on 8 September 2020)

**Saffie Bin Bakar**  
(Independent Non-Executive Director)

### COMPANY SECRETARY

Tea Sor Hua (MACS 01324)  
(CCM PC No. 201908001272)

### AUDIT COMMITTEE

Yee Yit Yang  
(Chairman, Independent Non-Executive Director)

Dato' Nik Ismail Bin Dato' Nik Yusoff  
(Member, Independent Non-Executive Chairman)

Saffie Bin Bakar  
(Member, Independent Non-Executive Director)

### NOMINATING AND REMUNERATION COMMITTEE

Saffie Bin Bakar  
(Chairman, Independent Non-Executive Director)

Dato' Nik Ismail Bin Dato' Nik Yusoff  
(Member, Independent Non-Executive Chairman)

Yee Yit Yang  
(Member, Independent Non-Executive Director)

### RISK MANAGEMENT COMMITTEE

Saffie Bin Bakar  
(Chairman, Independent Non-Executive Director)

Dato' Nik Ismail Bin Dato' Nik Yusoff  
(Member, Independent Non-Executive Chairman)

Yee Yit Yang  
(Member, Independent Non-Executive Director)

Choong Lee Aun  
(Member, Executive Director)

Chou Sing Hoan  
(Member, Financial Controller)

### REGISTERED OFFICE

Third Floor, No. 77, 79 & 81  
Jalan SS21/60, Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 03-7725 1777  
Fax No. : 03-7722 3668

### BUSINESS ADDRESS

Plot 19-7, Jalan PKNK 1/4  
Kawasan Perindustrian Sungai Petani  
Taman Ria Jaya  
08000 Sungai Petani  
Kedah Darul Aman  
Tel No. : 04-444 6538  
Fax No. : 04-444 6540  
Website : www.amallionpcb.com

### SHARE REGISTRAR

ShareWorks Sdn. Bhd.  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : 03-6201 1120  
Fax No. : 03-6201 3121

### AUDITORS

Russell Bedford LC & Company (AF1237)  
Suite 37, Level 21, Mercu 3  
No. 3, Jalan Bangsar  
KL Eco City  
59200 Kuala Lumpur  
Wilayah Persekutuan  
Tel No. : 03-2202 6666  
Fax No. : 03-2202 6699

### PRINCIPAL BANKERS

Hong Leong Bank Berhad  
Malayan Banking Berhad  
CIMB Bank Berhad  
OCBC Bank Berhad  
United Overseas Bank (Malaysia) Berhad  
Bangkok Bank Public Company Limited  
TMB Bank Public Company Limited

### SOLICITORS

Messrs Allen Chee Ram  
Wei Chien & Partners

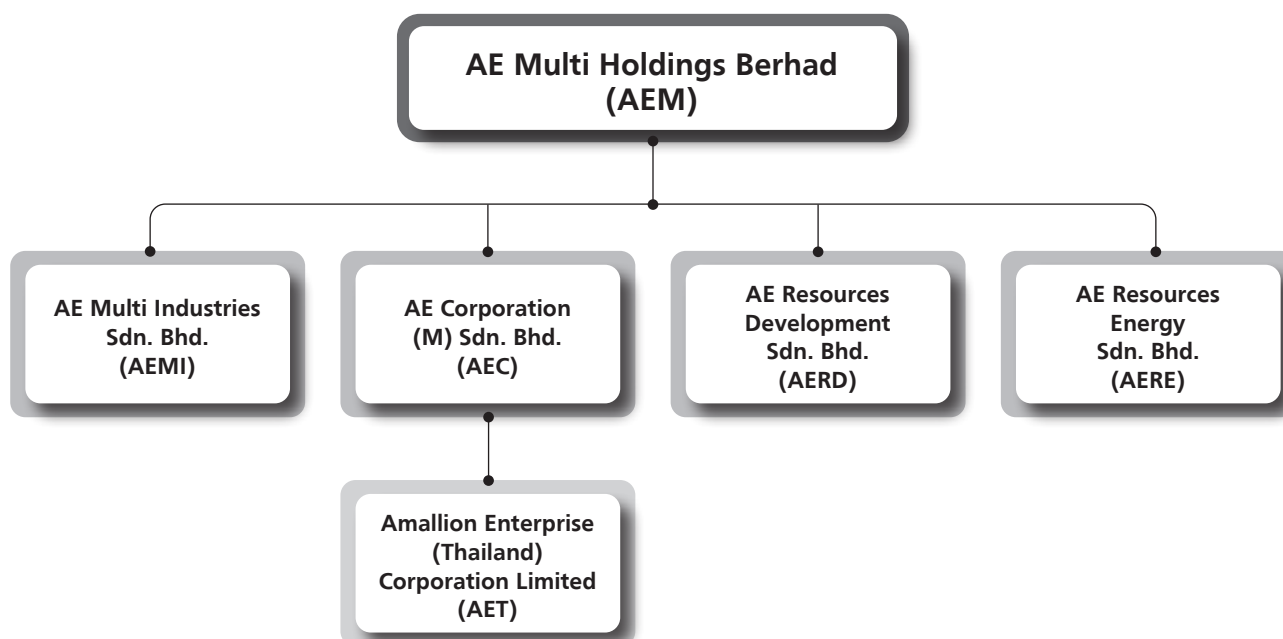
### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : AEM  
Stock Code : 7146

## MANAGEMENT DISCUSSION AND ANALYSIS

### CORPORATE PROFILE

*About AE Multi Holdings Berhad ("AEM") and its subsidiaries  
(collectively known as "AEM Group" or "the Group")*



***AEM is a public limited company incorporated in the year 2001 and subsequently listed on the Main Market of Bursa Malaysia Securities Berhad in the year 2002.***

***AEM is principally engaged in investment holding, provision of management services to its group of companies and the manufacturing of Printed Circuit Board ("PCB") in the Kingdom of Thailand.***

***AEM's subsidiaries are involved in the manufacturing, selling, sourcing and reselling of PCB, electronics and telecommunication components and related products and glove turnkey solutions, glove supplementary services business and construction business.***

AEM Group was one of the pioneers in the manufacturing of single-sided PCB in Malaysia, with its' first manufacturing plant set-up in Sungai Petani, Kedah in the year 1990. Subsequently, in the year 1999, AEM Group expanded its production facilities to Thailand and set-up a manufacturing plant in Bangpoo Industrial Estate in Samutprakarn, Bangkok, Thailand. Subsequently, in the year 2018, AEM Group expanded another plant at Bangpoo Industrial Estate in Samutprakarn.

Today, AEM Group's output can be segregated into five (5) segments – computer peripherals, consumer electronics, telecommunication equipment, office equipment and automotive parts, which was diversified from the initial focus on only computer related products. Amallion Enterprise (Thailand) Corporation Limited, a wholly-owned subsidiary of AEC and an indirect wholly-owned subsidiary of AEM, is one of the main PCB manufacturers in Thailand and the supplier of a major giant electronics manufacturer in the market due the strategic location, long-term good relationship with customers and commitment in delivering the highest quality product to customers. In year 2020, AERD ventured into Construction business mainly involve in construction, project management and related activities such as supplying resources, advising, supervising, coordinating, managing and administering construction projects. In the year 2021, AEMI had ventured into gloves turnkey solutions and glove supplementary service business in Malaysia.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### VISION, MISSION & CORE VALUES

Our vision is to be a leading manufacturing company of PCB, glove turnkey solutions and glove supplementary service business as well as construction business in Malaysia. We are committed to deliver products and services of exceptional value to our customers and stakeholders.

Our mission is to achieve total customers satisfaction, zero defect and deliver superior returns to our stakeholders and provide a lively environment for our employees to continuously improve themselves and excel innovatively.

As such, our core values centred around generating superior returns from our stakeholders' investments through securing long-term revenue growth and profits, delivering high-quality products and services at competitive prices, delivering measurable results and conducting business operations in accordance with highest ethical standards, honesty and integrity. We also place high importance in fostering an innovative culture in AEM Group and maintaining an environment which focuses on continuous development and improvement alongside promoting the development of a sustainable community around us.

### BUSINESS STRATEGIES AND MARKET OUTLOOK

During the Movement Control Order ("MCO") and Conditional MCO imposed by the Government of Malaysia in the year 2020, the Group's business in Malaysia was halted but we managed to return to full operations in May 2020. However, the global economic prospects remain subdued and very uncertain due to the coronavirus disease 2019 ("COVID-19") pandemic and had further weakened the global economy.

The containment efforts in China have involved quarantine and lockdown of major provinces and cities, widespread restrictions on mobility and travelling, resulting in unplanned delays in restarting the factories have affected the global supply chain. Subsequent to the outbreaks in China, it intensified in other part of the world and many countries have also prompted containment measures such as quarantines, border closure and lockdown in certain countries. The adverse consequences of these developments are significant including global supply chain and escalated shipping cost due to shortage of containers because of slow commercial activities together with the reduced number of shipments along with port congestion problem.

The Group is principally involved in PCB Business but looking at the demand of gloves during the pandemic, the Group has taken the opportunity to diversify its business and venture into gloves turnkey solutions and gloves supplementary services business aiming at providing additional streams of income to the Group while capitalising on burgeoning demand from both existing and aspiring glove manufacturers due to the acute surge in global demand of gloves and its related products and services from the COVID-19 pandemic. With the ongoing COVID-19 pandemic, the global demand for gloves is expected to remain high due to the heightened awareness of personal hygiene and the continuous usage of gloves as it is one of the essential items in the healthcare industry.

To support for the diversification, the Company had obtained its shareholders' approval at the extraordinary general meeting held on 15 April 2021 to undertake Private Placement of up to 166,433,000 New Ordinary Shares in AEM ("Private Placement") and Renounceable Rights Issue of up to 1,442,419,508 New Ordinary Shares in AEM ("Rights Issue") together with up to 1,081,814,631 Free Detachable Warrants in the Company ("Warrants B") on the basis of 4 Rights Shares together with 3 Free Warrants B for every 2 existing ordinary shares held by the entitled shareholders ("Rights Issue"). The Private Placement and Rights Issue is mainly to fund the Group investment in the Gloves Manufacturing Solutions Business and Glove Supplementary Business.

#### Glove Turnkey Solutions Business

The Group will act as the main contractor to undertake the Engineering, Procurement, Construction and Commissioning ("EPCC") works in relation to the Glove Turnkey Solutions Business. As the main contractor, the Group shall be involved in the implementation of the EPCC projects, which includes daily management of all the works required for timely completion of the projects. The Group shall also engage sub-contractors for the implementation of the EPCC projects to harness the expertise of partners with relevant experience in the Glove Turnkey Solutions Business.

The turnkey solutions to be offered shall include the following services:-

- (i) on-site visits and feasibility assessments;
- (ii) technical design and planning;
- (iii) sourcing of materials, related parts and components of glove-dipping lines;
- (iv) fabrication works;
- (v) installation;
- (vi) testing and commissioning; and
- (vii) post-installation services and maintenance.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### BUSINESS STRATEGIES AND MARKET OUTLOOK (CONT'D)

#### Glove Turnkey Solutions Business (Cont'd)

The Group had, via its wholly-owned subsidiary, AEMI entered into the Collaboration Agreement with Ripcol Engineering Sdn. Bhd. ("Ripcol") for the Glove Turnkey Solutions Business. Through the Collaboration Agreement, AEMI shall whenever possible, engage Ripcol as its sub-contractor through a separate sub-contract to be entered between the parties for each project secured by AEMI. AEMI shall be responsible for sourcing of materials, related parts and components of glove-dipping lines necessary for the delivery of the EPCC projects secured. The collaboration with Ripcol is not exclusive whereby the Group is able to engage other third-party sub-contractors.

The Group intends to leverage on its business connections in Malaysia and Thailand which is built from its existing PCB business to secure EPCC projects. Through the Collaboration Agreement, both AEMI and Ripcol shall also leverage on the respective skills and experience of both parties to jointly enhance the efficiency of the glove-dipping lines via research and development. The enhanced glove-dipping lines are expected to lower the costs of manufacturing gloves and improve the efficiency and output of gloves production. In turn, the Group expects to be able to attract more potential customers.

The Group intends to offer its turnkey manufacturing solutions to both existing and aspiring glove manufacturers in Malaysia and Thailand. Both Malaysia and Thailand are key markets for gloves production, being the world's first and second largest exporter of rubber gloves in 2019 in terms of number of pieces of rubber gloves exported respectively and thus have a high concentration of glove manufacturers.

The Group has received 4 letters of award for the EPCC on a turnkey basis of a manufacturing factory with the capacity to house up to a total of 44 glove-dipping lines.

The projects secured by the Group shall be carried out based on the milestones and delivery schedules of the respective contracts. Upon delivery and acceptance of the respective milestones, the Group shall be able to record such revenue as per the milestones. Currently, the Group is in the midst of identifying suppliers / distributors for the supply of materials and parts required for the fabrication of the glove-dipping lines. These are expected to be sourced both locally and overseas. AEMI is also registered with Construction Industry Development Board (CIDB) to act as the main contractor to undertake the EPCC works in relation to the Glove Turnkey Solutions Business.

To further enhance its product offerings as a one-stop solution provider for glove manufacturers, the Group also plans to purchase raw materials for gloves production in bulk for sale to its customers, i.e. glove manufacturers. This is in view that the Group expects to be in a better position to negotiate the pricing with raw material suppliers as the Group expects to be able to aggregate the raw material demand across the Group's customers.

Due to the heightened global demand for gloves resulting from the COVID-19 pandemic, many glove manufacturers currently have order books stretching much longer than usual. This, in turn, has created a constant demand for raw materials required for the manufacturing of gloves, making it difficult and pricier for smaller and newer glove manufacturers to secure raw materials such as, amongst others, nitrile butadiene rubber (NBR), a synthetic rubber that is a core raw material for making nitrile gloves, as well as other chemicals required for gloves production such as latex, calcium nitrate and chlorine.

As such, the Group plans to offer supplementary services to its customers by consolidating the demand from its customers to purchase raw materials in bulk. The increased bargaining power from bulk purchasing will help the Group secure purchase orders as well as negotiate for bulk discounts, thereby achieving cost reduction for its customers. The Group has already identified suppliers for the supply of NBR, chemicals and other raw materials, which will be sourced locally and overseas (e.g. the People's Republic of China). The Group has obtained the necessary license / permit from the Malaysian Rubber Board for the Glove Supplementary Services Business. To facilitate the Glove Supplementary Services Business such as the storage of raw materials purchased, the Group also intends to set up a wholesale distribution centre.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### BUSINESS STRATEGIES AND MARKET OUTLOOK (CONT'D)

#### PCB Manufacturing Business

Meanwhile, for the PCB business in Malaysia, the Group continuously reviews its product mix, pricing strategy, and marketing strategy to secure more customers. However, the Group remains cautiously optimistic about the growth of PCB market in Malaysia.

We are considered as a key player in the manufacturing of PCB and also one of the major single-sided PCB manufacturers in Thailand which is attributed to our customers' trust in us. Most of our customers are multi-national companies.

Due to the favourable market conditions in Thailand, AEM Group has taken up the opportunity to expand and invest in a new plant in Thailand to cater for the demands in the manufacturing and production of high-end PCBs.

The Group is very much dependent on the home appliances products where single-sided PCB demand will never fade out due to the cost constraint. In recent years, the Group had obtained IATF 16949:2016 which is required to penetrate into the automotive industry. The Group's current strategy is market penetration to automotive industry instead of dependence on the home appliances products.

We are taking steps in resources centralisation in our plant expansion in Thailand, upgraded and transformed to automation for our manufacturing equipment in order to further enhance the manufacturing capacities, quality and reduce the labour cost as well as uncontrollable absence of labour due to quarantine issues during the COVID-19 pandemic. However, the pandemic has led to an unprecedented demand for electrical and electronics products due to the policy of working from home as well as school and university turning to learn online. As we aim to secure a larger market, our strategy is to penetrate into the market of manufacturing and production of high-end single-sided PCB.

We are also continuously improving our internal strengths through quality and cost reductions programs to attract new customers and to maintain the satisfaction of the existing customers. These strategic efforts are being performed simultaneously alongside the on-going efforts on our part to ensure sustainable organisational capabilities.

### FINANCIAL PERFORMANCE

The Group has changed its financial year end from 31 December to 31 March and hence the audited financial statement shall made up for a period of fifteen (15) months from 1 January 2020 to 31 March 2021. The review of the financial results for the financial period ended 31 March 2021 ("FPE 2021") is therefore a comparison of results between 12 months and 15 months.

As at 31 March 2021, AEM Group recorded total revenue of RM86.03 million. During the financial period under review, the Group revenue has been affected by the lockdown in certain countries due to the COVID-19 pandemic. The businesses were halted and have affected the supply chain. However, the situation improved gradually after the reopening of the economy from the COVID-19 containment measures and escalated demand on electrical and electronics appliances due to the encouragement of work-from-home policy and online learning for school and university students. During the financial period under review, the Group has grown its customers' portfolio on value-added products such as eyelet insertion, Double Sided Silver Through-Hole, and higher-end single-sided PCB.

AEM Group has recorded a loss before taxation of RM10.11 million for the financial period ended 31 March 2021 which was mainly due to increase in raw materials costs copper-clad laminate ("CCL"), share option expenses of RM1.2 million and operation costs of AERD RM1.1 million and impairment of inventories amounting to RM2.4 million.

AEM Group's total liabilities have increased from RM51.5 million to RM113.4 million as at 31 March 2021 mainly due to the contract liabilities of RM41.1 million, other payable of RM15 million and increase in trade finances of RM4.5 million. The Group debt-to-equity-ratio gearing ratio at 11% for the year 2021 as compared to 52% for the financial year ended 31 December 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### RISKS

We are exposed to currency risk which is mainly attributed to the purchase of raw materials from overseas. As such, we maintain part of our cash and cash equivalents in foreign currency accounts to mitigate the effects of fluctuating rates and hedging of foreign currencies.

In addition, the Group also exposed to commodity price risk as the price of raw material, copper-clad laminate ("CCL") has been rising steadily in 2020 and 2021 due to the price increase in copper foil, resin and glass fiber as well as the cost for manufacturing CCL. The fluctuations in prices have created significant business challenges that affected the production cost and product pricing.

Besides, the shrinking demand in the PCB market in neighbouring countries forced them to implement aggressive marketing strategies in order to penetrate into Thailand market.

The Group is very much dependent on the home appliances product where single-sided PCB demand will never fade out due to the cost constraint. In recent years, the Group had obtained IATF 16949:2016 which is required in penetrating into the automotive industry. The current strategy is to dilute the dependency on the home appliances products. It is also one of the Group's strategies to replace the shrinking demand of the consumer products in the market.

As for the new business diversification, it may expose the Group to risks inherent to the rubber gloves industry. These may include amongst others, the general economic downturn in global and regional economies. Competitions from existing players, socio-political instability, changes in the legal and environmental framework within which this industry operates and changes in demand of rubber gloves.

With the ongoing COVID-19 pandemic, the demand for gloves is expected to increase depending on the severity of the COVID-19 pandemic. However, the availability of the vaccine and the commercial viability to make available such a vaccine to the masses may cause a decrease in expected demand for medical gloves among healthcare professionals.



## SUSTAINABILITY STATEMENT

The Board of Directors ("the Board") of AE Multi Holdings Berhad ("AEM" or "the Company") aims to create long-term stakeholder value and corporate sustainability through the implementation of business strategy that focuses on ethical, social, economic, environmental and strictly maintaining sound corporate governance.

We are committed to continuously ascertain our sustainability concerns so as to ensure that proper steps and initiatives are taken to address the major strengths and weaknesses in the functional areas of the Company and its subsidiaries ("the Group") and also provide a basis for identifying, evaluating and solving any potential issues. We value how our business operations affect our stakeholders by economically, environmentally and socially. Therefore, our principal duty is to carry out ethical and sustainable business operations.

### Economic

The Board believes that it is important to adapt to the rapid changes of external environments such as customers, suppliers and regulators as well as internal production efficiency to maintain long term sustainability. The Group understands that customer satisfaction is one of the most important factors for long term sustainability and will consistently upgrade and improve the qualities, technologies and efficiency in operations to provide competitive prices and deliver the best quality products to our customers.

The Group also recognises the importance of the supply chain and has been constantly monitoring the supply chain to ensure its efficiency in a sustainable manner. The Group would carry out a periodical audit to ensure they are progressing well and to prevent the potential threat of supply chain disruption.

Production efficiency and quality control are also important factors for the Group's sustainability. Therefore, we strictly adhere to ISO 9001:2015 and IATF16949:2016 to ensure a quality management system in order to provide the ability to consistently deliver a product that meets customer satisfaction and applicable regulatory requirements.



## SUSTAINABILITY STATEMENT (cont'd)

### Environment

The Group has obtained ISO 14001:2015 since 2010 and has been following strictly the standard procedures as we believe it could enhance the Group to manage environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.

We also continue to work with our customers and suppliers in ensuring that we are providing environmental friendly products to the community besides adhering to various international directives and regulations on various aspects of our operations, such as Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), a regulation of the European Union, adopted to improve the protection of human health and the environment via early identification of chemical substances intrinsic properties by restricting the usage of non-compliance product.

We also comply with the Restriction of Hazardous Substances (RoHS), an European Union directive that restricts the use of lead (Pb), mercury (Hg), Hexavalent Chromium (Cr-VI), polybrominated Biphenyls (PBB), polybrominated Diphenyl Ethers (PBDE), Bis (2-Ethylhexyl phthalate (DEHP), Dibutyl phthalate (DBP) and Diisobutyl Phthalate (DIBP) in the electrical and electronics industry.

The purchase of raw materials has gone through audits and evidence provided by third parties such as Société Générale de Surveillance (SGS) Report as they are the world leading inspection, verification, testing and certification company and a global benchmark for quality and integrity.

In additions, all waste water disposed by the manufacturing factory will be treated and tested by Global Environmental Technology Company Limited ("GETCO") regularly to ensure that it is safe to be released to drainage. GETCO is a company recognised by the Industrial Estate Authority of Thailand ("IEAT") and all the standards and regulations are tested based on the regulations and policies of IEAT.

The Group is committed to working with our customers and suppliers to ensure that we are providing environmental friendly products to the community.



## SUSTAINABILITY STATEMENT (cont'd)

### Social

#### Employee Health and Safety

The Group strives to provide a safe working environment as human capital is the most valuable assets to an organisation. Being in the industrial sector, it is inherently hazardous because of the high-speed and noisy machinery and hazardous chemical compound. Accidents, injuries and illness are likely to occur under these circumstances. Therefore, the Company follows strictly the Occupational Safety and Health Administration (OSHA) regulations. The Company ensures that the employees are fully equipped with safety equipment such as goggles, earplugs, safety shoes, gloves and etc at the workplace.



*Covid-19 test for employees*

To ensure a safe and healthy working condition for our employees and also to provide support for our workers, the Group has established guidelines and standard operating procedures (SOP). Moreover, the Group also provides training to our employees to safeguard all of our employees in the business operations.

#### Employee Welfare

We continuously seek to foster better ties with our employees and also improve their quality of life. The Group initiates to provide annual medical health screens to all our employees and paying for their outpatient medical fees and also organises annual company retreat to motivate and reward the employees for their hard work and contribution to the Group.

The Group firmly believes in the values and importance of strengthening its workforce. As such, upfront and proper training programmes are being carried out at all levels of the Group's employees to improve and further enhance their existing skills, knowledge and competencies. Further to attract new and maintain existing talents at the Group, we continuously provide a conducive and supportive working environment for all of our employees.



*Annual Health Screening*



## SUSTAINABILITY STATEMENT (cont'd)

### Social (Cont'd)

#### Community

The Group demonstrates our corporate social responsibility to the community through sponsorship/donation to various organisations whether monetarily or in goods for a charity function. The Group made charitable donation to The Federation of Thai Industries Samutprakan for the purchase of wheelchair to elderly and food contribution to Covid-19 field and temporary hospital in Samutprakan.

The Group believes that it is an obligation to carry out business practices that are based on ethical values and act as stewards or trustees in the general public interest. We are committed in managing our business for long term success and enduring value for its employees, customers, shareholders, stakeholders, community and environment.



*Food donation to hospital for Covid*



## BOARD OF DIRECTORS' PROFILE



### **DATO' NIK ISMAIL BIN DATO' NIK YUSOFF**

Independent Non-Executive Chairman

**Aged 75 | Male | Malaysian**

Member of Audit Committee  
Member of Nominating and Remuneration Committee  
Member of Risk Management Committee

Dato' Nik Ismail Bin Dato' Nik Yusoff was appointed as the Independent Non-Executive Chairman of the Company on 8 September 2020.

Dato' Nik Ismail graduated from Universiti Kebangsaan Malaysia with a Diploma in Sains Kepolisian (DPS).

Dato' Nik Ismail joined the Police Force in 1965 and served the Police Force until his retirement on 2 September 2001 as Deputy Commissioner of Police. During his 36 years of service, he had served the Police Force well, with full commitment and professionalism. He had served in various positions in the Police Force, including Chief Police Officer in the states of Terengganu (1997), Kedah (1997 - 1999), and Selangor (1999 - 2001). He was also the Deputy Director Special Branch in Bukit Aman from 1995 to 1997.

After his retirement, Dato' Nik Ismail was appointed as Director of several public listed companies and private limited companies. He is a Director of AT Systematization Berhad, Pasukhas Group Berhad, Green Ocean Corporation Berhad and PNE PCB Berhad.

He attended two (2) Board Meetings held during the financial period ended 31 March 2021 since his appointment to the Board on 8 September 2020.



### **YANG, CHAO-TUNG**

Managing Director

**Aged 56 | Male | Taiwanese**

Mr. Yang, Chao-Tung was appointed as a Director of the Company on 9 May 2002 and was subsequently re-designated as our Managing Director on 24 May 2005.

He graduated in 1987 from Hwa Shia Tech College, Taiwan with a college degree that majored in Mechanical Engineering. He started his career in 1989 as an Engineer with Unitech Corporation Ltd., a public company involved in the manufacturing of printed circuit board. In 1991, he joined AE Corporation (M) Sdn. Bhd. as the General Manager before assuming the directorship in 1992.

His responsibilities include management and coordination of the administration, marketing, production and engineering divisions as well as quality functions of the Group. He is also responsible for the business development of overseas' markets and oversees the operation of the foreign subsidiary company.

He does not hold any directorships in any other public companies and listed issuers. He attended all five (5) Board Meetings held during the financial period ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE (cont'd)



### **CHOONG LEE AUN**

Executive Director

**Aged 55 | Male | Malaysian**

Member of Risk Management Committee

Mr. Choong Lee Aun was appointed as an Executive Director of the Company on 8 September 2020.

Mr. Choong obtained his Advance Diploma in Electronic Engineering Technology from Lethbridge Community College, Lethbridge, Canada.

Mr. Choong has more than 25 years of experience ranging from various general management and sales leadership roles. He is well versed with corporate operations and processes, as well as the familiarity of complex business environments globally.

He was previously a Head of Marketing and Global Brand ambassador of RS Components, the world's leading high service level distributor of electrical, electronic and industrial supplies based in Shanghai. Prior to that, he was the Vice President of Arrow China, a worldwide leading distributor of products, services and solutions to the electronics component market across the Asia Pacific region.

Mr. Choong is a Director of AT Systematization Berhad and PNE PCB Berhad. He attended two (2) Board Meetings held during the financial period ended 31 March 2021 since his appointment to the Board on 8 September 2020.



### **SAFFIE BIN BAKAR, JMN, SMP, AMP, PJK**

Independent Non-Executive Director

**Aged 68 | Male | Malaysian**

Chairman of Nominating and Remuneration Committee

Chairman of Risk Management Committee

Member of Audit Committee

En. Saffie Bin Bakar was appointed as an Independent Non-Executive Director of the Company on 16 May 2005.

He graduated from University of Malaya with a B.A (Honours) majoring in Geography in 1977 and subsequently received a Postgraduate Diploma in Public Admin (D.P.A) from the Faculty of Economics and Administration, University of Malaya in 1978. He received a M.B.A degree from the United States International University (ALLIANT) in San Diego, California, USA in 1988.

He is also a Chartered Audit Committee Director (CACD) of the Institute of Internal Auditors, Malaysia (IIAM), an Associate Member of Certified System Investigator (CSI), World Headquarters, Singapore, a Central Committee Member of Malaysian Exporters Association (MEXPA) and a life member of Malaysian Drug Prevention Association.

He has had more than 43 years of management expertise especially in the areas of industrial project planning, business development, property development, human resources management, project management, cross border investments, mining exploration, privatization, corporate advisory transactions including Initial Public Offerings (IPOs), Reverse Takeovers (RTOs), Mergers and Acquisitions (M&As) and General Offer (GO).

He was attached to the Perlis State Government from May 1978 to August 1983, during which he served as Director of Perlis State Economic Planning Unit (SEPU). He joined Perlis State Economic Development Corporation (SEDC) in September 1983 as Business Development Manager until his optional retirement from Government Service in August 1994.

En. Saffie currently sits on the Board of MESB Berhad and Scanwolf Corporation Berhad and is a Director cum corporate advisor of several private limited companies. He attended four (4) out of five (5) Board Meetings held during the financial period ended 31 March 2021.

## BOARD OF DIRECTORS' PROFILE (cont'd)



### YEE YIT YANG

Independent Non-Executive Director

**Aged 54 | Male | Malaysian**

Chairman of Audit Committee

Member of Nominating and Remuneration Committee

Member of Risk Management Committee

Mr. Yee Yit Yang was appointed as an Independent Non-Executive Director of the Company on 8 September 2020.

Mr. Yee is a member of the Australian CPA and Malaysia Institute of Accountants. He graduated with Bachelor of Economics (Major: Accounting & Finance) from Latrobe University, Australia.

He began his career with Deloitte Tohmatsu, an international accounting firm upon his graduation in Australia in 1990. After spending approximately 3 years with them, he joined the corporate finance division of Affin Investment Bank in which he was involved in various assignments, such as IPO, regional mergers and acquisitions as well as fund raising for both listed and non-listed companies.

After approximately 7 years with Affin Investment Bank, he left to join a leading listed supermarket chain store in Malaysia as Head of Corporate Planning. During his tenure with them, he was instrumental in raising the corporate profile by raising funds for the acquisition of a related business. In 2008, he left the Group to join another listed company, which is principally involved in property investment and health care business as Head of Corporate Finance. During his stay, he had completed a fund-raising exercise for consolidating the property investment division as well as the acquisition of a renowned healthcare company based in the USA. Currently, he is involved in a private corporate consultancy business.

He is a Director of Vertice Berhad, Key Alliance Group Berhad and JOE Holding Berhad (formerly known as GPA Holdings Berhad). He attended two (2) Board Meetings held during the financial period ended 31 March 2021 since his appointment to the Board on 8 September 2020.

#### Notes:-

- 1) None of the Directors have any family relationship with other Director and/or major shareholder of the Company.
- 2) None of the Directors have any conflict of interest with the Company.
- 3) Save for Encik Saffie Bin Bakar, none of the Directors of the Company have any convictions for offences within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 31 March 2021.

On 22 November 2019, Encik Saffie Bin Bakar paid a compound amounting to RM450.00 to the Companies Commission of Malaysia in breach of Section 135(1) and Section 135(2) of the Companies Act, 1965 due to his failure to file notice in writing to the Company regarding the change in his interest in the warrants of the Company within the prescribed timeframe (14 days).

## PROFILE OF KEY SENIOR MANAGEMENT



### **YANG, CHAO-TUNG**

Managing Director

**Aged 56 | Male | Taiwanese**

The profile of Mr. Yang, Chao-Tung is disclosed in the Board of Directors' Profile in this Annual Report.



### **CHOONG LEE AUN**

Executive Director

**Aged 55 | Male | Malaysian**

The profile of Mr. Choong Lee Aun is disclosed in the Board of Directors' Profile in this Annual Report.



### **YANG, WU-HSIUNG**

Director of AE Corporation (M) Sdn. Bhd. and  
Amallion Enterprise (Thailand) Corporation Limited

**Aged 79 | Male | Taiwanese**

Mr. Yang, Wu-Hsiung was appointed as a Director of AE Corporation (M) Sdn. Bhd. ("AEC") on 6 May 1989 and Amallion Enterprise (Thailand) Corporation Limited ("AET") on 3 August 1999.

He graduated from Taipei Technical College, Taiwan in 1960 with a college degree majored in Electronics Engineering.

Mr. Yang, Wu-Hsiung has an immense amount of experience in the electronics and electrical industry. Prior to the setting up of AEC, he was the General Manager of Kua Tiang (Taiwan) Industry Co. Ltd. and AET, which were principally involved in the manufacturing of printed circuit board.

Presently, his responsibilities include strategic business development, providing direction and coordinating of the overall marketing and production operations of the Group.

He is the father of Mr. Yang, Chueh-Kuang and uncle of Mr. Yang, Chao-Tung.



**PROFILE OF KEY SENIOR MANAGEMENT (cont'd)****YANG, CHUEH-KUANG**

Chief Operating Officer

**Aged 51 | Male | Taiwanese**

Mr. Yang, Chueh-Kuang, the Chief Operating Officer ("COO") of the Company. He was previously appointed as an Executive Director of the Company on 11 October 2010 and resigned on 17 August 2018. Subsequently, he was appointed as the COO of the Company on 17 August 2018.

He received his Bachelor Degree in Industrial Engineering from University of Chun Yuan in 1991 and Master of Science majoring in Industrial Engineering from University of Texas, USA in 1995.

He started his career in 1996 as a Quality Assurance Manager with Mik Aik Industrial Co. Ltd, Taiwan and was promoted to Development Manager in 1998. In 1999, he joined AEC as Factory Manager and was promoted to Assistant General Manager in 2001. His area of responsibility includes overseeing AET's operation. In year 2007, he was promoted as General Manager of AET. He is also the Director of AET since 2004.

He is the son of Mr. Yang, Wu-Hsiung and the cousin of Mr. Yang, Chao-Tung.

**CHOU SIN HOAN**

Financial Controller

**Aged 49 | Male | Malaysian**

Member of Risk Management Committee

Mr. Chou Sin Hoan graduated with Bachelor of Accounting Degree from Systematic College in the year 1999 and qualified as a Chartered Accountant with Malaysian Institute of Accountant in the year 2001.

He started his career with Khoo and Co., an audit firm as a partner for 12 years. Subsequently, he joined Bionas Corporation Berhad as Vice President for the Company for 3 years. Thereafter, he joined the Company on 1 March 2012 as the Financial Controller.

**OON LAY HOON**

Administration Manager

**Aged 43 | Female | Malaysian**

Ms. Oon Lay Hoon graduated with Bachelor degree in Business Administration from University Putra Malaysia in the year 2001.

She joined AE Corporation (M) Sdn. Bhd. (a wholly-owned subsidiary of AEM) as a Marketing Executive in the year 2001 and was transferred to Amallion Enterprise (Thailand) Corporation Limited in the year 2002 as Administration Manager.

Save as disclosed above, none of the Key Senior Management has:-

- 1) any directorship in public companies and listed issuers;
- 2) any family relationship with any Director and/or major shareholder of the Company;
- 3) any conflict of interest with the Company; and
- 4) been convicted of any offence within the past five (5) years, or been imposed any public sanction or penalty by the relevant regulatory bodies during the financial period ended 31 March 2021.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of AE Multi Holdings Berhad ("the Company") recognises the importance of maintaining high standards of corporate governance in managing its business affairs to build a sustainable business capable of enhancing shareholders' value. We are committed to ensuring that the principles of good corporate governance are applied and practiced throughout the Group.

The Board upholds the Principles and Recommendation promulgated by the Malaysian Code on Corporate Governance ("MCCG"). The Board ensures that the best practices of corporate governance including accountability and transparency are adhered to by the Company and its subsidiaries ("the Group") to achieve long term financial performance and growth as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders, the Company's application of the 3 key principles of the MCCG during the financial period ended 31 March 2021 ("FPE 2021"):

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (c) Integrity in corporate reporting and meaningful relationships with stakeholders.

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report for the FPE 2021 which is available on the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com) as well as via an announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### PART I – BOARD RESPONSIBILITIES

The Board's main roles are to create value for shareholders and provide leadership to the Group. It is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of Group, implementing investor relations programmes and ensuring the system of internal controls and management information system are adequate and effective.

The Board is assisted by the following Board Committees, namely:-

- 1. Audit Committee ("AC");
- 2. Nominating and Remuneration Committee ("NRC"); and
- 3. Risk Management Committee ("RMC").

The primary functions of the Board Committees are to assist the Board in overseeing the affairs of the Company and these Committees have been entrusted with specific responsibilities and authority. The authorities and functions of these Board Committees are properly set out in their respective Terms of Reference ("TOR"). The TOR of the respective Board Committees are reviewed and assessed as and when the need arises to ensure that the TOR remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the Main Market Listing Requirement ("Listing Requirements") of Bursa Securities and the MCCG.

The position of the Chairman and the Managing Director are held by two different individuals which is in line with the MCCG's recommendations. The Company continues to practice a division of responsibilities between the Chairman and the Managing Director. Their roles are separated and clearly defined in the Board Charter of the Company.

The Board is supported by a Company Secretary who is a member of the Malaysian Association of Companies Secretaries and she is holding a professional certificate as qualified Company Secretary under the Companies Act 2016 ("Act"). She possesses over 25 years of experience in corporate secretarial practices.

The Company Secretary plays an important role in facilitating the overall compliance with the Act, Listing Requirements and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensuring adherence to the existing Board policies and procedures. To discharge the roles effectively, the Company Secretary has been continuously attending the necessary training programmes, conferences, seminars and/or forums to keep herself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to her profession and enable her to provide the necessary advisory role to the Board.

The Board has direct access to the professional advice and services of the Company Secretary when performing their duties and discharging their responsibilities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)

#### PART I – BOARD RESPONSIBILITIES (CONTD)

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days before the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

All the Board members, whether as the entire Board or in their individual capacity, have full and unrestricted access to all information and documentation pertaining to the Group's business and affairs to enable them to discharge their duties effectively. The Board could direct any queries to fulfil its responsibilities and could retain, at the Company's expense (where appropriate), any legal, accounting or other services that it considers necessary to perform its duties.

The Board Charter was last reviewed, revised and approved by the Board on 29 May 2020 and is published on the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com).

The Board Charter serves as a reference and primary induction literature providing all Board members and Management insights into the fiduciary and leadership functions of the Board.

The Board Charter is subject to periodic review and is updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.

The Board had also put in place the Code of Ethics and Conduct, Whistle Blowing Policy and Anti-Bribery and Corruption Policy which will be reviewed from time to time to ensure that they continue to remain relevant and appropriate.

The Board adhered strictly to the Code of Ethics and Conduct for the Directors, in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors, management and employees of the Group to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practice and to act in good faith in the best interests of the Group and its shareholders.

The Whistle Blowing Policy provides an avenue and accessible reporting channels for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group.

The Board had adopted the Anti-Bribery and Corruption Policy to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Whistle Blowing Policy and Anti-Bribery and Corruption Policy are available on the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)

#### PART II – COMPOSITION OF THE BOARD

The Board currently has five (5) members, comprising the following:

- one (1) Independent Non-Executive Chairman;
- one (1) Managing Director;
- one (1) Executive Director; and
- two (2) Independent Non-Executive Directors.

The current composition complies with Paragraph 15.02 of the Listing Requirements and Practice 4.1 of the MCGG.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

Pursuant to Practice 4.2 of the MCGG, in view that En. Saffie Bin Bakar, has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, the Board will be seeking approval of the shareholders of the Company through a two-tier voting process at the forthcoming AGM to support the Board's decision to retain him as an Independent Non-Executive Director.

The Board believes that the said Independent Director's continued contribution, especially his invaluable knowledge of the Group and its operations gained through the years, will provide stability and benefits to the Board and the Company as a whole. His calibre, qualification, experience and personal qualities, and more importantly, the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company, predominantly determines the ability of the Director to serve effectively as an Independent Director.

The Board, through its NRC regularly assesses the optimum size, required mix of skills, experience, independence and diversity required collectively for the Board to effectively fulfil its role. The appointment of Board members is reviewed by the NRC and made via a formal and transparent process.

The Company had adopted a Gender Diversity Policy on 24 February 2021, which provides a framework for the Company to improve its gender diversity at the Board level. The Gender Diversity Policy does not set any specific target on the composition in terms of gender, age or ethnicity of its Board members. However, the Board is well-represented by individuals drawn from distinctly diverse professional backgrounds. The evaluation of the suitability of candidates as the new Board member will be assessed by the NRC based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company. The NRC and the Board would ensure that steps will be undertaken to ensure that suitable women candidates are sought from various sources, should the need arise.

The Board is supportive of gender diversity in the Board composition as recommended by MCGG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.

The Nominating Committee ("NC") and Remuneration Committee ("RC") have been merged as a single committee known as the NRC with effect from 26 June 2020 which aimed to improve its efficiency and effectiveness in discharging its duties. The composition of the NRC is as follows:-

Directors	Designation
Saffie Bin Bakar, Chairman	Independent Non-Executive Director
Dato' Nik Ismail Bin Dato' Nik Yusoff, Member (Appointed on 8 September 2020)	Independent Non-Executive Chairman
Yee Yit Yang, Member (Appointed on 8 September 2020)	Independent Non-Executive Director

The Terms of Reference of the NRC is available for viewing at the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com).



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)

#### PART II – COMPOSITION OF THE BOARD (CONT'D)

The activities undertaken by the NRC for the FPE 2021 are as follows:

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole to assess its effectiveness.
- Assessed and recommended to the Board for approval on the re-election of Directors who were due to retire at the forthcoming AGM pursuant to the Company's Constitution.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and evaluated the independence of Independent Directors who have served the Board for a cumulative term of more than nine (9) years pursuant to the MCCG.
- Reviewed and assessed the performance of the AC.
- Reviewed, considered and recommended to the Board for consideration the nominees for appointment as Directors of the Company.
- Reviewed and recommended to the Board for consideration, the remuneration packages (including fees and benefits) for new appointment of Directors.
- Reviewed and recommended to the Board for consideration, the changes in the composition of the AC, NRC and RMC.

The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its Board Committees. Facilitated by the NRC, the Company will conduct an annual evaluation to determine the effectiveness of the Board and Board Committees as a whole as well as the contribution of each individual Director. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. Criteria used in these assessments are guided by the Corporate Governance Guide issued by Bursa Securities.

In evaluating the performance of Non-Executive Chairman/Directors, certain criteria were established and adopted, amongst others, attendance at Board or Committee meetings, key responsibilities of the Chairman/adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen/increasing shareholders' wealth, succession planning and personal input to the role.

The annual assessment will be facilitated by the Company Secretary and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.

All Board members shall complete the assessment questionnaires and the results of the evaluations shall be collated and submitted to the NRC for deliberations and subsequently escalated to the Board for consideration on the key issues arising thereon, if any.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)

#### PART II – COMPOSITION OF THE BOARD (CONT'D)

Attendance of each Director at Board and Board Committees' meetings during the FPE 2021 is as below:

Name of Directors	Type of Meetings	No. of Meetings attended				
		Board	AC	NC	RC	RMC
Dato' Nik Ismail Bin Dato' Nik Yusoff (Appointed on 8 September 2020)		2/2	2/2	N/A	N/A	1/1
Mr. Yang, Chao-Tung		5/5	N/A	N/A	N/A	N/A
Mr. Choong Lee Aun (Appointed on 8 September 2020)		2/2	N/A	N/A	N/A	N/A
Mr. Yee Yit Yang (Appointed on 8 September 2020)		2/2	2/2	N/A	N/A	1/1
En. Saffie Bin Bakar		4/5	5/5	1/1	1/1	4/4

The Board meets at least once every quarter on a scheduled basis and additional meetings to be convened as and when deemed necessary by the Board. All the Directors have attended more than 50% of the total Board Meetings held during the FPE 2021 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The Senior Management and officers of the Group may be invited to attend the Board and Committees meetings to discuss pertinent issues arising from the Group's operations and the Board has unrestricted access to the management at any time.

The Board acknowledges that continuous training is essential in keeping them abreast with changes in law and regulations, business environment and corporate governance developments, besides enhancing professionalism and knowledge in enabling them to discharge their duties more effectively.

The Directors have attended the following training, seminars and conferences during the FPE 2021:-

Directors	Courses/Seminars/Workshops/Conferences
Dato' Nik Ismail Bin Dato' Nik Yusoff	<ul style="list-style-type: none"> <li>KS108: Section 17A Malaysian Anti-Corruption Commission Act 2009</li> </ul>
Yang, Chao-Tung	<ul style="list-style-type: none"> <li>Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)</li> </ul>
Choong Lee Aun	<ul style="list-style-type: none"> <li>Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)</li> <li>KS108: Section 17A Malaysian Anti-Corruption Commission Act 2009</li> </ul>
Yee Yit Yang	<ul style="list-style-type: none"> <li>MIA Webinar Series: A Comprehensive Review of Latest Developments in MFRS</li> </ul>
Saffie Bin Bakar	<ul style="list-style-type: none"> <li>Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)</li> <li>GO ESG ASEAN Corporate Sustainability Virtual Summit 2020</li> <li>ESG Shariah-Compliant Screening for Securities: Industry Briefing</li> <li>Environmental, Social and Governance (ESG)</li> <li>ESG in the New Normal: A Corporation's Lens by CEO, Bursa Malaysia Berhad</li> </ul>

**CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)****PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)****PART III - REMUNERATION**

The Board has established a formal and transparent Remuneration Policy to attract and retain its Directors and senior management of the Company.

The Board determines the remuneration of Executive Directors and Non-Executive Directors by taking into consideration the recommendations of the NRC. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration. The aggregate amount of Directors' fees to be paid to the Directors is subject to the approval of the shareholders at the AGM.

The Remuneration Policy is available at the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com).

The remuneration of the Directors of the Company and the Group for the FPE 2021 are as follows:

**The Company:-**

<b>Name of Directors</b>	<b>Fees RM</b>	<b>Salaries RM</b>	<b>Benefits in Kind RM</b>	<b>Meeting Allowance RM</b>	<b>Bonus RM</b>	<b>Others RM</b>	<b>Total RM</b>
Yang Chao-Tung	45,000	240,790	-	3,000	-	-	288,790
Choong Lee Aun (Appointed on 8 September 2020)	21,000	65,157	-	1,000	-	-	87,157
Dato' Nik Ismail Bin Dato' Nik Yusoff (Appointed on 8 September 2020)	16,589	-	-	2,000	-	-	18,589
Yee Yit Yang (Appointed on 8 September 2020)	18,250	-	-	2,000	-	-	20,250
Saffie Bin Bakar	31,250	-	-	5,500	-	-	36,750
Oon Hock Chye (Retired on 25 June 2020)	25,000	-	-	2,500	-	-	27,500
Chang Choon Ming (Resigned on 8 September 2020)	36,000	-	-	2,000	-	-	38,000
Mok Shiaw Hang (Resigned on 8 September 2020)	25,000	-	-	3,500	-	-	28,500
Lew Lip Ping (Resigned on 8 September 2020)	25,000	-	-	2,000	-	-	27,000
<b>TOTAL</b>	<b>243,089</b>	<b>305,947</b>	<b>-</b>	<b>23,500</b>	<b>-</b>	<b>-</b>	<b>572,536</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTD)

#### PART III - REMUNERATION (CONT'D)

##### The Group:-

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Others RM	Total RM
Yang Chao-Tung	45,000	453,920	-	3,000	-	-	501,920
Choong Lee Aun (Appointed on 8 September 2020)	21,000	98,011	-	1,000	-	-	120,011
Dato' Nik Ismail Bin Dato' Nik Yusoff (Appointed on 8 September 2020)	16,589	-	-	2,000	-	-	18,589
Yee Yit Yang (Appointed on 8 September 2020)	18,250	-	-	2,000	-	-	20,250
Saffie Bin Bakar	31,250	-	-	5,500	-	-	36,750
Oon Hock Chye (Retired on 25 June 2020)	25,000	-	-	2,500	-	-	27,500
Chang Choon Ming (Resigned on 8 September 2020)	36,000	-	-	2,000	-	-	38,000
Mok Shiaw Hang (Resigned on 8 September 2020)	25,000	-	-	3,500	-	-	28,500
Lew Lip Ping (Resigned on 8 September 2020)	25,000	-	-	2,000	-	-	27,000
<b>TOTAL</b>	<b>243,089</b>	<b>551,931</b>	<b>-</b>	<b>23,500</b>	<b>-</b>	<b>-</b>	<b>818,520</b>

The remuneration of the Senior Management of the Group for the FPE 2021 are as follows:

Range of Remuneration	No. of Senior Management
Below RM50,000	-
RM50,001 to RM100,000	1
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1

Due to confidentiality and sensitivity of the remuneration package of our Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board believes that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART I - AC

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The position of the Chairman of the AC and the Chairman of the Board are held by two different individuals.

The composition of the AC and the works carried out during the FPE 2021 are set out in the AC Report of this Annual Report.

The Chairman of the AC would report to the Board at Board meetings on pertinent issues that have been raised at AC meetings, and he would highlight to the Directors the vital areas as may be expressed by the AC.

The External Auditors are required to declare their independence annually to the AC. The External Auditors had declared their independence in respect of the Group's audit during the AC meeting.

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similar to the External Auditors, Internal Auditors have direct reporting access to the AC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence from the Management.

#### PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Risk Management Policy and Internal Control Framework ensures a structured risk management process is adopted across the Group. This will enable the Group to identify potential risks and to implement the necessary controls to mitigate the risks and effectively achieve the Group's business objectives. It is to achieve total customers satisfaction, deliver superior returns to stakeholders and provide a lively environment for the community, continuously improve and sustain the business. The Group also practices transparency in management and operation to ensure integrity and ethical business practice. It also allows the Group to be more proactive than reactive in management and future planning.

The Board, which is responsible for the risk management and internal control governance, has delegated its responsibility to the RMC. The RMC reports to the Board and provides reasonable assurance that any potential adverse impact on the Group's objectives is mitigated and managed.

Details of the Company's risk management framework and internal control system are set out in the Statement on Risk Management and internal control of this Annual Report.

The Board assumes full responsibility for the effective stewardship and management of the Company with the strategic objective to build and deliver long term shareholder value whilst meeting the interests of shareholders and stakeholders. The Board provides strategic direction and formulates appropriate corporate policies to ensure the Group's resources and profitability are optimized. The Board is also responsible for assessing the integrity of the Group's financial information and the adequacy and effectiveness of the Group's internal control and risk management processes.

The Board recognises the importance of risk management and internal controls in the overall management process. The overview of the Group's risk management and state of internal controls is set out on the Statement on Risk Management and Internal control of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

#### PART I – COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of being transparent and accountable to its shareholders/investors and, as such, has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with shareholders/investors, the financial community, and the public generally. The various channels of communications are through the quarterly announcements of financial results to Bursa Securities, relevant announcements and circulars, when necessary, AGM, and through the Group's website at [www.amallionpcb.com](http://www.amallionpcb.com) where shareholders can access corporate information, press releases, and company announcements.

#### PART II - CONDUCT OF GENERAL MEETINGS

The AGM is the principal forum and crucial mechanism for dialogue between the Company and its shareholders. The Board believes that participation of shareholders in the Company's General Meeting is the more appropriate platform where shareholders' queries and concerns may be conveyed to the Board for clarification. The Board will ensure that all the Board members, management team, External Auditors and Company Secretary are present to respond to shareholders queries during the AGM and any other general meetings.

The Board will ensure that the Notice of the forthcoming AGM to be sent out at least 28 days before the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

Given the coronavirus disease (COVID-19) outbreak in Malaysia, the Board has decided to hold the forthcoming AGM on a fully virtual basis and entirely via remote participation and electronic voting.

This allows the shareholders to participate in the forthcoming AGM while at the same time, follow the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.

Shareholders can attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the forthcoming AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Share Registrar of the Company in hard copy or by electronic means.

For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.

Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.

#### STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE 2021, except for the departures set out in the CG Report.

The Company shall continue to strive for high standards of corporate governance through the Group, and the highest level of integrity and ethical standards in all of its business dealings.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of AE Multi Holdings Berhad ("AEM") is committed to upholding a sound system of risk management and internal controls to safeguard stakeholder's interests and the Group's assets. This Statement on Risk Management and Internal Control is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

### Board's Responsibility

The Board acknowledges its overall responsibility for the Group's risk management and internal control system which includes the establishment of the Group's risk management policies and procedures in identifying potential risk and ensure the going concern of the Group.

Our internal Risk Management Team consists of the General Manager of the Group as the Chairman, and the Quality Assurance Manager as the leader, among the other members. Their functions are to evaluate the adequacy and effectiveness of internal controls within the Group from time to time in managing the risks. The Risk Management acts as a platform in dealing with the affairs in risk management. It continuously assesses, evaluates, prioritise, and treats the risks with cost justification in mind. Prepare for the consequences for the unavoidable risks with a comprehensive recovery plan and dealing with risks proactively, instead of mishaps responsively and passively.

The Audit Committee ("AC") and Risk Management Committee ("RMC") assist the Board to review the adequacy and effectiveness of the Group's risk management and internal control system to ensure that the Group would identify the risk and react proactively rather than reactively. Identifying risk aggressively will eliminate and/or reduce the negative impacts on the management plan.

The process of identification, evaluation, reviewing and recommendation of improvement is an on-going process during the financial year and up to the date of approval of this statement for inclusion in the annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The AC and RMC are established to assess the risk arising from the external environment, internal operations and financial aspect.

During the financial period ended 31 March 2021 ("FPE 2021"), the RMC has carried out the risk management audit according to the management framework in identifying, evaluating, monitoring and reporting the significant risk face by the Group to minimise or avoid the major risk that may affect the Group.

Our internal Risk Management Team carries out on-going audits and assessments to review the effectiveness of our internal control and would report to the Board the results of their audit and assessments at least once a year. The said report includes business risks that have impacted or are likely to impact the Group and its strategies and actions are taken in response to the risks reported.

The team leaders would convene a meeting to identify, evaluate, monitor, the recommendations for improvement and managing the significant risks.

The Group outsourced its internal audit functions, which critically review all aspects of our Group's activities and internal controls. Comprehensive audits of our Group's practices, procedures, expenditure and internal controls of all our business and support units are undertaken regularly.

The external auditor engaged by the Group complies with ISO, covering all our communications processes and work procedures. External auditors are engaged to audit our Group based on ISO 9001:2015, IATF16949:2016 and ISO14001:2015 during the FPE 2021

### KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control through on-going assessments, identify, evaluate and manage the significant risks faced by the company.

#### i) Formal Organisation Structure

The Group has a well-defined organisational structure with a clear definition of terms of reference, functions, authorities and responsibilities to ensure effective management in daily operations.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### ii) Regular Performance Reporting

Risk Management and Internal Audit reports are prepared to facilitate the Board and the Senior Management in performing financial and operational reviews in various operating units of the companies within the Group.

A management review was also carried out by the internal Risk Management Team dated 20 January 2021 to measure the key performance index of our Group in addressing and managing these risks. It also highlights the areas that need to be improved.

#### iii) Risk Management Framework

The RMC and AC are supported by senior management with a team from the business division to conduct an audit based on the risk assessment framework and policies of the Group. The internal Risk Management Team is led by the top management of the Group and selective employees from various departments. The members from each department would discuss issues related to the internal strengths and weaknesses as well as external opportunities and threats. The audit team is assigned to identify the significant business risks, potential financial impact based on their magnitude of impact to the Group and their likelihood of occurrence, existing control and identifying the level of risk and thereafter, the internal Risk Management Team leader would prepare an annual audit plan.

#### iv) Quality Control

The Group strongly emphasizes maintaining the quality of the products by auditing the process and management quarterly based on ISO 9001:2015, IATF16949:2016 and ISO14001:2015. The Group complies strictly with the standard operating procedures to uphold the certifications and registration.

#### v) Internal Audit Function

The Group outsourced its Internal Audit Function to a professional internal audit service provider ("Internal Auditors") who reports directly to the AC and RMC. The Internal Auditors conduct reviews on the adequacy and effectiveness of the internal control system of the Group and recommended areas of improvement.

The Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

Details of the Internal Audit Function are set out in the AC Report of this Annual Report.

#### vi) Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption Policy in conjunction with the implementation of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into effect on 1 June 2020. The Anti-Bribery and Corruption Policy applies to all Directors and employees of the Group and any third parties associated with the Group. This represents the Group's effort in preventing the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

The Code of Ethics and Conduct and Whistle Blowing Policy of the Group were also revised and amended to incorporate the anti-bribery and anti-corruption requirements and measures.

#### vii) Management Review

A management review was carried out on 20 January 2021 by the Internal Risk Management Team to measure the key performance index of AEM Group in addressing and managing the sustainability matters and highlight the areas that need improvements.

The quality policy was stressed in the review. It includes the Group's commitment to quality (i.e. the production of quality products to customers by all employees), on-time delivery (delivery of products on time as per customers' requests), continuous improvement (an improvement on the part of all employees and systems to further enhance the quality of products), and transparent operations (commitment to pure, transparent and fair business practices).

Customers' evaluation and feedback, data and statistics in relation to the productivity of productions, audit results from customers, internal audits, the performance of external suppliers, process efficiency, products conformance, among others, were being reviewed and compared to further refine the Group's performance in the areas relevant to the materiality issues.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

### ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

During the FPE 2021, the Board is satisfied with the Group's risk management and internal control system. It is adequate to safeguard the shareholder's interest and Group's assets. There have been no material losses or fraud to the Group.

The Group will continue to carry out its existing controls on the addressed and identified risks and has also provided findings and recommendations/actions to manage them.

The Group will continue to strive in making positive contributions to the society and environment through the maintenance of the highest ethical standards in marketing, respect for human rights and environment, support in community's activities and employees' development, and the management of significant corporate matters and risks in our businesses.

The Board considers the system of internal control in the statement to be satisfactory and the risks to be at the acceptable level. The Board assured that the current risk management system and internal control are effective for the current Group's business environment. The Board and the management of the Group will continuously take measures to strengthen and monitor the internal control framework.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control as required by Paragraph 15.23 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad for inclusion in the Annual Report for the financial period from 1 January 2020 to 31 March 2021.

The external Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the effectiveness, adequacy and integrity of the risk management and internal controls of the Group.

The Statement on Risk Management and Internal Control was approved by the Board of Directors on 16 August 2021.



## AUDIT COMMITTEE REPORT

The principal objectives of the Audit Committee ("AC" or "the Committee") are to assist the Board of Directors of AE Multi Holdings Berhad ("the Board") in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, management and financial reporting practices of the Company and its subsidiaries ("the Group") and to ensure proper disclosure to the shareholders of the Company.

### COMPOSITION

The AC comprises the following members, all of them being Independent Non-Executive Directors:-

AC Members	Designation
Yee Yit Yang (Chairman) (Appointed on 8 September 2020)	Independent Non-Executive Director
Dato' Nik Ismail Bin Dato' Nik Yusoff (Member) (Appointed on 8 September 2020)	Independent Non-Executive Chairman
Saffie Bin Bakar (Member)	Independent Non-Executive Director

### MEETINGS

A total of five (5) meetings were held during the financial period ended 31 March 2021 ("FPE 2021"). Details of attendance of each of the AC members are as follows:-

AC Members	Attendance
Yee Yit Yang (Chairman) (Appointed on 8 September 2020)	2/2
Dato' Nik Ismail Bin Dato' Nik Yusoff (Member) (Appointed on 8 September 2020)	2/2
Saffie Bin Bakar (Member)	5/5

The Company complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which the AC members fulfil the requirement as prescribed. The AC has effectively discharged its duties pursuant to the Terms of Reference of the AC. The Terms of Reference of the AC can be accessed from the Company's website at [www.amallionpcb.com](http://www.amallionpcb.com).

## AUDIT COMMITTEE REPORT (cont'd)

### SUMMARY OF WORKS DURING THE FPE 2021

The AC had carried out the following works during the FPE 2021:-

- (i) Reviewed the unaudited quarterly financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities.
- (ii) Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the FPE 2021 before the audit commenced to ensure that the scope of the external audit is comprehensive.
- (iii) Reviewed with the External Auditors on the results and issues arising from their audit of the financial year end statements and their resolutions of such issues highlighted in their report to the AC.
- (iv) Considered and recommended the re-appointment of the External Auditors of the Company and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by them during their audit for financial year ended.
- (v) Reviewed and discussed the Internal Audit Report and considered the findings of internal audit and management responses thereon and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors.
- (vi) Reviewed and recommended to the Board for approval on the Corporate Governance Overview Statement, AC Report, Statement on Risk Management and Internal Control, Additional Compliance Information and Sustainability Statement before recommending to the Board for approval for inclusion in the Company's Annual Report.
- (vii) Evaluated the performance of the external and internal auditors for the financial year ended 31 December 2019.

### INTERNAL AUDIT FUNCTION

The Company has engaged a professional internal audit service provider as the Company's Internal Auditors to support the AC in discharging its duties and responsibilities. The Internal Auditors' role is to undertake independent, regular and systematic reviews of the systems of internal controls, to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures.

During the FPE 2021, the Internal Auditors conducted various audits on the operations, management and financial systems of the Group. The results of the internal audit reviews and the recommendations for improvement are presented to the AC for deliberation. The reports on the audits, weaknesses identified together with suggested recommendations for improvements to management's implementation, were presented to the AC at the AC meetings.

The total costs for the internal audit function during the FPE 2021 were RM27,000.00.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries ("Group") involving the interest of Directors and/or major shareholder during the financial period ended 31 March 2021 ("FPE 2021").

### 2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable for services rendered to the Company and the Group for the FPE 2021 by the Company's External Auditors, or Company affiliated to the External Auditors are as follows:-

	Audit Fees (RM)	Non-Audit Fees (RM)
Company	25,000	-
Group	80,070	55,869
<b>Total</b>	<b>105,070</b>	<b>55,869</b>

### 3. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The proceeds raised from corporate proposals during the FPE 2021 and its status of utilisation are as follows:

Placement of up to 30% of the total number of issued shares of the Company ("30% Placement")

The Company had placed out 98,803,200 new ordinary shares via the 30% Placement exercise which raised total proceeds of RM9.416 million. The status of utilisation of proceeds is as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance RM'000
Construction Business	9,260	9,260	-
Expenses <sup>(1)</sup>	156	156	-
<b>Total</b>	<b>9,416</b>	<b>9,416</b>	<b>-</b>

Notes:

(1) Includes expenses for 30% Placement and Diversification as defined in the Company's circular to shareholders dated 26 December 2019.

Private Placement of up to 20% of the total number of issued shares of the Company ("20% Placement")

The Company had placed out 85,629,000 new ordinary shares via the 20% Placement exercise which raised total proceeds of RM12.964 million. The status of utilisation of proceeds is as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance RM'000
Upgrading existing factory and machineries	8,000	8,000	-
Establishing a new marketing office	3,000	3,000	-
Working capital	1,893	1,893	-
Expenses for the 20% Placement	71	71	-
<b>Total</b>	<b>12,964</b>	<b>12,964</b>	<b>-</b>

**ADDITIONAL COMPLIANCE INFORMATION (cont'd)****4. RECURRENT RELATED PARTY TRANSACTIONS**

Details of Recurrent Related Party Transactions are disclosed in Note 25 to the Financial Statements for the FPE 2021 of this Annual Report.

**5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

The ESOS of the Company for eligible Directors and employees of the Group was in force for a period of five (5) years commencing from 7 January 2016 ("Effective Date") and was extended for a period of five (5) years until 7 January 2026. Subsequently, the ESOS was terminated on 9 February 2021.

During the FPE 2021, the Company had granted 41,000,000 options pursuant to the ESOS ("ESOS Options") on 6 January 2021, out of which 31,000,000 ESOS Options were granted to senior management of the Company. No ESOS Options were granted to the Directors of the Company.

The details of ESOS Options granted during the FPE 2021 are as follows:-

Total number of ESOS Options granted	: 41,000,000
Total number of ESOS Options exercised	: 41,000,000
Total number of ESOS Options outstanding	: -

The details of ESOS Options granted to the Directors of the Company since the Effective Date up to the FPE 2021 are as follows:

	ESOS Options Granted	ESOS Options Exercised
Yang Chao-Tung	8,000,000	8,000,000
Saffie Bin Bakar	1,000,000	1,000,000

The maximum and actual allocation of ESOS Options to the Directors and Senior Management are as follows:

	Aggregate maximum allocation (%)	Actual percentage granted (%)	
		Since effective date	During the FPE 2021
Directors and Senior Management	90	75.78	75.61

## DIRECTORS' RESPONSIBILITY STATEMENTS

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows and changes in equity of the Group and the Company for that financial year.

In preparing the financial statements of the Group and the Company for the financial period ended 31 March 2021, the Directors ensured that the Group has used the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), applied them consistently and made judgments and estimates that are reasonable and prudent. The Directors also ensured that the MFRSs and IFRSs have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016, Main Market of Listing Requirements of Bursa Malaysia Securities Berhad, MFRSs and IFRSs.



## DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Group and the Company for the financial period 1 January 2020 to 31 March 2021.

### Change in financial year end

The Company changed its financial year end from 31 December to 31 March. Accordingly, the financial statements for the current financial period are drawn up for the period 1 January 2020 to 31 March 2021 or a period of fifteen months.

### Principal activities

The Company is principally involved in investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Notes 13 to the financial statements.

### Financial results

	Group RM	Company RM
Net loss for the financial period	10,116,105	2,949,751

In the opinion of the directors, other than the significant event as disclosed in Note 30 to the financial statements, the results of the operations of the Group and the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

### Dividend

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

### Reserves and provisions

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

### Issue of shares and debentures

During the reporting period, the Company increased its issued and paid up share capital by way of :

- (a) Private placement
- (i) Issuance of 60,000,000 new ordinary shares at an issue price of RM0.0955 per share for cash. The shares were issued for construction project expenditure and working capital purposes;
  - (ii) Issuance of 38,803,200 new ordinary shares at an issue price of RM0.0950 per share for cash. The shares were issued for construction project expenditure and working capital purposes; and
  - (iii) Issuance of 85,629,000 new ordinary shares at an issue price of RM0.1514 per share for cash. The shares were issued for working capital purposes.

## DIRECTORS' REPORT (cont'd)

### Issue of shares and debentures (continued)

- (b) Employee share option scheme
  - (i) Issuance of 41,000,000 new ordinary shares pursuant to the exercise of ESOS at the exercise price of RM0.1164 per share; and
  - (ii) transfer of RM1,234,100 from the share option reserve account pursuant to the exercise of 41,000,000 ESOS.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The movements in the Company's share capital account are disclosed in Note 18 to the financial statements.

The Company has not issued any debentures during the financial period.

### Employee share option scheme

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by its By-Laws as approved by the Company's shareholders on 7 January 2016.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 7 January 2016 and is in force for a period of 5 years until 7 January 2021 in accordance with the terms of the By-Laws. On 7 January 2021, the Company extended the expiry date for another 5 years until 7 January 2026;
- (b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 15% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Any employees (including directors) of the Group shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
  - (i) has attained the age of eighteen (18) years; and
  - (ii) is employed by a company in the Group, which is not dormant.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the ESOS Committee. The participation of director of the Company in the ESOS shall be approved by the shareholders of the Company in a general meeting;

- (d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (e) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and
- (f) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws.

**DIRECTORS' REPORT (cont'd)****Employee share option scheme (continued)**

The movements in the Company's ESOS are as follows:

Offer date	Exercise price per ordinary share	Number of options over ordinary shares			Balance at 31.3.2021
		Balance at 1.1.2020	Granted	Exercised	
6 January 2021	RM0.1164	-	41,000,000	(41,000,000)	-

On 9 February 2021, the Company terminated the ESOS.

**Directors**

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Yang Chao-Tung	
Saffie Bin Bakar	
Choong Lee Aun	Appointed on 8 September 2020
Dato' Nik Ismail Bin Nik Yusoff	Appointed on 8 September 2020
Yee Yit Yang	Appointed on 8 September 2020
Oon Hock Chye	Retired on 20 June 2020
Chang Choon Ming	Resigned on 8 September 2020
Lew Lip Ping	Resigned on 8 September 2020
Mok Shiaw Hang	Resigned on 8 September 2020

The directors of the Company's subsidiaries in office since the end of the previous financial year to the date of this report, not including those directors listed above are:

Chou Sing Hoan	
Yang Wu-Hsiung	
Yang Cheuh-Kuang	
Tan Sze Chong	Resigned on 15 October 2020

**Directors' interests in shares**

The shareholdings in the Company and its related companies of those who were directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares		
	Balance as at 1.1.2020/date of appointment	Bought	Sold
<b>In the Company</b>			
<b>Shareholdings registered in the name of directors</b>			
Choong Lee Aun	-	100,000	-
Dato' Nik Ismail Bin Nik Yusoff	-	-	-
Saffie Bin Bakar	1,300,000	-	-
Yang Chao-Tung	10,122,564	-	-
Yee Yit Yang	16,006,000	-	1,500,000
			<b>Balance as at 31.3.2021</b>
			100,000
			-
			1,300,000
			10,122,564
			14,506,000

## DIRECTORS' REPORT (cont'd)

### Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and a company in which a director of the Company has an interest as disclosed in Note 25.1 to the financial statements.

The details of directors' remuneration are disclosed in Note 6 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Indemnity and insurance

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Company during the financial period.

### Other statutory information

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial period and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial period in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Company.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

## DIRECTORS' REPORT (cont'd)

### Auditors

The auditors, Messrs Russell Bedford LC & Company, have indicated their willingness to continue in office.

The auditors' remuneration for the Group and the Company is disclosed in Note 6 to the financial statements.

Signed on behalf of the Board  
in accordance with a resolution of the directors,

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YANG CHAO-TUNG

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CHOONG LEE AUN

Kuala Lumpur

Dated: 16 August 2021



## STATEMENT BY DIRECTORS

### PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

The directors of AE MULTI HOLDINGS BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the period 1 January 2020 to 31 March 2021.

Signed on behalf of the Board  
in accordance with a resolution of the directors,

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YANG CHAO-TUNG

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CHOONG LEE AUN

Kuala Lumpur

Dated: 16 August 2021

## STATUTORY DECLARATION

### PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, CHOONG LEE AUN, being the director primarily responsible for the financial management of AE MULTI HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named )  
CHOONG LEE AUN at Kuala Lumpur in Wilayah Persekutuan )  
on 16 August 2021 )

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CHOONG LEE AUN

Before me,

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COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF AE MULTI HOLDINGS BERHAD

### 1. Report on the audit of the financial statements

#### 1.1 Opinion

We have audited the accompanying financial statements which comprise the statement of financial position of the Group and of the Company as at 31 March 2021, and the related statements of comprehensive income, changes in equity and cash flows for the period 1 January 2020 to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2021, and of their financial performance and their cash flows for the period 1 January 2020 to 31 March 2021 in accordance with the Companies Act 2016 ("Act") and the Malaysian Financial Reporting Standards.

#### 1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 1.3 Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### 1.3.1 Existence and valuation of inventories

The carrying amount of the inventories of the Group as at 31 March 2021 is RM33.3 million representing approximately 18% of total assets of the Group and write down of inventories amounted to RM2.44 million on account of obsolescence and slow moving inventories.

As described in Note 2.2.2 to the financial statements, the Group carries inventories at the lower of cost and net realisable value. The Company has a policy for write-down of inventories to net realisable value on account of obsolescence and slow moving inventories which is recognised on a case to case basis based on the management's assessment.

This, in combination with the significance of inventories as part of total assets, made us conclude that existence and valuation of inventories are a key audit matter of our audit.

##### How the matter was addressed in the audit

Our audit procedures included, among others:

- obtained an understanding of the management process for determining net realisable value of inventories and identification of slow moving or obsolete inventories;
- reviewed management's assessment of net realisable value of the inventories and on a sample basis, tested the subsequent selling price of inventories;
- tested the computation for write down of inventories with the assessment provided by the management and performed ageing analysis of the inventories with specific inquiries with the management to evaluate completeness of the inventories identified as slow moving or obsolete;
- obtained an understanding of the inventories valuation process in computing the cost of inventories;
- reviewed the inventories costing computation which includes costs of raw materials, direct labour costs and other direct overhead costs incurred in bringing the inventories to their present location and condition;
- attended and observed year end physical inventory count to examine physical existence and condition of inventories;

The results from our testing were satisfactory.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AE MULTI HOLDINGS BERHAD (cont'd)

### 1. Report on the audit of the financial statements (continued)

#### 1.3 Key audit matters (continued)

##### 1.3.2 Significant component not statutorily audited by us – Amallion Enterprise (Thailand) Corporation Ltd ("AET")

A significant concentration of risks exists as 92% of Group revenue and 59% of Group total assets are from AET. There is a risk that the component auditor may not detect misstatements in the financial information.

As the Group auditor, we are ultimately responsible for rendering of audit opinion for the Group financial statements and also, we are responsible for directing, supervising and performing the Group audit.

##### How the matter was addressed in the audit

We have performed a full scope audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing on the financial statements of AET for purposes of group consolidation.

##### 1.3.3 Key audit matters relating to the financial statements of the Company

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

#### 1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

#### 1.5 Responsibilities of management and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Act and the Malaysian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF AE MULTI HOLDINGS BERHAD (cont'd)

#### 1. Report on the audit of the financial statements (continued)

##### 1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and/or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AE MULTI HOLDINGS BERHAD (cont'd)

### 1. Report on the audit of the financial statements (continued)

#### 1.6 Auditors' responsibilities for the audit of the financial statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 2. Report on other legal and regulatory requirements

In accordance with the requirements of the Act, we also report that the subsidiary in which we have not acted as auditors, is as disclosed in Note 13 to the financial statements.

### 3. Other matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another firm of auditors whose report dated 15 May 2020 expressed an unqualified opinion.

### 4. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Wong Lai Cheng.

**RUSSELL BEDFORD LC & COMPANY**  
AF 1237  
CHARTERED ACCOUNTANTS

**WONG LAI CHENG**  
03458/11/2021 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated: 16 August 2021



## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

	Note	Group		Company	
		1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019
		RM	RM	RM	RM
Revenue	4	86,034,579	63,130,171	-	300,000
Cost of sales		(83,501,564)	(57,635,680)	-	-
Gross profit		2,533,015	5,494,491	-	300,000
Other operating income		3,893,580	3,103,432	-	-
Selling and distribution costs		(1,427,303)	(1,477,580)	-	-
Administrative expenses		(11,734,617)	(4,626,036)	(2,909,682)	(1,073,463)
<b>(Loss)/Profit from operations</b>	6	(6,735,325)	2,494,307	(2,909,682)	(773,463)
Finance income	7	58,185	78,198	-	41,378
Finance costs	8	(3,418,820)	(3,180,559)	(50,000)	(150,000)
Net finance costs		(3,360,635)	(3,102,361)	(50,000)	(108,622)
<b>Loss before tax</b>		(10,095,960)	(608,054)	(2,959,682)	(882,085)
Income tax expense	9	(20,145)	(263,093)	9,931	(9,944)
<b>Net loss for the period/year</b>		(10,116,105)	(871,147)	(2,949,751)	(892,029)
<b>Other comprehensive income/(loss):</b>					
<b>Item that may be reclassified subsequently to profit or loss:</b>					
(Loss)/gain on foreign currency translation differences		(1,405,356)	3,658,102	-	-
<b>Other comprehensive (loss)/income for the period/year, net of tax</b>		(1,405,356)	3,658,102	-	-
<b>Total comprehensive (loss)/income for the period</b>		(11,521,461)	2,786,955	(2,949,751)	(892,029)
<b>Loss per share (sen)</b>					
Basic	10	(2.65)	(0.28)		
Diluted	10	-	-		

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		Group		Company	
	Note	31.3.2021	31.12.2019	31.3.2021	31.12.2019
		RM	RM	RM	RM
Non current assets					
Property, plant and equipment	11	52,502,294	46,259,637	-	-
Right of use assets	12	6,386,279	3,941,170	-	-
Investment in subsidiaries	13	-	-	50,719,229	50,719,229
Other receivables	16	-	-	21,307,706	-
		58,888,573	50,200,807	72,026,935	50,719,229
Current assets					
Inventories	14	33,327,632	32,650,981	-	-
Trade receivables	15	13,280,303	13,647,879	-	-
Other receivables, deposits and prepayments	16	45,301,547	1,933,756	3,522,439	7,928,692
Tax recoverable		21,249	-	-	-
Fixed deposits with licensed banks	17	5,461,476	4,247,927	-	-
Cash and bank balances		33,607,644	8,569,056	6,126,196	546,889
		130,999,851	61,049,599	9,648,635	8,475,581
Total assets		189,888,424	111,250,406	81,675,570	59,194,810
Equity					
Share capital	18	87,937,202	59,725,708	87,937,202	59,725,708
Reserves	19	(11,491,404)	30,057	(8,707,820)	(5,758,069)
Total equity		76,445,798	59,755,765	79,229,382	53,967,639
Non current liability					
Lease liabilities	20	3,286,048	893,224	-	-
		3,286,048	893,224	-	-
Current liabilities					
Contract liabilities	21	41,139,312	-	-	-
Trade payables	22	7,489,419	5,922,638	-	-
Other payables and accruals	23	18,993,696	6,475,849	2,446,188	5,217,240
Lease liabilities	20	2,822,718	2,798,063	-	-
Short term borrowings	24	39,699,010	35,162,384	-	-
Tax payable		12,423	242,483	-	9,931
		110,156,578	50,601,417	2,446,188	5,227,171
Total liabilities		113,442,626	51,494,641	2,446,188	5,227,171
Total equity and liabilities		189,888,424	111,250,406	81,675,570	59,194,810

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

Group	Share capital RM	Employee Share option reserve RM	Revaluation reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2020	59,725,708	-	1,541,264	9,175,451	(10,686,658)	59,755,765
Transactions with owners						
Grant of equity settled share options to employees	-	1,234,100	-	-	-	1,234,100
Employee share options exercised	6,006,500	(1,234,100)	-	-	-	4,772,400
Shares issued pursuant to private placement	22,204,994	-	-	-	-	22,204,994
Total transactions with owners	28,211,494	-	-	-	-	28,211,494
Other comprehensive loss for the period	-	-	-	(1,405,356)	-	(1,405,356)
Net loss for the period	-	-	-	-	(10,116,105)	(10,116,105)
Net loss/Total comprehensive loss for the period	-	-	-	(1,405,356)	(10,116,105)	(11,521,461)
At 31 March 2021	87,937,202	-	1,541,264	7,770,095	(20,802,763)	76,445,798

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

## STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021 (cont'd)

Group	Share capital RM	Revaluation reserve RM	Capital reserve RM	Warrant reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total equity RM
At 1 January 2019	40,288,780	1,541,264	10,512,996	5,929,892	5,517,349	(9,815,511)	53,974,770
Transactions with owners							
Shares issued pursuant to private placement	2,994,040	-	-	-	-	-	2,994,040
Transfer in accordance with Section 618 of the Companies Act 2016	16,442,888	-	(10,512,996)	(5,929,892)	-	-	-
Total transactions with owners	19,436,928	-	(10,512,996)	(5,929,892)	-	-	2,994,040
Other comprehensive income for the year	-	-	-	-	3,658,102	-	3,658,102
Net loss for the year	-	-	-	-	-	(871,147)	(871,147)
Net income/(loss)/Total comprehensive income/(loss) for the year	-	-	-	-	3,658,102	(871,147)	2,786,955
At 31 December 2019	59,725,708	1,541,264	-	-	9,175,451	(10,686,658)	59,755,765

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021 (cont'd)

Company	Share capital RM	Employee share Option reserve RM	Capital reserve RM	Warrant reserve RM	Accumulated losses RM	Total RM
At 1 January 2019	40,288,780	-	10,512,996	5,929,892	(4,866,040)	51,865,628
<u>Transactions with owners</u>						
Shares issued pursuant to private placement	2,994,040	-	-	-	-	2,994,040
Transfer in accordance with Section 618 of the Companies Act 2016	16,442,888	-	(10,512,996)	(5,929,892)	-	-
Total transactions with owners	19,436,928	-	(10,512,996)	(5,929,892)	-	2,994,040
Net loss/Total comprehensive loss for the year	-	-	-	-	(892,029)	(892,029)
At 31 December 2019	59,725,708	-	-	-	(5,758,069)	53,967,639
<u>Transactions with owners</u>						
Grant of equity settled share options to employees	-	1,234,100	-	-	-	1,234,100
Employee share options exercised	6,006,500	(1,234,100)	-	-	-	4,772,400
Shares issued pursuant to private placement	22,204,994	-	-	-	-	22,204,994
Total transactions with owners	28,211,494	-	-	-	-	28,211,494
Net loss/Total comprehensive loss for the period	-	-	-	-	(2,949,751)	(2,949,751)
At 31 March 2021	87,937,202	-	-	-	(8,707,820)	79,229,382

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



## STATEMENTS OF CASH FLOWS

### FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
<b>Cash flows from/(used in) operating activities</b>				
Loss before tax	(10,095,960)	(608,054)	(2,959,682)	(882,085)
Adjustments for:				
Depreciation	14,683,031	10,111,447	-	-
Allowance for expected credit losses	-	94,226	-	-
Gain on disposal of plant and equipment	(2,655,043)	(1,175,844)	-	-
Grant of equity settled share options pursuant to ESOS	1,234,100	-	1,234,100	-
Interest income	(58,185)	(78,198)	-	(41,378)
Interest expense	3,418,820	3,180,559	50,000	150,000
Inventories written down	2,444,966	46,448	-	-
Unrealised loss on foreign exchange	126,528	934,856	-	-
<b>Operating profit/(loss) before working capital changes</b>	9,098,257	12,505,440	(1,675,582)	(773,463)
Increase in inventories	(4,319,651)	(3,598,971)	-	-
(Increase)/Decrease in trade and other receivables	(43,508,240)	4,586,700	(382,174)	(25,703)
Increase/(Decrease) in trade and other payables	17,219,275	(2,703,033)	228,948	(126,462)
Increase in contract liabilities	41,139,312	-	-	-
<b>Cash generated from/(used in) operations</b>	19,628,953	10,790,136	(1,828,808)	(925,628)
Income tax paid	(265,233)	(253,161)	-	(13)
<b>Net cash generated from/(used in) operating activities</b>	19,363,720	10,536,975	(1,828,808)	(925,641)
<b>Cash flows from/(used) in investing activities</b>				
Acquisition of plant and equipment	(18,635,612)	(15,090,807)	-	-
Acquisition of right of use assets	(548,225)	-	-	-
Acquisition of a subsidiary	-	-	-	(1,000,000)
Advances to subsidiaries	-	-	(16,519,279)	(7,811,323)
Increase in fixed deposits pledged	(1,382,473)	-	-	-
Interest received	58,185	78,198	-	41,378
Proceed from disposal of plant and equipment	5,487,161	4,169,474	-	-
<b>Net cash from used in investing activities</b>	(15,020,964)	(10,843,135)	(16,519,279)	(8,769,945)

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

**STATEMENTS OF CASH FLOWS****FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021 (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2020 to 31.3.2021 RM</b>	<b>1.1.2019 to 31.12.2019 RM</b>	<b>1.1.2020 to 31.3.2021 RM</b>	<b>1.1.2019 to 31.12.2019 RM</b>
<b>Cash flows from/(used in) financing activities</b>				
Interest paid	(3,418,820)	(3,180,559)	(50,000)	(150,000)
Increase in fixed deposit pledged	-	(986,141)	-	-
Proceeds from issuance of ordinary shares	26,977,394	2,994,040	26,977,394	2,994,040
Proceeds from:				
- trust receipts	100,289,884	-	-	-
- factoring facility	53,058,918	-	-	-
- promissory note	16,737,500	-	-	-
- third party loan	-	5,000,000	-	5,000,000
Net movement in				
- trust receipts	-	2,589,563	-	-
- factoring facility	-	1,041,987	-	-
- promissory note	-	240,000	-	-
- short term loan	-	(643,010)	-	-
- lease liabilities	-	(4,292,943)	-	-
Repayments of:				
- trust receipts	(94,572,555)	-	-	-
- factoring facility	(52,861,053)	-	-	-
- promissory note	(16,737,500)	-	-	-
- lease liabilities	(5,881,891)	-	-	-
- third party loan	(3,000,000)	-	(3,000,000)	-
<b>Net cash from financing activities</b>	<b>20,591,877</b>	<b>2,762,937</b>	<b>23,927,394</b>	<b>7,844,040</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,934,633</b>	<b>2,456,777</b>	<b>5,579,307</b>	<b>(1,851,546)</b>
<b>Effect of exchange differences</b>	<b>162,944</b>	<b>101,754</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>7,994,314</b>	<b>5,435,783</b>	<b>546,889</b>	<b>2,398,435</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>33,091,891</b>	<b>7,994,314</b>	<b>6,126,196</b>	<b>546,889</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	33,607,644	8,569,056	6,126,196	546,889
Fixed deposits with licensed banks	5,461,476	4,247,927	-	-
Bank overdraft	(515,753)	(574,742)	-	-
	38,553,367	12,242,241	6,126,196	546,889
Less: Fixed deposits pledged	(5,461,476)	(4,247,927)	-	-
	33,091,891	7,994,314	6,126,196	546,889

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

## STATEMENTS OF CASH FLOWS

### FOR THE PERIOD 1 JANUARY 2020 TO 31 MARCH 2021 (cont'd)

#### Reconciliation of liabilities arising from financing activities

	Group				
	1.1.2020	Cash flows	Other non cash changes	Non cash changes in foreign exchange movement	31.3.2021
	RM	RM	RM	RM	RM
Short term borrowings:					
- trust receipts	26,307,608	5,717,329	-	(861,190)	31,163,747
- factoring facility	4,842,534	197,865	-	(333,389)	4,707,010
- promissory note	3,437,500	-	-	(125,000)	3,312,500
Lease liabilities					
- hire purchase	480,789	(195,445)	225,000	(14,770)	495,574
- others	3,210,498	(5,686,446)	8,224,656	(135,516)	5,613,192
		1.1.2019	Cash flows	Non cash changes	31.12.2019
		RM	RM	RM	RM
Short term borrowings:					
- trust receipts		24,361,055	1,946,553	-	26,307,608
- factoring facility		3,800,547	1,041,987	-	4,842,534
- promissory note		3,197,500	240,000	-	3,437,500
Lease liabilities		316,757	(4,292,943)	7,667,473	3,691,287

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

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

### 1. General information

The Company is principally involved in investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Notes 13.

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

The registered office is located at 3rd floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Plot 19-7, Jalan PKNK 1/4, Kawasan Perindustrian Sungai Petani, Taman Ria Jaya, 08000 Sungai Petani, Kedah Darul Aman.

The Company changed its financial year end from 31 December to 31 March. Accordingly, the financial statements for the current financial period are drawn up for the period 1 January 2020 to 31 March 2021 or a period of fifteen months.

The financial statements were approved and authorised for issue by the board of directors on 16 August 2021.

### 2. Principal accounting policies

#### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared and presented in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The financial statements of the Group and of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### 2.2 Basis of preparation of the financial statements

##### 2.2.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised in Note 2.2.2.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRS") and their related IC Interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

##### 2.2.2 Significant accounting policies

###### Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

###### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the reporting periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the owners of the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an equity investment at fair value depending on the level of influence retained.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

###### Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or service taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Revenue is recognised only when it is possible that the Group will collect the consideration to which it will be entitled to in exchange for goods or services sold.



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Foreign currencies

##### (i) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates as at the dates when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

##### (ii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

The principal exchange rates for every unit of foreign currency used are as follows:

	31.3.2021	31.12.2019
	RM	RM
100 Japanese Yen	0.0366	0.0378
New Taiwan Dollar	-	0.1368
Singapore Dollar	3.0777	3.0690
United States Dollar	4.1460	4.0925

##### Employee benefits

##### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non accumulating compensated absences such as sick leave are recognised as expense when the absences occur.

##### (ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Employee benefits (continued)

##### (iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share issuance scheme reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertakings, with a corresponding credit to the share issuance scheme reserve.

The share issuance scheme reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share options.

##### Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### **Impairment of non-financial assets**

The carrying amount of non-financial assets subject to accounting for impairment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in profit or loss.

##### **Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Group adopted the revaluation method to measure its entire class of land and buildings. Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated depreciation and impairment losses, if any. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Freehold land and buildings are revalued at a regular interval of every five (5) years with additional valuations in the interval years where market conditions indicate that the carrying amounts of the revalued properties materially differ from the market value.

An increase arising from revaluation is recognised in other comprehensive income and accumulated in equity under revaluation reserve. Any decrease arising is first offset against the revaluation surplus on an earlier valuation in respect of the same property and thereafter charged to profit or loss.

A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously charged as an expense. Upon the disposal of revalued assets, the amounts in revaluation reserve relating to those assets are transferred directly to retained profits.

Any accumulated depreciation and impairment losses as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Property, plant and equipment and depreciation (continued)

No depreciation is provided on freehold land. No depreciation is also provided on plant and machinery under construction until the asset is ready for its intended use.

Depreciation on other plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold buildings	5%
Machinery and factory equipment	10% to 20%
Furniture and fittings, computer software and office equipment	20%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

##### Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the rights, or is exposed, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

##### Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of construction contract, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment losses, if any.

A contract liability is the obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. In the case of construction contract, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligations under the contracts.

##### Inventories

Inventories comprising raw materials, work in progress, finished goods and trading merchandise are stated at the lower of cost and net realisable value. Cost of inventories is determined on a first in first out basis. Net realisable value represents the estimated selling prices less all estimated costs to completion and costs to be incurred in selling and distribution. Cost of raw materials and trading merchandise comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of work in progress and finished goods comprise the cost of raw materials used, direct labour and appropriate production overheads.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Leases

##### *As a lessee*

##### i) Right of use assets

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Subsequent to initial measurement, the right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Office	2 - 4 years
Machinery	2 - 4 years
Motor vehicles	5 - 9 years

Right of use asset is subject to impairment and is adjusted for any remeasurement of lease liabilities.

##### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 2. Principal accounting policies (continued)

### 2.2 Basis of preparation of the financial statements (continued)

#### 2.2.2 Significant accounting policies (continued)

##### **Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the reporting period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

##### **Segment information**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

##### **Financial instruments**

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

#### (i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Financial instruments (continued)

##### (ii) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

- a) contingent consideration of an acquirer in a business combination;
- b) financial guarantee contracts;
- c) loan commitments;
- d) designated at fair value through profit or loss; or
- e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

##### (iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the loss allowance determined in accordance with the expected credit losses model and the amount initially recognised less cumulative amortisation.

##### (iv) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2021 (cont'd)

#### 2. Principal accounting policies (continued)

##### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### **Expected credit losses**

The Group recognises an allowance for expected credit losses ("ECL") on the following items:

- a) financial assets at amortised cost; and
- b) financial guarantee contracts.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the ECL is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Loss allowances for debt instruments measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

##### *Low credit risk*

A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

##### *Significant increase in credit risk*

When determining whether the credit risk of a debt instrument has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### **Expected credit losses** (continued)

Definition of default

The Group considers a debt instrument to be in default when:

- a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
- b) The financial asset is more than 90 days past due.

##### *Credit impaired financial assets*

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- a) Significant financial difficulties of the debtor;
- b) A breach of contract, such as a default or past due event;
- c) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
- e) Disappearance of an active market for that financial asset because of financial difficulties.

##### *Write off*

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### **Current versus non-current classification**

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 2. Principal accounting policies (continued)

#### 2.2 Basis of preparation of the financial statements (continued)

##### 2.2.2 Significant accounting policies (continued)

##### Statements of cash flows

Statement of cash flows is prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged fixed deposits.

### 3. Critical accounting estimates and judgements

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period other than as follows:

#### (i) Net realisable value of inventories

The Group writes down inventories to their net realisable values based on an assessment of the recoverability of the inventories through sales. Write downs are applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable. Significant judgement is required in determining the net realisable value of the inventories.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 4. Revenue

#### 4.1 Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
<b>Type of goods or services</b>				
Sales of printed circuits boards	85,399,217	62,945,992	-	-
Provision of technical services	107,731	184,179	-	-
Sales of glove materials	527,631	-	-	-
Management fees	-	-	-	300,000
	<u>86,034,579</u>	<u>63,130,171</u>	<u>-</u>	<u>300,000</u>
<b>Geographical markets</b>				
Malaysia	7,221,416	6,144,192	-	-
Thailand	78,645,940	56,985,979	-	300,000
Vietnam	167,223	-	-	-
	<u>86,034,579</u>	<u>63,130,171</u>	<u>-</u>	<u>300,000</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	85,926,848	62,945,992	-	-
Services transferred at a point in time	107,731	184,179	-	300,000
	<u>86,034,579</u>	<u>63,130,171</u>	<u>-</u>	<u>300,000</u>

#### 4.2 Performance obligations

Segment	Nature of goods and services	Satisfaction of performance obligations	Significant payment terms
Manufacturing	Manufactures and sells printed circuits boards	Revenue recognised upon delivery of goods	Generally due within 30 to 90 days from invoice date
Manufacturing	Provision of technical services	Revenue is recognised at a point in time when the services are rendered	Generally due within 90 days from invoice date
General construction	Construction contracts for construction projects	Revenue is recognised over time by reference to the progress towards the complete satisfaction of the performance obligation	Payment is generally due within 30 days from the progress billing.
Glove manufacturing solutions business	Engineering, procurement, construction and commission on a turnkey basis of glove production line	Revenue is recognised over time by reference to the progress towards the complete satisfaction of the performance obligation	Generally due within 30 to 90 days from delivery
Glove manufacturing solutions business	Sell of glove materials and rubber related products	Revenue recognised upon delivery of goods	Generally due within 30 to 90 days from delivery
Others	Management fees	Revenue is recognised at a point in time when subsidiaries simultaneously receive and consume the benefits	Generally due within 30 days from invoice date

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 4. Revenue (continued)

## 4.3 Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of reporting period for contracts that have a duration of more than one year:

	Group	
	31.3.2021	31.12.2019
	RM	RM
Within one year	79,368,000	-
More than one year	151,907,350	-
	<u>231,275,350</u>	<u>-</u>

## 4.4 Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## 5. Staff costs

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
Defined contribution plan	332,861	182,972	36,150	-
Share option expenses	1,234,100	-	1,234,100	-
Salaries, bonus and allowances	13,014,118	8,792,140	849,256	442,000
Other employee related expenses	433,251	220,625	2,434	-
	<u>15,014,330</u>	<u>9,195,737</u>	<u>2,121,940</u>	<u>442,000</u>

The key management personnel of the Group and the Company whose remuneration is analysed as follows:

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
Executive directors				
- fees	102,000	72,000	102,000	72,000
- other than fees	1,215,207	618,835	309,948	5,000
	<u>1,317,207</u>	<u>690,835</u>	<u>411,948</u>	<u>77,000</u>
Non executive directors:				
- fees	141,089	100,000	141,089	100,000
- other than fees	15,500	14,500	15,500	14,500
	<u>156,589</u>	<u>114,500</u>	<u>156,589</u>	<u>114,500</u>
Total remuneration	<u>1,473,796</u>	<u>805,335</u>	<u>568,537</u>	<u>191,500</u>
Estimated money value of benefits in kind	42,305	-	-	-
Total remuneration including benefits in kind	<u>1,516,101</u>	<u>805,335</u>	<u>568,537</u>	<u>191,500</u>



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 6. (Loss)/Profit from operations

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
(Loss)/Profit from operations is arrived at after charging/ (crediting):				
Auditors' remuneration				
- statutory				
- current year	103,570	79,752	25,000	25,000
- under provision in prior year	1,500	-	-	-
- other services				
- current year	39,000	6,000	39,000	6,000
- under provision in prior year	16,869	-	16,869	-
Directors' remuneration				
- fees				
- company	243,089	172,000	243,089	172,000
- other than fees				
- company	325,948	19,500	325,948	19,500
- subsidiaries	907,759	613,835	-	-
- estimated monetary value of benefits in kind				
- company	-	-	-	-
- subsidiaries	42,305	-	-	-
Expenses relating to short term leases	405,100	-	81,000	28,500
Inventories written down	2,444,966	46,448	-	-
Gain on disposal of plant and equipment	(2,655,043)	(1,175,844)	-	-
(Gain)/Loss on foreign exchange				
- realised	(1,064,943)	(1,063,262)	-	-
- unrealised	126,528	934,856	-	-

### 7. Finance income

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
Interest income from				
- bank deposits	58,185	36,820	-	-
- fixed deposits with licensed banks	-	41,378	-	41,378
	58,185	78,198	-	41,378

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****8. Finance costs**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2020 to 31.3.2021</b>	<b>1.1.2019 to 31.12.2019</b>	<b>1.1.2020 to 31.3.2021</b>	<b>1.1.2019 to 31.12.2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Interest expense on				
- bank overdraft	22,671	17,354	-	-
- lease liabilities				
- hire purchase	53,505	56,743	-	-
- other lease liabilities	805,251	530,416	-	-
- promissory notes	326,389	224,978	-	-
- factoring	392,368	317,960	-	-
- trust receipts	1,768,636	1,883,108	-	-
- loan from third party	50,000	150,000	50,000	150,000
	<u>3,418,820</u>	<u>3,180,559</u>	<u>50,000</u>	<u>150,000</u>

**9. Income tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2020 to 31.3.2021</b>	<b>1.1.2019 to 31.12.2019</b>	<b>1.1.2020 to 31.3.2021</b>	<b>1.1.2019 to 31.12.2019</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Expected income tax payable				
- current period/year	-	(9,931)	-	(9,931)
- over/(under) provision in prior years	2,991	(13)	9,931	(13)
Expected foreign income tax payable				
- current period/year	(23,136)	(253,149)	-	-
	<u>(20,145)</u>	<u>(263,093)</u>	<u>9,931</u>	<u>(9,944)</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 9. Income tax expense (continued)

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
Loss before tax	(10,095,960)	(608,054)	(2,959,682)	(882,085)
Taxation at statutory tax rate of 24% (31.12.2019: 24%)	2,423,000	145,933	707,900	211,700
Different tax rates in foreign jurisdictions	(198,500)	(36,728)	-	-
Expenses not deductible for tax purposes	(1,458,636)	(306,244)	(707,900)	(150,682)
Utilisation of deferred tax assets not recognised in prior year	-	4,908	-	-
Deferred tax assets not recognised	(789,000)	(70,949)	-	(70,949)
Over/(Under) provision of current tax in prior years	2,991	(13)	9,931	(13)
Income tax expense for the period/year	(20,145)	(263,093)	9,931	(9,944)

Presented after appropriate offsetting as follows:

	Group		Company	
	31.3.2021 RM	31.12.2019 RM	31.3.2021 RM	31.12.2019 RM
Deferred tax assets	10,100	-	-	-
Deferred tax liabilities	(10,100)	-	-	-
	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****9. Income tax expense (continued)**

Deferred tax assets of the Group are in respect of the following:

	<b>Gross</b>		<b>Tax effects</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Difference between accounting depreciation and finance lease payments	13,400	-	3,200	-
Other deductible temporary differences	-	2,405,480	-	577,300
Unabsorbed capital allowances	4,334,000	4,582,435	1,040,000	1,099,800
Unutilised reinvestment allowances	17,438,000	16,938,000	4,185,100	4,065,100
Unutilised tax losses to be utilised up to financial year ending:				
- 31 March 2025	12,944,700	11,839,873	3,106,700	2,841,600
- 31 March 2026	2,683,800	-	547,000	-
- 31 March 2027	599,000	-	143,400	-
	<u>38,012,900</u>	<u>35,765,788</u>	<u>9,025,400</u>	<u>8,583,800</u>
Less: Deferred tax assets recognised	(40,000)	-	(10,100)	-
Deferred tax assets not recognised	<u>37,972,900</u>	<u>35,765,788</u>	<u>9,015,300</u>	<u>8,583,800</u>

Portion of the deferred tax assets has not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these benefits.

Deferred tax liabilities of the Group are in respect of the tax effects of the excess of tax capital allowance over related depreciation of plant and equipment of the Group.

**10. Loss per share****Basic**

Basic loss per ordinary share is calculated based on the net loss attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Net loss attributable to owners of the Company	<u>(10,116,105)</u>	<u>(871,147)</u>
Weighted average number of ordinary shares in issue ('000)	<u>381,677</u>	<u>314,333</u>
Basic loss per ordinary share (sen)	<u>(2.65)</u>	<u>(0.28)</u>

**Diluted**

Diluted loss per share is not presented in the financial statements due to no dilutive potential ordinary shares as at 31 March 2021.

As at 31 December 2019, diluted loss per shares is not presented as there is an anti-dilutive effect on loss per share.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 11. Property, plant and equipment

Group	Freehold land (at valuation) RM	Factory buildings and building improvement (at valuation) RM	Machineries and factory equipment RM	Furniture and fitting, computer software and office equipment RM	Motor vehicles RM	Factory building and plant and machinery under construction RM	Total RM
<b>Cost (unless stated otherwise)</b>							
At 1 January 2019	5,112,804	9,276,172	63,183,353	1,622,583	2,765,643	8,427,138	90,387,693
Additions	-	144,589	10,604,292	44,349	7,330	4,270,439	15,070,999
Disposals	-	-	(2,983,815)	(1,045)	(662,842)	-	(3,647,702)
Reclassification to right of use assets	-	-	-	-	(283,583)	-	(283,583)
Foreign currency translation	383,760	700,033	4,940,247	118,546	142,502	744,070	7,029,158
At 31 December 2019	5,496,564	10,120,794	75,744,077	1,784,433	1,969,050	13,441,647	108,556,565
Reclassification from right of use assets	-	-	6,457,121	-	-	-	6,457,121
Additions	-	805,576	13,814,872	1,101,118	8,685	2,905,361	18,635,612
Disposals	-	-	(3,694,430)	-	(93,730)	-	(3,788,160)
Transfer	-	6,866,859	9,128,222	-	-	(15,995,081)	-
Foreign currency translation	(199,874)	(447,351)	(3,379,165)	(74,008)	(72,809)	(351,927)	(4,525,134)
At 31 March 2021	5,296,690	17,345,878	98,070,697	2,811,543	1,811,196	-	125,336,004
<b>Accumulated depreciation</b>							
At 1 January 2019	-	5,439,945	44,540,372	1,508,705	2,313,989	-	53,803,011
Charge for the year	-	294,377	4,643,827	40,194	79,267	-	5,057,665
Disposals	-	-	(35,776)	(1,045)	(617,250)	-	(654,071)
Reclassification to right of use assets	-	-	-	-	(27,573)	-	(27,573)
Foreign currency translation	-	416,004	3,462,847	110,199	128,846	-	4,117,896
At 31 December 2019	-	6,150,326	52,611,270	1,658,053	1,877,279	-	62,296,928
Charge for the period	-	721,678	6,866,296	139,746	562,648	-	8,290,368
Disposals	-	-	(862,312)	-	(93,730)	-	(956,042)
Reclassification from right of use assets	-	-	6,457,121	-	-	-	6,457,121
Foreign currency translation	-	(231,195)	(2,399,882)	(58,673)	(564,915)	-	(3,254,665)
At 31 March 2021	-	6,640,809	62,672,493	1,739,126	1,781,282	-	72,833,710
<b>Carrying amount</b>							
At 31 March 2021	5,296,690	10,705,069	35,398,204	1,072,417	29,914	-	52,502,294
At 31 December 2019	5,496,564	3,970,468	23,132,807	126,380	91,771	13,441,647	46,259,637

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****11. Property, plant and equipment (continued)**

- 11.1 The carrying amount of the property, plant and equipment of the Group that have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 24 is as follows:

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Freehold land	5,296,690	5,496,564
Factory buildings and building improvement	10,705,069	3,970,468
	<u>16,001,759</u>	<u>9,467,032</u>

**11.2 Revaluation**

The freehold land, factory buildings and building improvement of the Group were revalued on 4 May 2018 based upon valuations carried out by independent professional valuers using the fair value method which is determined by reference to "Comparison Method" and "Depreciation Replacement Cost" basis.

The fair values of freehold land were arrived at based on recent transactions and by assessing prices of similar land in the surrounding areas with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

The fair value of factory buildings and building improvement was determined based on estimation made of the current new replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the properties at the date of valuation. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

Had the freehold land, factory buildings and building improvement been carried at historical cost, the carrying amount of the freehold, factory buildings and building improvement that would have been included in the financial statements of the Group as at reporting date would be as follows:

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Freehold land	2,934,460	3,045,194
Factory buildings and building improvement	1,061,225	1,344,089
	<u>3,995,685</u>	<u>4,389,283</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 12. Right of use assets

Group	Office RM	Machineries RM	Motor vehicles RM	Total RM
<b>Cost</b>				
At 1 January 2019	-	-	-	-
Effects arising from adoption of MFRS 16	188,053	7,672,901	415,072	8,276,026
Reclassification from property, plant and equipment	-	-	283,583	283,583
Foreign currency translation	-	575,918	18,247	592,165
At 31 December 2019	188,053	8,248,819	716,902	9,153,774
Additions	343,872	8,362,165	291,844	8,997,881
Reclassification to right of use assets	-	(5,164,446)	-	(5,164,446)
Foreign currency translation	-	(1,612,550)	(26,068)	(1,638,618)
At 31 March 2021	531,925	9,833,988	982,678	11,348,591
<b>Accumulated depreciation</b>				
At 1 January 2019	-	-	-	-
Charge for the year	56,417	4,916,044	89,511	5,061,972
Reclassification from property, plant and equipment	-	-	27,573	27,573
Foreign currency translation	-	128,405	(5,346)	123,059
At 31 December 2019	56,417	5,044,449	111,738	5,212,604
Charge for the year	84,848	6,123,555	184,260	6,392,663
Reclassification to right of use assets	-	(5,164,446)	-	(5,164,446)
Foreign currency translation	-	(1,472,621)	(5,888)	(1,478,509)
At 31 March 2021	141,265	4,530,937	290,110	4,962,312
<b>Carrying amount</b>				
At 31 March 2021	390,660	5,303,051	692,568	6,386,279
At 31 December 2019	131,636	3,204,370	605,164	3,941,170



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 13. Investment in subsidiaries

	Company	
	31.3.2021 RM	31.12.2019 RM
Unquoted shares, at cost		
At beginning of period/year	78,743,957	35,971,928
Additions	-	1,000,000
Deemed investment, capital contribution	-	41,772,029
At end of period/year	<u>78,743,957</u>	<u>78,743,957</u>
Deemed investment, capital contribution		
At beginning of period/year	-	41,772,029
Transfer	-	(41,772,029)
At end of period/year	<u>-</u>	<u>-</u>
Accumulated impairment losses		
At beginning/end of period/year	<u>(28,024,728)</u>	<u>(28,024,728)</u>
Carrying amount	<u>50,719,229</u>	<u>50,719,229</u>

The details of the subsidiaries are as follows:

		Group's effective and voting interest		Principal activities
	Country of incorporation	31.3.2021	31.12.2019	
		%	%	
Subsidiaries of the Company				
AE Corporation (M) Sdn Bhd	Malaysia	100	100	Selling of printed circuit boards and its related products and provision of related technical services
AE Multi Industries Sdn Bhd	Malaysia	100	100	Engineering, procurement, construction and commission on a turnkey basis of glove production line and provision of glove supplementary services
AE Resources Development Sdn Bhd	Malaysia	100	100	Real property, housing development and buildings construction
AE Resources Energy Sdn Bhd	Malaysia	100	100	Dormant
Subsidiary of AE Corporation (M) Sdn Bhd				
Amallion Enterprise (Thailand) Corporation Ltd *	Thailand	100	100	Manufacture and sale of printed circuits boards and its related products and provision of technical services

The financial statements of the subsidiary indicated by \* are not audited by Russell Bedford LC & Company.

In previous reporting period, the Company further subscribed for 1,000,000 ordinary shares in the share capital of AE Resources Development Sdn Bhd for a total cash consideration of RM1,000,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 14. Inventories

	Group	
	31.3.2021 RM	31.12.2019 RM
At cost:		
Raw materials		
- on hand	21,538,399	19,579,972
- in transit	1,538,363	-
	23,076,762	19,579,972
Work in progress	3,058,123	4,130,182
Finished goods	7,089,472	8,940,827
Trading merchandise	103,275	-
	<u>33,327,632</u>	<u>32,650,981</u>
Amount of inventories recognised as an expense	<u>85,946,530</u>	<u>57,635,680</u>

### 15. Trade receivables

	Group	
	31.3.2021 RM	31.12.2019 RM
Trade receivables	13,306,730	13,674,306
Less: Allowance for expected credit losses	(26,427)	(26,427)
	<u>13,280,303</u>	<u>13,647,879</u>

The movements in the allowance for expected credit losses of trade receivables during the reporting period are as follows:

	Group	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
At beginning of period/year	26,427	-
Allowance for expected credit losses	-	26,427
At end of period/year	<u>26,427</u>	<u>26,427</u>

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****15. Trade receivables (continued)**

The following table details the credit risk exposure on the Group's trade receivables.

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Not past due	5,917,328	10,306,853
1 - 30 days past due	5,342,824	2,207,330
31 - 60 days past due	1,431,268	858,208
61- 90 days past due	563,887	171,436
More than 90 days past due	51,423	130,479
	<u>13,306,730</u>	<u>13,674,306</u>
Less: Allowance for expected credit losses	<u>(26,427)</u>	<u>(26,427)</u>
	<u>13,280,303</u>	<u>13,647,879</u>

The Group's normal trade credit terms range from 30 days to 90 days (31.12.2019: 30 days to 90 days).

**16. Other receivables, deposits and prepayments**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Amount due from subsidiaries	-	-	24,422,269	7,902,989
Less non current portion	-	-	(21,307,706)	-
	-	-	3,114,563	7,902,989
Other receivables	308,150	542,686	6,162	25,703
Less: Allowance for expected credit losses	(67,799)	(67,799)	-	-
	<u>240,351</u>	<u>474,887</u>	<u>6,162</u>	<u>25,703</u>
Deposits paid for purchase of plant and machinery	5,652,450	-	-	-
Advance payments to a construction suppliers	4,741,000	-	-	-
Advance payments to a subcontractor for construction of glove production line	33,390,400	-	-	-
Other deposits	56,708	-	-	-
Prepayments	610,044	1,257,609	401,714	-
Other deposits	286,609	201,260	-	-
Sales tax recoverable	201,876	-	-	-
Value added tax recoverable	122,109	-	-	-
	<u>45,301,547</u>	<u>1,933,756</u>	<u>3,522,439</u>	<u>7,928,692</u>

Deposit paid for purchase of plant and machinery and advance payment to a construction supplier of RM5,300,000 and RM4,741,000 respectively, are for the construction of a palm oil mill in Sabah. The amounts are paid to a Company in which a shareholder of the Company also has an interest.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

16. **Other receivables, deposits and prepayments** (continued)

At the reporting date, amount due from subsidiaries of RM21,307,706 (31.12.2019: RM Nil) has been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date in accordance with FRSIC Consensus 31- Classification of Amount Due from Subsidiaries and Amount Due to Holding Company that is Repayable on Demand issued by The Malaysian Institute of Accountants.

17. **Fixed deposits with licensed banks**

The fixed deposits of the Group amounting to RM5,461,476 (31.12.2019: RM4,247,927) have been pledged with licensed banks to secure financing facilities referred to in Note 24.

18. **Share capital**

	Group and Company			
	31.3.2021 No. of ordinary shares	31.12.2019 No. of ordinary shares	31.3.2021 RM	31.12.2019 RM
Issued and fully paid:				
At beginning of period/year	329,344,554	299,404,154	59,725,708	40,288,780
Issuance of shares pursuant to:				
- private placement	184,432,200	29,940,400	22,380,535	2,994,040
- employee share option ("ESOS")	41,000,000	-	4,772,400	-
Transfer from ESOS reserve upon exercised of ESOS	-	-	1,234,100	-
Transfer in accordance with Section 618 of Companies Act 2016				
- capital reserve	-	-	-	10,512,996
- warrant reserve	-	-	-	5,929,892
Share issuance expenses	-	-	(175,541)	-
At end of period/year	<u>554,776,754</u>	<u>329,344,554</u>	<u>87,937,202</u>	<u>59,725,708</u>

During the reporting period, the Company increased its issued and paid up share capital via the following:

- (i) private placement of 60,000,000 new ordinary shares at an issue price of RM0.0955 per share for cash. The shares were issued for construction project expenditure and working capital purposes;
- (ii) private placement of 38,803,200 new ordinary shares at an issue price of RM0.0950 per share for cash. The shares were issued for construction project expenditure and working capital purposes;
- (iii) private placement of 85,629,000 new ordinary shares at an issue price of RM0.1514 per share for cash. The shares were issued for working capital purposes; and
- (iv) issuance of 41,000,000 new ordinary shares pursuant to the exercise of share options at the exercise price of RM0.1164 per share.
- (vii) transfer of RM1,234,100 from the share option reserve account pursuant to the exercise of 41,000,000 ESOS.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2021 (cont'd)

#### 18. Share capital (continued)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

In the previous reporting period, the Company increased its issued and paid up share capital via the following:

- (i) private placement of 29,940,400 new ordinary shares at an issue price of RM0.10 per share for cash. The shares were issued for working capital purposes; and
- (ii) transfer of RM16,442,888 from capital reserve account and warrant reserve account pursuant to the Section 618 of Companies Act 2016.

#### 18.1 Employee share option scheme

The Company implemented an Employees' Share Option Scheme ("ESOS") which is governed by its By-Laws as approved by the Company's shareholders on 7 January 2016.

The salient features of the ESOS are as follows:

- (a) The ESOS was implemented on 7 January 2016 and is in force for a period of 5 years until 7 January 2021 in accordance with the terms of the By-Laws; On 7 January 2021, the Company extended the expiry date for another 5 years until 7 January 2026;
- (b) The total number of new shares to be offered pursuant to the ESOS shall be subject to a maximum of 15% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Any employees (including directors) of the Group shall be eligible to participate in the ESOS, if as at the date of offer, the employee:
  - (i) has attained the age of eighteen (18) years; and
  - (ii) is employed by a company in the Group, which is not dormant.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the ESOS Committee. The participation of director of the Company in the ESOS shall be approved by the shareholders of the Company in a general meeting;

- (d) The price payable upon exercise of ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (e) The new ordinary shares to be issued upon exercise of the ESOS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the ESOS; and
- (f) The exercise price and the number of new ordinary shares comprised in the ESOS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws.

On 9 February 2021, the Company terminated the ESOS.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 18. Share capital (continued)

#### 18.1 Employee share option scheme (continued)

The movements in the Company's ESOS options are as follows:

Offer date	Exercise price per ordinary share	Number of options over ordinary shares			Balance at 31.3.2021
		Balance at 1.1.2020	Granted	Exercised	
6 January 2021	RM0.1164	-	41,000,000	(41,000,000)	-

The fair value of the share options granted under the ESOS is estimated at the grant date using Trinomial option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value of ESOS measured at grant date and the assumptions used were as follows:

	6.1.2021
Share price (RM)	0.1247
Exercise price (RM)	0.1164
Expected volatility (%)	78 – 122
Risk free interest rate (%)	1.94
Expected life (days)	90
Dividend yield (%)	-

### 19. Reserves

	Group		Company	
	31.3.2021 RM	31.12.2019 RM	31.3.2021 RM	31.12.2019 RM
<b>Distributable:</b>				
Accumulated losses	(20,802,763)	(10,686,658)	(8,707,820)	(5,758,069)
<b>Non distributable:</b>				
Revaluation reserve	1,541,264	1,541,264	-	-
Foreign currency translation reserve	7,770,095	9,175,451	-	-
	<u>(11,491,404)</u>	<u>30,057</u>	<u>(8,707,820)</u>	<u>(5,758,069)</u>

The revaluation reserve represents revaluation surplus arising from freehold land and factory buildings and building improvement. The revaluation reserve is used to record increases in the fair value of freehold land and factory buildings and building improvement and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

The Group's foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****20. Lease liabilities**

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Hire purchase liabilities	495,574	480,789
Other lease liabilities	5,613,192	3,210,498
Principal portion	6,108,766	3,691,287
Less: Portion due within one year	(2,822,718)	(2,798,063)
Non current portion	<u>3,286,048</u>	<u>893,224</u>

The non current portion of lease liabilities is payable as follows:

Later than 1 year and not later than 2 years	2,721,811	893,224
Later than 2 years and not later than 5 years	429,107	-
Later than 5 years	135,130	-
	<u>3,286,048</u>	<u>893,224</u>

The weighted average effective interest rates are as follows:

	<b>Group</b>	
	<b>31.3.2021 %</b>	<b>31.12.2019 %</b>
Hire purchase liabilities	3.53	4.50
Other lease liabilities	<u>4.92</u>	<u>4.92</u>

The Group had total cash outflows for leases of RM7,145,747 (31.12.2019: RM4,837,102).

**21. Contract liabilities**

	<b>Group</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
Contract liabilities	<u>41,139,312</u>	<u>-</u>

The contract liabilities primarily relate to the advance consideration received for construction contracts for the construction of palm oil mill and glove production line, for which revenue is recognised over time. The contract liabilities are expected to be recognised as revenue within the next twelve months.

**22. Trade payables**

The normal credit terms granted to the Group range from 30 to 90 days (31.12.2019: 30 to 90 days).



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 23. Other payables and accruals

	Group		Company	
	31.3.2021 RM	31.12.2019 RM	31.3.2021 RM	31.12.2019 RM
Deposit received	15,000,000	-	-	-
Third party unsecured loan bearing effective annual interest at 12.75% (31.12.2019: 10%) per annum	2,000,000	5,000,000	2,000,000	5,000,000
Amount due to a subsidiary	-	-	285,422	179,740
Other payables and accruals	1,107,211	1,475,849	128,433	37,500
Salaries and related expenses payable	886,485	-	32,333	-
	<u>18,993,696</u>	<u>6,475,849</u>	<u>2,446,188</u>	<u>5,217,240</u>

Deposit amounting to RM15,000,000 received from a company in which a director of the Company has an interest, is for a contract to construct glove production line.

### 24. Short term borrowings

	Group	
	31.3.2021 RM	31.12.2019 RM
Secured:		
Bank overdrafts	515,753	574,742
Factorings without recourse	4,707,010	4,842,534
Promissory notes	3,312,500	3,437,500
Trust receipts	31,163,747	26,307,608
	<u>39,699,010</u>	<u>35,162,384</u>

The weighted effective interest rates are as follows:

	Group	
	1.1.2020 to 31.3.2021 %	1.1.2019 to 31.12.2019 %
Bank overdrafts	5.88	6.88 – 7.43
Factorings without recourse	6.51	5.8 – 7.75
Promissory notes	6.75	6.75
Trust receipts	4.99	6.28 – 6.78

The above banking facilities are secured by way of:

- (i) fixed legal charge on the Company's freehold land and factory buildings;
- (ii) fixed deposits pledged as disclosed in Note 17;
- (iii) personal guarantee by a director of a subsidiary; and
- (iv) corporate guarantees by the Company for facilities of a subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2021 (cont'd)

## 25. Related party disclosures

## 25.1 Related party transactions

Significant transactions with related parties are as follows:

Type of transactions	Group		Company	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
<b>With subsidiaries:</b>				
Amallion Enterprise (Thailand) Corporation Ltd Management fee income	-	-	-	300,000
AE Corporation (M) Sdn Bhd Rental expenses	-	-	30,000	24,000
Salary paid	-	-	-	270,000
<b>With a company in which a director has an interest</b>				
AT Glove Engineering Sdn Bhd Sales of goods	527,631	-	-	-
Rental expenses	15,000	-	-	-

## 25.2 Related party balances

Individually significant outstanding balances arising from transactions other than normal trade transactions are as follows:

Type of transactions	Company	
	31.3.2021 RM	31.12.2019 RM
<b>Financial assets</b>		
With subsidiaries		
- AE Corporation (M) Sdn Bhd Advances	93,667	91,667
- AE Multi Industries Sdn Bhd Advances	3,009,363	-
- AE Resources Development Sdn Bhd Advances	10,507,706	5,007,293
- AE Resources Energy Sdn Bhd Advances	11,533	4,030
- Amallion Enterprise (Thailand) Corporation Ltd Advances	10,800,000	2,800,000
<b>Financial liabilities</b>		
With a subsidiary		
- AE Multi Industries Sdn Bhd Advances	285,422	179,740

The advances are unsecured, interest free and receivable/repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

25. **Related party disclosures** (continued)

25.3 **Compensation of key management personnel**

The key management personnel comprises mainly directors of the Company whose remuneration is disclosed in Note 6.

26. **Segment information**

For management purposes, the Group is organised into business units based on their nature of activity, and has four reportable operating segments as follows:

Manufacturing	-	Manufacture and trading of printed circuit boards and its related products and provision of technical services
General construction	-	Construction, project management and related activities
Glove manufacturing business solution	-	Engineering, procurement, construction and commission on a turnkey basis of glove production line and provision of glove supplementary services
Investment and others	-	Investment holding

The above reportable segments operate in Malaysia and Thailand.

Management monitors the operating results of its business units as well as relying on the segment information as disclosed below for the purpose of making decision about resources allocation and performance assessment.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 26. Segment information (continued)

## 26.1 Segment information

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. Management monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

	Manufacturing	Investment and others	Glove manufacturing business solution	General Construction	Total	Elimination	Consolidated
	RM	RM	RM	RM	RM	RM	RM
<b>1.1.2020 to 31.3.2021</b>							
<b>Segment Revenue</b>							
Revenue from external customers	85,506,948	-	527,631	-	86,034,579	-	86,034,579
Inter-segment revenue	5,515,330	-	-	-	5,515,330	(5,515,330)	-
	<u>91,022,278</u>	<u>-</u>	<u>527,631</u>	<u>-</u>	<u>91,549,909</u>	<u>(5,515,330)</u>	<u>86,034,579</u>
<b>Results</b>							
Loss from operations	(2,386,460)	(2,917,186)	(273,203)	(1,103,476)	(6,680,325)	(55,000)	(6,735,325)
Finance income	20,254	-	31,204	6,727	58,185	-	58,185
Finance costs	(3,353,824)	(50,000)	(2,186)	(12,810)	(3,418,820)	-	(3,418,820)
Loss before taxation	(5,720,030)	(2,967,186)	(244,185)	(1,109,559)	(10,040,960)	(55,000)	(10,095,960)
Income tax expense	(23,432)	9,931	-	(6,644)	(20,145)	-	(20,145)
Net loss for the period	<u>(5,743,462)</u>	<u>(2,957,255)</u>	<u>(244,185)</u>	<u>(1,116,203)</u>	<u>(10,061,105)</u>	<u>(55,000)</u>	<u>(10,116,105)</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 26. Segment information (continued)

#### 26.1 Segment information (continued)

##### 1.1.2019 to 31.12.2019

##### Segment Revenue

Revenue from external customers					
Inter-segment revenue					
	Printed circuit boards	Investment holding and others	Total	Elimination	Consolidated
	RM	RM	RM	RM	RM
	63,130,171	-	63,130,171	-	63,130,171
	4,897,190	300,000	5,197,190	(5,197,190)	-
	68,027,361	300,000	68,327,361	(5,197,190)	63,130,171

##### Results

Profit/(Loss) from operations					
Finance income					
Finance costs					
Loss before taxation					
Income tax expense					
Net profit/(loss) for the year					
	Printed circuit boards	Investment holding and others	Total	Elimination	Consolidated
	RM	RM	RM	RM	RM
	3,366,585	(831,278)	2,535,307	(41,000)	2,494,307
	36,820	41,378	78,198	-	78,198
	(3,030,559)	(150,000)	(3,180,559)	-	(3,180,559)
	372,846	(939,900)	(567,054)	(41,000)	(608,054)
	(253,149)	(9,944)	(263,093)	-	(263,093)
	119,697	(949,844)	(830,147)	(41,000)	(871,147)

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

26. Segment information (continued)  
26.1 Segment information (continued)

	Manufacturing RM	Investment and others RM	Glove manufacturing business solution RM	General Construction RM	Total RM	Elimination RM	Consolidated RM
<b>31.3.2021</b>							
<b>Other segment information</b>							
Segment assets	163,975,969	81,675,572	57,658,738	12,263,571	315,573,850	(125,685,426)	189,888,424
Segment liabilities	124,737,927	2,463,970	57,435,626	12,534,149	197,171,672	(83,741,469)	113,430,203
<b>Other information</b>							
Capital expenditure on:							
- Property, plant and equipment	18,618,813	-	16,799	-	18,635,612	-	18,635,612
- Right of use assets	8,362,165	-	635,716	-	8,997,881	-	8,997,881
Depreciation	14,658,595	-	24,436	-	14,683,031	-	14,683,031
Non-cash items other than depreciation							
Inventories written down	2,444,966	-	-	-	2,444,966	-	2,444,966
Share option expenses	-	1,234,100	-	-	1,234,100	-	1,234,100
(Gain)/Loss on disposal of plant and equipment	(2,675,276)	-	-	20,233	(2,655,043)	-	(2,655,043)
Unrealised loss on foreign exchange	126,528	-	-	-	126,528	-	126,528

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

26. **Segment information** (continued)  
26.1 **Segment information** (continued)

	31.12.2019	Manufacturing RM	Investment and others RM	Total RM	Elimination RM	Consolidated RM
<b>Other segment information</b>						
Segment assets		150,795,293	65,628,220	216,423,513	(105,173,107)	111,250,406
Segment liabilities		104,408,430	10,261,938	114,670,368	(63,175,727)	51,494,641
<b>Other information</b>						
Capital expenditure on:						
- Property, plant and equipment		15,070,999	-	-	-	15,070,999
- Right of use assets		283,583	-	-	-	283,583
Depreciation		10,119,637	-	-	-	10,119,637
Non-cash items other than depreciation						
Unrealised loss on foreign exchange		934,856	-	-	-	934,856
Gain on disposal of plant and equipment		(1,175,844)	-	-	-	(1,175,844)



## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2021 (cont'd)

#### 26. Segment information (continued)

##### 26.1 Segment information (continued)

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue is summarised below:

	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 RM
Customer A	17,099,801	-
Customer B	11,223,891	7,560,990
	<u>28,323,692</u>	<u>7,560,990</u>

##### 26.2 Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

	Group	
Geographical information	Revenue 1.1.2020 to 31.3.2021 RM	Non-current assets 31.3.2021 RM
Malaysia	7,221,416	718,364
Thailand	78,645,940	58,170,209
Japan	167,223	-
	<u>86,034,579</u>	<u>58,888,573</u>

	Group	
Geographical information	Revenue 1.1.2020 to 31.3.2021 RM	Non-current assets 31.12.2021 RM
Malaysia	6,144,192	211,895
Thailand	56,985,979	49,988,912
	<u>63,130,171</u>	<u>50,200,807</u>

#### 27. Fair value of assets and liabilities

##### 27.1 Financial instruments not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of the Group's lease liabilities approximate their carrying amount. Lease liabilities approximates their carrying amounts as these instruments were entered into/initially recognised with interest rates which are reasonable approximation of the market interest rates on or near reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 27. Fair value of assets and liabilities (continued)

#### 27.2 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### 27.3 Assets/(Liabilities) measured at fair value

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

31.3.2021 Group	Fair value measurements at the end of the reporting period using			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Non recurring fair value measurement</b>				
<b>Non current asset</b>				
<u>Property, plant and equipment</u>				
Freehold land	-	5,296,689	-	-
Factory buildings and building improvement	-	-	1,061,225	-
<b>31.12.2019 Group</b>				
<b>Non recurring fair value measurement</b>				
<b>Non current asset</b>				
<u>Property, plant and equipment</u>				
Freehold land	-	5,506,564	-	-
Factory buildings and building improvement	-	-	1,344,089	-

There were no transfers between these levels of fair values in the current and previous reporting periods.

#### Valuation techniques used to derive Level 2 fair values

Freehold land

The fair values of freehold land were arrived at based on recent transactions and by assessing prices of similar land in the surrounding areas with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics. The most significant input into this valuation approach is price per square foot.

#### Valuation techniques used to derive Level 3 fair values

Factory buildings and building improvement

The fair value of factory buildings and building improvement was determined based on estimation made of the current new replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the properties at the date of valuation. In estimating the fair values of the properties, the highest and best use of the properties is their current use. The most significant input into this valuation approach is replacement costs per square foot.

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****28. Financial instruments and financial risk management****28.1 Categories of financial instruments**

The following table sets out the financial instruments as at the reporting date:

	<b>Group</b>		<b>Company</b>	
	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>	<b>31.3.2021 RM</b>	<b>31.12.2019 RM</b>
<b>Financial assets</b>				
Amortised cost:				
- trade and other receivables excluding prepayments	13,863,971	14,324,026	24,428,431	7,928,692
- cash and bank balances	33,607,644	8,569,056	6,126,196	546,889
- fixed deposits with licensed banks	5,461,476	4,247,927	-	-
	<u>52,933,091</u>	<u>27,141,009</u>	<u>30,554,627</u>	<u>8,475,581</u>
<b>Financial liabilities</b>				
Amortised cost:				
- borrowings (floating rate)	39,699,010	35,162,384	-	-
- lease liabilities (fixed rate)	6,108,766	3,691,287	-	-
- trade and other payables excluding statutory liabilities				
- non interest bearing	24,483,115	7,398,487	413,855	217,240
- interest bearing (fixed rate)	2,000,000	5,000,000	2,000,000	5,000,000
	<u>72,290,891</u>	<u>51,252,158</u>	<u>2,413,855</u>	<u>5,217,240</u>

**28.2 Financial risk management objectives and policies**

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

**Foreign exchange risk management**

The Group transacts business in various currencies, and therefore is exposed to foreign exchange risk. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 28. Financial instruments and financial risk management (continued)

#### 28.2 Financial risk management objectives and policies

##### Foreign exchange risk management (continued)

The net financial assets and financial liabilities of the Group that are not denominated in the functional currency are as follows:

Functional currency of the Group	Net Financial Assets/(Liabilities) Held in Non-Functional Currencies				Total RM
	Japanese Yen RM	Singapore Dollar RM	United States Dollar RM	New Taiwan Dollar RM	
<b>31.3.2021</b>					
Ringgit Malaysia	-	-	968,041	-	968,041
Thai Baht	(305,999)	(29,832)	(10,044,363)	-	(10,380,194)
	<u>(305,999)</u>	<u>(29,832)</u>	<u>(9,076,322)</u>	<u>-</u>	<u>(9,412,153)</u>
<b>31.12.2019</b>					
Ringgit Malaysia	-	-	939,328	(160,837)	778,491
Thai Baht	-	(66,029)	(17,714,089)	-	(17,780,118)
	<u>-</u>	<u>(66,029)</u>	<u>(16,774,761)</u>	<u>(160,837)</u>	<u>(17,001,627)</u>

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Group. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted at the reporting period end for a 10% change in foreign currency rates. If the relevant foreign currencies strengthen by 10% against the functional currency of the Group, loss before tax will increase by:

	Group	
	31.3.2021 RM	31.12.2019 RM
Japanese Yen	30,600	-
Singapore Dollar	3,000	6,600
United States Dollar	907,600	1,677,500
New Taiwan Dollar	<u>-</u>	<u>16,100</u>

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Group.

The Company is not exposed to any foreign exchange risk.

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****28. Financial instruments and financial risk management (continued)****28.2 Financial risk management objectives and policies (continued)****Interest rate risk management**

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. The information on maturity dates and effective interest rates of financial liabilities are disclosed in their respective notes.

The sensitivity analysis below has been determined based on the exposure to interest rates for the banking facilities at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point higher or lower and all other variables were held constant, the Group's loss before tax would decrease or increase by RM198,500 (31.12.2019: RM175,800).

**Credit risk management**

The Group's credit risk is primarily attributable to its trade and other receivables and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than the following:

	<b>Company</b>	
	<b>31.3.2021</b>	<b>31.12.2019</b>
	<b>RM</b>	<b>RM</b>
Amount due from two subsidiaries (31.12.2019: One)	21,307,706	5,007,293

The Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to its subsidiaries. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by the subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by a subsidiary. The maximum exposure to credit risk amounts to RM18,737,200 (2019: RM3,965,148) representing the outstanding banking facilities of the subsidiaries as at reporting date. The fair value of the financial guarantee has not been recognised since the fair value on initial recognition was not material as the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the securities pledged by the subsidiary.

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

<b>Category</b>	<b>Definition</b>	<b>Basis for recognition of ECL</b>
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery or the debtor is two years past due.	Amount is written off

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 28. Financial instruments and financial risk management (continued)

#### 28.2 Financial risk management objectives and policies (continued)

##### i) Trade receivables

For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. In determining the ECL of individual trade receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

##### ii) Other receivables

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12 months ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

##### iii) Cash and bank balances (including fixed deposits)

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

#### Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities. The Group finance its operations by a combination of equity and bank borrowings.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

## 28. Financial instruments and financial risk management (continued)

## 28.2 Financial risk management objectives and policies (continued)

## Liquidity risk management (continued)

Group	Carrying amount RM	Contractual cash flows (including interest payments)				
		Total RM	On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM	More than 5 years RM
<b>31.3.2021</b>						
Non interest bearing debts	24,483,115	24,483,115	24,483,115	-	-	-
Interest bearing debts	41,699,010	41,699,010	41,699,010	-	-	-
Lease liabilities	6,108,766	6,544,969	3,106,429	2,872,057	518,333	180,650
	72,290,891	72,727,094	69,288,554	2,872,057	518,333	180,650
<b>31.12.2019</b>						
Non interest bearing debts	7,398,487	7,398,487	7,398,487	-	-	-
Interest bearing debts	40,162,384	40,162,384	40,162,384	-	-	-
Lease liabilities	3,691,287	3,977,636	3,020,321	957,315	-	-
	51,252,158	51,538,507	50,581,192	957,315	-	-
<b>Company</b>						
<b>31.3.2021</b>						
Non interest bearing debts	413,854	413,854	413,854	-	-	-
Interest bearing debts	2,000,000	2,000,000	2,000,000	-	-	-
	2,413,854	2,413,854	2,413,854	-	-	-
<b>31.12.2019</b>						
Non interest bearing debts	217,240	217,240	217,240	-	-	-
Interest bearing debts	5,000,000	5,000,000	5,000,000	-	-	-
	5,217,240	5,217,240	5,217,240	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 29. Capital structure and capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Group monitors capital using debt-to-equity ratio, where the ratio is arrived at net debt (total borrowings less cash and bank balances) divided by total equity. The Group's strategy is to maintain the debt-to-equity ratio at a healthy level. The debt and equity ratio is as follows:

	Group		Company	
	31.3.2021 RM	31.12.2019 RM	31.3.2021 RM	31.12.2019 RM
Total debts	47,807,776	43,853,671	2,000,000	5,000,000
Less: Cash and bank balances and fixed deposits	(39,069,120)	(12,816,983)	(6,126,196)	(546,899)
Net (cash)/debts	<u>8,738,656</u>	<u>31,036,688</u>	<u>(4,126,196)</u>	<u>4,453,101</u>
Total equity	<u>76,445,798</u>	<u>59,755,765</u>	<u>79,229,382</u>	<u>53,967,639</u>
Gearing ratio (%)	<u>11</u>	<u>52</u>	<u>N/A</u>	<u>8</u>

### 30. Significant events

#### a) Covid-19

The World Health Organisation declared the Coronavirus Disease 2019 ("Covid-19") as a global pandemic on 11 March 2020. The emergence of the Covid-19 outbreak since early 2020 had resulted in significant economic uncertainties in Malaysia due to the restriction in the business activities and it had impacted the Group's operations directly or indirectly. As at the reporting date, the movement control order is still being enforced by the Malaysian Government.

The Group has considered the impact of Covid-19 outbreak in respect of the judgements and assumptions used in the preparation of the financial statements such as assessment on the impairment assessment on its plant and equipment, its investments in subsidiaries and recognition of revenue arising from construction contracts.

**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2021 (cont'd)****30. Significant events (continued)****b) Proposed corporate exercise**

On 9 February 2021, the Company announced the following multi proposals:

- a) Proposed diversification of the existing business of the Company and its subsidiaries to include the gloves manufacturing solutions business;
- b) Proposed private placement of up to 166,433,000 new ordinary shares in the Company, representing 30% of the total number of issued shares;
- c) Proposed renounceable right issue of up to 1,442,419,508 new ordinary shares ("Right Shares") together with up to 1,081,814,631 free detachable warrant ("Warrant B") in the Company on the basis of 4 Rights Shares together with 3 Warrant B for every 2 existing ordinary shares held by the entitled shareholders of the Company; and
- d) Proposed establishment of an ESOS involving up to 15% of the total number of issued shares of the Company.

The above proposed corporate exercise was approved by the Bursa Malaysia Berhad on 18 March 2021.

Pursuant to the above corporate exercise stated in item ii), a total 166,433, 000 new ordinary shares were issued and listed on 24 May 2021, 14 June 2021 and 23 June 2021.

The remaining proposals are expected to be completed by August 2021.

**31. Comparative figures**

- (a) The comparative figures relate to the 12 months for the period 1 January 2019 to 31 December 2019 and hence not comparable to those of the current 15 months period ended 31 March 2021.
- (b) The below comparative figures as at 31 December 2019 have been reclassified to conform with current period's presentation.

	As previously reported	Reclassification	As restated
	RM	RM	RM
<b>Group</b>			
<b>Statement of comprehensive income for the year ended 31 December 2019</b>			
Costs of sales	(55,229,639)	(2,406,041)	(57,635,680)
Other operating income	3,181,630	(78,198)	3,103,432
Selling and distribution costs	(1,521,082)	43,502	(1,477,580)
Administrative expenses	(6,581,733)	1,955,697	(4,626,036)
Finance income	-	78,198	78,198
Finance costs	(3,587,401)	406,842	(3,180,559)

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021 (cont'd)

### 31. Comparative figures (continued)

- (b) The below comparative figures as at 31 December 2019 have been reclassified to conform with current period's presentation.(continued)

	As previously reported	Reclassification	As restated
	RM	RM	RM
<b>Group</b>			
<b>Statement of financial position</b>			
<b>as at 31 December 2019</b>			
<b>Non current assets</b>			
Property, plant and equipment	46,864,801	(605,164)	46,259,637
Rights of use	3,336,006	605,164	3,941,170
<b>Current assets</b>			
Fixed deposits with licensed banks	4,193,626	54,301	4,247,927
Cash and bank balances	8,623,357	(54,301)	8,569,056
<b>Current liabilities</b>			
Other payables and accruals	6,708,400	(232,551)	6,475,849
Tax payables	9,932	232,551	242,483

The consequential changes to the prior reporting period's information in the notes have also been reflected appropriately for consistency of presentation.

## LIST OF PROPERTIES OF THE GROUP

	Address/Location	Description	Total Land Area/ Built-up Area (square metre)	Existing Use	Tenure (Years)	Approximate Age of Building (Years)	Date of Valuation	Net Carrying Amount (RM'000)
1	707 Moo 4, Bangpoo Ind. Estate Phraksa Muang, Samutprakam, Thailand 10280.	Industrial; double storey factory	5,760/ 3,432	Office & factory	Freehold	15	04-05-2018	6,358
2	673 M.4. T. Prakasa A. Muang Samutprakam	Industrial Land	3552/ 3045	Office & factory	Freehold	1	14-05-2013	9,643

## ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2021

Class of Equity Securities	: Ordinary Shares ("Shares")
Total number of issued Shares	: 721,209,254 Shares
Voting rights by show of hand	: One vote for every member
Voting rights by poll	: One vote for every Share held

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 Shares	37	0.65	1,579	#
100 - 1,000 Shares	462	8.09	345,560	0.05
1,001 - 10,000 Shares	1,569	27.49	9,958,050	1.38
10,001 - 100,000 Shares	2,705	47.39	119,512,521	16.57
100,001 - less than 5% of issued Shares	935	16.38	591,392,044	82.00
5% and above of issued Shares	-	-	-	-
<b>Total</b>	<b>5,708</b>	<b>100.00</b>	<b>721,209,754</b>	<b>100.00</b>

# Negligible

### DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Yang, Chao-Tung	10,122,564	1.40	-	-
Choong Lee Aun	100,000	0.01	-	-
Dato' Nik Ismail Bin Dato' Nik Yusoff	-	-	-	-
Saffie Bin Bakar	1,300,000	0.18	-	-
Yee Yit Yang	14,506,000	2.01	-	-

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
AT Precision Tooling Sdn. Bhd.	77,856,200	10.80	-	-
AT Systematization Berhad	-	-	77,856,200	10.80

**ANALYSIS OF SHAREHOLDINGS****AS AT 30 JULY 2021 (cont'd)****30 LARGEST SECURITIES ACCOUNT HOLDERS***(without aggregating the securities from different securities accounts belonging to the same registered holder)*

No.	Name	No. of Shares held	%
1	Siti Munajat Binti Md Ghazali	20,000,000	2.77
2	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Seik Yee Kok	19,513,100	2.71
3	Fensoll Technology Sdn. Bhd.	14,559,660	2.02
4	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yee Yit Yang	14,506,000	2.01
5	Er Soon Puay	12,500,000	1.73
6	Ng Soo Weng	11,500,000	1.59
7	Mercsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Seah Yee Teng	11,041,700	1.53
8	Tan Seng Chee	10,500,000	1.46
9	Yang, Chao-Tung	10,122,488	1.40
10	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teng Kok Leong	8,303,200	1.15
11	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Say Kheong	6,600,000	0.92
12	Wong Yong Heng	6,000,000	0.83
13	Yang, Chueh-Kuang	4,454,575	0.62
14	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Chin Hong	4,100,000	0.57
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Hong Hong	4,000,000	0.55
16	Chou Ming Hai	4,000,000	0.55
17	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Soon Nyen	4,000,000	0.55
18	Kenanga Nominees (Tempatan) Sdn. Bhd. - Gan Boon Guat	4,000,000	0.55
19	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Douglas Kibau Anak Cherang	4,000,000	0.55
20	Peninsular Accord Sdn Bhd	4,000,000	0.55
21	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Nurihan Bin Pie	3,900,000	0.54
22	Sze See Kwan	3,639,400	0.50
23	Teoh Hin Heng	3,588,800	0.50
24	Soo Pei Chin	3,500,000	0.49
25	Wong Mei Hwa	3,500,000	0.49
26	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Lian Hong	3,425,000	0.47
27	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Ai Ling	3,050,000	0.42
28	Chia Hooi Liang	3,000,000	0.42
29	Foong Chin Wei	3,000,000	0.42
30	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lee Ju Long	3,000,000	0.42

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twentieth Annual General Meeting of AE MULTI HOLDINGS BERHAD ("AEM" or "the Company") will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://rebrand.ly/AEM-AGM> provided by Mlabs Research Sdn. Bhd. from the Main Venue at Level 18, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 28 September 2021 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses: -

### AGENDA

#### AS ORDINARY BUSINESS:

- |  |   |
|--|---|
| 1. To receive the Audited Financial Statements for the financial period ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.                   | <b>Please refer to Explanatory Note 1</b> |
| 2. To approve the payment of Directors' fees and benefits of RM66,589.00 for the financial period ended 31 March 2021.   | <b>(Ordinary Resolution 1)</b>            |
| 3. To approve the payment of Directors' fees and benefits of up to RM300,000.00 for the period from 1 April 2021 until the next Annual General Meeting ("AGM") of the Company. | <b>(Ordinary Resolution 2)</b>            |
| 4. To re-elect En. Saffie Bin Bakar as a Director who retires by rotation pursuant to Clause 95 of the Company's Constitution.   | <b>(Ordinary Resolution 3)</b>            |
| 5. To re-elect the following Directors who retire pursuant to Clause 102 of the Company's Constitution: -  |   |
| i) Dato' Nik Ismail Bin Dato' Nik Yusoff   | <b>(Ordinary Resolution 4)</b>            |
| ii) Mr. Choong Lee Aun   | <b>(Ordinary Resolution 5)</b>            |
| iii) Mr. Yee Yit Yang  | <b>(Ordinary Resolution 6)</b>            |
| 6. To re-appoint Russell Bedford LC & Company as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.        | <b>(Ordinary Resolution 7)</b>            |

#### AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions: -

- |  |                                |
|--|--------------------------------|
| 7. <b>RETENTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR</b>   | <b>(Ordinary Resolution 8)</b> |
| "THAT subject to passing of the Ordinary Resolution 3, En. Saffie Bin Bakar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company."  |                                |
| 8. <b>GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b>   | <b>(Ordinary Resolution 9)</b> |
| "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier." |                                |



## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### 9. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

*(Special Resolution)*

"THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

10. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (CCM PC No.: 201908001272)**

Company Secretary

Petaling Jaya, Selangor Darul Ehsan  
25 August 2021

Notes: -

- (i) A member of the Company who is entitled to attend, participate, speak and vote at the Twentieth AGM of the Company ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (ii) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (iii) Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar's office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via facsimile no. 03-6201 3121 or email to [ir@shareworks.com.my](mailto:ir@shareworks.com.my) not less than forty-eight (48) hours before the date and time set for holding the Meeting.
- (vi) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (vii) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 69(2) of the Company's Constitution to issue a General Meeting Record of Depositors as at 21 September 2021. Only members whose name appear in the General Meeting Record of Depositors as at 21 September 2021 shall be entitled to attend, participate, speak and vote at the Meeting.
- (viii) All the resolutions set out in the Notice of Meeting will be put to vote by poll.
- (ix) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- (x) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at <https://www.amallionpcb.com/en/index.php> for the latest updates on the status of the Meeting.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

#### 1. Item 1 of the Agenda – Audited Financial Statements for the financial period ended 31 March 2021

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the audited financial statements. Hence, this Agenda is not put forward for voting.

#### 2. Item 2 of the Agenda – Directors' Fees and Benefits for the financial period ended 31 March 2021

The shareholders had at the Nineteenth AGM held on 25 June 2020 ("19<sup>th</sup> AGM") approved the Directors' fees and benefits of up to RM200,000.00 for the period from 1 January 2020 to 31 December 2020. However, the proposed amount was insufficient due to change of financial year of the Company from 31 December to 31 March. This resolution is to facilitate the payment of the shortfall of Directors' fees and benefit of RM66,589.00 for the financial period ended 31 March 2021.

#### 3. Item 3 of the Agenda - Directors' Fees and Benefits for the period from 1 April 2021 until the next AGM of the Company

Pursuant to Section 230(1) of the Companies Act 2016, the fee of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period from 1 April 2021 until the next AGM of the Company to be held in year 2022. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for such shortfall.

#### 4. Item 7 of the Agenda - Retention of Independent Non-Executive Director

The Board had assessed the independence of En. Saffie Bin Bakar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years. The Board is satisfied that he has met the independence and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following reasons:

- (a) he has declared and confirmed that he fulfilled the criteria under the definition of Independent Director as set out in Paragraph 1 of the Listing Requirements of Bursa Securities;
- (b) he has vast experience in his industry which could provide the Board with a diverse set of experience, expertise and independent judgement;
- (c) he has good knowledge of the Group's business operations;
- (d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
- (e) he has exercised due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the retention of En. Saffie Bin Bakar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, the approval of the shareholders at the Meeting will be sought through a two-tier voting process.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### 5. Item 8 of the Agenda - General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at its 19<sup>th</sup> AGM obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this AGM.

Pursuant to the general mandate granted to the Directors at the 19<sup>th</sup> AGM, the Company had undertaken a private placement exercise where the Company had placed out 85,629,000 new ordinary shares which raised a total proceeds of RM12.964 million ("Private Placement")

The details of utilisation of proceeds from the Private Placement were as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance RM'000
Upgrading existing factory and machineries	8,000	8,000	-
Establishing a new marketing office	3,000	3,000	-
Working capital	1,893	1,893	-
Expenses for the Private Placement	71	71	-
<b>Total</b>	<b>12,964</b>	<b>12,964</b>	<b>-</b>

The Ordinary Resolution 9 proposed under item 8 of the Agenda, is to seek the 20% General Mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2021 and thereafter, unless extended by Bursa Securities, the 10% limit under Paragraph 6.03(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at general meeting, will expire at the next AGM.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities.

#### The Board of Directors' Statement

The Board of Directors of AEM ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by the COVID-19, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/ investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

### 6. Item 9 of the Agenda - Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 9 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company ("Proposed Amendments"), are made mainly for the following purposes:

- to align the Company's Constitution with the Companies (Amendment) Act 2019 which came into operation on 15 January 2020 in relation to the alteration of share capital; and
- to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

## APPENDIX A

### PROPOSED AMENDMENTS TO THE CONSTITUTION OF AE MULTI HOLDINGS BERHAD ("THE COMPANY")

This is the Appendix A referred to in Agenda 9 of the Notice of Twentieth Annual General Meeting of the Company dated 25 August 2021.

Clause No.	Existing Clause	Clause No.	Proposed Clause
59 <i>Power to alter capital</i>	<p>The Company may by Special Resolution: -</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;</p> <p>(c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and</p> <p>(d) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.</p>	59 <i>Power to alter capital</i>	<p>The Company may by <del>Special</del> <b>Ordinary</b> Resolution: -</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;</p> <p>(c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and</p> <p>(d) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.</p>

## APPENDIX A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
63(2) <i>General meetings</i>	<p>(a) All general meetings other than the annual general meetings shall be called extraordinary general meetings.</p> <p>(b) Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>(c) All general meetings may be held at more than one (1) venue using any technology or method at such time and place as the Directors shall determine that enables the Members to participate and exercise the Members' rights to speak and vote at the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum.</p> <p>(d) The main venue of the meeting shall be in Malaysia and the Chairman shall be present at that main venue of the meeting.</p>	63(2) <i>General meetings</i>	<p>(a) All general meetings other than the annual general meetings shall be called extraordinary general meetings.</p> <p>(b) Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>(c) All general meetings may be held <b>by fully virtual or hybrid</b> at more than one (1) venue using any technology, method or online meeting platform at such time and place as the Directors shall determine that enables the Members to participate and exercise the Members' rights to speak and vote at the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum.</p> <p>(d) <b>For a hybrid general meeting</b>, the main venue of the meeting shall be in Malaysia and the Chairman shall be present at that main venue of the meeting.</p> <p>(e) <b>For a fully virtual general meeting, the broadcast venue or the online meeting platform which located in Malaysia shall be recognised as the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</b></p> <p>(f) <b>For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.</b></p>

## APPENDIX A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
65 <i>Notice of meeting</i>	The notices convening meetings shall be given to the Members either in hard copy, or in electronic form, or partly in hard copy and partly in electronic form specify the place, day, hour and the general nature of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.	65 <i>Notice of meeting</i>	The notices convening meetings shall be given to the Members either in hard copy, <b>publication on the Company's website</b> or in electronic form, or partly in hard copy and partly in electronic form specify the place, day, hour and the general nature of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

## APPENDIX A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
120 <i>Meeting of Directors</i>	<p>(a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the Directors, summon a meeting of the Directors.</p> <p>(b) A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.</p> <p>(c) Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.</p>	120 <i>Meeting of Directors</i>	<p>(a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the Directors, summon a meeting of the Directors.</p> <p>(b) <b>The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method.</b> A member of the Board <b>or any invitees</b> may participate in <del>the</del> a meeting of <del>the Board</del> by means of a telephone conference or any other audio, or audio visual, <b>or</b> communication means which allows all persons participating in the meeting to hear and speak with each other and such Director <b>or person</b> shall be regarded for all purposes as personally <b>attended</b> attending such a meeting and <b>such Director</b> shall be counted in a quorum and be entitled to vote on the resolutions tabled at <b>the</b> a meeting of the Board.</p> <p>(c) <del>Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.</del></p>

## APPENDIX A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
135C <i>Meeting of committees</i>	<p>(i) Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.</p> <p>(ii) Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.</p>	135C <i>Meeting of committees</i>	<p>(i) Notwithstanding any provisions to the contrary contained in this Constitution, <b>the committee meetings may be held by fully virtual or hybrid at more than one venue using any technology or method.</b> <del>any A</del> <b>committee</b> <del>member of a committee</del> or <b>any invitees</b> may participate <del>at a committee in the</del> meeting by means of a telephone conference or any other audio, or audio visual, <b>or</b> communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member <b>or person</b> shall be regarded for all purposes as personally <b>attended</b> <del>attending</del> such a meeting and <b>such committee member</b> shall be counted in a quorum and be entitled to vote on the resolutions tabled at <del>a meeting of</del> the committee <b>meeting</b>.</p> <p>(ii) <del>Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.</del></p>



## APPENDIX A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
147 <i>Circulating copies of audited financial statement and directors' report</i>	The Directors shall from time to time in accordance with the Act cause to be prepared, sent to every Member and laid before the Company in general meeting the audited financial statements and directors' report in accordance with the Act. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements. A copy of each of the abovementioned documents in printed form or in CD-ROM or other electronic form permitted under the Listing Requirements or any combination thereof shall, not less than twenty one (21) days before the date of the general meeting be sent to every Member of and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution, in accordance with the provisions of the Act or of this Constitution, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.	147 <b><i>Preparation, circulation and publication</i></b> <i>copies of audited financial statement and directors' reports of the directors and auditors thereon</i>	The Directors shall from time to time in accordance with the Act cause to be prepared <b>and circulated</b> , sent to every Member and laid before the Company in general meeting the audited financial statements and <b>the directors' reports of the directors and auditors thereon</b> in accordance with the Act. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements. A copy of each of the abovementioned documents in printed form or in CD-ROM or <b>in such other electronic form of electronic media or means or any combination thereof</b> permitted under the Listing Requirements <b>and the Act or any combination thereof</b> shall, not less than twenty one (21) days before the date of the general meeting <b>(or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting)</b> , be sent <b>or circulated</b> to every Member of <b>the Company</b> , and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution, <del>in accordance with the provisions of the Act or of this Constitution</del> , provided that this <b>Clause Article</b> shall not require a copy of these documents to be sent to any person of whose address the Company is not aware <b>(or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be</b> , but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.



<b>CDS Account No.</b>	<b>No. of Shares Held</b>
------------------------	---------------------------

I/We \* \_\_\_\_\_ NRIC/Passport/Registration No.\* \_\_\_\_\_  
(Full name in block)

of \_\_\_\_\_  
(Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members\* of **AE MULTI HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

and / or\*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Twentieth Annual General Meeting of the Company to be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://rebrand.ly/AEM-AGM> provided by Mlabs Research Sdn. Bhd. from the Main Venue at Level 18, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 28 September 2021 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of RM66,589.00 for the financial period ended 31 March 2021.		
2.	To approve the payment of Directors' fees and benefits of up to RM300,000.00 for the period from 1 April 2021 until the next Annual General Meeting of the Company.		
3.	To re-elect En. Saffie Bin Bakar as a Director of the Company.		
4.	To re-elect Dato' Nik Ismail Bin Dato' Nik Yusoff as a Director of the Company.		
5.	To re-elect Mr. Choong Lee Aun as a Director of the Company.		
6.	To re-elect Mr. Yee Yit Yang as a Director of the Company.		
7.	To re-appoint Russell Bedford LC & Company as Auditors of the Company.		
8.	To retain En. Saffie Bin Bakar as an Independent Non-Executive Director of the Company.		
9.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
No.	Special Resolution	For	Against
1.	To approve the Proposed Amendments to the Constitution of the Company.		

\* delete whichever not applicable

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021. Signature of Member(s)/ Common Seal \_\_\_\_\_

Notes: -

- (i) A member of the Company who is entitled to attend, participate, speak and vote at the Twentieth AGM of the Company ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (ii) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (iii) Where a member of the Company is an exempt authorised nominee which hold ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar's office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via facsimile no. 03-6201 3121 or email to [ir@shareworks.com.my](mailto:ir@shareworks.com.my) not less than forty-eight (48) hours before the date and time set for holding the Meeting.
- (vi) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (vii) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 69(2) of the Company's Constitution to issue a General Meeting Record of Depositors as at 21 September 2021. Only a member whose name appears in the General Meeting Record of Depositors as at 21 September 2021 shall be entitled to attend, participate, speak and vote at the Meeting.
- (viii) All the resolutions set out in the Notice of Meeting will be put to vote by poll.
- (ix) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- (x) In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at <https://www.amallionpcb.com/en/index.php> for the latest updates on the status of the Meeting.

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Postage

**AE Multi Holdings Berhad**

Registration No. 200101004021 (539777-D)

c/o ShareWorks Sdn. Bhd.  
No. 2-1, Jalan Sri Hartamas 8,  
Sri Hartamas,  
50480 Kuala Lumpur,  
Wilayah Persekutuan.

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**AE MULTI HOLDINGS BERHAD** 200101004021 (539777-D)

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