



AURELIUS TECHNOLOGIES BERHAD

(Registration No. 202101005015 (1405314-D))
(Incorporated in Malaysia under the Companies Act 2016)

Embracing, Execution
Excellence



ANNUAL REPORT
DECEMBER **2023**

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3rd Annual General Meeting



Townhall of
Aurelius Technologies Berhad,
Plot 21, Jalan Hi-Tech 4,
Phase 1, Kulim Hi-Tech Park,
09090 Kulim, Kedah



Friday,
7 June 2024



10.00 a.m.

Corporate Overview & Group Structure

ABOUT GROUP

Aurelius Technologies Berhad (the “**Company**”) was incorporated in Malaysia on 9 February 2021 for Initial Public Offering (“**IPO**”) purposes. On 16 December 2021, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Company’s principal activity is investment holding whilst its subsidiary, BCM Electronics Corporation Sdn. Bhd. (“**BCM**”) is principally a provider of Electronics Manufacturing Services (“**EMS**”) with a focus on industrial electronic products (collectively referred to as “**ATech**” or “**the Group**” or the “**ATech Group**”).



Vision

- Be a world-class green manufacturing service provider.

Mission

- Deliver high-quality, cost-effective products & services.
- Treat our stakeholders fairly and ethically.

Value

- Committed to environmental, social, and governance best practices.



AURELIUS TECHNOLOGIES BERHAD

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100%



BCM ELECTRONICS CORPORATION SDN. BHD.

(Registration No. 199301019234 (273972-P))

Aurelius buys industrial land for RM12mil

CORPORATE NEWS
Wednesday, 03 Jan 2024 7:40 PM MYT



PETALING JAYA: Aurelius Technologies Bhd (ATE) is purchasing a vacant piece of industrial land within the Kulim High-Tech Park, Kedah, from Northern Technology Sdn Bhd for RM12.15mil.

In a filing with Bursa Malaysia, the electronics manufacturing services provider said the land, measuring approximately 270,034 sq ft, will facilitate the company's future strategic expansion plans.

"The proposed acquisition is expected to contribute positively to the future earnings of the group, arising from higher manufacturing capacity and further economies of scale."



Aurelius Technologies jumps on the EV bandwagon

Monday, 02 Apr 2024 11:56 AM MYT



As vehicles become smarter, the automotive industry requires more electronic and communication products, opening up well-abundant opportunities. (Photo by Patrick Goh/The Edge)

This article first appeared in The Edge Malaysia Weekly on September 14, 2023 - September 24, 2023

WITH electric mobility gaining momentum, Kedah-based electronics manufacturing services (EMS) provider Aurelius Technologies Bhd (ATE) is jumping on the bandwagon and directing its expertise towards the electric vehicle (EV) business.

As research firm Aiteja is seeing steady with a global EV giant, which could potentially be one of its main clients, to incorporate some internet of things (IoT) features into the latter's vehicles, he decided to disclose the name of the EV giant.

"The automotive industry has a typical testing schedule. First, you build the hardware. They (the EV giant) will be testing it again by the end of the month. Our plan is to produce modules for them to put into the middleboards of their cars. We expect to commence production for them, hopefully by year-end," he tells The Edge as an employee.

Headquartered in Kulim Hi-Tech Park, ATE is an investment holding company whose subsidiary BCM Electronics Corp (BCM) is presently an EMS firm focusing on internet of electronic products. In 2018, it had expanded its activities into the manufacturing of semiconductor components in the form of multicomponent integrated circuit (IC) for IoT applications.

ATE points out that Aiteja paid into more its EV clients' modules wherein, with seamless connectivity through global system for mobile communications (GSM) and WiFi.

Atech ventures into production of 5G communications modules

By Salsabil, August 28, 2023 @ 9:00pm



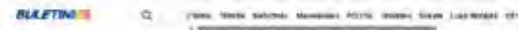
In a statement, Atech said this marked its foray into the new automotive industry sector.

KUALA LUMPUR: Aurelius Technologies Bhd's (ATE) wholly-owned unit BCM Electronic Corporation Sdn Bhd has embarked on manufacturing 5G communication modules with applications in internet of things and automotive components.

In a statement, Atech said this marked its foray into the new automotive industry sector.

In addition, BCM has set plans to build an additional plant in 2024 at the recently acquired 271,874 square feet industrial land at Kulim Techno City within the vicinity of Kulim High Technology Park.

The new facility will become an automotive hub for BCM, aligning with the company's strategic plans to accelerate its focus on automotive components manufacturing and to develop its outsource semiconductor assembly and test business.



BCM teroka sektor automotif mapan, keluarkan modul 5G di Kulim

17:00 14/08/2023



KUALA BERAH: Pemilik dan Pengerusi BCM, anak syarikat ATE, Aurelius Technologies Bhd, mengumumkan pengalihan strateginya BCM ke dalam modul komunikasi 5G dan perisian dalam sistem dalam di Kulim Techno City.

Pengumuman itu dilakukan semasa sambutan ulang tahun ke-10 di Kompleks Sektor Kulim Techno Park (KSTP), yang merawati tiga dekad transformasi dan penubuhannya.

BCM juga akan memulakan projek pembangunan baharu di kawasan industri yang berdekatan dengan KSTP. Projek ini akan membolehkan BCM memperluas lagi perkhidmatan dan produknya.



BCM teroka sektor automotif mapan, keluarkan modul 5G di Kulim

17:00 14/08/2023



KUALA BERAH: Pemilik dan Pengerusi BCM, anak syarikat ATE, Aurelius Technologies Bhd, mengumumkan pengalihan strateginya BCM ke dalam modul komunikasi 5G dan perisian dalam sistem automotif dalam di Kulim Techno City.

Pengumuman itu dilakukan semasa sambutan ulang tahun ke-10 di Kompleks Sektor Kulim Techno Park (KSTP), yang merawati tiga dekad transformasi dan penubuhannya.

2024

- BCM has finalised the development plans for the construction of a new 243, 977 sq. ft. integrated manufacturing plant (also known as “**P5**”) at New Land 1. This new facility is to be earmarked as our “**New Automotive & IoT Hub**”, targeting completion in December 2024.
- On 4 April 2024, BCM purchased a new 270,034 sq. ft. vacant industrial land (“**New Land 2**”) located at Kulim High-Tech Park (“**KHTP**”) - adjoining to New Land 1.

2023

- ATech continued to onboard two new customers to manufacture IoT devices and video telematics respectively.
- ATech commenced to invest in the infrastructure to manufacture 5G technology and automotive components.
- On 13 September 2023, ATech successfully completed the installation and energisation of a 2.5783 MWp rooftop solar photovoltaic (“**Rooftop Solar**”) at BCM.
- On 22 August 2023, ATech installed two electric vehicles (“**EV**”) charging stations at BCM.
- On 22 August 2023, BCM celebrated its 30th Anniversary with its 1,300 employees and business associates under the theme: “**30 x 30: Honouring Our Past & Empowering Our Future with Sustainable Growth**”.
- On 10 May 2023, BCM purchased a new 301,874 sq. ft. vacant industrial land (“**New Land 1**”) located at KHTP.
- On 7 February 2023, the Company issued 35,818,000 new ordinary shares via private placement, and the ordinary shares were subsequently listed on the Main Market of Bursa Securities.
- In January 2023, ATech made an investment in backend automation and testing, to meet the requirements in IoT module manufacturing.
- ATech continued to invest in additional one SMT line.

2022

- ATech grew its EMS business by onboarding four new customers, that specialises in developing sensors, data computing technology, motherboards, and IoT-related devices.
- On 26 April 2022, in conjunction with an Anti-Corruption Seminar conducted by the Suruhanjaya Pencegahan Rasuah Malaysia, Kedah (SPRM Kedah), every staff with the ranking of section managers and above proudly signed a “**Corruption Free Pledge**”.
- On 28 March 2022, ATech completed the construction of its manufacturing plant expansion (also known as “**P3**”) and obtained the Certificate of Completion & Compliance.
- On 8 March 2022, ATech continues its commitment to work in partnership with its local community with the signing of the certificate of collaboration with Politeknik Tuanku Sultanah Bahiyah to kickstart an industrial internship programme.
- ATech continued to invest in additional three SMT lines.

2021

- On 16 December 2021, ATech celebrated the listing of the 358,180,000 issued ordinary shares of the Company on the Main Market of Bursa Securities.
- ATech continued to transcend towards Industrial 4.0 with the installation of two SMT lines completed with four robotic backend automation and testing for multicomponent semiconductor modules.

2020

- ATech continued to expand its EMS business in the power control segment by securing two new customers:
 - » Customer from France - to manufacture a power module used in marine and supercomputer applications with a fast-tracked full-scale production in October 2020.
 - » Customer from China - to manufacture power control modules for DC-to-DC power supply.

2019

- ATech broaden its portfolio of services when an electronics manufacturing services agreement for semiconductor components in the form of a multicomponent Integrated Circuit (“IC”) for Machine to Machine IoT applications was secured. This marks a key milestone for ATech as its position in the value chain is strengthened by offering semiconductor components manufacturing services, while previously ATech focused on industrial electronics products manufacturing services.

2018

- ATech expanded its manufacturing services into trains communication interface units that includes outboard assembly, testing, subassembly, and system calibration. This system allows products to integrate with other systems installed in train carriages to communicate and transmit information between the train and a remote central monitoring centre.

2016

- ATech expanded its EMS offering for LED lighting product by securing its first purchase order for the LED tunnel lighting. In the same year, ATech also commenced manufacturing of its own designed LED lighting for installation in warehouses.

2000-2010

- Between 2005 and 2010, ATech expanded its product offering to include the following:
 - » IoT wireless asset tracking devices for vehicle tracking applications in 2007;
 - » Printed Circuit Board Assembly (“PCBA”) of instrumentation devices for the oil and gas industry in 2007 where we offered special engineering services including high melting point and gold soldering as part of the board assembly process;
 - » PCBA of power control devices for lighting equipment in 2008 for a customer in the USA; and power control devices for AC to DC power supply in 2009 for a customer in Australia.
- Between 2000 and 2010, ATech increased its production capacity by investing in additional SMT lines.
- In 2005, ATech participated in the design of an industrial wireless communication device, in a joint-design development exercise with a customer.
- In 2003, ATech completed the construction of its factory expansion in KHTP which increased production built-up area by an additional 89,638 sq.ft.
- In 2000, ATech moved from rented premises in Prai, Penang to the current production facility in KHTP, Kedah with a total built-up area of 106,156 sq.ft. with facilities comprised 7 SMT lines with 20 backend assembly lines.
- In 2000, ATech expanded its EMS business to produce power control electronic devices namely DC-DC converter modules.

1993-1999

- Incorporation of ATech’s subsidiary, BCM on 20 August 1993, to facilitate the technology transfer agreement between Motorola Incorporated (“**Motorola Inc**”) and Comintel Sdn. Bhd. to jointly develop manufacturing capabilities for communication devices in Malaysia through BCM.
- In 1996, BCM expanded its portfolio of services by securing its first box-build supply contract for industrial communication devices. Box build assembly includes the sourcing and procurement of materials and components, board assembly, and carrying out mechanical box build assembly and testing of the finished product. This forms a key milestone in ATech’s expansion as an EMS provider.
- BCM commenced business as a provider of SMT and sub-assembly services for industrial communication devices with one manual assembly line specialising in functional testing of communication products at rented premises in Prai, Penang.

DIRECTORS

Dato' F'ng Meow Cheng

(Chairperson and Independent Non-Executive Director)

Loh Hock Chiang

(Non-Independent Executive Director and Group Chief Executive Officer)

Tan Chong Hin

(Non-Independent Executive Director and Group Chief Financial Officer)

Nor Shahmir Bin Nor Shahid

(Independent Non-Executive Director)

Yee Swee Meng

(Independent Non-Executive Director)

Jamie Hwe Ping Lee

(Non-Independent and Non-Executive Director)

Jonathan Ming Chian Lee

(Non-Independent and Non-Executive Director) - (Alternate Director to Jamie Hwe Ping Lee)



AUDIT COMMITTEE

Chairperson

Nor Shahmir Bin Nor Shahid

Members

Yee Swee Meng

Jamie Hwe Ping Lee

NOMINATION COMMITTEE

Chairperson

Yee Swee Meng

Members

Nor Shahmir Bin Nor Shahid

Jamie Hwe Ping Lee

REMUNERATION COMMITTEE

Chairperson

Yee Swee Meng

Members

Nor Shahmir Bin Nor Shahid

Jamie Hwe Ping Lee

RISK MANAGEMENT COMMITTEE

Chairperson

Nor Shahmir Bin Nor Shahid

Members

Yee Swee Meng

Loh Hock Chiang

EMPLOYEES' SHARE SCHEME COMMITTEE

Chairperson

Dato' F'ng Meow Cheng

Members

Nor Shahmir Bin Nor Shahid

Lock Hock Chiang

Lee Siang Tat

COMPANY SECRETARY

Tan Ai Peng (MAICSA 7018419)
(SSM PC No. 201908003179)

REGISTERED OFFICE

Level 13A-6 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan
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Fax No. : +603 9212 0975
Email : cosec@zicorpservices.com

BUSINESS ADDRESS

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09090 Kulim
Kedah Darul Aman
Tel. No. : +604 403 3180
Fax No. : +604 403 3181
Email : info@atechgroup.com.my
Website : www.atechgroup.com.my

AUDITORS

Grant Thornton Malaysia PLT
Chartered Accountants
Tel. No. : +604 228 7828
Fax No. : +604 227 9828

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01 Level 32 Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : +603 2783 9299
Fax No. : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : **Industrial Product & Services**
Stock Name : **ATECH**
Stock Code : 5302



DATO' F'NG MEOW CHENG

Chairperson & Independent Non-Executive Director

Dato' F'ng Meow Cheng, a Malaysian female aged 58, is our Independent Non-Executive Chairperson. She was appointed to our Board on 2 April 2021 and redesignated as the Chairperson on 28 July 2023. She is also the Chairperson of the Employees' Share Scheme Committee.

She graduated with a Bachelor of Science in Business Administration from University of South-western Louisiana, USA in May 1991 and obtained her Master of Management from the Australian Institute of Business in November 2016. She has been a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants ("**MIA**") since 1997 and 1998 respectively.

She began her career in November 1991 with Sony Electronics (M) Sdn Bhd, a company involved in the manufacturing of consumer electronic products, as System Planner where she assisted in organisational corporate planning as well as drafting of standard operating procedures to ensure compliance with the international standards of quality.

Subsequently, she left the company to join Russ Ooi & Associates (a member firm of RSM International then) in October 1992 as a junior auditor. She left Russ Ooi & Associates in September 1996 as Assistant Manager and joined another audit firm, H.B. Ooi & Co. as Manager in April 1997 where she was mainly involved in audit, taxation, and consultancy services.

She left in February 1998 and joined another audit firm, K.B. Tan & Co. as Manager in March 1998 where she was also mainly involved in audit, taxation, and consultancy services. She then left the main office in Klang, Selangor, and took on the responsibility to set up and manage a new branch office in Bukit Mertajam, Penang in November 1998. In November 2002, the firm name of K.B. Tan & Co was changed to MC F'ng & Associates and she has since become a sole practitioner at the accounting firm providing auditing, taxation, and consulting services.

She is currently an Independent Non-Executive Director of UWC Berhad (a company listed on the Main Market of Bursa Securities) and SNS Network Technology Berhad (a company listed on the ACE Market of Bursa Securities).

She does not hold any other directorship in public companies.

LOH HOCK CHIANG

Non-Independent Executive Director & Group Chief Executive Officer

Loh Hock Chiang, a Malaysian male aged 59 is our substantial shareholder, Non-Independent Executive Director and Group Chief Executive Officer of ATech. He was appointed to our Board on 9 February 2021. He is a member of the Risk Management Committee and the Employees' Share Scheme Committee.

As our Executive Director and Group Chief Executive Officer, he is responsible for leading and overseeing the overall strategic direction and management of our ATech Group.

He graduated with an honours degree in Management Studies from the University of Waikato, New Zealand, in April 1992. He has been a member of the New Zealand Institute of Chartered Accountants since November 1995 and in December 2014, he became a Chartered Accountant with the Chartered Accountants Australia and New Zealand after the amalgamation of the Institute of Chartered Accountants in Australia and the New Zealand Institute of Chartered Accountants. He has been a Registered Accountant with the MIA since Oct 1996 and a Chartered Accountant (Malaysia) ("**CA(M)**") of the MIA since June 2001.

He began his career with Russ Ooi & Associates (a member firm of RSM International then) in April 1992 as an audit assistant and his last position when he left in April 1994 was audit senior. In May 1994, he joined Comintel Sdn. Bhd. as an accountant where he was responsible for the overall management of accounting and finance function of the company and its subsidiaries, and held various positions in Comintel Corporation Berhad group of companies ("**Comintel Group**") including Chief Financial Officer and Deputy Chief Executive Officer where his last designation was Executive Director before he left Comintel Group in January 2018.

He assumed his current position as Executive Director of BCM in January 2018. He was appointed as our Group Chief Financial Officer on 25 March 2021 and subsequently as interim Group Chief Executive Officer on 24 January 2022. He was appointed as our Group Chief Executive Officer on 1 August 2022.

He does not hold any other directorship in public companies and listed issuers.



TAN CHONG HIN

Non-Independent Executive Director & Group Chief Financial Officer

Tan Chong Hin, a Malaysian aged 49, is our Non-Independent Executive Director and Group Chief Financial Officer of ATech Group. He was appointed to our Board on 30 March 2022. He was appointed as our Group Chief Financial Officer on 1 August 2022.

As our Executive Director and Group Chief Financial Officer, he is responsible for overseeing the overall human resources, IT, accounting, financial and sustainability management of ATech Group.

Mr Chong spent over 20 years working for various financial services institutions in London, Kuala Lumpur and Singapore specialising in real estate, corporate finance and advisory.

He graduated with a First Class Honours in Bachelor of Engineering (Electronic Engineering) from University of Hull as a Wilberforce Scholar in 1998, and completed his Postgraduate Diploma in Economics at University of Cambridge, as a British Chevening Scholar in 1999. He is a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales ("**ICAEW**") since 2003, and the MIA since 2022. He is a Fellow of ICAEW since 2023.

He is currently a Non-Executive Independent Director of Pacific & Orient Insurance Co. Berhad and holds other non-independent directorships in various private companies.

He does not hold any other directorship in listed issuers.



NOR SHAHMIR BIN NOR SHAHID
Independent Non-Executive Director

Nor Shahmir Bin Nor Shahid, a Malaysian male aged 54, is our Independent Non-Executive Director. He was appointed to our Board on 2 April 2021. He graduated from the International Islamic University Malaysia in July 1995 and obtained his Bachelor of Accounting in August 1995. He has been a member of the MIA as a Chartered Accountant since April 2018.

He began his career in July 1995 as an executive with Malaysian International Merchant Bankers Berhad where he was involved in various corporate exercises including reverse take-overs, initial public offerings and fund raising. In October 1997, he left Malaysian International Merchant Bankers Berhad and subsequently joined KPMG Corporate Finance Sdn. Bhd. as a principal consultant where he was responsible for various engagements in corporate finance advisory, mergers and acquisitions, and project finance.

He left KPMG Corporate Finance Sdn. Bhd. in November 2003 and subsequently joined Bank Muamalat Malaysia Berhad as Associate Director of Investment Banking Department where he was mainly involved in Islamic debt capital market transactions. He left Bank Muamalat Malaysia Berhad in December 2006 and joined Josor Capital Sdn. Bhd. in January 2007 as Senior Vice President of Private Equity and Investments responsible for providing full-scale investment banking solutions for the investment banking group catered specially for the Asian markets.

In October 2007, he went to Qatar and joined Al Khalij Commercial Bank (“**Al-Khaliji Bank**”) as Head of Debt Capital Markets where he was responsible for loan syndications and debt capital market business of Al-Khaliji Bank in Qatar. In January 2009, he returned to Malaysia and continued his career with MIDF Amanah Investment Bank Berhad (“**MIDF Investment**”) as Senior Vice President where he was responsible in originating and structuring Islamic debt capital market issuances and project finance advisory transactions. He left MIDF Investment in June 2011 and joined Export Import Bank of Malaysia Berhad in July 2011 as Senior Vice President and Head of Banking until March 2018. In April 2018, he joined Ipmuda Berhad as Chief Operating Officer where his role was to oversee the corporate and business operations, human resources, finance and also oversee the transformation and acceleration programmes of the company. He left Ipmuda Berhad in August 2020 and was acting as a corporate consultant until February 2022. Subsequently, he joined Ireka Corporation Berhad in March 2022 as the Chief Strategy and Investment Officer, where he oversees the strategic direction of the company as well as the corporate finance functions for the group. He left Ireka Corporation Berhad in August 2023 and is now an Executive Director of Zico Banc Berhad, a non-bank financial institution, since October 2023.

He has 23 years of experience in cross-border banking, financial advisory, international and regional project finance, corporate finance, Islamic debt capital market, syndications, and investment banking where he held various senior management positions in development banks, investment banks, and commercial banks.

He is currently a Director of Provident Fiduciaries Berhad. He does not hold any other directorship in public companies and listed issuers.

**YEE SWEE MENG**

Independent Non-Executive Director

Yee Swee Meng, a Malaysian male aged 65, is our Independent Non-Executive Director. He was appointed to our Board on 2 July 2021. He is the chairperson of the Remuneration Committee, and also a member of the Audit Committee, Risk Management Committee, and Nomination Committee. In addition to his existing role in the Board and Committee, in July 2023, he was also appointed as the Chairperson of the Nomination Committee.

He graduated with a Bachelor of Arts in Economics from the University of Guelph, Ontario, Canada in February 1984. He has been a fellow member of CPA Australia since November 2018 and obtained recognition as a Certified Practising Accountant Australia in August 2017. He is a CA(M) and a member of the MIA as a Chartered Accountant since March 2018 and is a member of the ASEAN Chartered Professional Accountants Coordinating Committee since August 2018.

He began his career in November 1985 with Metroplex Berhad as Finance Executive where he was responsible for financing transactions. He left the company in January 1989 and subsequently joined Supreme Finance (M) Berhad as Branch Executive and managed the branch operations. In May 1991, he left Supreme Finance (M) Berhad and joined MBF Finance Berhad as Head of Corporate Division where he was involved in the marketing of corporate loans. He left MBF Finance Berhad in March 1992 and joined Primework (M) Sdn Bhd as Financial Controller where he was responsible for the management of all finance and accounting operations including developing financial strategy and cash flow management. In May 1995, he left Primework (M) Sdn. Bhd. and joined STS Technic Bhd as Group Corporate Manager and was also appointed as executive director of a subsidiary of STS Technic Berhad where he oversaw the corporate development and investment activities of the group companies.

In September 2001, he left STS Technic Berhad and relocated to Indonesia. In December 2001, he joined RGM International Pte Ltd as Senior Financial Controller where his main role was to manage the financial aspects of the company.

In December 2003, he left RGM International Pte Ltd and returned to Malaysia. Upon his return to Malaysia, he took a career break for family reasons. He joined Unichamp Mineral Sdn. Bhd. in May 2004 as General Manager of Finance Administration where his main role was to advise the company's board of directors on all financial matters, management control, mergers, and acquisitions transactions, and other strategic issues.

He left Unichamp Mineral Sdn. Bhd. in September 2007 and joined V.S. Industry Berhad group of companies ("**V.S. Industry Group**") in February 2008. Between February 2008 and August 2017, he held three roles within the V.S. Industry Group, namely Finance Controller, Finance Director of VS Industry Vietnam Joint Stock Company, and General Director of VS Technology Pte Ltd, Vietnam. His responsibilities included, among others, advising the board of directors on all financial matters, management control, policies, mergers and acquisitions, and other strategic issues.

In August 2017, he left the V.S. Industry Group and took a career break before he joined Sunpro Capital Group Ltd, Vietnam as Finance Director Cum Executive Chairman Special Assistant in September 2018 where he managed the finance department and was responsible for all aspects of the company's business.

After he left Sunpro Capital Group Ltd, Vietnam in June 2019, he focuses on financial advisory work where he provides financial advice such as investment management and tax planning. He was appointed as Chief Executive Officer for SHH Resources Holdings Bhd with effect from 20 April 2023 and subsequently resigned on 30 May 2023.

He does not hold any other directorship in public companies and listed issuers.



JAMIE HWE PING LEE

Non-Independent and Non-Executive Director

Jamie Hwe Ping Lee, an Australian female aged 46, is our Non-Independent and Non-Executive Director. She was appointed to our Board on 29 June 2022.

She graduated from Central Queensland University with a Master of Accounting in November 2007. She has been a member of CPA Australia since June 2011.

She spent over 15 years working in various accountant roles in industries including petrochemical, personal and healthcare, engineering, git card and most recently in asset financing.

She does not hold any other directorship in public companies and listed issuers.

Ms Jamie is the daughter of late Mr Lee Chong Yeow @ Lee Chong Yan (deceased), the Company's substantial shareholder.

JONATHAN MING CHIAN LEE

Non-Independent and Non-Executive Director
(Alternate Director to Jamie Hwe Ping Lee)

Jonathan Ming Chian Lee, an Australian male aged 40, is Jamie Hwe Ping Lee's alternate Non-Independent and Non-Executive Director. He was appointed to our Board on 29 June 2022.

He graduated from The University of Western Australia in 2007 with a Bachelor's in Engineering (Mechatronics Engineering) with Honours.

He is a professional engineer in Australia, spanning multi-disciplinary fields primarily in the manufacturing and maritime industry. He started his career as an undergraduate mechanical engineer at Austal Ships in 2006, later moving to roles as a control systems engineer. His projects have included turn key systems for various commercial and military vessels including vessels for the US Navy, Swedish Navy and the Australian Border Force.

In 2017 he transitioned to the position of Project Manager at Austal Ships, successfully delivering a variety of large, complex projects.

He is also a director of a private Australian company.

He does not hold any other directorship in public companies and listed issuers.

Mr Jonathan is the son of late Mr Lee Chong Yeow @ Lee Chong Yan (deceased), the Company's substantial shareholder.



LEE SIANG TAT
Chief Operating Officer (“COO”)

Lee Siang Tat (“Michael”), a Malaysian male aged 50, is the COO of BCM. He is a member of the Employees’ Share Scheme Committee.

He is responsible for overseeing the day-to-day operational functions of the Group. He has more than 25 years of working experience in the electronics manufacturing industry and is familiar with the various operational processes including process and product engineering, equipment and maintenance engineering, cost management, production, and operational quality.

He obtained a Higher Diploma in Electrical & Electronic Engineering from Workers Institute of Technologies in 1995.

He first joined BCM in 2005 and progressed quickly to his last role as the Director of Surface Mount Technology, Maintenance & Facilities. He was subsequently appointed Chief Operating Officer of EG Industries Berhad in 2020 where he played a vital role steering the group’s overall manufacturing operations, including engineering, production planning and operational quality, to enable the group to achieve its strategic goals.

In February 2022, he re-joined BCM and was appointed as COO where he assumed his current responsibilities.

He does not hold any other directorship in public companies and listed issuers.

Notes:-

Saved as disclosed, none of the Directors or Key Senior Management has:

- 1) any family relationship with any Director and/or major shareholder of the Company;
- 2) any conflict of interest with the Company; and
- 3) any conviction for offences within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 31 December 2023, other than traffic offences.

Financial Highlights

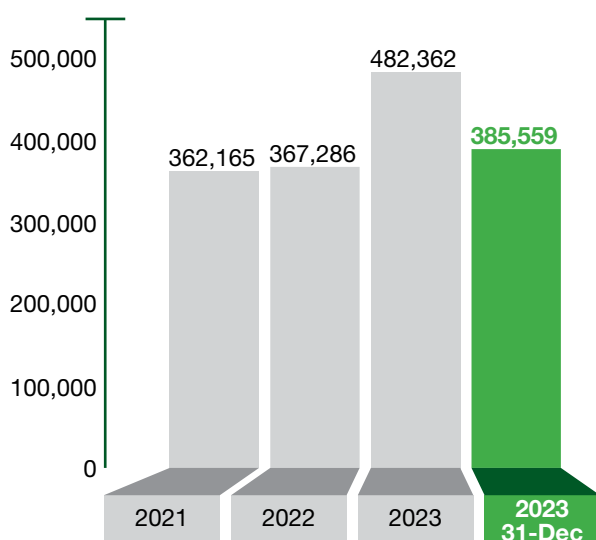
BUSINESS OVERVIEW

Financial Year/Period Ended		2021 31-Jan	2022 31-Jan	2023 31-Jan	2023 ² 31-Dec
Revenue	RM'000	362,165	367,286	482,362	385,559
Profit Attributable to Owners of the Company	RM'000	15,096	22,033	37,245	38,247
Basic Earnings per Share ("EPS") ¹	sen	4.21	6.15	10.40	9.72
Total Assets	RM'000	281,564	411,352	419,374	489,409
Total Equity	RM'000	84,077	201,418	231,595	330,328
Net Assets per Share	RM	0.23	0.56	0.65	0.84
Number of Shares Post IPO	'000	358,180	358,180	358,180	394,068

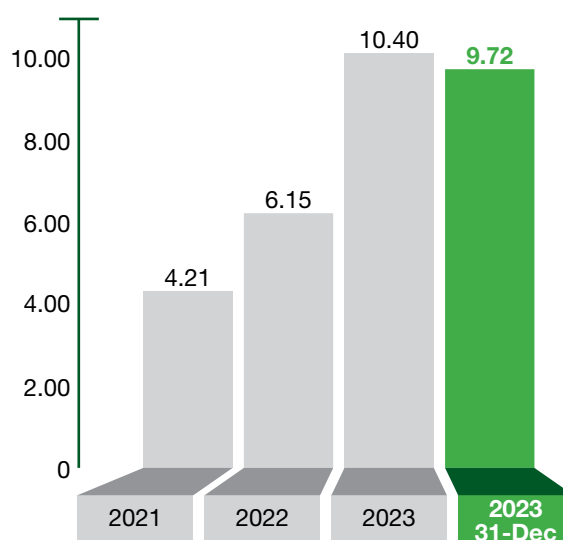
Notes:

- EPS** - For illustration purposes only based on the Company's number of ordinary shares 394,068,000. The number of ordinary shares include the Company's new issuance of (a) 35,818,000 ordinary shares via private placement on 2 February 2023 and (b) 70,000 ordinary shares via employees' share scheme on 23 October 2023.
- Financial Period Ended 31 December 2023** - As announced on 14 December 2023, the Group has changed its financial year end from 31 January to 31 December, and this financial period of the financial statements will be made up from 1 February 2023 to 31 December 2023 covering a period of 11 months instead of previous 12 months financial years ending 31 January in 2021, 2022, and 2023 respectively.

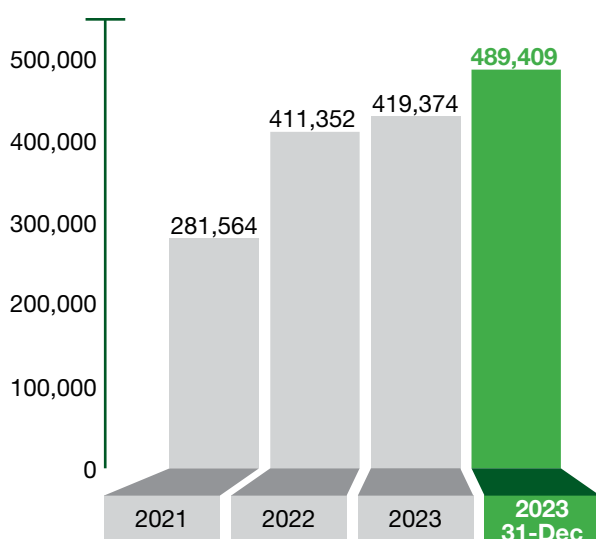
Revenue (RM'000)



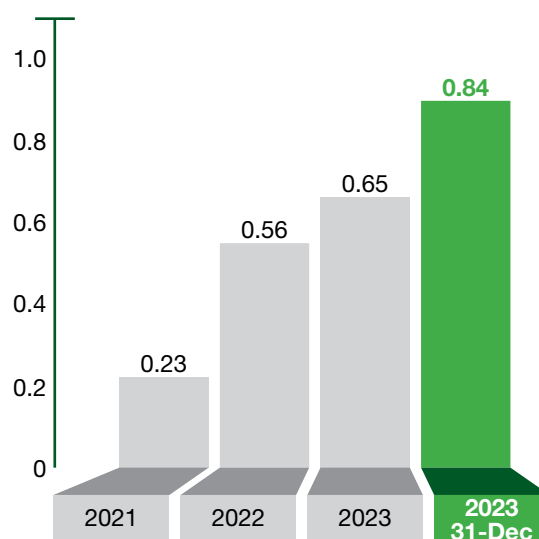
EPS (sen)



Total Asset (RM'000)



Net Asset Per Share (RM)



Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present to you the Annual Report and Audited Financial Statements of Aurelius Technologies Berhad and its subsidiary for the financial period from 1 February 2023 to 31 December 2023 ("FPE Dec 2023").

Over the years, ATech has emerged as a formidable EMS provider, serving a diverse array of industries and technology leaders. Our mission and vision have evolved alongside our capabilities, allowing us to make a meaningful impact by addressing intricate challenges with our customers and achieving significant milestones in our journey.

Presently, ATech is recognised as a go-to provider for end-to-end solutions throughout product life cycles, offering top-tier technology, engineering, design, and manufacturing services. I take great pride in our offerings and the enduring relationships we forge with customers, all in alignment with our overarching mission.

Change in Financial Year-End

The Group has recently changed its financial year end from 31 January to 31 December. The change is mainly to realign the Company's financial quarters with the calendar year.

The Period Under Review

During the financial period under review, we not only adapted to a challenging dynamic environment, but also made significant strides towards our strategic initiatives. Despite grappling with the challenges posed by the continuous supply chain disruptions, our team admirably rose to the occasion to meet heightened product demand amidst supply constraints. I would like to extend my heartfelt gratitude to our team, whose dedication represents the core strength of our company, driving positive outcomes across the entire ATech organisation.

Despite the hurdles faced during the period, we strengthened our bottom-line earnings through investing in sustainable infrastructures and talents. This achievement underscores our resilience and strategic focus, positioning us for continued success in the evolving business landscape.

Business Performance

The Group's revenue has declined compared to the previous financial year, primarily due to the impact of the global economic slowdown resulting from macroeconomic and geopolitical factors. Despite these challenges coupled with destocking activities by customers for the eleven months under review, the Group managed to achieve a revenue of RM385.6 million, including registering a 9.8% increase in revenue from Electronics Devices customers. Despite the lower revenue, the Group recorded a stronger profit after tax of RM38.2 million for the FPE Dec 2023, compared to RM37.2 million for the full financial year ended 31 January 2023. This was mainly attributed to the combination of a more balanced product mix and the Group's multiple initiatives to optimise operational efficiency.



Revenue

RM385.6 million



Profit After Tax

RM38.2 million

Sustainability

Throughout the years and various economic cycles, ATech has demonstrated tremendous agility and resilience in not only successfully navigating through numerous operational challenges, but also building the pathway for future sustainability. During the financial period under review, we improved our sustainability strategy framework by restructuring it to include a Governance pillar, now called “**EES + G**” (Governance). This framework is built on four key pillars: Economic, Environmental, Social, and Governance. We mapped our key sustainability matters to 13 UN Sustainable Development Goals (SDGs), various benchmarks available in the market, and feedback from our stakeholders. We reviewed, renamed, and consolidated our key sustainability matters to ensure our sustainability strategy framework addresses all topics material for us and our stakeholders.

We have consistently improved the quality of our sustainability disclosures by aligning EES + G reporting frameworks with the evolving developments of Bursa Malaysia's Main Market Listing Requirements (“**MMLR**”) and highlighting the key initiatives in the Sustainability Statement. This year, we disclosed baseline measures for Scope 1 alongside Scope 2 greenhouse gas (“**GHG**”) emissions and water consumption metrics. The Sustainability Statement also places an important emphasis on the compliance of our human rights and labour standards, data privacy and security, and compliance with overall regulatory requirements.

Our comprehensive approach to sustainability and EES + G initiatives remains a strategic imperative at ATech. The comprehensive Sustainability Statement is detailed in this Annual Report from page 22 to page 43.

Business Outlook

As the global market is expected to remain very challenging, uncertain and volatile, we remain confident whilst cautiously optimistic in pursuing our current strategy to diversify revenue base and to enhance profitability for the forthcoming financial years.

The Group intends to continue their disciplined efforts to maintain its prudent financial practices as it continues to build the foundation for future growth via (1) the foray into new business lines (particularly 5G and automotive products), (2) recent investment of a new industrial land in April 2024, and (3) the expected opening of P5 facility towards the year end of 2024.

Appreciation

I would like to express my heartfelt thanks to the Board members for their invaluable contributions and the entire management team for their dedication and commitment, and to our shareholders for their consistent trust and unwavering support towards our Group. I would also like to extend my sincere appreciation to our Keluarga BCM for their dedicated support to our business operations, and to our customers, suppliers, bankers, consultants, auditors, lawyers, vendors, and authorities for their ongoing support, guidance, and assistance. I am confident that with your continuous support and partnership, we will be able to bring ATech to greater heights, creating meaningful and sustainable value for all stakeholders along the journey.

Dato' F'ng Meow Cheng
Independent Non-Executive Chairperson

22 April 2024



1. Overview of ATech Group

The Company was incorporated in Malaysia as a private limited company in February 2021 and subsequently converted to a public limited company in July 2021. The principal activity of the Company is investment holding whilst its subsidiary BCM continues to operate as an EMS specialising in high-mix-low-volume focusing on manufacturing solutions for industrial electronic products namely communications and IoT products, electronic devices, and semiconductor components.

The Group continues to prioritise growing our IoT and semiconductor components segment, whilst pursuing our expansion into the new 5G and automotive business.

2. Plant & Infrastructure

During the financial period under review, the Group:

- (a) did not undertake any new construction and development of new factory space – maintaining the total office, production and warehouse space of 305,923 sq. ft as at 31 January 2023;
- (b) did not invest and roll out additional SMT lines – maintaining the total of 14 SMT lines as at 31 January 2023;
- (c) rolled out various specialised testing and manufacturing equipment for automotive and energy components;
- (d) installed two EV charging stations at the employee parking bay on 22 August 2023; and
- (e) installed and energised a 2.5783 MWp Rooftop Solar on 13 September 2023.

The Group continued to prepare for our next phase of growth by acquiring a vacant freehold industrial land measuring approximately 301,874 sq. ft, at Kulim Technocity located within KHTP held under H.S.(D) 83925, PT 5930 Seksyen 39, Bandar Kulim, District of Kulim, Kedah under New Land 1 for a total cash consideration of Ringgit Malaysia Thirteen Million Five Hundred Eighty-Four Thousand and Three Hundred Thirty (RM13,584,330.00) via the acceptance of letter of offer (“**LOA1**”) issued by Northern Technocity Sdn. Bhd. (“**NTCSB**”), being the vendor on 13 January 2023. On 10 May 2023, the Group subsequently signed the sale and purchase agreement (“**SPA1**”). Upon receiving the notification by NTCSB on 4 March 2024 pertaining to the construction completion of the land platform and infrastructure of New Land 1, the SPA1 is expected to be completed by 3 June 2024.

Northern Technocity, developed by NTCSB, is a 354-acre integrated industrial development within the KHTP. It offers a “Plug-and-Play” development model, providing ready infrastructure and utilities such as power, water, natural gas, and telecommunication lines. The target market for this industrial park includes clean and hi-tech manufacturing sectors, such as Electrical and Electronics, Semiconductors, Logistics and Warehousing, and Green Technology Manufacturing.

The Group plans to construct a new 243,977 sq. ft integrated manufacturing plant on New Land 1 (“**P5**”) to introduce advanced manufacturing for our new automotive and IoT businesses facilitating our foray into the high-volume markets and establishing an additional low-mix-high-volume business segment. P5 will serve as the Group’s main automotive and IoT manufacturing hub and is expected to be completed by the year end of 2024 with an estimated construction cost is RM75.0 million.

3. Financial Performance Review

	FPE Dec 2023	FYE Jan 2023	Changes	
			Amount	%
Revenue (RM'000)	385,559	482,362	(96,803)	(20.1)
Gross Profit (RM'000)	49,922	60,243	(10,321)	(17.1)
Profit Before Tax (RM'000)	45,781	40,279	5,502	13.7
Profit After Tax/Net Profit (RM'000)	38,247	37,245	1,002	2.7
GP margin (%)	12.9	12.5	0.4	3.2
PBT margin (%)	11.9	8.4	3.5	41.7
Net profit margin (%)	9.9	7.7	2.2	28.6
Basic EPS (sen)	9.7	10.4	(0.7)	(6.7)
Number of shares ('000)	394,068	358,180	35,888	10.0

3. Financial Performance Review (cont'd)

For the 11-months FPE Dec 2023, the Group reported a total revenue of RM385.6 million, representing a 20.1% decline compared to the previous year's 12-months FYE Jan 2023, reflecting the overall sluggish demand in the global semiconductor and EMS industry in 2023.

Group Revenue Analysis

	FPE Dec 2023	FYE Jan 2023	Changes	
	RM'000	RM'000	RM'000	%
Communication and IoT products	307,216	402,231	(95,015)	(23.6)
Electronics devices	58,168	52,956	5,212	9.8
Semiconductor components	20,175	27,175	(7,000)	(25.8)
Total	385,559	482,362	(96,803)	(20.1)

Communication and IoT products segment

Revenue from the manufacturing of communication and IoT product segment has decreased by RM95.0 million or 23.6% from RM402.2 million in the FYE Jan 2023 to RM307.2 million in the FPE Dec 2023, which was mainly due to deferment of customers' orders as they prioritise destocking and readopting stricter "just-in-time" amidst recovering supply chain trends.

Electronics devices segment

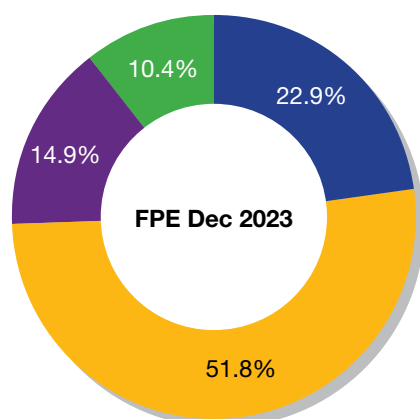
Revenue from the electronics devices segment has increased by RM5.2 million or 9.8% from RM53.0 million in the FYE Jan 2023 to RM58.2 million in the FPE Dec 2023. This growth was mainly fueled by the increased global demand from energy companies focused on increasing their reinvestment in energy production infrastructure.

Semiconductor components segment

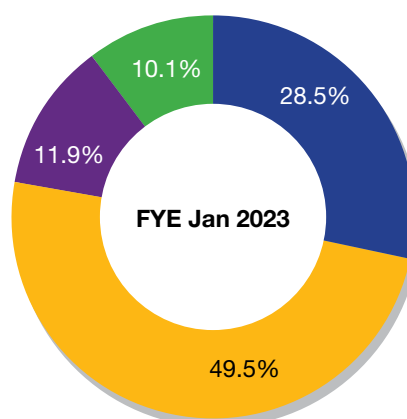
Revenue from the semiconductor components segment has decreased by RM7.0 million or 25.8% from RM27.1 million in the FYE Jan 2023 to RM20.1 million in the FPE Dec 2023. The decline was primarily attributed to the softening demand of the cellular IoT module arising from technology transition, rising interest rates and cautious spending from enterprise IoT players.

In FPE Dec 2023, the Group registered the **best-ever** profit before tax and net profit of RM45.8 million and RM38.2 million respectively (*FYE Jan 2023: RM40.3 million and RM37.2 million*). Despite experiencing a decline in total revenue of RM96.8 million and operating below capacity, the higher profits can be attributed to a combination of balancing product mix, improving manufacturing efficiency, implementation of cost management initiatives, effective capital management and the impact of a stronger US dollar.

Revenue Breakdown by Geographical Market



■ MALAYSIA
■ ASIA PACIFIC (excluding Malaysia)
■ AMERICAS
■ EUROPE



■ MALAYSIA
■ ASIA PACIFIC (excluding Malaysia)
■ AMERICAS
■ EUROPE

3. Financial Performance Review (cont'd)

The United States of America (“**Americas**”) remained the primary contributor to the Group, generating 51.8% of the total group turnover. Following closely, Malaysia contributed 22.9%, while the Asia Pacific customers accounted for 14.9%, and Europe contributed 10.4% for the FPE Dec 2023.

Compared to the preceding year, revenue from the Americas grew by 2.3%, whereas contributions from Malaysia experienced a significant decline of 5.6%. The Group aims to achieve a more balanced geographical contribution by focusing on increasing revenue from Asia Pacific (excluding Malaysia) customers – by diversifying into 5G semiconductor components production, and onboarding new customers to further grow in the IoT products and electronic devices segments.

4. Financial Position Review

4.1 Financial Position Analysis

	FPE Dec 2023	FYE Jan 2023	Changes	
	RM'000	RM'000	RM'000	%
Non-current assets	123,229	117,223	6,006	5.1
Current assets	366,180	302,151	64,029	21.2
Total assets	489,409	419,374	70,035	16.7
Non-current liabilities	(29,644)	(30,706)	1,062	(3.5)
Current liabilities	(129,437)	(157,072)	27,635	(17.6)
Total liabilities	(159,081)	(187,778)	28,697	(15.3)
Net assets	330,328	231,596	98,732	42.6
Current ratio (times)	2.8	1.9	0.9	47.4

Assets

The Group’s non-current assets increased by RM6.0 million or 5.1% from RM117.2 million (FYE Jan 2023) to RM123.2 million (FPE Dec 2023), mainly due to capital expenditure (“**CAPEX**”) investment of **RM17.7 million (FYE Jan 2023: RM39.9 million)** with the notable investments in:

- (a) the Rooftop Solar of RM7.6 million; and
- (b) the various specialised testing and manufacturing equipment for automotive and energy components totaling RM8.1 million.

The Group’s current assets have increased by RM64.0 million or 21.2% from RM302.2 million (FYE Jan 2023) to RM366.2 million (FPE Dec 2023), mainly due to the following factors:

- (a) increase in cash and cash equivalents by RM37.9 million from excess cash from the private placement of the issuance of new Company ordinary shares on 2 February 2023 (“**Private Placement**”) arising from the deferment of (i) purchasing SMT machines and (ii) development of P5;
- (b) increase in inventories by RM51.9 million attributed to the (i) deferment of orders by customers, and (ii) growth in order book; and
- (c) decrease in trade receivables by RM32.7 million due to (i) a decline in overall operating revenue, and (ii) improved customer collections management.

Liabilities

The Group’s current liabilities decreased by RM27.6 million or 17.6% from RM157.1 million (FYE Jan 2023) to RM129.4 million (FPE Dec 2023), mainly contributed to the following factors:

- (a) repayments of bank facilities of RM67.6 million; and
- (b) increase in trade payables of RM25.0 million arising from increase in material orders in line with the higher order book.

4. Financial Position Review (cont'd)

4.2 Cash Flow Analysis

	FPE Dec 2023 RM'000	FYE Jan 2023 RM'000	Changes	
			RM'000	%
Net cash generated from operating activities	65,109	40,994	24,115	58.8
Net cash used in investing activities	(43,141)	(40,947)	(2,194)	5.4
Net cash used in financing activities	(12,839)	(26,651)	13,812	(51.8)
Net change in cash and cash equivalents	9,129	(26,604)	35,733	(134.3)
Effect of exchange rate fluctuations	(595)	(1,324)	729	(55.1)
Cash and cash equivalents at the beginning of the financial year	41,707	69,635	(27,928)	(40.1)
Cash and cash equivalents at the end of the financial period/ year	50,241	41,707	8,534	20.5

The Group's net cash from operating activities witnessed a significant increase of RM24.1 million or 58.8%, rising from RM41.0 million in the FYE Jan 2023 to RM65.1 million in the FPE Dec 2023. This positive trend can be attributed to several factors:

- Higher operating profit contributed by combination of balanced product mix, improved manufacturing efficiency, implementation of cost management initiatives and the impact of a stronger US dollar;
- improved customer collections management; and
- improved supplier credit terms.

The Group's net cash used in investing activities increased by RM2.2 million or 5.4% from RM40.9 million (FYE Jan 2023) to RM43.1 million (FPE Dec 2023) can be attributed to the effective capital management and prudent financial practices contributing to the following:

- increase in short term investments and fixed deposit more than 3 months by RM27.0 million;
- increase in interest income received of RM2.9 million; and
- deferment and reduction in CAPEX investment payments of RM22.0 million.

The Group recorded a reduction of net cash used in financing activities by RM13.8 million or 51.8%. This is mainly due to a combination of the following factors:

- Private Placement net proceeds of RM77.1 million received during the FPE Dec 2023;
- full settlement of trade facilities of RM67.8 million via a combination of internally generated funds and Private Placement proceeds;
- scheduled repayment of machinery's term financing and lease liabilities of RM4.0 million and RM1.1 million respectively; and
- first and final interim dividend payments totaling RM16.9 million during the FPE Dec 2023.

4.3 Liquidity & Capital Structure

The Group is confident in maintaining adequate working capital to meet both its current needs and foreseeable future requirements in view of the following financial parameters:

- the total debt-to-equity ratio of positive 0.07x as at 31 December 2023;
- the total of cash and cash equivalent, excluding short-term investments, exceeds the total debt as at 31 December 2023 and;
- the total short-term investments, cash and cash equivalents are RM88.8 million as at 31 December 2023;

4. Financial Position Review (cont'd)

4.3 Liquidity & Capital Structure (cont'd)

- (d) the current ratio improved from 1.9 times (FYE Jan 2023) to 2.8 times (FPE Dec 2023) indicating the Group's ability to meet short-term obligations; and
- (e) expected cash flows to be collected from the trade receivables amounting to RM99.1 million as at 31 December 2023 and future business operations of the Group.

5. Capital Expenditure Requirements

The Group continues to be committed to business growth and prioritised the allocation of the necessary financial resources for the planned CAPEX initiatives in the forthcoming financial years for enhancing our operations and expanding our capabilities.

Arising from the challenging market conditions in 2023, the Group focused on the roll-out of specialised equipment for automotive and energy components manufacturing, whilst reprioritising and deferring a few CAPEX initiatives planned for 2023 to forthcoming years as follows:

- (a) Purchase of 3 SMT Lines amounting to approximately RM25.0 million;
- (b) Warehouse extension and clean room facilities amounting to approximately RM5.5 million;
- (c) Information technology infrastructure enhancements of approximately RM1.2 million; and
- (d) Construction of P5 amounting to approximately RM75.0 million.

Post financial period on 3 January 2024, the Group accepted a letter of offer ("**LOA2**") from NTCSB to acquire an additional vacant industrial land measuring approximately 270,034 sq. ft. This land is situated adjacent to New Land 1 at Northern Technocity held under H.S.(D) 83933, PT 5938 Seksyen 39, Bandar Kulim, District of Kulim, Kedah under New Land 2 for a total cash consideration of Ringgit Malaysia Twelve Million One Hundred Fifty-One Thousand Five Hundred and Thirty (RM12,151,530.00). On 4 April 2024, the Group subsequently signed the sale and purchase agreement ("**SPA2**") with NTCSB with the expected completion date of the SPA2 to be in the circa of Q2 2025.

These strategic investments in New Land 1 and New Land 2 intend to facilitate the construction of a contiguous expansion and extension of P5 at New Land 2 ("**P6**") in view of the Group's aspirations to continue to grow our various business segments over the next 3 to 5 years.

The CAPEX requirements are expected to be funded by a combination of the following financial sources:

- (a) the balance of the proceeds from the Private Placement amounting to approximately RM43.6 million as at 31 December 2023;
- (b) bank financing or credit facilities; and
- (c) internally generated funds from ongoing operations.

6. Business Risk and Operations Outlook

The Group faces a multitude of challenges stemming from industry-wide and global trends which includes but not limited to the following:

- (a) Potential Natural Disasters:
 - *Both local and global natural disasters (e.g. earthquakes in Taiwan and Japan, tornado and floods in Americas etc.) pose unplanned disruption risks to operations and supply chains.*
- (b) Escalation of Operational Costs:
 - *Overall operational cost including manpower, material, distribution and utility costs continue to increase due to global inflationary and higher interest rates pressures, effecting business resilience and narrowing operating profit margins.*

6. Business Risk and Operations Outlook (cont'd)

- (c) Global Supply Chain Constraints:
 - *Global supply chain has been selectively improving but continues to pose a challenge due to long lead time or delays, irregular quality consistency, constant disruptions to transportation routes (e.g. Red Sea conflict), geo-political disruptions, and increasing requirements of “green components”.*
- (d) Financing Cost Challenges:
 - *Changes in inventory holdings requirements and collection trends may result in higher financing costs in the high interest rate environment.*
- (e) Exchange Rate Volatility:
 - *Fluctuations in foreign currency exchange rates, including potential de-dollarisation impacts, will affect business planning and resilience.*
- (f) Weak Global Economy:
 - *Lingering global recession with selective signs of soft landing of certain economies may not provide strong assurance for stability of global markets and growth in global demands.*
- (g) Geopolitical Conflicts and Uncertainty:
 - *Current global geo-political tensions with ongoing Ukraine-Russia conflict, Middle East crisis and US-China trade war continue to create market uncertainty.*
- (h) Global Cyber Security Threats:
 - *Continuous vigilance of cyber security threats with increasing digitalisation in manufacturing processes and and global connectivity.*

With these concerns and a lack of market confidence, global demands may continue to be volatile and not be sustainable. Any potential global incidents or conflicts may materially disrupt our business operations.

To address these challenges, our Group maintains a prudent and cautiously optimistic approach. We navigate unpredictable markets by diversifying our customer base, expanding manufacturing capacity, digitalising our manufacturing processes, and enhancing technology capabilities. Simultaneously, we are actively optimising our cost and capital structures.

As the Group strategises to invest in planned CAPEX for future growth, we remain sensitive and agile to the volatilities and trends in the global markets in the execution our investment decisions and priorities.

With the increasing growing order book and onboarding of new customers as we continue to drive operational excellence, we maintain a cautiously positive outlook for the Group's performance in the financial year ending 31 December 2024 (“**FYE 2024**”).

7. Dividends

For the FPE Dec 2023, the Group declared its dividends as follows:

- **29 September 2023:** the first interim single-tier dividend of RM0.023 per ordinary share amounting to RM9.1 million for the FPE Dec 2023 which was paid on 10 November 2023 to the shareholders of the Company whose names appear in the Record of Depositors on 14 October 2023.
- **28 February 2024:** the final interim single-tier dividend of RM0.025 per ordinary share amounting to RM9.9 million for the FPE Dec 2023 which was paid on 9 April 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 13 March 2024.

The Group continues to maintain the dividend policy that targets our dividend payout ratio of up to 50% of our profit after tax attributable to owners of our Group of each financial year on a consolidated basis after taking into account the Group's working capital requirements, subject to any applicable law and contractual obligations and provided that such distribution will not be detrimental to the Group's cash requirements or any plans approved by our Board.

8. Material Litigation

The Group is not involved in any significant litigation, claims, or arbitrations, either as a plaintiff or defendant, that could have a material and adverse impact on our Group's financial or business position.



ABOUT THIS STATEMENT

The Group remains dedicated to establishing as a prominent green manufacturing service provider on a global scale. The Group continues its commitment to promoting Economic, Environmental, Social and Governance (“EESG”) practices across all facets of our operations, fostering a culture of sustainability within the organisation. Embracing sustainability aims to strengthen the Group’s business for continued growth, balancing risk mitigation while fulfilling environmental and social responsibilities.

This Sustainability Statement (“Statement”) highlights the Group’s ongoing integration of sustainability best practices and principles in the operational framework, aligning with the Group’s vision, mission, and values. This Statement also provides a detailed overview of sustainability initiatives, offering comprehensive insights into key issues and performance metrics as part of the transparent commitment to sustainability.

FORWARD-LOOKING STATEMENT

The forward-looking statements in the Statement are derived from the Group’s current expectations, beliefs, and assumptions, and should not be seen as assurances of future performance. These statements may be subject to inherent uncertainties, risks, trends, or factors that are challenging to predict and are beyond its control. Changes in global economic conditions, government policies, customer demands, and other factors could impact the actual outcomes outlined in this statement.

REPORTING PERIOD AND BOUNDARY

This Statement covers information on the sustainability strategies, approaches and performance of the Group’s business operation in Malaysia, located at Plot 21, Jalan Hi-Tech 4, KHTP, Phase 1, 09090, Kulim, Kedah. The Group has changed its financial year end from 31 January to 31 December, hence this statement covers a period of 11 months from 1 February 2023 to 31 December 2023 (FPE Dec 2023), unless stated otherwise. Where relevant, data from previous years was included to track year-on-year progress and provide additional context. This Statement provides information on an entity basis rather than on a business segments basis.

REPORTING FRAMEWORK AND STANDARDS

This Statement is prepared based on:

- the MMLR Practice Note 9 Risk Management and Internal Control, Corporate Governance and Sustainability Statement (*Revised 6 June 2022*);
- Sustainability Reporting Guide 3rd Edition (*26 September 2022*) and Toolkits (“**Bursa Sustainability Guidelines**”); and
- The United Nations Sustainable Development Goals (“**UNSDGs**”).



STATEMENT'S CONTACT POINT

Feedback from stakeholders regarding this Statement or sustainability practices and initiatives is welcome and encouraged. Please direct any comments or questions to the designated email address at sustainability@atechgroup.com.my.

SUSTAINABILITY GOVERNANCE STRUCTURE

To integrate sustainability throughout the organisation, a top-down approach has been adopted in sustainability governance, led by the Board, which retains ultimate responsibility for overseeing EESG matters in the Group's strategies. To support this approach, the sustainability governance structure was strengthened in the third quarter ("Q3") of FYE Jan 2023 by establishing the (1) Sustainability Management Committee ("SMC") and (2) Sustainability Working Team ("SWT"). The SMC chaired by the Group CFO, assists the Board in strategically reviewing the progress of the organisation's EESG matters and when necessary, recommending new initiatives to improve the EESG matters performance. The SMC is represented by the Director of Sustainability and Governance ("DSG"), and selected Heads of Departments ("HODs").

During the financial period under review, the SWT has been restructured into two distinct entities: the (1) Sustainability Team and (2) Implementation Team. Under the purview of the SWT are the Sustainability Team and Implementation Team, led by the DSG and HODs respectively, including members from middle management across the organisation. The Sustainability Team is responsible for the full-time management and implementation of the organisation's sustainability plan, while the Implementation Team handles the implementation of plan/initiatives and department data gathering.

Governance Structure	Members	Roles & Responsibilities
Board	<ul style="list-style-type: none"> Independent Non-Executive Directors Non-Independent Non-Executive Directors Non-Independent Executive Directors 	<ul style="list-style-type: none"> Oversight Strategy Strategy and Direction Setting Performance Monitoring
SMC	<ul style="list-style-type: none"> Group CFO DSG HODs 	<ul style="list-style-type: none"> Develop a sustainability strategy and framework Review the progress of plans/initiatives (performance monitoring) Recommend new initiatives and priorities
Sustainability Team	<ul style="list-style-type: none"> DSG Section Manager Officer 	<ul style="list-style-type: none"> Prepare implementation plan/initiatives Manage and drive implementation plans/ initiatives Group data tracking and reporting
Implementation Team	<ul style="list-style-type: none"> HODs 	<ul style="list-style-type: none"> Implementation of plans/initiatives Department data gathering

THE GROUP'S SUSTAINABILITY MILESTONES

FYE 2024 (Jan 2024- Dec 2024)

- Published the Group's third (3rd) Sustainability Statement on 30 April 2024

FPE Dec 2023 (Feb 2023- Dec 2023)

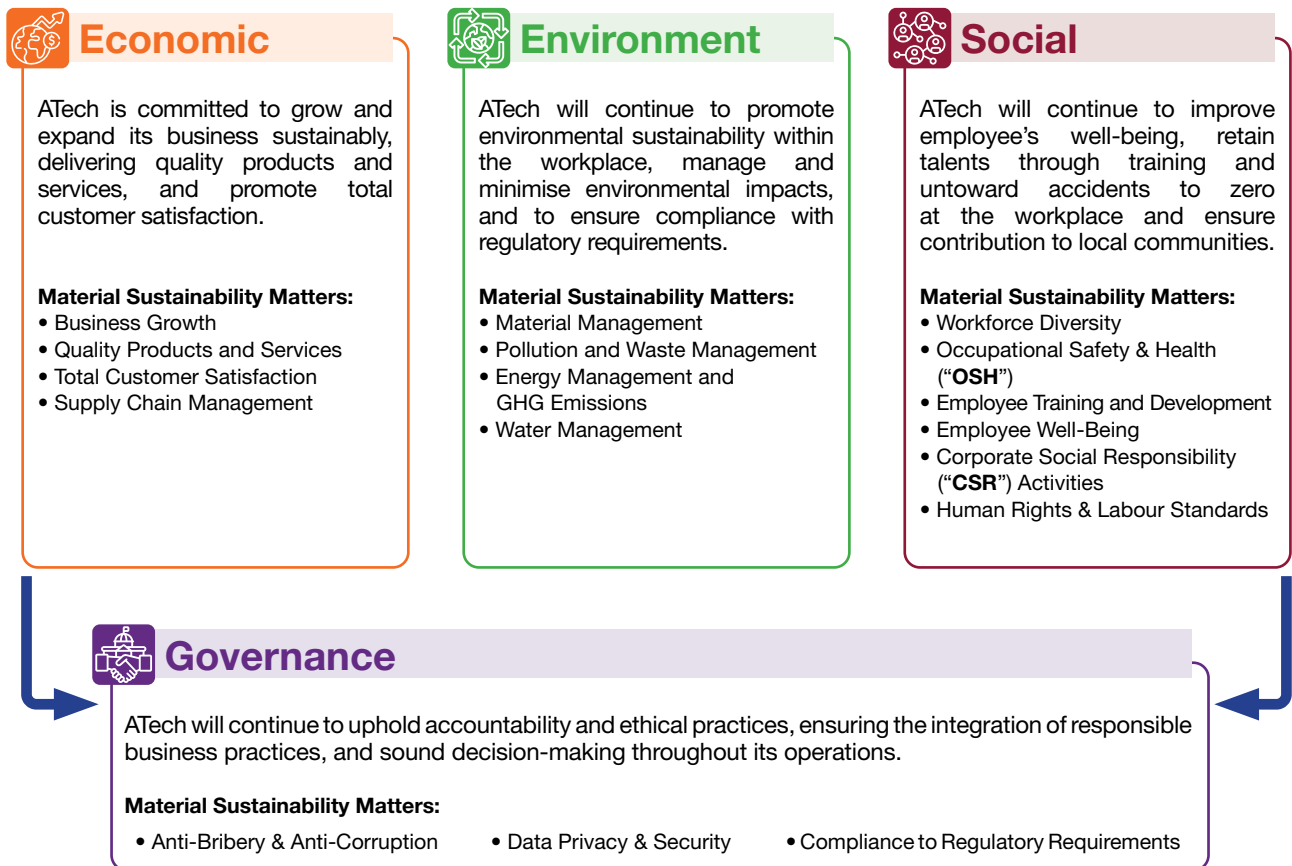
- Restructured the sustainability working team into two distinct entities: (1) the Sustainability Team and (2) the Implementation Team on 31 October 2023.
- Conducted stakeholder engagements and materiality assessment exercises for the third (3rd) Sustainability Statement to reprioritise Material Sustainability Matters ("MSMs") on 25 September 2023.
- Restructured the existing sustainability strategy framework of ATech Group – Economic, Environment and Social ("EES") by including Governance as another pillar, thus transforming it into EESG on 28 June 2023.
- Successfully completed the installation and energisation of a 2.5783 MWp Rooftop Solar at BCM on 13 September 2023.
- Celebrated BCM's 30th Anniversary with business associates and employees at KHTP Sports Complex, themed: "30 X 30: Honouring Our Past & Empowering Our Future with Sustainable Growth" on 22 August 2023.
- Introduced two EV charging stations at the parking area of BCM on 22 August 2023.
- ATech and Motorola Solutions Inc. jointly planted six trees to symbolise their sustainable, longstanding partnership on 22 August 2023.
- Donated 53 Tree Saplings to Kulim Customs Office in support of their Green Landscape Program on 15 June 2023.

THE GROUP'S APPROACH

SUSTAINABILITY STRATEGY FRAMEWORK

The Group's sustainability strategy was originally built upon a robust framework consisting of three pillars, namely (i) Economic; (ii) Environment; and (iii) Social (EES). These pillars have been integral in driving the commitment to sustainable development, fostering resilience, and creating long-term value across the business value chain.

During the financial period under review, the fourth pillar, Governance, has been integrated into the sustainability strategy framework, now termed as "EESG". This addition reflects dedication to enhancing accountability and ethical practices within the Group's organisation. Together, these four pillars constitute the foundation of the Group's sustainability strategy, guiding its actions and ensuring the integration of responsible business practices and sound decision-making throughout the Group's business operation.










OUR SUSTAINABILITY GOALS

Sustainability Strategy	Sustainability Goals	Targets
<p>Economic</p> <ul style="list-style-type: none"> Business Growth Quality Products & Services Total Customer Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> To grow and expand our business in a sustainable way. To deliver quality products and services. To promote total customer satisfaction. To enhance local economic development. 	<ol style="list-style-type: none"> Business growth - To achieve our targeted gross profit margin set for FYE 2025. Deliver Quality Products and Services - To meet customers' quality goals. Meet Customer Requirements - To achieve the overall survey rating of more than 85%. Promote Local Suppliers - To increase spending on local suppliers by having the local content proportion of more than 30% of our annual purchases.
<p>Environment</p> <ul style="list-style-type: none"> Material Management Pollution and Waste Management Energy Management & GHG Emissions Water Management 	<ul style="list-style-type: none"> Regulatory compliance. To manage and minimise environmental impacts. To reduce GHG emissions and advocate the Net ZERO Carbon Emission by year 2050. To ensure sustainable water consumption. 	<ol style="list-style-type: none"> Compliance with environmentally friendly materials - 100% compliance with regulatory requirements. Minimise waste and the environmental impact - To comply with ISO140001:2015 standard and 100% compliance with environmental and regulatory requirements. Reduce GHG Emissions – Solar PV system – To achieve 35% of electricity savings by FYE 2024. To reduce water consumption, set the average water consumption per employee is 5m³/ per month.
<p>Social</p> <ul style="list-style-type: none"> Workforce Diversity Occupational Safety and Health Employee Training and Development Employee Well-Being CSR Activities Human Rights and Labor Standards 	<ul style="list-style-type: none"> No discrimination at workplace. Zero accidents at workplace. Promote continuous learning culture. Employee health is our priority. Promote community engagement. Zero incidences of labour law violations. 	<ol style="list-style-type: none"> Diversity and Equal Opportunities - 100% compliance with regulatory requirements. Zero workplace accidents. Retain talent and succession planning - Turnover rate less than 2%. Promote employee well-being by organising five activities annually. Contribute to local communities by organising five activities annually. 100% compliances to: <ul style="list-style-type: none"> Responsible Business Alliance (“RBA”) Code of Conduct: Section A- (1) Free Chosen Employment & (2) Young Workers; and Employment Act 1955: Prohibition of slavery and forced labor.
<p>Governance</p> <ul style="list-style-type: none"> Anti-Bribery & Anti-Corruption (“ABAC”) Data Privacy & Security Compliance to Regulatory Requirements 	<ul style="list-style-type: none"> Practise good corporate governance and ethics. Zero breaches of privacy and data protection. Ensure 100% compliance to regulatory requirements. 	<ol style="list-style-type: none"> Zero cases of non-compliance and ethical issues. Zero complaint concerning breaches of customer privacy and loss of customer data. 100% compliance with local regulatory requirements: <ul style="list-style-type: none"> Occupational Safety and Health Act 1994 (Act 514); Environmental Quality Act, 1974; Employment Act 1955; Licensing; and Malaysian Financial Reporting Standard (“MFRS”) & MMLR Practise Note 9, Bursa Securities Berhad.

STAKEHOLDER ENGAGEMENT

The Group interacts with a broad range of stakeholder groups that have an effect on, or are affected by the Group and its activities. Key stakeholder groups encompass customers, suppliers, government agencies and regulators, employees, local communities, shareholders or investors, and financiers. These stakeholders were identified based on their varying levels of influence on and dependence upon the business.

As a Group, the objective is to maintain open and constructive lines of communication with all key stakeholder groups. Therefore, regular engagement with them occurs through both formal and informal channels. These interactions enable the identification of material issues and gain insights into emerging opportunities and risks whilst respond more effectively to their needs.

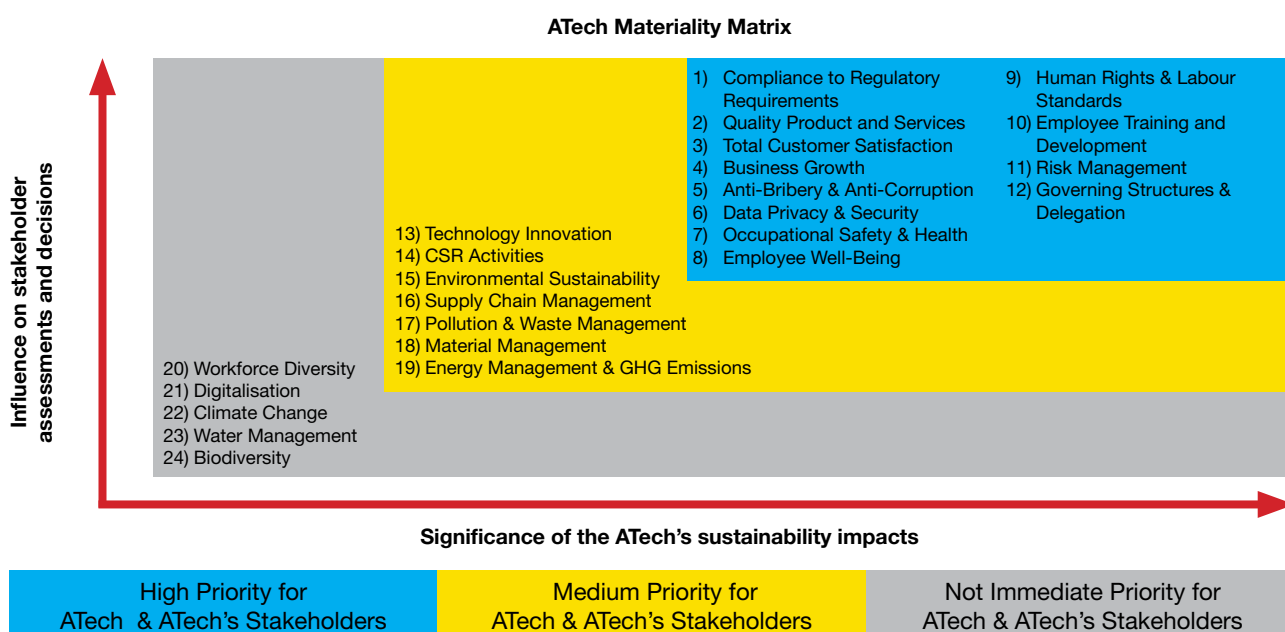
Stakeholders	Engagement Approaches	Area of Sustainability Priorities & Importance	Frequency
Customers 	<ul style="list-style-type: none"> - Customer site visit - Online meeting - Business performance review - Corporate website 	<ul style="list-style-type: none"> - Product quality - On-time delivery - Competitive pricing - Customer service and satisfaction 	<ul style="list-style-type: none"> - As and when needed - On-going - Annually
Suppliers 	<ul style="list-style-type: none"> - Phone calls - Emails - Face-to-face communication - Supplier evaluation 	<ul style="list-style-type: none"> - Fair and transparent procurement procedure - Supplier selection and evaluation - Credit terms and timely payments - Environmental-friendly material 	<ul style="list-style-type: none"> - As and when needed - On-going - Annually
Government Agencies and Regulators 	<ul style="list-style-type: none"> - Compliance audit - Phone calls - Emails - Face-to-face communication - Bursa Announcement - Corporate website 	<ul style="list-style-type: none"> - Regulatory compliances - Good corporate governance practices 	<ul style="list-style-type: none"> - As and when needed - On-going
Employees 	<ul style="list-style-type: none"> - Townhall meetings - Corporate organised event - Training & Development program - Communication boards - Emails - Employee performance appraisal - Social media 	<ul style="list-style-type: none"> - Safe and healthy working environment - Competitive and fair remuneration - Equal opportunity for career advancement - Continuous training and development 	<ul style="list-style-type: none"> - As and when needed - On-going - Monthly - Annually
Local Communities 	<ul style="list-style-type: none"> - CSR activities - Group website for job application - Social media 	<ul style="list-style-type: none"> - Employment opportunities - Local economic support - Contribution to communities' well-being 	<ul style="list-style-type: none"> - As and when needed - On-going - Quarterly
Shareholders/ Investors 	<ul style="list-style-type: none"> - Corporate website - Investor Relation channel - Annual Report - Annual General Meeting - Regular meetings and correspondence - Quarterly reports - Bursa Announcement 	<ul style="list-style-type: none"> - Group direction and strategy - Corporate governance - Risk management and internal controls - Interest of various stakeholders - Financial Performance 	<ul style="list-style-type: none"> - As and when needed - Quarterly - Annually
Financiers 	<ul style="list-style-type: none"> - Corporate website - Physical meeting - Online meeting - Emails - Phone calls - Bursa Announcement - Annual Report 	<ul style="list-style-type: none"> - Group direction and strategy - Corporate governance - Financial performance 	<ul style="list-style-type: none"> - As and when needed - Quarterly - Annually

MATERIALITY ASSESSMENT

The materiality assessment process for the Group's MSMs for the FPE Dec 2023 was conducted with the following strategies:

- A comprehensive stakeholder survey with internal stakeholders and all key external stakeholder groups;
- Materiality process in alignment with (i) Bursa Sustainability Guidelines and (ii) Sustainability Accounting Standards Board ("SASB") Standards for sector-specific MSMs;
- Reviewed and enhanced the previous MSMs to be aligned with (i) 13 UN Sustainable Development Goals (SDGs), (ii) various benchmarks available in the market and (iii) with the most current and anticipated future priorities of (a) the Group, (b) the Group's stakeholders, and (c) the environment considerations;
- The analysis of the survey results was further analysed and moderated with the feedback from the Group's Board and management team; and
- The outcome of the materiality process was reviewed by the SMC and approved by the Board.

The outcome of this materiality assessment is illustrated in the Materiality Matrix below.



The Group's prioritised 17 relevant MSMs for FPE Dec 2023 are as follows:

Economic	Environment	Social	Governance
Business Growth	Material Management	Workforce Diversity	Anti-Bribery & Anti-Corruption ⁽ⁱ⁾
Quality Products and Services	Pollution and Waste Management ⁽ⁱⁱⁱ⁾	Occupational Safety and Health	Data Privacy & Security ¹
Total Customer Satisfaction	Energy Management & GHG Emissions ⁽ⁱⁱ⁾	Employee Training and Development	Compliance to Regulatory Requirements ¹
Supply Chain Management	Water Management ¹	Employee Well-Being	
		CSR Activities	
		Human Rights & Labor Standards	

Notes:

- New MSMs considered for FPE Dec 2023
- Revised names of existing MSMs from FYE Jan 2023 to FPE Dec 2023:
 - "Corporate Governance" renamed as "Anti-Bribery & Anti-Corruption" within the Governance pillar;
 - "GHG Emissions" renamed and collectively managed under "Energy Management & GHG Emissions" within the Environment pillar; and
 - "Environmental Sustainability" is collectively managed under "Pollution and Waste Management" within the Environment pillar.

The Materiality Matrix above renews the Group's focus on MSMs, which serves as the basis of this Statement, while the respective indicators are to facilitate the monitoring and measurement of sustainability performance.

 Economic

1. Business Growth

The Group’s business growth contributes to the establishment of long-term value and supports the sustainability strategy framework. The Group’s ultimate goal is to grow and expand its business in a sustainable manner.

As such, the Group ensures and sustains good economic performance by executing strategies aimed at achieving excellence in business operations. These strategies include (1) keeping up with market trends, (2) embracing technological advancements, and (3) addressing identified risks pertinent to operations. To drive volume growth, the Group continued to transform its manufacturing facilities and capabilities by introducing clean room facilities, new automation technologies, and lean processes to support (a) low-mix-high-volume manufacturing businesses, and (b) advance electronics manufacturing for the automotive industry.

During the financial period under review, the Group recorded a lower revenue of RM385.6 million due to challenging market conditions in 2023. The Group continues to actively (a) expand customer and product base, (b) improve operational efficiency, (c) optimise higher margin product mix and (d) align production planning to improve its financial performance. Additionally, the Group is continuing its efforts to facilitate New Product Introduction (“NPI”) production and procure new customers or product orders, including preparations for the automotive industry.

On 4 April 2024, the Group signed a sale and purchase agreement to acquire another vacant freehold industrial land. This acquisition is intended to facilitate the Group’s continued business growth and diversification so that it can achieve greater economies of scale to remain competitive in the market.

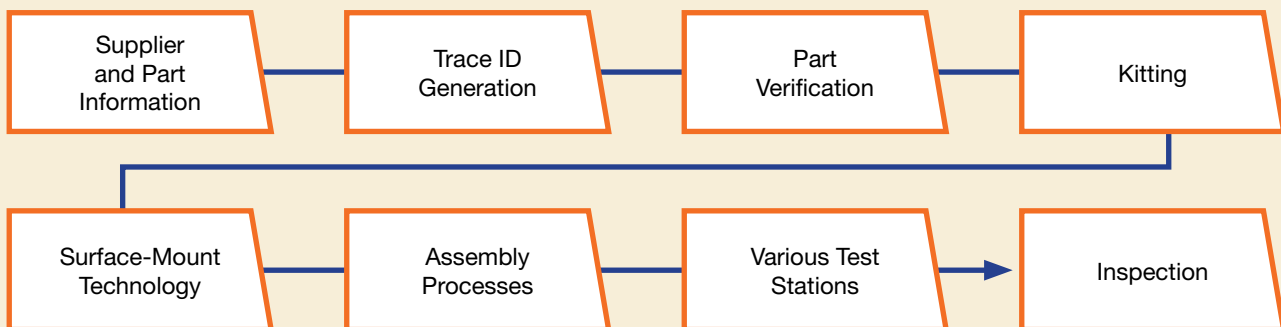
2. Quality Products and Services

The Group is continuously devoting efforts to pursuing quality excellence and meeting customers’ expectations. The Group regularly communicates Quality Policy and Quality Management System (“QMS”) to all levels of employees and suppliers. The QMS is based on ISO 9001:2015, and audited/accredited annually by TÜV Rheinland Malaysia. Proactive approaches are taken towards customers by conducting regular quality review, customer satisfaction survey and visiting customers to get direct feedback. The goal is to remain aligned with customer’s latest quality expectations and resolve their feedback in a timely manner.

Scheduled internal audits are conducted by Internal Quality Auditors for In Process Quality Assurance (“IPQA”). In pursuit of quality improvement initiatives, the Group continuously review and improve its Manufacturing Execution System (“MES”) to strengthen the process quality control and traceability. The MES is capable to provide features such as routing control, real time Key Performance Indicator (“KPI”) and component / product full traceability.

MES Traceability system covers from material purchase from supplier and manufacturer. Trace Identity Document (“Trace ID”) are generated and scanned at all key input locations within the manufacturing process flow till the shipment to the customer.

Traceability System Flow





The Group's quality certifications comprise of:

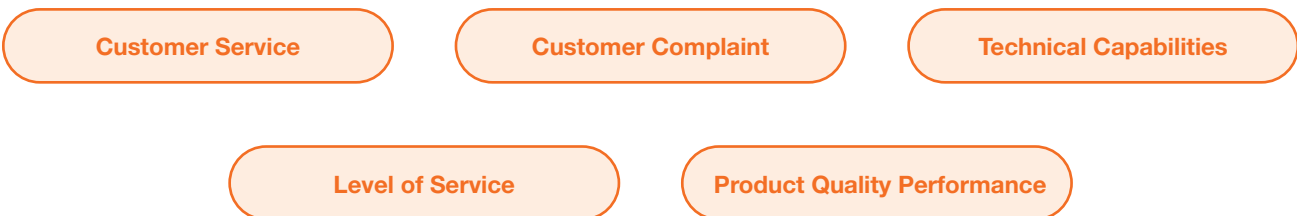
- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- EN ISO 13485:2016 Medical Devices Quality Management System
- IATF 16949: 2016 Automotive Quality Management System
- ANSI/ESD S20.20:2014 Electrostatic Discharge Control

The Group remains dedicated to pursuing continuous improvement to compliance with the customers quality requisite.

3. Total Customer Satisfaction

The Group committed that total customer satisfaction remains a key factor for long-term success and upholding its reputation as a prominent EMS provider in the market. As a customer centric company, the Group continuously strives to elevate customer satisfaction by valuing their feedback and meeting quality standards in all of its services.

The Group's dedication lies in improving customers' experience through diverse channels, such as regular feedback collection and the annual Total Customer Satisfaction Survey ("TCSS"). These initiatives led by the Program Management team working alongside with the Quality team, helps in understanding customers' needs and expectations better, allowing for refinement of service offerings. TCSS addresses various topics, including but not limited to:



Economic (cont'd)

3. Total Customer Satisfaction (cont'd)

Customers' onboarding process has been refined and optimised to provide even greater support and guidance to all the customers from the outset. Through meticulous engagement during the early stages of product development, close collaboration with customers addresses every aspect of their requirements, from material selection and manufacturing approaches to testing protocols and quality controls.

Engineering teams are ready to provide comprehensive technical support to customers, offering expertise in customised upgrades, modifications, and rework solutions. Additionally, the Group has augmented its efforts to keep its customers informed by periodically updating them on the latest advancements in materials, manufacturing processes, and technologies to enable the customers to (a) improve product quality and (b) produce at competitive cost. The Program Management team continues to prioritise timely responses to customer inquiries, striving to address all queries within two business days.

As of FPE Dec 2023, the average customer rating stands at 85%, aligning precisely with the targeted rating of 85%.

4. Supply Chain Management

Sustainability continues to be a top priority of the Supply Chain Management team. Recognising the pivotal role of a robust supply chain in supporting manufacturing processes and delivering value to customers, the Group maintains the standards, including to adhering to customers' Approved Manufacturer List ("**AML**") to ensure the quality of raw materials and services provided by suppliers, as well as sourcing responsibly.

Annual supplier evaluations and audits are conducted to assess performance, particularly for materials outsourced from the Group's Approved Supplier Listing ("**ASL**"). Continuous monitoring of ASL ensures adherence to quality and delivery standards, with monthly measurements tracking delivery performance and product quality. Suppliers failing to meet standards are promptly evaluated for potential removal from the ASL after appropriate assessments for improvement.

All suppliers are required to adhere to the Group's Code of Business Conduct and Ethics ("**CBCE Policy**"), including zero corruption, minimising environmental impacts and safeguarding employees' and workers' rights, thus the Group has extended its Corruption Free Pledge across all new suppliers. The CBCE policy should be read along with the Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**"), which can be accessed through ATech's website.

Recognising operational requirements, the Group also prioritises sourcing products and services from local suppliers whenever feasible. By doing so, the Group not only contributes positively to the local economy but also minimises its carbon footprint. In FPE Dec 2023, 30% was spent on local suppliers, meeting the targeted rating.

Metrics	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Proportion of spending on local suppliers	30%	30%	31%

Environment

5. Material Management

The Group's focus on material management remained unwavering as it sustained its commitment to employ safe and environmentally conscious materials in manufacturing activities.

Working alongside with the Quality team, the Supply Chain Management team continuously strives to meet with global standards of material management such as the Conflict Material Reporting Template ("**CMRT**"), Registration, Evaluation, Authorization, and Restriction of Chemicals ("**REACH**"), and Restriction on Hazardous Substances ("**RoHS**"). The Group successfully integrated compliances to the International Material Data System ("**IMDS**") for selected customers, marking a critical step in the journey towards automotive component manufacturing. This achievement aligns with the commitment to meeting the evolving regulatory requirements and industry standards.

The Group remains dedicated to pursuing continuous improvement in its material management practices to achieve a 100% compliance with the requisite global standards going forward.





Environment (cont'd)

6. Pollution and Waste Management

The Group continues to prioritise responsible waste management and environmental stewardship. The Group's waste management activities continue to be conducted in strict adherence to the Environmental Quality Act 1974 (Amended 2022) (“**EQA**”) and ISO 14001: 2015: Environmental Management System (collectively “**Environmental Guidelines**”). Oversight is led by the Safety Officer, who is certified as a Certified Environmental Professional in Scheduled Waste (“**CePSWaM**”).

The Group's approaches are guided by BCM's Quality, Environmental, Health and Safety Policy (“**QEHS Management System**”) which outlines the environmental procedures to manage both hazardous and non-hazardous wastes. This includes:

- a) Implementing a rigorous waste disposal process with standardised procedure;
- b) Designating dedicated storage areas equipped with adequate safety features and located at a safe distance from operational areas;
- c) Enhancing waste segregation process;
- d) Conducting scheduled inspections of waste volume and storage conditions to maintain compliance and mitigate risks;
- e) Conducting annual evaluations of waste management impact to identify areas for improvement; and
- f) Providing regular and scheduled training for employees responsible for waste management to ensure competence and adherence to protocols.

Through BCM, close collaboration is maintained with regulatory authorities such as the Department of Environment (“**DOE**”) to ensure compliance with scheduled waste management requirements. This includes timely notification and declaration of scheduled waste types to the DOE, demonstrating the Group's commitment to regulatory compliance.

During the financial period under review, the Group has maintained a steadfast commitment to zero non-compliance with EQA regulations concerning pollution and waste management.

7. Energy Management & GHG Emissions

The Group is committed to addressing the environmental impact on its manufacturing operations. In FPE Dec 2023, the Group has intensified its efforts to reduce GHG emissions across Scope 1 and 2. While the majority of emissions still originate from Scope 2 sources, notably electricity consumption for air-conditioning systems and production machinery, direct emissions from company-owned vehicles under Scope 1 were also assessed.

During FPE Dec 2023, the Group implemented several sustainability initiatives to reduce its carbon footprint and optimise energy usage. These initiatives include:

Sustainability Initiatives	Purpose	Status
- Installation of two EV charging stations	- To reduce GHG emissions	- Completed
- Installation of Rooftop Solar	- To reduce GHG emissions	- Completed
- Conducted training sessions to educate key employees about the importance of integrating renewable energy into the operations	- To encourage behavioral changes that contribute to emissions reduction efforts.	- Completed

The total electricity and energy consumption for FPE Dec 2023 as per below:

	Unit	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Electricity Consumption	kWH	9,834,590	11,367,071	8,916,551
Energy Consumption	kWH/ build quantity	1.146 ¹	1.038	1.287

Note:

1. This is due to the lower production level in FPE Dec 2023.



Environment (cont'd)

7. Energy Management & GHG Emissions (cont'd)

During the financial period under review, the GHG emissions generated a total of 6,580.82 tCO₂e. The decrease in total GHG emissions, as compared to FYE Jan 2023 of 7,612.10 tCO₂e is largely contributed from Scope 2 due to Rooftop Solar operation commenced in September 2023.

GHG emissions ¹	Unit	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Scope 1 ²	tCO ₂ e	21.15	30.26	14.37
Scope 2 ³	tCO ₂ e	6,559.67	7,581.84	5,947.34
Total Emissions	tCO ₂ e	6,580.82	7,612.10	5,961.71
GHG emissions intensity	tCO ₂ e/unit	0.00076	0.00069	0.00086

Notes:

1. The Group only calculates GHG emissions for CO₂. CO₂ has a global warming potential (“GWP”) of 1.
2. Scope 1 covers consumption of petrol and diesel by company-owned vehicles:
 - a. FYE Jan 2022: CO₂ Emission measured for total 5 vehicles (passenger cars) usage;
 - b. FYE Jan 2023: CO₂ Emission measured for total 7 vehicles (6 passenger cars & 1 heavy-duty truck) usage;
 - c. FPE Dec 2023: CO₂ Emission measured for total 6 vehicles (5 passenger cars & 1 heavy-duty truck)- one of the passenger car is not in use for the year 2023 due to repair;
 - d. The CO₂ emission factor for Scope 1 obtained from U.S.EPA Center for Corporate Climate Leadership-GHG Inventory Guidance : Emission Factor for Greenhouse Gas Inventories (Revised 12 September 2023)
 - e. CO₂ emission factor used for motor gasoline = 8.78 kgCO₂/gallon; and
 - f. CO₂ emission factor used for diesel fuel = 10.21 kgCO₂/gallon;
3. Scope 2 covers consumption of electricity:
 - a. The emission factor used is the 2017 CDM Electricity Baseline for Malaysia Prepared by Malaysian Green Technology Corporation (MGTC), Baseline CO₂ for Peninsular of 0.667 kCO₂/kWH; and
 - b. Rooftop Solar Operation commenced on 13th September 2023.

Since the commencement of Rooftop Solar operation in September 2023 and the utilisation of electricity from renewable energy is approximately 23% on average monthly basis. With this progress, the Group is working towards the target of replacing up to 35% of electricity consumption with renewable energy in due course.



Completion of 2.5783 MWp Rooftop Solar Installation

 Environment (cont'd)

7. Energy Management & GHG Emissions (cont'd)



Installation of two EV charging stations at the parking area of BCM

8. Water Management

The Group's water consumption primarily stems from domestic activities such as gardening, sanitary facilities, and canteen. Measures have been put in place to ensure the efficient use of water, including the upgrade of sanitary facility piping systems to sensor-based systems aimed at preventing water wastage. The Facility team continues to monitor and explore for cost-effective alternative methods to improve the water usage.

Currently, the Group operation is not located in water-stressed areas. The water utilised within its operation is primarily sourced from the local water service provider, Syarikat Air Darul Aman (“SADA”) and is predominantly fresh water. In the event of any water supply disruption, SADA has provided readily available tanks to supply water for up to two days. For FPE Dec 2023, the Group has not encountered any significant issues with water disruptions within its operations.

The average water consumption per employee is measured and disclosed below.

	Unit	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Total volume of water used	m ³	69,239	71,276	78,884
Average water consumption per employee per month	m ³ / headcount /month	4.77	4.43	6.33

During FPE Dec 2023, the Group consumed 69,239 m³ of water, marking a significant reduction of 12.2% compared to the FYE Jan 2022. The target set for average water consumption per employee is 5m³ per month, based on the peak consumption for FYE Jan 2023. The Group's current average water consumption is 4.77 m³/headcount per month for FPE Dec 2023.

 Social

9. Workforce Diversity

Embracing workforce diversity in the workplace provides a competitive advantage by enabling access to a broad spectrum of knowledge, perspectives, and ideas. In line with this commitment, the Group remains dedicated to fostering equal opportunities, diversity, inclusion, and performance-oriented advancement culture. These efforts will create a more attractive working environment, and thus enhance the marginal utility, quality, and commitment of the human capital.

Social (cont'd)

9. Workforce Diversity (cont'd)

Employee Statistics:

Percentage of Employees by Gender (%)	FPE Dec 2023		FYE Jan 2023		FYE Jan 2022	
	Male	Female	Male	Female	Male	Female
Senior Management	0.74	-	0.70	-	0.92	-
Middle Management	13.40	11.83	16.80	11.43	13.46	11.89
General Workers	9.35	64.68	6.22	64.85	5.53	68.20
Total (%)	23.49	76.51	23.72	76.28	19.91	80.09

Percentage of Employees by Age Group (%)	FPE Dec 2023			FYE Jan 2023			FYE Jan 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	-	0.17	0.58	-	0.23	0.47	-	0.55	0.37
Middle Management	7.03	13.73	4.47	7.08	13.37	4.51	4.33	16.68	4.33
General Workers	43.67	25.14	5.21	44.40	25.82	4.12	37.24	32.44	4.06
Total (%)	50.70	39.04	10.26	51.48	39.42	9.10	41.57	49.68	8.76

Percentage of Employees by Ethnicity (%)	FPE Dec 2023				FYE Jan 2023				FYE Jan 2022			
	Malay	Chinese	Indian	Others	Malay	Chinese	Indian	Others	Malay	Chinese	Indian	Others
Senior Management	0.08	0.58	0.08	-	0.08	0.54	0.08	-	0.18	0.55	0.09	0.09
Middle Management	17.54	4.47	3.14	0.08	17.42	4.59	2.80	0.16	16.50	5.35	3.32	0.18
General Workers	50.21	0.17	5.96	17.70	54.67	0.08	6.92	12.67	65.07	0.09	8.57	-
Total (%)	67.82	5.22	9.18	17.78	72.16	5.21	9.80	12.83	81.75	5.99	11.98	0.28

Percentage of Number of Employee Turnover (%)	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Senior Management	0.01	0.01	0.02
Middle Management	0.42	0.46	0.27
General Workers	1.41	3.86	4.35
Total (%)	1.84	4.33	4.64

Notes:

- The above information only applies to permanent employment positions.
- Total Number of Permanent Employees as at end of the reporting period & years:
 - FPE Dec 2023 = 1,209 headcounts
 - FYE Jan 2023 = 1,286 headcounts
 - FYE Jan 2022 = 1,085 headcounts

Percentage of Employees by Employment (%)	FPE Dec 2023		FYE Jan 2023		FYE Jan 2022	
	Male	Female	Male	Female	Male	Female
Permanent	23.26	75.76	20.20	64.97	19.89	80.02
Contractor ⁽¹⁾	-	-	-	13.51	-	-
Temporary ⁽²⁾ /Internship	0.49	0.49	0.60	0.73	-	0.09
Total (%)	23.75	76.25	20.79	79.21	19.89	80.11

Notes:

- Contractors are persons or organisations working on-site or off-site on behalf of an organisation.
- Temporary staff are employees with a contract for a limited period.

 Social (cont'd)

9. Workforce Diversity (cont'd)

Employee Statistics: (cont'd)

	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Number of Disability Employees	3	3	3

In FPE Dec 2023, various initiatives were implemented to promote mutual respect among employees. These initiatives include celebrating cultural holidays and religious events, which are discussed under “Employee Well-Being” section in this Statement (page 37 to 39). The Group's commitment to foster a safe and inclusive work environment, devoid of discrimination based on backgrounds, beliefs, or disabilities, is reinforced through its CBCE Policy and WBP. These measures reflect the Group's dedication to ensure that every individual feels respected and safeguarded against any form of harassment.

Percentage of Directors by Gender (%)	FPE Dec 2023		FYE Jan 2023		FYE Jan 2022	
	Male	Female	Male	Female	Male	Female
Board of Directors	67	33	57	43	67	33

Percentage of Directors by Age Group (%)	FPE Dec 2023		FYE Jan 2023		FYE Jan 2022	
	<40	>40	<40	>40	<40	>40
Board of Directors	-	100	-	100	-	100

The Group firmly support achieving gender equality on its Board, and therefore, the Group is committed to ensure that at least 30% of its Board members are women, as outlined in the Board Charter. As of FPE Dec 2023, women comprise 33% of the Board. The Group continues to foster an inclusive culture and provide equal opportunities for career development and advancement, regardless of gender, ethnicity, disability, age, or cultural background. The aim is to attract diverse talent at all levels of the organisation, including senior management.

10. Occupational Safety and Health

The Group does not compromise its employees' safety and health in its business operation and workplace. Prioritising a healthy, safe, and supportive work environment, the goal is to minimise incidents and achieve zero workplace accidents, thereby fostering employee well-being and creating a safer workplace.

The Group's Occupational Safety and Health (“**OSH**”) management system outlines how business operation is conducted in a safe and healthy manner, through implementation of various measures and controls by all levels of the workforce. The OSH activities are led and managed by the (a) Environmental Safety & Health Committee (“**ESH**C”), and (b) Emergency Response Team (“**ERT**”) - a joint management-worker committee.

Various OSH activities are continuously organised to promote greater awareness among employees, and compliance is enforced through:

- (1) compulsory OSH training and briefing for new employees;
- (2) scheduled quarterly OSH audits; and
- (3) scheduled yearly assessment of Hazard Identification, Risk Assessment and Risk Control (“**HIRARC**”).

Additionally, medical care and insurance are provided to employees, including mandatory health screening and annual health surveillance. The Group has on-site medical facilities, equipped with amenities such as wheelchairs and designated first-aid areas, ensuring its employees have convenient access to medical attention in the event of occupational accidents or incidents. As of FPE Dec 2023, zero workplace accidents and incidents were recorded.

 Social (cont'd)

10. Occupational Safety and Health (cont'd)

	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Total Number of Employees trained on Health & Safety Standards	55	118	-
Number of Lost Time Injuries (days)	-	42	-
Lost Time Injuries Frequency Rate ("LTIFR")	-	19.2	-

Notes:

- The Group's Health and Safety trainings are primarily conducted in person. However, in FYE Jan 2022 these sessions were not held due to the Covid-19 pandemic's impact.
- Lost Time Injury Frequency = Number of lost time injuries / total man-hours X 1,000,000

11. Employee Training and Development

The Group recognises that its employees are the cornerstone of its growth and expansion. The Learning Development and Communication Unit ("LDC Unit") continuously work to align with the Group's goal, which is to retain talent and promote succession planning through customised training and development programmes based on the feedback obtained via (a) annual training needs analysis, (b) employee performance appraisal engagements and (c) collaboration with local institutions for technical skills training.

In FPE Dec 2023, the commitment to invest in training and development programmes persisted within the Group leveraging both physical and online channels. These initiatives encompassed:

- Leadership development programmes for middle and senior management level;
- Webinars from subject-matter experts and industry leads;
- Customised in-house programmes on soft skills and emotional intelligence;
- Upskilling programmes on technical courses related to job functions; and
- Continuous learning programmes through an on-demand e-learning platform.

As part of sustainability endeavors, the LDC Unit extended "Corporate Sustainability Fundamental Training" via on-demand e-training platform to senior and middle management level to gain insights on the adoption of sustainability in an ever-changing market landscape and emerging trends.

For the financial period under review, the Group conducted a total of 1,044.78 hours of training, with an average of 4.21 training hours by employee.

Total Hours of Training by Employee Category	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Senior Management	55.00	161.50	15.00
Middle Management	701.78	3,239.00	937.00
General Workers	288.00	764.00	440.00
Total Hours of Training	1,044.78	4,164.50	1,392.00

	FPE Dec 2023	FYE Jan 2023	FYE Jan 2022
Average Number of Training Hours by Employees	4.21	6.96	6.86
Number of Employees Attended	248	598	203

Notes:

- Average Number of Training Hours by Employees = Total Hours of Training / Number of Employees Attended; and
- Effective FPE Dec 2023, the total hours of training reported exclude on-site coaching by supervisors as per outlined in Bursa Sustainability Guidelines.

Social (cont'd)

12. Employee Well-Being

The Group place great emphasis on maintaining the well-being of its *Keluarga BCM* community. To this date, the Group organised many social events for *Keluarga BCM* to encourage them to gather and meet in a different setting and socialise in a more relaxed atmosphere beyond work and deadlines. In pursuit of this objective, the Group organised events such as social and engagement activities during the FPE Dec 2023 alongside with latest activities, which includes the following:

- BCM's 30th Anniversary Dinner Celebration;
- Deepavali Celebration with BCM Employees and Charity Giveaway to B40 BCM Employees;
- Crime Awareness Talk and Security Engagement by Ketua Polis KHTP;
- Employee Wellness Program: Free Health Screening under PEKA B40 3.0 and SIHAT PERKESO;
- Christmas Celebration with BCM Employees and Charity Giveaway to B40 BCM Employees;
- Honouring the Retiring Employee for Long Standing Service;
- Chinese New Year Celebration: Mandarin Orange Distribution to Employees;
- Chinese New Year Celebration: Lion Dance Performance;
- Chinese New Year Dinner with BCM Employees;
- First Day Ramadhan: Handing Out Breaking Fast Goodies to BCM Employees;
- Ramadhan Charity Giveaway to B40 BCM Employees; and
- Hari Raya Celebration with BCM Employees: *Kongsi Rezeki Raya Kek* and Charity Giveaway to B40 BCM Employees.



BCM's 30th Anniversary Dinner Celebration



Deepavali Celebration with BCM Employees



Deepavali Charity Giveaway to B40 BCM Employees



Crime Awareness Talk and Security Engagement by Ketua Polis KHTP

Social (cont'd)

12. Employee Well-Being (cont'd)



Recognition certificate is given to BCM Security



Employee Wellness Program: Free Health Screening under PEKA B40 3.0 and SIHAT PERKESO



Christmas Celebration with BCM Employees




Christmas Charity Giveaway for B40 BCM Employees



Honouring the retiring employee for long-standing service



Chinese New Year Celebration: Mandarin Orange Distribution to Employees

 Social (cont'd)

12. Employee Well-Being (cont'd)



Chinese New Year Celebration: Lion Dance Performance



Chinese New Year Dinner with BCM Employees



First Day Ramadhan: Handing Out Breaking Fast Goodies to BCM Employees



Ramadhan Charity Giveaway to B40 BCM Employees



Social (cont'd)

13. CSR Activities

The Group continues its commitment to CSR by focusing on its local communities. Prioritising employment opportunities for local communities, the Group enhance its internship program with neighboring institutions. The goal is to provide students with paid practical experience and exposure to the latest manufacturing processes and technologies. Additionally, mentorship opportunities are offered to interns by the Group's leaders. Since March 2021, 179 student interns have been hired.

Below summarises some of the Group's contributions to date for its CSR activities:

No.	Date	Type of CSR activities	Objectives	Number of Beneficiaries	Amount invested (RM)
1	13 April 2023	Iftar with Indonesian Consulates and Indonesian Workers at BCM's Townhall	Develop good relationships with Indonesian Consulates.	10 Consulates and 60 employees	235,720.40
2	8 June 2023	Donated 5 wheel Chairs to Hospital Kulim	To spread health awareness and provide additional support for those in need while establishing a good relationship with community.	-	
3	15 June 2023	53 Tree Saplings Donation to Kulim Custom Office	To support their green landscaping programmes while establishing a good relationship with regulators.	-	
4	22 August 2023	Tree Planting Ceremony	This event marked a shared dedication to environmental responsibility and CSR between the Group and stakeholder longstanding partnership.	-	
5	22 August 2023	Celebration of BCM's 30th Anniversary with employees, and stakeholders, themed "30 x 30: Honouring Our Past, Empowering Our Future with Sustainable Growth"	This event served as a tangible expression of the Group's commitment in enhancing partnerships with stakeholders, uplifting employee morale, and reaffirming its dedication to sustainable growth.	-	
6	5 November 2023	Deepavali Charity Giveaway for school students and B40 parents from SJK (T) Ladang Bagan Sena	To support the wellbeing of these students' need and help the underprivileged community.	36 people	
7	22 December 2023	Christmas Charity Giveaway: Donated essential items to Sunshine Cottage Welfare Society and Pertubuhan Bakti Yong Ai located at Kulim during Christmas Celebration	To help the underprivileged community during festive season.	2 Orphanage Homes	
8	10 March 2024	Participation in <i>Gotong-Royong Perdana</i> with <i>Pihak Berkuasa Tempatan ("PBT")</i> KHTP	To support PBT's CSR programmes while establishing a good relationship with regulators.	-	
9	9 April 2024	Hari Raya Charity Giveaway: Donated essential items to <i>Kampung Sedim</i> folks	To help the underprivileged community during festive season.	20 people	

Social (cont'd)

13. CSR Activities (cont'd)



Iftar with Indonesian Consulates and Indonesian Workers at BCM's Townhall



Donated 5 wheel chairs to Hospital Kulim



53 Tree Saplings Donation to Kulim Custom Office



Tree Planting Ceremony



30 x 30: Celebration of BCM's Partnership with Customer



Deepavali Charity Giveaway for school students and B40 parents from SJK (T) Ladang Bagan Sena

Social (cont'd)

13. CSR Activities (cont'd)



Christmas Charity Giveaway: Donated essential items to Sunshine Cottage Welfare Society



Christmas Charity Giveaway: Donated essential items to Pertubuhan Bakti Yong Ai



Participation in Gotong-Royong Perdana with PBT KHTP



Hari Raya Charity Giveaway: Donated essential items to Kampung Sedim folks

14. Human Rights and Labour Standard

The Group is committed to protect and respect human rights throughout its business operation. The Group supports the RBA Code of Conduct Section A: (1) Freely Chosen Employment and (2) Young Workers. The Group also adhere to applicable laws and regulations in Malaysia, which include but is not limited to Employment Act 1955.

This commitment is reflected in the CBCE Policy, established in March 2023, which undergoes regular review by the management to ensure that the Group's approach to human rights and employment practices and conduct are in compliance with regulatory requirements. The CBCE Policy encompasses key areas such as: (1) Human Rights, (2) Safety and Health, (3) Discrimination and Harassment and (4) Reporting of Violations, among others. It also extends to third-party entities engaged in business with the Group. The CBCE Policy is available on ATech's website.

The Group's whistleblowing channel provides employees with a secure and confidential avenue to anonymously report any breaches of labor practices, disputes, or inappropriate conduct. The anonymity of whistleblowers is guaranteed throughout the investigation process, with all reports treated with strict confidentiality.

The Group has recorded zero incidences of non-compliance with the CBCE Policy and WBP in FPE Dec 2023.



15. Anti-Bribery & Anti-Corruption

The Group recognises the importance of business ethics and conduct in driving its sustainable development. The Board and senior management are steadfast in their dedication to conducting business with integrity, guided by the CBCE Policy. This policy communicates the Group's core principles and guidelines to all employees, including Directors, to address ethical concerns and fulfill their duties responsibly. The Group's firm stance against corruption is detailed in the ABAC Policy, which is reviewed annually to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Group via its subsidiary has extended ABAC Policy compliance acknowledgement to all suppliers and vendors.

The Group also organises ABAC training annually since 2022 to ensure that its employees are regularly reminded of (a) ABAC Policy and (b) the latest regulatory updates and case studies. Every Board member, senior management, and managers of the Group have formally signed and accepted the Corruption Free Pledge since April 2022. As of FPE Dec 2023, the Group has recorded zero incidences of non-compliance to ABAC Policy.

16. Data Privacy & Security

The increasing reliance on technology in workplaces, especially in driving digital infrastructure, underscores the need for the Group to effectively address the rising risk of cyber-attacks. The Group remains dedicated to safeguard the confidential information and personal data of its customers and business partners.

The Group's cybersecurity measures and practices ensure the appropriate and lawful handling of information and maintaining confidentiality, as outlined in the CBCE Policy. A range of measures have been adopted, including antivirus protection, firewall gateway protection, regular data backups, and implementing local disaster recovery solutions. Additionally, the Group enforces stringent password policies, controls physical access to server rooms, and restricts employee access to critical data and sensitive information.

As of FPE Dec 2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

17. Compliance to Regulatory Requirements

The Group places utmost importance on compliance with local regulatory requirements to ensure the well-being of its employees, the preservation of the environment, and the integrity of its operations. In accordance with this commitment, the Group adhere rigorously to various regulatory frameworks, including Occupational Safety and Health Act 1994 (Act 514) ("OSHA"), EQA, Employment Act 1955, Licensing and Permits, MFRS and the MMLR, Practise Note 9, issued by Bursa Securities.

As a public listed company, the Group remain vigilant in monitoring regulatory developments and proactively adapt its processes to meet evolving legal requirements while maintaining the standards of corporate governance. The Group's corporate governance activities, initiatives, and practices are detailed in the (a) Corporate Governance Overview Statement of this Annual Report, and (b) Corporate Governance Report.

The Group reported zero non-compliance with the provisions outlined in the OSHA, EQA, Employment Act 1955, Licensing and Permits regulations, MFRS and MMLR, Practise Note 9, issued by Bursa Securities for the reporting period.

STATEMENT OF ASSURANCE

This Statement has not been externally assured. However, the performance data disclosed herein has undergone assessment, validation, and review by the Group's internal operations and management team. The Group maintains regular audits and reviews concerning key risks, processes, and controls associated with sustainability-related risks identified through its risk management process and the policies and procedures referenced in this statement. The Statement is reviewed and approved by the Board on 22 April 2024.

Corporate Governance Overview Statement

CORPORATE GOVERNANCE

The Board of Directors of the Company (“**Board**”) is committed to ensure good corporate governance practices (“**CG Practices**”) are observed and practiced throughout the Group for business growth and enhancement of shareholders’ value.

The purpose of the Corporate Governance Overview Statement (“**Statement**”) is to narrate the CG Practices of the Company in accordance with Paragraph 15.25 of Bursa Malaysia Listing Requirements (“**MMLR**”) and with reference to the Malaysian Code on Corporate Governance (“**MCCG**”). This Statement should be read together with the Corporate Governance Report 2023 (“**CG Report**”) of the Company, which is available at www.atechgroup.com.my as well as Bursa Malaysia Securities Berhad (“**Bursa Securities**”)’s website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Charter

The purpose of the Board Charter is to promote high standards of corporate governance within the Group and to clarify, among others, the roles and responsibilities of the Board, Board Committees, Chairperson of the Board, Group Chief Executive Officer (“**Group CEO**”), Group Chief Financial Officer (“**Group CFO**”), Independent Directors and Non-Independent Non-Executive Directors. The Board Charter serves not only as a reminder of the Board’s roles and responsibilities but also as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities. The Board Committees are additionally guided by the respective Terms of Reference on their scope of activities.

The Board Charter is reviewed periodically to ensure that it remains consistent with the vision and mission, and the strategic direction of the Group, is in compliance with governance and regulatory changes.

Roles and Responsibilities of the Board

The Board’s responsibilities in respect of the stewardship of the Group include providing strategic leadership and business direction, development and control of the Group, management oversight, initiatives to embrace the responsibilities listed in the MCCG as well as integration of sustainability consideration in the Group’s corporate strategy, governance, and decision-making in order to achieve the Group’s long-term objectives, enhance shareholders’ value and safeguard the interests of stakeholders. While the Board sets the strategic plan and policies, the Group CEO and Group CFO who are supported and assisted by the senior management of the Group are responsible for making and implementing operational and corporate decisions, while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice, judgement, including conducting relevant checks and balances, challenging management’s assumptions and projections to safeguard the interests of the shareholders. Independent Non-Executive Directors contributed to the Group’s decision-making by bringing in the quality of detached impartiality with their vast knowledge and experiences.

To ensure the orderly and effective discharge of the functions and responsibilities of the Board, the Board has established the following Board Committees and delegated specific responsibilities to each of them:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- Employees’ Share Scheme Committee

The Board Committees shall deal with matters within their respective terms of reference and authority delegated by the Board.

Corporate Governance

Overview Statement (cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Chairperson and CEO

There is a clear division of responsibilities between the Independent Non-Executive Chairperson and Group CEO, where the position of Chairperson and the Group CEO are held by different individuals to ensure an appropriate balance of role, responsibility, and accountability. The Chairperson is responsible for the effective functioning of the Board as well as inculcating positive culture by leading the Board in the adoption and implementation of good corporate governance practices in the Group. The Chairperson also ensures that decisions are taken on a sound and well-informed basis, with all strategic and critical issues considered by the Board.

The Group CEO is responsible for the effective management of the day-to-day management, operation, and administration of the Group. The Group CEO together with the members of the Board, would formulate general Company policies and make strategic business decisions. He would also ensure that the policies and strategies as approved by the Board are effectively implemented.

Company Secretary

The Board is supported by a suitably qualified, experienced, and competent Company Secretary. The Company Secretary advises the Board and Board Committees on issues relating to compliance with laws, rules, procedures, and regulations affecting the Company and the Group, as well as best practices of governance.

Access to Information and Advice

The Board has unrestricted access to all information within the Group and has the authority to seek any information they require from any employee of the Group and employees should provide accurate and complete information to the Board in a timely manner. Management is also invited to brief and provide additional information or clarification in meetings of the Board and Board committees.

All Board members have direct and unrestricted access to the advice of the Company Secretary, particularly on all matters concerning governance and regulatory requirements. The Board is constantly kept abreast of requirements and updates issued by various regulatory authorities. In addition, the Board may obtain independent professional advice in furtherance of their duties whenever necessary at the Company's expense through an agreed procedure.

Meetings

Board meetings for the ensuing financial year are scheduled in advance so that Directors are able to plan ahead and ensure full attendance. Board meetings are structured with pre-determined agendas approved by the Chairperson. Notification on Board meetings is sufficiently given to enable full attendance at Board meetings. Board papers are prepared and circulated prior to each Board meeting for their review. Board members may request for further information and explanation, if necessary. The Directors have unfettered access to all information within the Group in furtherance of their duties.

The Chairperson ensures that Board Committee meetings are not combined with the Board meetings. Board committee meetings are conducted separately from the Board meetings to enable objective and independent discussion for each meeting.

The deliberations and decisions at Board and Board Committee meetings are documented in the minutes and are circulated for review by the Board members and Board Committee members on accuracy and completeness. The Company Secretary will thereafter table the minutes for confirmation in subsequent meetings.

Corporate Governance

Overview Statement (cont'd)

CORPORATE GOVERNANCE

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

I. BOARD RESPONSIBILITIES (CONT'D)

Meetings (cont'd)

The Board is scheduled to meet at least four (4) times in a year. Any additional meetings may be convened as and when necessary to consider urgent proposals or matters that require Board's expeditious review or consideration. The Board met five (5) times during the FPE Dec 2023. The attendance of the Directors at the Board meetings held during the FPE Dec 2023 is set out below:

Name	Total Meeting Attended
Datin Normaliza Binti Kairon (Retired on 28 June 2023)	2 of 2
Dato' F'ng Meow Cheng	5 of 5
Loh Hock Chiang	5 of 5
Nor Shahmir Bin Nor Shahid	5 of 5
Yee Swee Meng	5 of 5
Tan Chong Hin	4 of 5
Jamie Hwe Ping Lee	4 of 5
Jonathan Ming Chian Lee (Alternate Director of Jamie Hwe Ping Lee)	1 of 5

Anti-Bribery and Anti-Corruption Policy

The Board advocates a business environment that is free of corruption. An Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") set out the Group's commitment toward its ethical business practices complying with the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. The reporting procedure and process are set out in the ABAC Policy.

Whistleblowing Policy

Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them. The Group has put in place a Whistleblowing Policy ("**WBP**") that sets out the disclosure procedures and protection for whistle blowers to meet the Group's ethical obligations.

Fit and Proper Policy

The Board had on 29 June 2022 adopted the Fit and Proper Policy ("**FPP**") in line with the new rule of the MMLR to ensure a formal, rigorous, and transparent process for the appointment of directors and senior management of the Group as well as directors who are seeking for re-election, to ensure that the Group is led by persons of integrity, creditability, and competency.

Conflict of Interest Policy

In line with the amendments of the MMLR which covers the area of potential Conflict of Interest of Directors and Key Senior Management, the Board has put in place a Conflict of Interest Policy in the Board Charter.

The Board Charter, Board Committees' Terms of Reference, the ABAC Policy, WBP and FPP are reviewed periodically, and can be found at Company's website, www.atechgroup.com.my.

Corporate Governance

Overview Statement (cont'd)

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

II. BOARD COMPOSITION

The Board has six (6) members comprising two (2) Executive Directors, three (3) Independent Non-Executive Directors (including the Chairperson) and one (1) Non-Independent Non-Executive Director as follows:

Name	Directorate
Dato' F'ng Meow Cheng	Independent Non-Executive Chairperson
Loh Hock Chiang	Executive Director/Group Chief Executive Officer
Tan Chong Hin	Executive Director/Group Chief Financial Officer
Nor Shahmir Bin Nor Shahid	Independent Non-Executive Director
Yee Swee Meng	Independent Non-Executive Director
Jamie Hwe Ping Lee (Alternate Director: Jonathan Ming Chian Lee)	Non-Independent Non-Executive Director

The composition of the Board fulfils the requirements as set in the MMLR which require at least two (2) directors or one third (1/3) of the Board, whichever is higher, to be independent directors. The current Board composition also fulfills the requirement of MCCG, whereby half of the Board comprises independent directors.

Currently, the Board has two (2) female Directors and four (4) male Directors that constitutes 33% female representation on the Board.

The Board is of the view that the current mix of skills, competence, knowledge and experience and qualities of the current Board members are appropriate to enable the Board to carry out its responsibilities effectively.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Paragraph 15.06 of the MMLR. The profile of each Director is set out in pages 7 to 11 of this Annual Report.

Tenure of Independent Director

Having listed on the Main Market of Bursa Securities on 16 December 2021, none of the Independent Directors has served beyond the tenure of nine (9) years as of the date of this Annual Report. Based on the independence assessment carried out during the financial period under review, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their abilities to act in the best interest of the Company

The Board adopted the concept of independence in tandem with the definition of Independent Directors under Paragraph 1.01 and Practice Note 13 of the MMLR.

Appointment of New Directors

All appointments of the new director to the Board are properly made with an established and transparent procedure and in compliance with the relevant rules of the relevant authorities. The Board does not set specific criteria for the assessment and selection of director candidates. The Board nomination process is to facilitate and provide a guide for the Nomination Committee ("NC") to identify, evaluate, select, and recommend to the Board the candidate to be appointed as a director of the Company.

Any appointment of additional director will be made as and when it is deemed necessary by the existing Board with due consideration given to the individual's educational and professional background, employment record, whether the individual has any special experience in a relevant area, possession of the required skill and qualification, personal accomplishments, the mix and range of expertise and experience required and the criteria of the newly adopted fit and proper policy for an effective Board and the need to meet the regulatory requirement such as Companies Act 2016 and MMLR.

Corporate Governance

Overview Statement (cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Appointment of New Directors (cont'd)

The NC is responsible for assessing and recommending a suitable candidate for directorship to the Board, and would leverage on several sources such as a recommendation from existing Board Members, senior management, substantial shareholders, business associates, and referrals from third party consultants and independent sources such as professional bodies and organisation to gain access to a wide pool of potential candidates, based on the profile and background of the candidates.

The NC is mindful of the importance of succession planning for the members of the Board and senior management, including formalising its stand and approach to boardroom diversity. NC will, where practicable, maintain a database of suitable and potential candidates for meeting the roles identified.

Re-election of Directors

Clause 91 of the Company's Constitution provides that at the first annual general meeting ("AGM") of the Company, all the Directors shall retire from office and at the AGM in every subsequent year one-third (1/3) of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

The Director who is subject to re-election and/or re-appointment at the AGM shall be assessed by the NC before the recommendation is made to the Board and shareholders for the re-election. Appropriate assessment and recommendation by the NC would be based on the yearly assessment conducted.

The composition of the NC, its roles, functions, responsibilities, and activities carried out by the NC are as set out in the NC Report in this Annual Report.

Board Diversity

The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity, and gender, ability to provide the necessary range of perspectives, experiences, and expertise required are well balanced to achieve effective board stewardship.

The Board presently does not have any gender diversity policies in its evaluation of candidacy and assessment of the performance of the Board as a whole or the Directors individually for Board appointments, and performance as a director is on integrity, skills, and experience as well as contribution to the Group.

The Board is aware of the recommendations set out in the MCCG and will evaluate the policies from time to time, and if found suitable and necessary, adopts as the Group's policies.

Training and Development of Directors

The Board recognises that it is imperative that Directors devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes to remain abreast with new developments and changes within the regulatory sphere or in terms of the business operations and the industries in which the Group operates.

The Directors are encouraged to evaluate their own training needs on a continuous basis to determine and attend the relevant training programmes, seminars, briefings, or dialogues to further enhance their skills and knowledge in the latest statutory and regulatory requirements as well as to keep abreast with the business development to assist them in discharging their duties and responsibilities more effectively.

Corporate Governance Overview Statement (cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Training and Development of Directors (cont'd)

Below were the training programmes and seminars attended by the existing Directors during the FPE Dec 2023:

Name of Director	Date	Title of the Training Programmes/ Seminars
Dato' F'ng Meow Cheng	15/02/2023	MIA Town Hall 2022/23 - Session 2 (PAIB, Public Sector & Academia Sectors)
	08/03/2023	Seminar Percukaian Kebangsaan 2022 (Bajet 2023)
	19/04/2023	International Tax Cases – Update
	17/05/2023	MIA Town Hall 2022/23 - Session 3 (All Sectors)
	15/08/2023	Program Kolaborasi Raffcomm/e-Info Bersama SSM Negeri Pulau Pinang
	19/09/2023	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
	18/10/2023	Seminar Percukaian Kebangsaan 2023
	20/10/2023	Beneficial Ownership of Legal Persons – Compliance with the BO Framework of Bank Negara & SSM
	30/10/2023	2024 Budget Seminar
	11/12/2023	Violations of the Companies Act 2016: Oversights by Directors and Secretaries
	12/12/2023	ISA 500 & 501 Audit Evidence and Specific Considerations for Selected Items
	14/12/2023 to 15/12/2023	Latest Development in Malaysian Financial Reporting Standards /IFRS and IC Interceptions -An Overview
Loh Hock Chiang	05/05/2023	Top 3 Business Expenses You Often Missed Getting Tax Deductions
	15/05/2023	Can I e-sign board minutes or resolutions?
	29/05/2023	Bank Negara Malaysia – Briefing on Economic and Monetary Review in the Northern Region
	13/06/2023 to 14/06/2023	MIA International Accountants Conference 2023
	20/06/2023	FMM Seminar on Malaysia-Japan: Moving Ahead with Trade & Sustainability
	25/07/2023 to 26/07/2023	SSM – SSM National Conference 2023 – Shared Responsibility in Strengthening AML/CFT Compliance: Risks, Challenges and Collaborations
	02/08/2023	Promise of Integrity: ESG Framework and Supply Chain Due Diligence
	23/10/2023 to 25/10/2023	BNM & SC – JC3 Journey to Zero Conference 2023
	13/12/2023	PSDC: SME Tech Summit – Empowering SMEs For Sustainable Growth

Corporate Governance

Overview Statement (cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Training and Development of Directors (cont'd)

Below were the training programmes and seminars attended by the existing Directors during the FPE Dec 2023: (cont'd)

Name of Director	Date	Title of the Training Programmes/ Seminars
Yee Swee Meng	30/08/2023	The ESG Agenda- An option or must have for Boards of listed issuers
	04/09/2023	The arrival of International Sustainability Standard Board standards and the Continued Relevant of Integrated Reporting
	05/10/2023	Basics of Malaysian Financial Reporting Standards
	06/10/2023	Essential of Sustainability & ESG
	07/10/2023	Essentials of International Standard Quality Management
	10/10/2023	Basics of Malaysian Private Entities Reporting Standard
Jamie Hwe Ping Lee	18/10/2023 to 20/10/2023	CPA Australia – CPA Congress 2023
Nor Shahmir Bin Nor Shahid	02/11/2023	Managing Turnaround Situations for PLCs
	01/12/2023	Climate Change & Carbon Footprint – Getting the Right Financial Risk & Reporting Perspectives
Tan Chong Hin	06/04/2023	2023 Budget Seminar
	10/05/2023	Bursa Malaysia #digital4ESG Forum
	09/06/ 2023	Navigating Cybersecurity Challenges in the Post-Pandemic Era
	25/08/2023	How can Insurers and Takaful Operators solve the ESG equation
	05/09/2023	Unveiling ESG Insights in the Financial Statements
	06/09/2023	Blowing the Whistle on Corporate Wrongdoing: A Director's Responsibility
	13/09/2023	Developments and Impacts of ESG on Corporate Malaysia Seminar
	26/09/2023	Unclaimed Money Act 1965
	09-10/10/2023	HR Management for Non-HR Professionals
	25/10/2023	Management of Cyber Risk

III. REMUNERATION

Remuneration Policy & Procedure

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term objectives and enhance shareholders' value. The primary objective of the Remuneration Committee ("RC") is to assist the Board in developing and establishing competitive remuneration policies and packages for directors and senior management of the Group.

The RC carries out an annual review of the remuneration packages for directors and senior management of the Group whereupon the recommendation will be submitted to the Board for approval. Such an annual review shall ensure that the remuneration packages for the directors and senior management remain sufficiently attractive to attract and retain them.

The Board has put in place a Directors Remuneration Policy & Procedure to facilitate the RC in reviewing, considering, and recommending to the Board the remuneration packages for the directors and senior management of the Group.

The Directors' Remuneration Policy & Procedure is to be reviewed from time to time to ensure its competitiveness to attract, develop and retain directors to provide the necessary skills and experience to commensurate with the responsibilities of an effective Board.

The composition of the RC, its roles, functions, responsibilities, and activities carried out by the RC are as set out in the RC Report in this Annual Report.

Corporate Governance

Overview Statement (cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee (“**AC**”) comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairperson of the AC, Encik Nor Shahmir bin Nor Shahid, is a member of the Malaysian Institute of Accountants (“**MIA**”).

Mr Yee Swee Meng is also a member of the MIA and a CA(M), as well as a fellow member of CPA Australia, while Ms Jamie Hwe Ping Lee is a member of CPA Australia.

The AC primarily assists the Board in the review of financial reporting, internal control framework, risk management assessment and mitigation, and evaluation of the performance and audit independence of the external Auditors. In addition, the AC is to ensure that the financial statements have been made out in accordance with the provisions of the Companies Act 2016 and applicable accounting standards and provide a balanced and fair view of the financial state and performance of the Group.

In addition, the AC must comprise exclusively Non-Executive Directors. The AC has included in its Terms of Reference that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. None of the current members of the AC is a former key audit partner of the Group.

The composition of the AC, its roles, functions, responsibilities, and activities carried out by the AC are as set out in the AC Report in this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for establishing a sound risk management framework and system of internal control to safeguard shareholders’ investment and the Group’s assets, and to provide reasonable assurances on the reliability of the financial statements. In addition, equal priority is given to financial controls, operational and compliance controls as well as risk management. While the internal control system is devised to cater to the particular needs of the Group and the risk, such controls by their nature can only provide reasonable assurance but not absolute assurance against unintended material misstatement or loss.

The Group has in place an on-going process and has established a framework for identifying, evaluating, monitoring, and managing the significant risks affecting the Group. The Board reviews the adequacy and integrity of the Group’s system of internal controls on a continuous basis. The Risk Management Committee (“**RMC**”) and AC assist the Board in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group.

To maintain total independence in the management of the Group’s internal control environment and ensure compliance with the MMLR, the Group’s risk management, and its internal audit function are outsourced to an independent professional service firm, Talent League Sdn. Bhd., who reports and assists the RMC and AC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency, and effectiveness of the Group’s risk management and internal control system and processes.

Please refer to the Statement on Risk Management & Internal Control on pages 57 to 60 of this Annual Report, on the state of the Company’s risk management and internal control system in FPE Dec 2023.

Corporate Governance

Overview Statement (cont'd)

CORPORATE GOVERNANCE

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

I. ENGAGEMENT WITH STAKEHOLDERS

The Board recognises the importance of communications with its stakeholders and is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate, and quality information on a timely basis.

The Group has established a website at www.atechgroup.com.my which provides the shareholders and public access to information in relation to the Group, corporate matters, announcements, and financial reports released to Bursa Securities and other investors' relations matters. Further, shareholders and the public may submit an inquiry with questions or comments on its website.

II. CONDUCT OF GENERAL MEETINGS

AGM is the principal forum for dialogue and interaction with shareholders as it provides a platform for shareholders to participate in questions and answers sessions with Directors and Management on the Group's business activities. The Chairperson together with other Directors and external Auditors will be present at the forthcoming AGM to respond to any enquiries from the shareholders as well as to have a discussion with shareholders, if required. Shareholders who are unable to attend, are allowed to appoint proxies to attend and vote on their behalf.

The Notice of AGM will be issued at least 28 days before the AGM to ensure that shareholders are given sufficient time to consider the resolutions that will be discussed and decided at the AGM.

Pursuant to Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by way of poll. The Board will make an announcement on the detailed results showing the number of votes cast for and against each resolution at the AGM.

COMPLIANCE WITH MCGG

The Board strives to ensure that the Group complies with the principles and practices of the MCGG. The Board will endeavor to improve and enhance procedures in the Group to ensure compliance from time to time. The application of the principles and practices of the MCGG is set out in the CG Report of the Company, which is available on the Company's website, www.atechgroup.com.my.

This Statement was approved by the Board on 22 April 2024.

Remuneration Committee Report

The Board of Directors of Aurelius Technologies Berhad is pleased to present the Remuneration Committee Report comprising information on composition and activities of the Remuneration Committee (“RC”) in discharging its duties for the FPE Dec 2023.

Composition and Meeting Attendance

The composition and meeting attendance of RC comprise the following:

Name	Designation	Meeting Attendance
Yee Swee Meng	Chairperson / Independent Non-Executive Director	1/1
Nor Shahmir Bin Nor Shahid	Member / Independent Non-Executive Director	1/1
Dato’ F’ng Meow Cheng (Resigned on 28 July 2023)	Member / Independent Non-Executive Director	1/1
Jamie Hwe Ping Lee (Appointed on 28 July 2023)	Member / Non-Independent Non-Executive Director	-

The RC was established with the role of reviewing and determining the framework or board policy for the remuneration, in all forms, of the executive directors and senior management.

The RC meets as and when required to determine and recommend to the Board any performance related pay schemes for the executive directors and senior management and/or other persons as the RC is designated to consider by the Board and to determine the policy for and scope of service agreements for the executive and non-executive directors, termination payment and compensation commitments.

Summary of RC Activities

- (a) Reviewed the annual remuneration package of the Executive Directors, senior management and Independent Directors;
- (b) Reviewed the Directors’ meeting allowances; and
- (c) Reviewed the RC’s Terms of Reference.

The details of the remuneration and benefits paid to the Directors and Senior Management of the Company and the Group for services rendered in all capacities for FPE Dec 2023 are tabulated under Practices 8.1 and 8.3 of the CG Report respectively.

All proceedings of the RC meeting were duly recorded in the minutes and are properly kept at the Registered Office of the Company.

The Terms of Reference for RC are available at www.atechgroup.com.my.

Nomination Committee Report

The Board of Directors of Aurelius Technologies Berhad (“**Board**”) is pleased to present the Nomination Committee Report comprising information on the composition and activities of the Nomination Committee (“**NC**”) in discharging its duties for the FPE Dec 2023.

Composition and Meeting Attendance

The composition and meeting attendance of the NC as shown below comply with Paragraph 15.08A(1) of the MMLR, which comprises exclusively of Non-Executive Directors:

Name	Designation	Meeting Attendance
Yee Swee Meng (Appointed on 28 July 2023)	Chairperson/Independent Non-Executive Director	1/1
Dato’ F’ng Meow Cheng (Resigned on 28 July 2023)	Chairperson/ Independent Non-Executive Director	1/1
Nor Shahmir Bin Nor Shahid	Member/Independent Non-Executive Director	1/1
Jamie Hwe Ping Lee (Appointed on 28 July 2023)	Member /Non-Independent Non-Executive Director	-

The NC is responsible for reviewing the Board’s composition and balance, assessing the term of office and the performance of the Board and board members, the performance of the AC and the AC members, as well as considering the Board’s succession planning and making recommendations for new appointment of Directors.

The NC meets at least once a year or as and when required. The decision on a new appointment shall be the responsibility of the Board after considering the recommendation of the NC.

Summary of NC Activities

- (a) Reviewed the mix of skill and experience and other qualities of the Board;
- (b) Reviewed the performance and effectiveness of the Board members, individually and collectively as a Board;
- (c) Reviewed the performance and effectiveness of the AC members, individually and collectively as a committee;
- (d) Reviewed and assessed the directors standing for re-election at the next Annual General Meeting;
- (e) Reviewed the independence of Independent Directors;
- (f) Reviewed the NC’s Terms of Reference; and
- (g) Reviewed the NC report.

The NC is satisfied that the Board as a whole, and the individual Board members have fulfilled their duties and responsibilities effectively and are suitably qualified in their respective positions. The NC also concluded that the AC had carried out its functions and responsibilities effectively in accordance with its Terms of Reference.

All proceedings of the NC meeting were duly recorded in the minutes and are properly kept at the Registered Office of the Company.

The Terms of Reference of NC are available at www.atechgroup.com.my.

Audit Committee Report

The Board is pleased to present the report of the Audit Committee (“AC”) for the FPE Dec 2023. The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the Company and its subsidiary and to ensure the adequacy and effectiveness of the Group’s internal control measures.

The AC is guided by its Terms of Reference which sets out the composition, authority, duties and responsibilities. The Terms of Reference for the AC are available at www.atechgroup.com.my.

MEMBERSHIP AND ATTENDANCE

During the FPE Dec 2023, a total of five (5) AC meetings were held. The composition of the AC and the details of the AC members are as follows:

Name	Designation	No. of Meetings Attended
Nor Shahmir bin Nor Shahid	Chairperson/ Independent Non-Executive Director	5/5
Yee Swee Meng	Member/Independent Non-Executive Director	5/5
Dato’ F’ng Meow Cheng (Resigned on 28 July 2023)	Member/Independent Non-Executive Director	3/3
Jamie Hwe Ping Lee (Appointed on 28 July 2023)	Member/Non-Independent Non-Executive Director	2/2

Collectively, the AC members have vast experience and wide range of necessary skills, knowledge and experience, especially in accounting and financials in discharging their roles, duties and responsibilities.

The Chairperson of the AC, Encik Nor Shahmir bin Nor Shahid, is a member of the MIA.

Mr Yee Swee Meng is also a member of the MIA and a CA(M), as well as a fellow member of CPA Australia, while Ms Jamie Hwe Ping Lee is a member of CPA Australia.

Thus, the Company has complied with Paragraph 15.09(1)(c)(i) of the MMLR.

The Board through the Nomination Committee reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board’s Committee evaluation. The Board was satisfied that the AC and its members had discharged their functions, duties and responsibilities in accordance with its Terms of Reference.

The Group CFO and the DSG of BCM, were invited to attend all AC meetings to facilitate direct communication and interaction as well as provide clarifications on audit, financial and operational issues. Both the Group CFO and DSG had briefed the AC on specific issues and areas arising from the quarterly and audit reports.

SUMMARY OF ACTIVITIES

The following summary of activities had been carried out during the FPE Dec 2023:

- Reviewed annual financial statements and quarterly financial results of the Group.
- Reviewed budget of the Group.
- Internal audit
 - o Reviewed internal audit plan for the Group.
 - o Reviewed audit findings presented by Internal Auditors.
 - o Conducted assessment of the suitability and performance of the Internal Auditors.
 - o Reviewed Internal Auditors fees.

SUMMARY OF ACTIVITIES (cont'd)

- External audit
 - o Reviewed external audit plan for the Company and the Group.
 - o Reviewed audit findings presented by External Auditors.
 - o Conducted private session with External Auditors.
 - o Conducted assessment of the suitability, performance and independence of the External Auditors.
 - o Reviewed External Auditors fees.
- Reviewed the terms of reference of the Company.
- Reviewed Statement of Risk Management and Internal Control for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group for the FPE Dec 2023 is outsourced to Talent League Sdn. Bhd. (“IA”). The IA is tasked to evaluate selected processes of the Group and identify opportunities for improvement where applicable.

The review of the internal audit activities was conducted on BCM, focused on the process for production and quality assurance.

The IA will follow-up on the implementation of the recommendations and management action plans and report to the AC on the status of the implementation.

The total costs incurred for Talent League in FPE Dec 2023 were RM13,374.98.

Statement on Risk Management and Internal Control

1. Introduction

The Board recognises the importance of maintaining a strong risk management and internal control system within the Company and its subsidiary (collectively as, the “**Group**”). The Group is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”), which outlines the nature and scope of the Group’s Risk Management and Internal Control system for the FPE Dec 2023, and up to the approval date of this Statement. This Statement is disclosed according to Chapter 15.26(b) of the MMLR of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance (“**MCCG**”). The preparation of this Statement followed the guidelines outlined in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, as set out in Practice Note 9 of the MMLR. The scope of this Statement covers the Group.

2. Board Responsibilities

The Board recognises the importance of maintaining a risk management and internal control system to safeguard the Group’s assets, shareholders’ investments, and the interests of stakeholders such as customers, regulators, and employees. The Board is committed to upholding suitable risk management and internal control systems to ensure that the Group’s objectives are achieved. The Board regularly assesses the sufficiency and effectiveness of these systems. However, it is important to note that no risk management system can eliminate all risks. Instead, it is designed to handle risks. Therefore, it can only offer reasonable assurance, rather than absolute certainty, against losses, fraud, or material misstatement.

The Board has given the Risk Management Committee (“**RMC**”), which includes a majority of Independent Non-Executive Directors (“**INED**”), the task of overseeing risk management. AC, which includes INED and Non-Independent Non-Executive Directors (“**NINED**”), has been given the responsibility of the internal control function. The Board, through the RMC and AC, regularly evaluates the adequacy and effectiveness of the risk management and internal control system and if necessary, the Board instructs the management to implement suitable controls to address emerging issues or areas of control deficiencies. This procedure has been in place for the financial period under review and remains in effect until the approval of this statement for inclusion in the Annual Report of the Company.

3. Risk Management Framework

The Board has established and developed an Enterprise Risk Management framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role, and direction of the Group;
- identify, assess, evaluate, and manage the various principal risks which affect the business of the Group;
- create a risk-awareness culture and risk ownership for more effective management of risks; and
- formulate a systematic process of reviewing, tracking, and reporting on key risks identified and corresponding mitigation procedures.

The Group conducts a risk analysis on a regular basis, which involves constantly reviewing the process of identifying, evaluating, and taking necessary action to assess and monitor the impacts of the risk on the operation and business. In this process, the Management fully identifies and assesses all types of risks in terms of their likelihood and magnitude of impact. They also address the adequacy and application of the mechanisms in place to manage, mitigate, avoid, or eliminate these risks. If significant risks are identified, they are then brought to the attention of the RMC, AC, and Board during their respective meetings. This serves as an ongoing process to identify, assess, and manage risks faced by the Group. It has been implemented for the financial period under review and remains in place until the approval of this Statement for inclusion in the Annual Report.

The Group’s risk management is overseen by the Risk Management Executive Committee, which is responsible for identifying, evaluating, and monitoring risks, as well as taking appropriate and timely actions to mitigate them. The Respective Risk Owners assist in managing these risks, these processes are integrated into the operational and business management procedures of the Group. When necessary, external professionals with relevant expertise may be consulted to offer advice and support to the management team.

During its review process, the Board periodically examines the process with the assistance of independent consulting professionals, outsourced when needed, to further review and enhance the Group’s existing internal control processes. The Group will remain attentive to the main risks and related controls to ensure their ability to effectively respond to changes in the business and competitive environment.

Statement on Risk Management and Internal Control (cont'd)

4. Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, Talent League Sdn. Bhd. (“**Talent League**” or “**Internal Auditors**”), which assists both the Board and AC by conducting an independent assessment of the adequacy and operating effectiveness of the internal control system of the Group. To ensure independence from the management, the Internal Auditors report directly to the AC through the execution of internal audit work based on a risk-based annual internal audit plan reviewed and approved by the AC before the commencement of work.

Talent League uses the Committee of Sponsoring Organisation of the Treadway Commission - Internal Control (“**COSO – IC**”) Integrated Framework as a basis for evaluating the effectiveness of the internal control system. Talent League also refers to the International Professional Practices Framework during the course of the assignments. The internal audit function shall highlight any key areas of weaknesses in the risks and internal control management system of the Group to the AC and include in their report the recommendations on the remedial actions to be taken to address the areas of weaknesses as highlighted for the reviews and recommendations of AC to the Board for implementation. In addition, Talent League shall perform follow-up reviews on previously reported issues and provide an update to the AC on the status of the implementations.

During the financial period under review, AC assessed and endorsed an internal audit plan that specifically addressed areas with identified risks. Furthermore, they established follow-up procedures to monitor and ensure the implementation of the internal audit’s recommendations.

5. Other Internal Control Processes

Apart from risk management and internal audit, the system of internal controls of the Group also comprises the following key elements:

a. Organisation Structure and Delegation of Authority

The Group has an organisational structure that clearly defines lines of responsibility, a delegation of authority, segregation of duties, and flow of information. This structure is aligned with the operational requirements of the Group’s business and ensures accountability and responsibility within management for their respective job functions.

The Group CEO is responsible for conveying and ensuring the execution of the Board’s decisions, operational policies, and procedures. He also oversees the Group’s daily operations. On the other hand, the Group CFO is responsible for overseeing the overall human resources, IT, accounting, financial and sustainability management of ATech Group.

b. Policies and Procedures

Standard Operating Procedures (“**SOPs**”) and various policies are established as guidelines for all employees within the Group to follow in their daily activities, ensuring adherence to financial and operational controls, as well as the relevant laws and regulations. The SOPs and policies are regularly reviewed and updated as necessary.

The Group is strongly dedicated to delivering products and services that consistently align with and surpass business goals and customer needs whenever feasible. The Group diligently assesses the ongoing efficiency of its quality management systems and actively seeks opportunities for improvement. It also ensures compliance with relevant statutory and regulatory requirements, encompassing health and safety regulations, environmental controls, and other pertinent legislation.

The Group has documented policies and procedures in place to regulate important processes in accordance with the following:

- ISO 9001:2015 – QUALITY MANAGEMENT SYSTEM
- ISO 14001:2015 – ENVIRONMENTAL MANAGEMENT SYSTEM
- ISO 45001:2018 – OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
- EN ISO 13485:2016 – MEDICAL DEVICES QUALITY MANAGEMENT SYSTEM
- IATF 16949: 2016 – AUTOMOTIVE QUALITY MANAGEMENT SYSTEM
- ANSI/ESD S20.20:2014 – ELECTROSTATIC DISCHARGE CONTROL

Statement on Risk Management and Internal Control (cont'd)

5. Other Internal Control Processes (cont'd)

c. Integrity and Ethical Value

The Board has established the Code of Business Conduct and Ethics for the Directors and Employees of the Group in compliance with Practice 3.1 of the MCCG. This Code aims to demonstrate the Board's commitment to upholding high ethical standards in all areas of the organisation's operations and engagements with stakeholders.

To comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti-Bribery and Anti-Corruption Policy has been implemented to mitigate the risk of bribery and conflicts of interest within the Group. Additionally, a Whistleblowing Policy and corresponding procedures have been established to provide transparent and confidential channels for communication and feedback, enabling employees and stakeholders to raise legitimate concerns regarding potential misconduct, improper behavior, or other wrongdoings within the Group appropriately.

d. Board of Directors/Board Committee Meetings

The Board operates based on guidelines set out in the Board Charter, which define its role, functions, composition, and processes. The Board has established committees such as the AC, Nomination Committee, Remuneration Committee, and RMC, each with its specific tasks outlined in their terms of reference, which are approved by the Board. The AC and RMC support the Board in monitoring risk and control matters within their scope of work.

Regular meetings are scheduled for the Board and its committees to assess the Group's performance, considering both financial and operational aspects.

e. Employee Training and Development

Guidelines on human resource management are in place to ensure the ability of the Group to operate effectively and efficiently by employing and retaining adequate competent employees possessing the necessary knowledge, skill, and experience to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, training needs, and talent development.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programmes and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant training and development programmes are conducted regularly to ensure that employees are kept up to date with the necessary competencies to carry out their respective duties toward achieving the Group's objectives.

f. Information and Communication

The Group has established a robust information and communication framework that includes modern technologies such as computerised systems, a secure intranet, and an electronic mail system. These resources ensure that operational data and management information are swiftly and securely communicated to specific individuals within the Group. This enables timely decision-making and facilitates communication with external stakeholders for executing tasks and gathering information. To facilitate effective communication, management and board meetings are conducted, allowing for a productive exchange of information across various levels of management and with the Board.

g. Monitoring and Review Activities

The Group CEO, Group CFO, and COO are closely involved in the daily operations and regularly review the performance of the business units and department function by identifying, discussing, and resolving various matters covering operational, financial, business development, human resources, and key management issues. The Management team formulates and implements action plans to address the identified areas of concern.

h. Company Secretary

The Company Secretary plays a crucial role in providing guidance and advice on matters related to the Constitution of the Company, Board policies, and procedures, compliance with relevant regulatory requirements, codes, or guidance, and other key corporate governance functions. They ensure that the Board and its Committees comply with legal and regulatory requirements, maintain accurate records, and manage Board meetings effectively.

Statement on Risk Management and Internal Control (cont'd)

5. Other Internal Control Processes (cont'd)

i. Insurance

Adequate insurance coverage and effective physical safeguards have been implemented to protect the Group's significant assets from potential mishaps that could lead to substantial losses. The Group also holds Directors and Officers ("D&O") liability insurance to safeguard the personal assets of corporate directors and officers, as well as their spouses, in case they face personal lawsuits from employees, vendors, competitors, investors, customers, or other parties due to real or alleged wrongful actions in their management of the company. Periodic evaluations of available insurance coverage have been conducted to mitigate associated financial risks, ensuring economically viable terms.

j. Cyber Security risks

The Group acknowledges the growing importance of managing cyber security risks due to its increased reliance on digital technology and ICT equipment. To mitigate potential cyber threats and data breaches, the Group has implemented measures such as antivirus protection, firewall gateway protection, routine data backups, and local disaster recovery solutions. Additionally, the Group enforces strict password policies, controls physical access to server rooms, and limits employee access to internal and customer critical data and sensitive information. These actions demonstrate the Group's commitment to enhancing its cyber security defenses and protecting its digital assets in an ever-evolving digital landscape.

k. COVID-19 risks

The Group has consistently placed a strong emphasis on the safety and health of employees and stakeholders. This commitment has been evident through the strict enforcement of precautionary measures and guidelines within its factory premises, in compliance with the directives of relevant authorities, ever since the onset of the COVID-19 pandemic. If there's a rise in cases, the Group will persist in enforcing precautionary measures. The safety and well-being of employees and stakeholders remain paramount for the Group, as demonstrated by its ongoing implementation of precautionary measures and guidelines. These efforts include the dissemination of vital information, provision of personal protective equipment, conducting temperature checks and saliva tests for visitors, and the promotion of virtual meetings.

6. Review of the Statement by External Auditors

The External Auditors have reviewed this Statement pursuant to Chapter 15.23 of the MMLR and in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in this Annual Report, issued by the Malaysian Institute of Accountants for inclusion in this Annual Report of the Group for the FPE Dec 2023 and reported to the Board that nothing has come to their attention that cause them to believe that this Statement intended to be included in the Annual Report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

7. Conclusion

The Group's CEO and CFO have reassured the Board that the Group's risk management and internal control system is operating effectively and adequately, based on their daily management observations. The Board is confident that this system is performing well in protecting the interests of stakeholders and Group assets, without any significant losses, contingencies, or uncertainties that need to be disclosed in this Annual Report. The Board is actively working on enhancing the risk management and internal control system to align with the Group's strategic goals and continuously improve it. The commitment to maintaining a strong internal control system and effective risk management throughout the Group remains unwavering.

This Statement was approved by the Board on 22 April 2024.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The IPO proceeds of RM104.7 million on 16 December 2021 were fully utilised and paid in the following manner:

Details of IPO utilisation	Estimated timeframe for utilisation upon listing	Proposed utilisation RM	%	Fund utilised RM	Unutilised Balance as at 31 December RM
Purchase of new machinery and equipment	within 24 months	40,000,000	38.2	40,000,000	0
Repayment of bank borrowings	within 6 months	29,520,000	28.2	29,520,000	0
Working capital	within 36 months	28,128,600	26.9	28,128,600	0
Listing expenses	within 6 months	7,085,000	6.7	7,085,000	0
Total		104,733,600	100.0	104,733,600	0

2. UTILISATION OF PROCEEDS RAISED FROM THE PRIVATE PLACEMENT

The utilisation of the proceeds from the private placement of the issuance of new Company ordinary shares on 2 February 2023 is summarised as follows:

Details of Private Placement proceeds utilisation	Estimated timeframe for utilisation upon listing	Proposed utilisation RM	%	Fund utilised RM	Unutilised Balance as at 31 December RM
Purchase of 3 additional surface mount technology lines	within 24 months	25,000,000	32.2	0	25,000,000
Installation of Rooftop Solar	within 12 months	2,000,000	2.6	2,000,000	0
Repayment of bank facilities	within 3 months	29,925,060	38.5	29,925,060	0
Investment for new manufacturing plant	within 24 months	20,000,000	25.7	1,358,433	18,641,567
Expenses in relation to the Private Placement	within 6 months	800,000	1.0	800,000	0
Total		77,725,060	100.0	34,083,493	43,641,567

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the auditors, or a firm or corporation affiliated to the auditors' firm by the Company and the Group for the FPE Dec 2023 were as follows:

	Company RM	Group RM
Audit fees	30,000.00	115,000.00
Assurance related and non-audit fees	9,000.00	22,000.00
Total	39,000.00	137,000.00

Additional Compliance Information (cont'd)

4. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Save as disclosed in the audited financial statements for FPE Dec 2023, there were no material contracts entered into by the Group, involving the interest of the Directors, Chief Executive and major shareholders.

5. EMPLOYEES' SHARE SCHEME

- (a) The total number of performance shares granted, exercised, cancelled and outstanding under the Employees' Shares Scheme ("ESS") since its commencement up to FPE Dec 2023 are set out below:

	Number of Performance Shares	
	Grand Total	Directors
Granted as at 1 Feb 2023	325,000	0
Granted (New)	0	0
Issued	70,000	0
Lapsed/ Cancelled	0	0
Granted as at 31 Dec 2023	255,000	0

- (b) The percentage of performance shares granted to the Directors and senior management under the ESS during the financial year and since its commencement up to the FPE Dec 2023 are set out below:

Directors and Senior Management	During the period year	Since commencement up to 31 December 2023
Aggregate maximum allocation	0%	76.9%
Actual performance shares granted	0%	76.9%

- (c) No performance shares were granted to and vested in (if any) Non-Executive Directors of the Company pursuant to an ESS in respect of FPE Dec 2023.

Other than the ESS, no other scheme was established by the Company.

6. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transaction entered into by the Group during the FPE Dec 2023.

Statement Of Directors' Responsibility

During the process of preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible for ensuring that the financial statements are prepared in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 (“Act”), and the MMLR of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the FPE Dec 2023, the Directors have:

- considered the applicable approved accounting standards in Malaysia.
- made reasonable and prudent judgments and estimates.
- used appropriate and consistent accounting policies throughout the preparation of the financial statements.
- prepared the financial statements assuming the company will continue to operate normally in the foreseeable future going concern basis.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company provides a true and fair view of the financial position of the Group and the Company as of the end of the reporting period and the financial performance and cash flows for the financial period then ended.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting and such other records that disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company, as well as to detect and prevent fraud and other irregularities.

Directors' Report

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period from **1 February 2023 to 31 December 2023**.

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding.

The principal activity of the subsidiary is principally involved as the provider of electronic manufacturing services (“**EMS**”) which provides integrated manufacturing services that includes printed circuit board assembly (“**PCBA**”), sub-assembly and box build.

There have been no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Group and of the Company were changed from 31 January to 31 December. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not entirely comparable.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial period	<u>38,246,736</u>	<u>17,026,240</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial period from **1 February 2023 to 31 December 2023** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared and paid the following dividends in respect of financial period **from 1 February 2023 to 31 December 2023**:

- (i) first interim single tier dividend of 2.3 sen per ordinary share amounting to RM9,061,954 declared on 29 September 2023 and paid on 10 November 2023; and
- (ii) final single tier dividend of 2.5 sen per ordinary share amounting to RM9,851,700 declared on 28 February 2024 and paid on 9 April 2024.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial period, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of:

- (i) 35,818,000 new ordinary shares pursuant to private placement at an issue price of RM2.17 per ordinary share for cash on 2 February 2023; and
- (ii) 70,000 new ordinary shares pursuant to Employees' Shares Scheme (“**ESS**”).

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

Directors' Report

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

EMPLOYEES' SHARE SCHEME ("ESS")

The Company's ESS is established in conjunction with the listing on the Main Market of Bursa Malaysia Securities Berhad on 15 December 2021. The ESS is to be in force for a period of 5 years from 1 April 2022. The Board of Directors ("Board") will have the discretion upon the recommendation of the ESS Committee to extend the ESS for another 5 years or such shorter period as it deemed fit immediately from the expiry of the first 5 years, provided that the ESS does not exceed a maximum period of 10 years in its entirety. The establishment of an ESS of not more than 10% of the issued share capital of the Company is granted to eligible directors and employees of the Group.

The salient features and other terms of the ESS are disclosed in Note 29 to the financial statements.

The movement of the ESS during the financial period is as follows:

Grant date	Number of shares grants			Balance at 31.12.2023
	Balance at 1.2.2023	Granted	Vested	
4.11.2022	325,000	-	(70,000)	255,000

No ESS was granted to the directors of the Company.

DIRECTORS

The directors of the Company in office since the beginning of the financial period to the date of this report are:

- Dato' F'ng Meow Cheng**
- * **Loh Hock Chiang**
- * **Tan Chong Hin**
- Nor Shahmir Bin Nor Shahid**
- Yee Swee Meng**
- Jamie Hwe Ping Lee**
- Jonathan Ming Chian Lee (Alternate Director to Jamie Hwe Ping Lee)**
- Datin Normaliza Binti Kairon (retired on 28.6.2023)**

* The directors are also directors of the Company's subsidiary.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period are as follows:

	Number of ordinary shares			Balance at 31.12.2023
	Balance at 1.2.2023	Bought	Sold	
The Company				
Direct Interest:				
Loh Hock Chiang	30,545,300	-	-	30,545,300
Dato' F'ng Meow Cheng	40,000	-	(26,200)	13,800

Directors' Report

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of ordinary shares			Balance at 31.12.2023
	Balance at 1.2.2023	Bought	Sold	
Deemed Interest:				
¹ Loh Hock Chiang	155,272,900	-	-	155,272,900
² Tan Chong Hin	25,431,000	-	(1,126,400)	24,304,600
³ Jonathan Ming Chian Lee	185,818,200	-	-	185,818,200

Note:

- ¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Main Stream Holdings Sdn. Bhd. and Main Stream Limited.
- ² Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Pixel Advisers Pte. Ltd.
- ³ He is the Administrator of the Estate of Lee Chong Yeow @ Lee Chong Yan, as such he is deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of the late Lee Chong Yeow @ Lee Chong Yan's direct interest in the Company, Main Stream Holding Sdn. Bhd. and Main Stream Limited.

By virtue of his shareholdings in the Company, **Loh Hock Chiang** is also deemed interested in the shares of the subsidiary of the Company, to the extent that the Company has interests.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial period, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARY RM	GROUP RM
Fees	147,000	-	147,000
Salaries, allowances and bonus	63,300	1,843,097	1,906,397
Defined contribution plan	-	221,173	221,173
Social security contribution and employment insurance scheme	-	2,085	2,085
Benefits-in-kind	-	23,950	23,950
	210,300	2,090,305	2,300,605

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial period is RM9,240.

Directors' Report

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (i) that would render it necessary to write off any bad debts or amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) that have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial period.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial period in which this report is made.

EVENT AFTER THE REPORTING PERIOD

The details of the event after the reporting period are disclosed in Note 35 to the financial statements.

Directors' Report

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial period from 1 February 2023 to 31 December 2023 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	115,000	30,000
Assurance related and non-audit services	22,000	9,000
Total	137,000	39,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial period.

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

.....
Dato F'ng Meow Cheng

Penang,

Date: 22 April 2024

.....
Loh Hock Chiang

Directors' Statement

FINANCIAL STATEMENTS

In the opinion of the directors, the financial statements set out on pages 75 to 120 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2023** and of their financial performance and cash flows for the financial period from 1 February 2023 to 31 December 2023.

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

.....
Dato F'ng Meow Cheng

.....
Loh Hock Chiang

Date: 22 April 2024

Statutory Declaration

I, **Tan Chong Hin**, the director primarily responsible for the financial management of **Aurelius Technologies Berhad** do solemnly and sincerely declare that the financial statements set out on pages 75 to 120 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **22nd**)
day of **April 2024**.)

.....
Tan Chong Hin
(MIA No. 50072)

Before me,

.....
Liew Juan Leng (P162)
Commissioner for Oaths

Independent Auditors' Report

To The Members Of Aurelius Technologies Berhad
Registration No. 202101005015 (1405314-D)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Aurelius Technologies Berhad**, which comprise the statements of financial position as at **31 December 2023** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 February 2023 to 31 December 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 120.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2023** and of their financial performance and cash flows for the financial period from 1 February 2023 to 31 December 2023 in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report (cont'd)

To The Members Of Aurelius Technologies Berhad
 Registration No. 202101005015 (1405314-D)
 (Incorporated in Malaysia)

FINANCIAL STATEMENTS

Key Audit Matters (cont'd)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Valuation of inventories <i>(Note 7 to the financial statements)</i></p> <p>The Group holds significant inventories as at 31 December 2023 which exposes the Group to a risk that the inventories may become slow moving or recorded above their realisable value.</p> <p>The Group measures inventories at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value required judgement by the Group.</p> <p>We focus on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventories write-downs; and - how the Group makes the accounting estimates for inventories write-downs; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; • Attended the period end physical inventory counts to identify whether any inventories are slow moving or obsolete; • Reviewed and tested the net realisable value of inventories on a sampling basis; • Reviewed the ageing analysis of inventories and tested the reliability thereof; • Made inquiries of management regarding the action plans to clear the aged inventories; • Checked the subsequent movements of the raw materials to identify any slow moving items; and • Evaluated the reasonableness and adequacy of the inventories written down recognised for identified exposure.

Independent Auditors' Report (cont'd)

To The Members Of Aurelius Technologies Berhad
 Registration No. 202101005015 (1405314-D)
 (Incorporated in Malaysia)

FINANCIAL STATEMENTS

Key Audit Matters (cont'd)

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Revenue recognition <i>(Note 19 to the financial statements)</i></p> <p>The Group's revenue is mainly derived from the provision of electronic manufacturing services and is recognised at a point in time.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised. In addition, different customers with different deliverable arrangements could impact the point at which the control of the goods is passed on to the customers.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transaction taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; • Inspected the terms stated in the Master Sales Agreement with the major customers to determine the point of transfer of control to the customers; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (cont'd)

To The Members Of Aurelius Technologies Berhad
Registration No. 202101005015 (1405314-D)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent Auditors' Report (cont'd)

To The Members Of Aurelius Technologies Berhad
Registration No. 202101005015 (1405314-D)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period 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.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2026 J
Chartered Accountant

Penang

Date: 22 April 2024

Statements of Financial Position

As at 31 December 2023

FINANCIAL STATEMENTS

	NOTE	GROUP		COMPANY	
		31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	122,349,421	115,374,459	-	-
Right-of-use asset	5	880,042	1,848,088	-	-
Investment in a subsidiary	6	-	-	259,453,914	182,947,199
		<u>123,229,463</u>	<u>117,222,547</u>	<u>259,453,914</u>	<u>182,947,199</u>
Current assets					
Inventories	7	153,669,742	101,739,307	-	-
Trade and other receivables	8	108,067,804	136,136,268	4,500	4,500
Contract assets	9	12,814,096	12,241,534	-	-
Current tax assets		2,858,020	1,145,547	56,200	-
Short term investments	10	22,334,713	1,965,053	1,341,457	337,985
Cash and bank balances	11	66,435,193	48,923,562	6,185	199
		<u>366,179,568</u>	<u>302,151,271</u>	<u>1,408,342</u>	<u>342,684</u>
TOTAL ASSETS		<u>489,409,031</u>	<u>419,373,818</u>	<u>260,862,256</u>	<u>183,289,883</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	260,187,866	182,946,490	260,187,866	182,946,490
Merger deficit	13	(38,486,932)	(38,486,932)	-	-
Reserves	14	6,298,609	6,284,381	282,321	96,199
Retained profits	15	102,328,148	80,851,432	262,673	178,347
Total equity		<u>330,327,691</u>	<u>231,595,371</u>	<u>260,732,860</u>	<u>183,221,036</u>
Non-current liabilities					
Borrowings	16	16,762,974	21,109,773	-	-
Lease liability	5	-	905,609	-	-
Deferred tax liabilities	17	12,881,000	8,691,000	-	-
		<u>29,643,974</u>	<u>30,706,382</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	18	120,197,198	82,384,544	129,396	43,577
Borrowings	16	5,134,739	72,704,172	-	-
Lease liability	5	905,609	1,038,387	-	-
Current tax liabilities		3,199,820	944,962	-	25,270
		<u>129,437,366</u>	<u>157,072,065</u>	<u>129,396</u>	<u>68,847</u>
Total liabilities		<u>159,081,340</u>	<u>187,778,447</u>	<u>129,396</u>	<u>68,847</u>
TOTAL EQUITY AND LIABILITIES		<u>489,409,031</u>	<u>419,373,818</u>	<u>260,862,256</u>	<u>183,289,883</u>

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

Statements of Comprehensive Income

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

	NOTE	GROUP		COMPANY	
		1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Revenue	19	385,558,994	482,361,655	17,456,650	8,217,470
Cost of sales		(335,636,800)	(422,118,498)	-	-
Gross profit		49,922,194	60,243,157	17,456,650	8,217,470
Other income	20	6,565,157	850,780	12,872	483,030
Administrative expenses		(11,954,243)	(17,225,212)	(469,686)	(511,609)
Selling and distribution expenses		(367,527)	(256,247)	-	-
Operating profit		44,165,581	43,612,478	16,999,836	8,188,891
Finance income	21	3,262,515	544,197	28,046	515,984
Finance costs	22	(1,646,717)	(3,878,113)	-	-
Profit before tax	23	45,781,379	40,278,562	17,027,882	8,704,875
Income tax expense	25	(7,534,643)	(3,033,976)	(1,642)	(114,058)
Profit for the financial period/year		38,246,736	37,244,586	17,026,240	8,590,817
Other comprehensive income, net of tax:					
Items that will not be reclassified subsequently to profit or loss:					
Transfer of revaluation surplus to retained profits		171,894	187,519	-	-
Realisation of revaluation surplus upon depreciation		(171,894)	(187,519)	-	-
		-	-	-	-
Total comprehensive income for the financial period/year		38,246,736	37,244,586	17,026,240	8,590,817
Earnings per share attributable to owners of the Company (sen)					
- Basic and diluted	26	9.72	10.40		

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

Consolidated Statement of Changes in Equity

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

NOTE	Attributable to owners of the Company					Total Equity RM
	Share Capital RM	Merger Deficit RM	Revaluation Reserve RM	ESS Reserve RM	Distributable Retained Profits RM	
31.12.2023						
Balance at beginning	182,946,490	(38,486,932)	6,188,182	96,199	80,851,432	231,595,371
Total comprehensive income for the financial period	-	-	(171,894)	-	38,418,630	38,246,736
<i>Transaction with owners of the Company:</i>						
Issuance of share pursuant to:						
- Private placement	77,725,060	-	-	-	-	77,725,060
- ESS	110,593	-	-	(110,593)	-	-
Share issuance expenses	(594,277)	-	-	-	-	(594,277)
Grant of ESS to employees	-	-	-	296,715	-	296,715
Dividends	-	-	-	-	(16,941,914)	(16,941,914)
Total transaction with owners	77,241,376	-	-	186,122	(16,941,914)	60,485,584
Balance at end	260,187,866	(38,486,932)	6,016,288	282,321	102,328,148	330,327,691

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

Consolidated Statement of Changes in Equity

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

	Attributable to owners of the Company						Total Equity RM
	Share Capital RM	Merger Deficit RM	Non-distributable Revaluation Reserve RM	ESS Reserve RM	Distributable Retained Profits RM		
31.1.2023							
Balance at beginning	182,946,490	(38,486,932)	6,375,701	-	50,582,927		201,418,186
Total comprehensive income for the financial year	-	-	(187,519)	-	37,432,105		37,244,586
<i>Transaction with owners of the Company:</i>							
Grant ESS to employee	-	-	-	96,199	-		96,199
Dividends	-	-	-	-	(7,163,600)		(7,163,600)
Total transaction with owners	-	-	-	96,199	(7,163,600)		(7,067,401)
Balance at end	182,946,490	(38,486,932)	6,188,182	96,199	80,851,432		231,595,371

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

Statement of Changes in Equity

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

	NOTE	Share Capital RM	Non- distributable ESS Reserve RM	Retained Profits RM	Total Equity RM
31.12.2023					
Balance at beginning		182,946,490	96,199	178,347	183,221,036
Total comprehensive income for the financial period		-	-	17,026,240	17,026,240
<i>Transaction with owners of the Company:</i>					
Issuance of share pursuant to:					
- Private placement	12	77,725,060	-	-	77,725,060
- ESS	12	110,593	(110,593)	-	-
Share issuance expenses	12	(594,277)	-	-	(594,277)
Grant of ESS to employees	24	-	296,715	-	296,715
Dividends	27	-	-	(16,941,914)	(16,941,914)
Total transaction with owners		77,241,376	186,122	(16,941,914)	60,485,584
Balance at end		260,187,866	282,321	262,673	260,732,860
31.1.2023					
Balance at beginning		182,946,490	-	(1,248,870)	181,697,620
Total comprehensive income for the financial year		-	-	8,590,817	8,590,817
<i>Transaction with owners of the Company:</i>					
Grant of ESS to employees	24	-	96,199	-	96,199
Dividends	27	-	-	(7,163,600)	(7,163,600)
Total transaction with owners		-	96,199	(7,163,600)	(7,067,401)
Balance at end		182,946,490	96,199	178,347	183,221,036

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

Statements of Cash Flows

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	45,781,379	40,278,562	17,027,882	8,704,875
Adjustments for:				
Accretion of interest on lease liability	73,293	17,175	-	-
Allowance for expected credit losses on trade receivables	168,999	-	-	-
Depreciation of property, plant and equipment	10,691,271	8,481,307	-	-
Depreciation of right-of-use asset	968,046	264,013	-	-
Dividend income	-	-	(17,456,650)	(8,217,470)
Equity-settled share-based payments	296,715	96,199	-	-
Fair value gain on short term investments	(533,353)	(572,786)	(12,953)	(482,969)
Interest expenses	1,462,865	3,701,820	-	-
Interest income	(3,262,515)	(544,197)	(28,046)	(515,984)
(Gain)/Loss on disposal of property, plant and equipment	(76,928)	300	-	-
Reversal of inventories written down	-	(193,437)	-	-
Unrealised loss on foreign exchange	566,629	4,156,190	-	-
Operating profit/(loss) before working capital changes	56,136,401	55,685,146	(469,767)	(511,548)
Changes in:				
Inventories	(51,666,245)	31,954,149	-	-
Receivables	26,580,359	(50,308,404)	-	253,053
Contract assets	(572,562)	11,268,556	-	-
Payables	38,896,143	(2,370,676)	85,819	(178,260)
Cash generated from/(used in) operations	69,374,096	46,228,771	(383,984)	(436,755)
Income tax paid	(2,802,258)	(1,533,338)	(83,112)	(135,788)
Interest paid	(1,462,865)	(3,701,820)	-	-
Net cash from/(used in) operating activities	65,108,973	40,993,613	(467,060)	(572,543)

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

Statements of Cash Flows

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

	NOTE	GROUP		COMPANY	
		1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		-	-	17,456,650	8,217,470
Interest received		3,262,515	410,942	28,046	515,984
Addition investment in a subsidiary		-	-	(76,210,000)	-
Placement of fixed deposits with licensed banks		(8,978,384)	(378,908)	-	-
Net change in short term investments		(19,836,307)	(1,392,267)	(990,519)	144,984
Proceeds from disposal of property, plant and equipment		81,462	14,700	-	-
Purchase of property, plant and equipment	A	(17,670,767)	(39,601,092)	-	-
Net cash (used in)/from investing activities		(43,141,481)	(40,946,625)	(59,715,823)	8,878,438
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(16,941,914)	(7,163,600)	(16,941,914)	(7,163,600)
Repayment of lease liabilities	B	(1,111,680)	(185,280)	-	-
Repayment of finance lease liabilities	B	(58,735)	(155,224)	-	-
Drawdown of term loans	B	-	9,456,947	-	-
Repayment of term loans	B	(4,062,833)	(2,708,163)	-	-
Net changes in bankers acceptances and onshore foreign currency loan	B	(67,794,664)	(20,895,406)	-	-
Net changes in revolving credit	B	-	(5,000,000)	-	-
Net proceeds from issuance of ordinary shares		77,130,783	-	77,130,783	-
Net changes in a subsidiary's balance		-	-	-	(38,765,997)
Net cash (used in)/from financing activities		(12,839,043)	(26,650,726)	60,188,869	(45,929,597)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS CARRIED FORWARD					
		9,128,449	(26,603,738)	5,986	(37,623,702)

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

Statements of Cash Flows

For The Financial Period From 1 February 2023 To 31 December 2023

FINANCIAL STATEMENTS

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BROUGHT FORWARD	9,128,449	(26,603,738)	5,986	(37,623,702)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	(595,202)	(1,324,184)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING	41,707,054	69,634,976	199	37,623,901
CASH AND CASH EQUIVALENTS AT END	50,240,301	41,707,054	6,185	199
Represented by:				
Fixed deposits with licensed banks	32,488,556	7,216,508	-	-
Short term money market deposit	33,130,611	39,772,762	-	-
Cash in hand and at banks	816,026	1,934,292	6,185	199
	66,435,193	48,923,562	6,185	199
Less: Fixed deposits pledged with licensed banks	-	(7,216,508)	-	-
Fixed deposits with maturity more than three months	(16,194,892)	-	-	-
	50,240,301	41,707,054	6,185	199

A. Acquisition of property, plant and equipment

	NOTE	GROUP	
		31.12.2023 RM	31.1.2023 RM
Total acquisition cost		17,670,767	39,907,870
Acquired under finance lease liabilities	B	-	(306,778)
		17,670,767	39,601,092

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

Statements of Cash Flows

For The Financial Period From 1 February 2023 To 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
31.12.2023				
Borrowings	93,813,945	(71,916,232)	-	21,897,713
Lease liabilities	1,943,996	(1,111,680)	73,293	905,609
Total liabilities arising from financing activities	<u>95,757,941</u>	<u>(73,027,912)</u>	<u>73,293</u>	<u>22,803,322</u>
31.1.2023				
Borrowings	114,334,063	(18,995,068)	(1,525,050)	93,813,945
Lease liabilities	-	(185,280)	2,129,276	1,943,996
Total liabilities arising from financing activities	<u>114,334,063</u>	<u>(19,180,348)</u>	<u>604,226</u>	<u>95,757,941</u>

¹ Others consist of non-cash movement as follows:

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Accretion of interest on lease liability	73,293	17,175
Addition of lease liability	-	2,112,101
Unrealised gain on foreign exchange	-	(1,525,050)
	<u>73,293</u>	<u>604,226</u>

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

Notes to the Financial Statements

As at 31 December 2023

FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

General

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

The registered office of the Company is located at Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business is located at Plot 21, Jalan Hi-Tech 4, Kulim Hi-Tech Park Phase 1, 09090 Kulim, Kedah Darul Aman.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 April 2024.

Principal Activities

The principal activity of the Company consists of investment holding.

The principal activity of the subsidiary is principally involved as the provider of electronic manufacturing services (“**EMS**”) which provides integrated manufacturing services that includes printed circuit board assembly (“**PCBA**”), sub-assembly and box build.

There have been no significant changes in the nature of these activities during the financial period.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for land and buildings under property, plant and equipment and short term investments that are measured at fair values.

2.3 Functional and Presentation Currency

Ringgit Malaysia (“**RM**”) is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standard/Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following new standard/amendments to MFRSs that are mandatory for the current financial period:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Initial application of the above new standard/amendments to MFRSs did not have any material impact to the financial statements upon adoption, except for *Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards and amendments to MFRSs is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has not included the extension options period as part of the lease term for lease of warehouse as there is no extension option available. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

(i) **Inventories**

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, management takes into account the most reliable evidence available at the time the estimate is made. Possible changes in these estimates could result in revisions to the valuation of inventories.

(ii) **Provision for expected credit losses ("ECLs") of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar credit risk characteristics.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) Provision for expected credit losses (“ECLs”) of trade receivables and contract assets (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

The information about the ECLs on the Group’s trade receivables is disclosed in Note 32.3.1 to the financial statements.

(iii) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation		At cost					Capital work-in-progress	Total
	land	Building	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Solar system	RM		
	RM	RM	RM	RM	RM	RM	RM	RM	
31.12.2023									
At valuation/cost									
Balance at beginning	10,000,000	35,426,546	91,053,163	22,709,058	2,152,091	-	154,400	161,495,258	
Additions	-	-	6,478,675	3,642,092	-	7,550,000	-	17,670,767	
Disposals	-	-	(5,254,497)	(56,065)	(352,566)	-	-	(5,663,128)	
Reclassification	-	-	-	154,400	-	-	(154,400)	-	
Balance at end	10,000,000	35,426,546	92,277,341	26,449,485	1,799,525	7,550,000	-	173,502,897	
Accumulated depreciation									
Balance at beginning	559,440	1,426,910	27,895,186	14,819,968	1,419,295	-	-	46,120,799	
Current charge	256,410	923,447	7,549,270	1,697,239	189,405	75,500	-	10,691,271	
Disposals	-	-	(5,249,963)	(56,065)	(352,566)	-	-	(5,658,594)	
Balance at end	815,850	2,350,357	30,194,493	16,461,142	1,256,134	75,500	-	51,153,476	
Carrying amount	9,184,150	33,076,189	62,082,848	9,988,343	543,391	7,474,500	-	122,349,421	

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

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

	At valuation		At cost					Total RM
	Leasehold land RM	Building RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Solar System RM	Capital work-in progress RM	
31.1.2023								
At valuation/cost								
Balance at beginning	10,000,000	18,000,000	58,791,748	18,720,976	1,471,554	-	15,689,556	122,673,834
Additions	-	1,891,390	33,110,861	4,225,082	680,537	-	-	39,907,870
Disposals	-	-	(849,446)	(237,000)	-	-	-	(1,086,446)
Reclassification	-	15,535,156	-	-	-	-	(15,535,156)	-
Balance at end	10,000,000	35,426,546	91,053,163	22,709,058	2,152,091	-	154,400	161,495,258
Accumulated depreciation								
Balance at beginning	279,720	503,497	23,172,662	13,530,726	1,224,333	-	-	38,710,938
Current charge	279,720	923,413	5,556,970	1,526,242	194,962	-	-	8,481,307
Disposals	-	-	(834,446)	(237,000)	-	-	-	(1,071,446)
Balance at end	559,440	1,426,910	27,895,186	14,819,968	1,419,295	-	-	46,120,799
Carrying amount	9,440,560	33,999,636	63,157,977	7,889,090	732,796	-	154,400	115,374,459

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

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

- (i) The leasehold land and building were revalued to fair values based on the valuations performed by independent professional valuers using the cost approach. Had the leasehold land and building been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Leasehold land	2,153,697	2,213,826
Building	31,792,901	32,677,028
	<u>33,946,598</u>	<u>34,890,854</u>

- (ii) The carrying amount of motor vehicles of the Group and of the Company which are pledged as securities for the finance lease liabilities as disclosed in Note 16 to the financial statements are **RM266,942** (31.1.2023: RM338,093).

- (iii) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 16 to the financial statements are as follows:

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Leasehold land	9,184,150	9,440,560
Building	33,076,189	33,999,636
Plant and machinery	13,018,706	14,549,741
	<u>55,279,042</u>	<u>57,989,937</u>

- (iv) Included in the property, plant and equipment is a motor vehicle with carrying amount of **RM266,942** (31.1.2023: RM332,194) being held by a key management personnel in trust for the Group.

- (v) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

GROUP

	Carrying amount	Current depreciation
	RM	RM
31.12.2023		
Leasehold land	<u>9,184,150</u>	<u>256,410</u>
31.1.2023		
Leasehold land	<u>9,440,560</u>	<u>279,720</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

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

Material accounting policy information

Property, plant and equipment, except for land and building, are initially stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured at fair value less accumulated depreciation and impairment loss, if any. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity.

Leasehold land is depreciated on a straight-line basis over the lease period of 33 years.

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

Plant and machinery	10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Solar System	25 years

Capital expenditure-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital expenditure-in-progress is stated at cost and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital expenditure-in-progress is not depreciated until the assets are ready for their intended use.

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Group has a lease contract for the rental of warehouse used in its operations that has lease term of 2 years. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group and the Company have certain leases of hostel and equipment with lease terms of 12 months or less and lease of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value asset' recognition exemptions for these leases.

Right-of-use asset

Set out below are the carrying amount of right-of-use asset recognised and the movements during the financial period/year:

GROUP

	Warehouse	
	31.12.2023	31.1.2023
	RM	RM
Balance at beginning	1,848,088	-
Addition	-	2,112,101
Depreciation	(968,046)	(264,013)
Balance at end	<u>880,042</u>	<u>1,848,088</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)

Lease liability

Set out below are the carrying amount of the lease liability and the movements during the financial period/year:

	GROUP	
	31.12.2023 RM	31.1.2023 RM
Balance at beginning	1,943,996	-
Addition	-	2,112,101
Accretion of interest	73,293	17,175
Payments	(1,111,680)	(185,280)
Balance at end	905,609	1,943,996
Analysed as:		
Current	905,609	1,038,387
Non-current	-	905,609
	905,609	1,943,996

The maturity analysis of lease liability is disclosed in Note 32.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP		GROUP	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Depreciation of right-of-use asset	968,046	264,013	-	-
Accretion of interest on lease liability	73,293	17,175	-	-
Expenses relating to lease of low value asset	15,261	26,504	-	4,664
Expenses relating to short term leases	33,000	80,928	-	-
Total amount recognised in profit or loss	1,089,600	388,620	-	4,664

The total cash outflows for leases of the Group and of the Company during the financial period/year are **RM1,159,941** (31.1.2023: RM292,712) and **RM Nil** (31.1.2023: RM4,664) respectively.

Material accounting policy information

Right-of-use asset

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset as follows:

Warehouse	2 years
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Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

6. INVESTMENT IN A SUBSIDIARY

	COMPANY	
	31.12.2023	31.1.2023
	RM	RM
Unquoted shares, at cost	84,351,000	84,351,000
Unquoted redeemable preference shares, at cost	174,710,000	98,500,000
Employees' share scheme granted to employees of a subsidiary	392,914	96,199
	<u>259,453,914</u>	<u>182,947,199</u>

Details of the subsidiary, which was incorporated and principal place of business in Malaysia, are as follows:

Name of Subsidiary	Effective		Principal Activities
	Equity Interest		
	31.12.2023	31.1.2023	
BCM Electronics Corporation Sdn. Bhd. ("BCM")	100%	100%	Provider of electronic manufacturing services ("EMS") which provides integrated manufacturing services that includes printed circuit board assembly ("PCBA"), sub-assembly and box build.

Subscription of redeemable preference shares ("RPS") in a subsidiary

31.12.2023

During the financial period, the Company has subscribed for 7,621 RPS in BCM at RM76,210,000 for cash.

31.1.2023

In the prior financial year, the Company had subscribed for 9,850 RPS by way of converting amount due from BCM of RM 98,500,000.

Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate of financial statements.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

7. INVENTORIES

	GROUP	
	31.12.2023 RM	31.1.2023 RM
At cost		
Raw materials	141,927,886	88,798,587
Work-in-progress	1,850,861	1,916,118
Finished goods	2,485,892	1,529,176
Goods in transit	7,405,103	9,495,426
	153,669,742	101,739,307
	1.2.2023	1.2.2022
	to	to
	31.12.2023	31.1.2023
	(11 months)	(12 months)
	RM	RM
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	335,636,800	422,311,935
Reversal of inventories written down	-	(193,437)

The reversal of inventories written down was made in the prior financial year when the related inventories were sold above their carrying amounts.

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value and after adequate allowance is made for any obsolete and slow moving items. Costs of inventories are determined on the first-in, first-out basis.

8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
Trade receivables				
Third parties	99,285,048	131,825,689	-	-
Less: Allowance for expected credit loss	(168,999)	-	-	-
	99,116,049	131,825,689	-	-
Other receivables				
Sundry receivables	3,978,242	192,256	-	-
Deposits	1,692,334	302,133	4,500	4,500
Prepayments	3,281,179	3,816,190	-	-
	8,951,755	4,310,579	4,500	4,500
Total trade and other receivables	108,067,804	136,136,268	4,500	4,500

The normal trade credit terms granted by the Group range from 15 to 90 days (31.1.2023: 30 to 90 days). The trade receivables are recognised at their original invoice amounts which represent the fair value on initial recognition.

Included in the deposits of the Group is an amount of **RM1,387,280** (31.1.2023: RM Nil) paid to Northern Technocity Sdn. Bhd. to acquire a vacant freehold industrial land at Kulim, Kedah for a cash consideration of RM13,584,330 pursuant to Sale and Purchase Agreement dated 10 May 2023. As at the date of this report, the acquisition transaction has yet to be completed.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES (CONT'D)

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
Ringgit Malaysia	5,166,732	4,192,441	4,500	4,500
United States Dollar	102,901,072	131,943,827	-	-
	108,067,804	136,136,268	4,500	4,500

9. CONTRACT ASSETS

	GROUP	
	31.12.2023 RM	31.1.2023 RM
Contract assets arising from revenue recognised during the financial period/year	12,814,096	12,241,534

Contract assets are in respect of goods delivered but not yet invoiced. Provisions of the contract entered with the customer enables the Group to have the right to invoice goods delivered to the customer's designated point 60 days from the date of delivery regardless of whether the goods are picked up by the customer. As such, revenue is recognised at the point of delivery since the Group has satisfied all its performance obligations.

10. SHORT TERM INVESTMENTS

GROUP AND COMPANY

The short term investments represent the fund investments with licensed financial institutions in a mixture of money market instruments and fixed deposits with different maturity profile. The funds can be redeemed at any point in time upon request.

11. CASH AND BANK BALANCES

	GROUP		COMPANY	
	31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
Fixed deposits with licensed banks				
- Unencumbered	32,488,556	-	-	-
- Encumbered	-	7,216,508	-	-
Short term money market deposit	33,130,611	39,772,762	-	-
Cash in hand and at banks	816,026	1,934,292	6,185	199
	66,435,193	48,923,562	6,185	199

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

11. CASH AND BANK BALANCES (CONT'D)

The encumbered fixed deposits of the Group are pledged to financial institutions as securities for the banking facilities granted to a subsidiary as disclosed in Note 16 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period range from **5.63% to 6.29%** (31.1.2023: 1.75% to 2.80%) per annum and **1 month to 6 months** (31.1.2023: 1 month to 12 months) respectively.

The effective interest rates per annum and maturities of the short term money market deposit of the Group as at the end of the reporting period range from **4.80% to 5.60%** (31.1.2023: 3.40% to 4.28%) per annum and 2 to 23 days (31.1.2023: 3 to 21 days) respectively.

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	31.12.2023	31.1.2023	31.12.2023	31.1.2023
	RM	RM	RM	RM
Ringgit Malaysia	273,155	7,433,845	6,185	199
United States Dollar	66,158,247	39,898,527	-	-
Japanese Yen	1	1,588,880	-	-
Others	3,790	2,310	-	-
	66,435,193	48,923,562	6,185	199

12. SHARE CAPITAL

	Number of ordinary shares		Amount	
	31.12.2023	31.1.2023	31.12.2023	31.1.2023
			RM	RM
Issued and fully paid with no par value:				
Balance at beginning	358,180,000	358,180,000	182,946,490	182,946,490
Issuance of shares pursuant to:				
- Private placement	35,818,000	-	77,725,060	-
- ESS	70,000	-	110,593	-
Share issuance expenses	-	-	(594,277)	-
Balance at end	394,068,000	358,180,000	260,187,866	182,946,490

During the financial period, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of:

- (i) 35,818,000 new ordinary shares pursuant to private placement at an issue price of RM2.17 per ordinary share for cash on 2 February 2023; and
- (ii) 70,000 new ordinary shares pursuant to ESS. The related fair value of the ESS amounting to RM110,593 is transferred from the ESS reserve to share capital upon vesting of ESS.

13. MERGER DEFICIT

The merger deficit comprises the differences between the cost of acquisition and the share capital of BCM during the restructuring among common shareholders.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

14. RESERVE

		GROUP		COMPANY	
	NOTE	31.12.2023	31.1.2023	31.12.2023	31.1.2023
		RM	RM	RM	RM
Non-distributable:					
Revaluation reserve	14.1	6,016,288	6,188,182	-	-
ESS reserve	14.2	282,321	96,199	282,321	96,199
		<u>6,298,609</u>	<u>6,284,381</u>	<u>282,321</u>	<u>96,199</u>

14.1 Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's leasehold land and buildings.

14.2 Employees' Share Scheme ("ESS") reserve

The ESS reserve represents the equity-settled share grants awarded to the eligible employees of a subsidiary. The reserve is made up of the cumulative value of services received from the eligible employees recorded on the grant date of share grants, and is reduced by the expiry or exercise or lapse of share grants.

15. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

16. BORROWINGS

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Non-current liabilities		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within one year	61,356	73,216
More than one year and less than two years	61,356	61,356
More than two years and less than five years	112,484	168,727
	235,196	303,299
Future finance charges	(17,590)	(26,958)
	217,606	276,341
Amount due within one year included under current liabilities	(53,448)	(63,100)
	164,158	213,241
<u>Term loans</u>		
Total amount repayable	21,680,107	25,742,940
Amount due within one year included under current liabilities	(5,081,291)	(4,846,408)
	16,598,816	20,896,532
	16,762,974	21,109,773
Current liabilities		
Secured:		
Finance lease liabilities	53,448	63,100
Term loans	5,081,291	4,846,408
Bankers acceptances and onshore foreign currency loan ("OFCL")	-	67,794,664
	5,134,739	72,704,172
Total borrowings	21,897,713	93,813,945

The borrowings are secured by way of:

- (i) legal charges over the Group's leasehold land and building as disclosed in Note 4 to the financial statements;
- (ii) legal charges over certain plant and machinery as disclosed in Note 4 to the financial statements;
- (iii) debenture over all the Group's present and future assets;
- (iv) leased assets as disclosed in Note 4 to the financial statements;
- (v) fixed deposits with licensed banks of the Group as disclosed in Note 11 to the financial statements; and
- (vi) corporate guarantee of the Company.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

16. BORROWINGS (CONT'D)

A summary of the effective interest rates and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
31.12.2023						
Finance lease liabilities	2.15	217,606	53,448	55,791	108,367	-
Term loans	5.00 to 5.15	21,680,107	5,081,291	5,445,012	11,153,804	-
31.1.2023						
Finance lease liabilities	2.15 to 2.31	276,341	63,100	53,643	159,598	-
Term loans	4.74 to 5.90	25,742,940	4,846,408	5,264,758	13,403,300	2,228,474
Bankers acceptances and OFCL	3.63 to 5.95	67,794,664	67,794,664	-	-	-

The currency profile of the borrowings is as follows:

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Ringgit Malaysia	21,897,713	53,776,281
United States Dollar	-	40,037,664
	21,897,713	93,813,945

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

17. DEFERRED TAX LIABILITIES

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Balance at beginning	8,691,000	7,881,000
Recognised in profit or loss	4,927,449	196,727
(Over)/Under provision in prior year	(737,449)	613,273
	<u>12,881,000</u>	<u>8,691,000</u>

The deferred tax liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Property, plant and equipment	12,562,522	11,782,263
Revaluation reserve	1,896,981	1,951,180
Unabsorbed reinvestment allowance	(1,378,758)	(4,073,113)
Provisions	(199,745)	(969,330)
	<u>12,881,000</u>	<u>8,691,000</u>

Material accounting policy information

The deferred tax on the revaluation surplus of the property measured at fair value is recognised using the tax rates that would apply for the property which is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	31.12.2023	31.1.2023	31.12.2023	31.1.2023
	RM	RM	RM	RM
Trade payables				
Third parties	94,061,972	69,041,435	-	-
Other payables				
Sundry payables	6,018,952	6,420,312	-	-
Accruals	20,116,274	6,922,797	129,396	43,577
	<u>26,135,226</u>	<u>13,343,109</u>	<u>129,396</u>	<u>43,577</u>
Total trade and other payables	<u>120,197,198</u>	<u>82,384,544</u>	<u>129,396</u>	<u>43,577</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

18. TRADE AND OTHER PAYABLES (CONT'D)

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
Ringgit Malaysia	12,972,535	14,061,255	129,396	43,577
United States Dollar	107,017,358	63,502,982	-	-
Japanese Yen	77,148	4,671,832	-	-
Others	130,157	148,475	-	-
	120,197,198	82,384,544	129,396	43,577

The normal credit terms granted by trade payables range from **14 to 90 days** (31.1.2023: 14 to 90 days).

19. REVENUE

19.1 Disaggregated revenue information

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Sales of goods recognised at a point in time, representing total revenue from contracts with customers	385,558,994	482,361,655	-	-
Dividend income, representing other revenue	-	-	17,456,650	8,217,470
Total revenues	385,558,994	482,361,655	17,456,650	8,217,470
Geographical markets				
United States of America	199,835,092	238,634,196	-	-
Malaysia	88,267,297	137,534,572	-	-
Europe	40,162,765	48,687,287	-	-
Asia-Pacific	57,293,840	57,505,600	-	-
Total revenue from contracts with customers	385,558,994	482,361,655	-	-

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

19. REVENUE (CONT'D)

19.2 Contract balances

	GROUP	
	31.12.2023	31.1.2023
	RM	RM
Trade receivables (Note 8)	99,116,049	131,825,689
Contract asset (Note 9)	12,814,096	12,241,534

19.3 Performance obligation

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

20. OTHER INCOME

	GROUP		COMPANY	
	1.2.2023	1.2.2022	1.2.2023	1.2.2022
	to	to	to	to
	31.12.2023	31.1.2023	31.12.2023	31.1.2023
	(11 months)	(12 months)	(11 months)	(12 months)
	RM	RM	RM	RM
Fair value gain on short term investments	533,353	572,786	12,953	482,969
Gain on disposal of property, plant and equipment	76,928	-	-	-
Realised gain/(loss) on foreign exchange	5,713,603	61	(81)	61
Scrap sales	233,053	277,933	-	-
Rental income	8,220	-	-	-
	6,565,157	850,780	12,872	483,030

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

21. FINANCE INCOME

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Interest income	3,262,515	544,197	28,046	515,984

22. FINANCE COSTS

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Accretion of interest on lease liability	73,293	17,175	-	-
Interest expenses on:				
- Finance lease liabilities	9,368	5,413	-	-
- Term loans	1,232,443	1,062,334	-	-
- Bankers acceptances and OFCL	217,554	2,540,572	-	-
- Revolving credit	3,500	93,501	-	-
Bank commission and charges	110,559	159,118	-	-
	1,646,717	3,878,113	-	-

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

23. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Allowance for expected credit losses	168,999	-	-	-
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT	115,000	83,000	30,000	30,000
- Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	8,000	14,000	5,000	5,000
- Affiliate of Grant Thornton Malaysia PLT	14,000	12,000	4,000	3,000
Depreciation of property, plant and equipment	10,691,271	8,481,307	-	-
Depreciation of right-of-use asset	968,046	264,013	-	-
Directors' fees	147,000	177,000	147,000	177,000
Employee benefits expense (Note 24)	43,237,947	50,690,392	63,300	42,400
Expenses relating to lease of low value assets	15,261	26,504	-	4,664
Expenses relating to short-term leases	33,000	80,928	-	-
Loss on disposal of property, plant and equipment	-	300	-	-
Loss on foreign exchange				
- realised	-	3,228,894	-	-
- unrealised	566,629	4,156,190	-	-
Reversal of inventories written down	-	(193,437)	-	-

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

24. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Salaries, allowances, bonus, overtime and wages	38,460,527	45,548,802	63,300	42,400
Defined contribution plan	3,595,895	4,082,792	-	-
Social security contribution ("SOCSO") and employment insurance scheme ("EIS")	609,436	659,777	-	-
Equity-settled share-based payment	296,715	96,199	-	-
Other staff related expenses	275,374	302,822	-	-
	43,237,947	50,690,392	63,300	42,400

The directors' emoluments of the Group and of the Company are as follows:

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Executive directors of the Company:				
- Fees	147,000	177,000	147,000	177,000
- Salaries, allowances and bonus	1,906,397	822,428	63,300	42,400
- Defined contribution plan	221,173	92,283	-	-
- SOCSO and EIS	2,085	1,682	-	-
	2,276,655	1,093,393	210,300	219,400
Benefits-in-kind	23,950	25,328	-	-
	2,300,605	1,118,721	210,300	219,400

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

25. INCOME TAX EXPENSE

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Malaysian income tax: Based on results for the financial period/ year				
- Current tax	(3,344,601)	(2,238,200)	(1,600)	(113,200)
- Deferred tax relating to the origination and reversal of temporary differences	(4,927,449)	(196,727)	-	-
	(8,272,050)	(2,434,927)	(1,600)	(113,200)
Over/(Under) provision in prior year				
- Current tax	(42)	14,224	(42)	(858)
- Deferred tax	737,449	(613,273)	-	-
	737,407	(599,049)	(42)	(858)
	(7,534,643)	(3,033,976)	(1,642)	(114,058)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Profit before tax	45,781,379	40,278,562	17,027,882	8,704,875
Income tax at Malaysian statutory tax rate of 24%	(10,987,531)	(9,666,855)	(4,086,692)	(2,089,170)
Income not subject to tax	165,047	168,676	4,198,075	2,088,105
Expenses not deductible for tax purposes	(562,774)	(429,695)	(112,983)	(112,135)
Utilisation of reinvestment allowance and Green Investment Tax Allowance ("GITA")	5,631,568	2,869,000	-	-
Deferred tax assets recognised on reinvestment allowance and GITA	(2,572,559)	4,564,820	-	-
Annual crystallisation of deferred tax on revaluation reserve	54,199	59,127	-	-
	(8,272,050)	(2,434,927)	(1,600)	(113,200)
Over/(Under) provision in prior year	737,407	(599,049)	(42)	(858)
	(7,534,643)	(3,033,976)	(1,642)	(114,058)

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26. EARNINGS PER SHARE

26.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial period/year of the Company by the weighted average number of ordinary shares in issue during the financial period/year as follows:

	GROUP	
	31.12.2023	31.1.2023
Profit for the financial period/year (RM)	<u>38,246,736</u>	<u>37,244,586</u>
Weighted average number of ordinary shares in issue	<u>393,368,814</u>	<u>358,180,000</u>
Basic earnings per ordinary share (sen)	<u>9.72</u>	<u>10.40</u>

26.2 Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit for the financial period/year by the weighted average number of ordinary shares in issue during the financial period/year after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	31.12.2023	31.1.2023
Profit for the financial period/year (RM)	<u>38,246,736</u>	<u>37,244,586</u>
Weighted average number of ordinary shares in issue	393,368,814	358,180,000
Adjustment for conversion of ESS	<u>70,037</u>	<u>6,137</u>
	<u>393,438,851</u>	<u>358,186,137</u>
Diluted earnings per ordinary share (sen)	<u>9.72</u>	<u>10.40</u>

27. DIVIDENDS

	GROUP AND COMPANY	
	1.2.2023	1.2.2022
	to	to
	31.12.2023	31.1.2023
	(11 months)	(12 months)
	RM	RM
In respect of the financial period ended 31 December 2023:		
- First interim single tier dividend of 2.3 sen per ordinary share	9,061,954	-
In respect of the financial year ended 31 January 2023:		
- First interim single tier dividend of 2 sen per ordinary share	-	7,163,600
- Final single tier dividend of 2 sen per ordinary share	<u>7,879,960</u>	<u>-</u>
	<u>16,941,914</u>	<u>7,163,600</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

27. DIVIDENDS (CONT'D)

On 28 February 2024, the Company has declared a final single tier dividend of 2.5 sen per ordinary share amounting to RM9,851,700 in respect of the financial period ended 31 December 2023 and paid on 9 April 2024. The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

28. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiary and key management personnel.

(ii) Related party transactions

	COMPANY	
	1.2.2023	1.2.2022
	to	to
	31.12.2023	31.1.2023
	(11 months)	(12 months)
	RM	RM
Dividends received from a subsidiary	17,456,650	8,217,470
Interest received from a subsidiary	-	<u>385,239</u>

(iii) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of the directors and members of key management during the financial period/year is as follows:

	GROUP		COMPANY	
	1.2.2023	1.2.2022	1.2.2023	1.2.2022
	to	to	to	to
	31.12.2023	31.1.2023	31.12.2023	31.1.2023
	(11 months)	(12 months)	(11 months)	(12 months)
	RM	RM	RM	RM
Fees	147,000	177,000	147,000	177,000
Salaries, allowances and bonus	2,214,397	2,484,914	63,300	42,400
Defined contribution plan	258,133	283,851	-	-
Social security contribution	3,127	8,008	-	-
Equity-settled share-based payment	209,446	73,999	-	-
Benefits-in-kind	47,900	31,890	-	-
	<u>2,880,003</u>	<u>3,059,662</u>	<u>210,300</u>	<u>219,400</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

28. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel (cont'd)

	GROUP		COMPANY	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Analysed as:				
- Directors	2,300,605	1,118,721	210,300	219,400
- Other key management personnel	579,398	1,940,941	-	-
	2,880,003	3,059,662	210,300	219,400

The key management personnel have been granted with the following number of share grants:

	GROUP	
	31.12.2023	31.1.2023
Balance at beginning	250,000	250,000
Vested	(70,000)	-
Balance at end	180,000	250,000

The share grants were granted on the same terms and conditions as those offered to other employees of the Group, as disclosed in Note 29 to the financial statements.

29. EMPLOYEES' SHARE SCHEME ("ESS")

The Company's ESS is governed by the By-Laws which is established in conjunction with the listing on the Main Market of Bursa Malaysia Securities Berhad on 15 December 2021. The ESS is to be in force for a period of 5 years from 1 April 2022. The Board of Directors ("**Board**") will have the discretion upon the recommendation of the ESS Committee to extend the ESS for another 5 years or such shorter period as it deemed fit immediately from the expiry of the first 5 years, provided that the ESS does not exceed a maximum period of 10 years in its entirety. ESS entails the granting of Employees' Share Option Scheme ("**ESOS**") and Employees' Share Grant Plan ("**ESGP**") to the eligible directors and employees of the Group.

The salient features of the ESS are as follows:

- (i) Eligible persons are employees of the Group (including executive and non-executive directors) who have been confirmed in the employment of the Group and have served at least 12 months of continuous services prior to and up to date of offer, including service during the probation period. ESS Committee may determine any other criteria for the eligible person from time to time.
- (ii) The maximum number of new shares which may be issued and allotted pursuant to the exercise of the ESS shall not in aggregate exceed 10% of total number of issued shares of the Company (excluding treasury shares) at any point of time during the duration of the ESS.
- (iii) The ESS price shall be determined by the ESS Committee based on the 5 day volume weighted average market price of the shares immediately preceding the date of offer with a discount, if any, of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESS.

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As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

29. EMPLOYEES' SHARE SCHEME ("ESS") (CONT'D)

The salient features of the ESS are as follows: (cont'd)

- (iv) An offer shall be accepted by an eligible person within the offer period accompanied by a payment to the Company of a nominal non-refundable consideration of RM1 only in the event the offer comprises ESOS. If the eligible person fails to accept the offer within the offer period, the offer will automatically lapse and will then be null and void provided that the ESS Committee will not be precluded from making a fresh offer on such terms as the ESS Committee may so decide to the eligible person subsequently.
- (v) A grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unexercised ESOS options.
- (vi) The new shares to be allotted upon any exercise of the ESOS will upon allotment and issuance, rank *pari passu* in all respects with the existing shares of the Company.
- (vii) The number of ESS and the ESGP/ESOS price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital, if any, made by the Company.
- (viii) The ESS may be terminated by the Company at any time before the date of expiry without obtaining the approvals or consents from the eligible persons or shareholders.

Movement of share grants during the financial period/year

The movement of the share grants during the financial period/year is as follows:

Grant date	Number of share grants			
	Balance at 1.2.2023	Granted	Exercised	Balance at 31.12.2023
4.11.2022	325,000	-	(70,000)	255,000

The weighted average fair value of the share grants during the financial period/year is **RM Nil** (31.1.2023: RM 1.5799). The eligible persons will be awarded ordinary shares in the Company without any consideration payable by them.

30. CAPITAL COMMITMENT

	GROUP	
	31.12.2023 RM	31.1.2023 RM
Contracted but not provided for:		
- Property, plant and equipment	12,354,985	5,259,402
Approved but not provided for:		
- Property, plant and equipment	34,153,000	31,544,324

31. SEGMENTAL INFORMATION

Business segments

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment of manufacturing which relates principally to the provision of electronic manufacturing services ("EMS") which provides integrated manufacturing services that include printed circuit board assembly ("PCBA"), sub-assembly and box build. Accordingly, no business segmental information is presented.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

31. SEGMENTAL INFORMATION (CONT'D)

Geographical segments

Revenue information based on the geographical location of the customers are disclosed in Note 19.1 to the financial statements.

Location of assets

The Group's non-current assets are maintained entirely in Malaysia.

Information of major customers

The following are major customers from the Group's manufacturing segment which individually contributed to more than 10% of the Group's total revenue:

	GROUP	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Customer A	90,037,547	117,806,224
Customer B	73,203,307	157,803,351
Customer C	60,360,421	79,037,952
Customer D	37,311,218	-
	260,912,493	354,647,527

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
31.12.2023			
Financial assets			
Trade and other receivables excluding prepayments	104,786,625	104,786,625	-
Short term investments	22,334,713	-	22,334,713
Cash and bank balances	66,435,193	66,435,193	-
	193,556,531	171,221,818	22,334,713
Financial liabilities			
Trade and other payables	120,197,198	120,197,198	-
Borrowings	21,897,713	21,897,713	-
	142,094,911	142,094,911	-

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
31.1.2023			
Financial assets			
Trade and other receivables excluding prepayments	132,320,078	132,320,078	-
Short term investments	1,965,053	-	1,965,053
Cash and bank balances	48,923,562	48,923,562	-
	<u>183,208,693</u>	<u>181,243,640</u>	<u>1,965,053</u>
Financial liabilities			
Trade and other payables	82,384,544	82,384,544	-
Borrowings	93,813,945	93,813,945	-
	<u>176,198,489</u>	<u>176,198,489</u>	<u>-</u>

COMPANY

31.12.2023

Financial assets

Trade and other receivables	4,500	4,500	-
Short term investments	1,341,457	-	1,341,457
Cash and bank balances	6,185	6,185	-
	<u>1,352,142</u>	<u>10,685</u>	<u>1,341,457</u>

Financial liability

Trade and other payables	<u>129,396</u>	<u>129,396</u>	<u>-</u>
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31.1.2023

Financial assets

Trade and other receivables	4,500	4,500	-
Short term investments	337,985	-	337,985
Cash and bank balances	199	199	-
	<u>342,684</u>	<u>4,699</u>	<u>337,985</u>

Financial liability

Trade and other payables	<u>43,577</u>	<u>43,577</u>	<u>-</u>
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32.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from financial guarantees provided to financial institutions in respect of credit facilities granted to a subsidiary.

32.3.1 Trade receivables

The Group gives its customers credit terms that range between **15 to 90 days** (31.1.2023: 30 to 90 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount as disclosed in Note 8 to the financial statements.

The ageing analysis of trade receivables of the Group at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
31.12.2023			
Not past due	93,280,338	-	93,280,338
1 to 30 days past due	5,210,197	-	5,210,197
31 to 60 days past due	343,897	-	343,897
61 to 90 days past due	190,421	-	190,421
91 to 180 days past due	82,041	-	82,041
More than 180 days past due	9,155	-	9,155
	5,835,711	-	5,835,711
Individually impaired	168,999	(168,999)	-
	<u>99,285,048</u>	<u>(168,999)</u>	<u>99,116,049</u>
31.1.2023			
Not past due	121,026,922	-	121,026,922
1 to 30 days past due	9,939,418	-	9,939,418
31 to 60 days past due	134,334	-	134,334
61 to 90 days past due	409,772	-	409,772
91 to 180 days past due	297,289	-	297,289
More than 180 days past due	17,954	-	17,954
	10,798,767	-	10,798,767
	<u>131,825,689</u>	<u>-</u>	<u>131,825,689</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Credit risk (cont'd)

32.3.1 Trade receivables (cont'd)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period/year.

The Group has trade receivables amounting to **RM5,835,711** (31.1.2023: RM10,798,767) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due from **3 customers** (31.1.2023: 2 customers) representing **83%** (31.1.2023: 72%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
GROUP			
31.12.2023			
Low risk	111,930,145	-	111,930,145
Individually impaired	168,999	(168,999)	-
	112,099,144	(168,999)	111,930,145
31.1.2023			
Low risk	144,067,223	-	144,067,223

In managing the credit risk of the trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses ("ECL") of trade receivables and contract assets at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables and contract assets are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. Based on the above assessment, the ECL computed is insignificant and accordingly no allowance for ECL is recognised during the financial period/year.

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Credit risk (cont'd)

32.3.2 Financial guarantees

The Company has issued financial guarantees to financial institutions for banking facilities granted to a subsidiary.

	31.12.2023 RM	31.1.2023 RM
Corporate guarantees issued to financial institutions for banking facilities granted to a subsidiary		
- Limit	194,177,655	139,821,000
- Maximum exposure	<u>21,897,713</u>	<u>93,537,604</u>

The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

32.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
31.12.2023					
<i>Non-derivative financial liabilities</i>					
Lease liability	905,609	926,400	926,400	-	-
Trade and other payables	120,197,198	120,197,198	120,197,198	-	-
Borrowings	21,897,713	24,334,847	6,221,200	18,113,648	-
Total undiscounted financial liabilities	<u>143,000,520</u>	<u>145,458,445</u>	<u>127,344,798</u>	<u>18,113,648</u>	<u>-</u>
31.1.2023					
<i>Non-derivative financial liabilities</i>					
Lease liability	1,943,996	1,945,440	1,111,680	833,760	-
Trade and other payables	82,384,544	82,384,544	82,384,544	-	-
Borrowings	93,813,945	97,105,453	73,855,579	20,971,073	2,278,800
Total undiscounted financial liabilities	<u>178,142,485</u>	<u>181,435,437</u>	<u>157,351,803</u>	<u>21,804,833</u>	<u>2,278,800</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM
COMPANY			
31.12.2023			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	129,396	129,396	129,396
* Financial guarantees	-	21,897,713	21,897,713
Total undiscounted financial liabilities	<u>129,396</u>	<u>22,027,109</u>	<u>22,027,109</u>
31.1.2023			
<i>Non-derivative financial liabilities</i>			
Trade and other payables	43,577	43,577	43,577
* Financial guarantees	-	93,537,604	93,537,604
Total undiscounted financial liabilities	<u>43,577</u>	<u>93,581,181</u>	<u>93,581,181</u>

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

32.5 Interest rate risk

The Group and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	GROUP	
	31.12.2023 RM	31.1.2023 RM
Fixed rate instruments		
Financial assets	65,619,167	46,989,270
Financial liabilities	<u>217,606</u>	<u>68,071,005</u>
Floating rate instruments		
Financial liabilities	<u>21,680,107</u>	<u>25,742,940</u>

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Interest rate risk (cont'd)

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's profit before tax and equity by the amount shown below, and a decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables remain constant.

	GROUP	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
Decrease in profit before tax	<u>61,133</u>	<u>76,188</u>
Decrease in equity	<u>46,461</u>	<u>57,903</u>

32.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Japanese Yen ("JPY").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonable possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 5% strengthening of the RM against the following currencies at the end of the reporting period would have decreased/(increased) the profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	1.2.2023 to 31.12.2023 (11 months) RM	1.2.2022 to 31.1.2023 (12 months) RM
USD	<u>3,102,098</u>	3,415,085
JPY	<u>(3,857)</u>	(154,148)
Decrease in profit before tax	<u>3,098,241</u>	<u>3,260,937</u>
Decrease in equity	<u>2,354,663</u>	<u>2,478,312</u>

Notes to the Financial Statements

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FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's short term funds with licensed financial institutions.

Management of the Group monitors the short term funds and it can be redeemed at any time upon notice given to the financial institutions.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the prices of the short term funds has been 1% higher/lower, with all other variables held constant, the Group's and the Company's profit before tax and equity would have been higher/lower by the amount shown below, arising as a result of higher/lower fair value gain on investment in short term funds.

	GROUP		COMPANY	
	31.12.2023 RM	31.1.2023 RM	31.12.2023 RM	31.1.2023 RM
Increase in profit before tax and equity	<u>223,347</u>	<u>19,651</u>	<u>13,415</u>	<u>3,380</u>

33. FAIR VALUE INFORMATION

The carrying amounts of the Group's and the Company's financial assets (other than other investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near to the end of the reporting period.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

33.1 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's leasehold land and buildings with reference to valuation report by an external independent professional valuer using the cost approach.

Details of the Group's leasehold land and buildings and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
31.12.2023					
Leasehold land	-	-	10,000,000	10,000,000	9,184,150
Building	-	-	35,426,546	35,426,546	33,076,189
<hr/>					
31.1.2023					
Leasehold land	-	-	10,000,000	10,000,000	9,440,560
Building	-	-	35,426,546	35,426,546	33,999,636
<hr/>					

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

33. FAIR VALUE INFORMATION (CONT'D)

33.1 Non-financial assets that are measured at fair value (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the leasehold land and building.

Level 3 fair value of leasehold land and building has been derived using the cost approach. The leasehold land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in size, accessibility, frontage, site improvement, tenure if any and other relevant characteristics. The building is valued by reference to their depreciated replacement costs, i.e. the replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the building at the date of valuation. The land and building values are the summated to arrive at the fair value.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial period/year.

33.2 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
31.12.2023					
Financial asset					
Short term investments	22,334,713	-	-	22,334,713	22,334,713
31.1.2023					
Financial asset					
Short term investments	1,965,053	-	-	1,965,053	1,965,053
COMPANY					
31.12.2023					
Financial asset					
Short term investments	1,341,457	-	-	1,341,457	1,341,457
31.1.2023					
Financial asset					
Short term investments	337,985	-	-	337,985	337,985

Notes to the Financial Statements

As at 31 December 2023 (cont'd)

FINANCIAL STATEMENTS

33. FAIR VALUE INFORMATION (CONT'D)

33.2 Financial assets that are measured at fair value on a recurring basis (cont'd)

Level 1 fair value

Level 1 fair value of the short term investments is derived by reference to their quoted market prices in active markets at the end of the reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, 2 and 3 during the financial period/year.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure. The Group monitors capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	31.12.2023	31.12.2023
	RM	RM
Total borrowings	21,897,713	93,813,945
Less: Cash and bank balances	(66,435,193)	(48,923,562)
Net debt	<u>(44,537,480)</u>	<u>44,890,383</u>
Total equity	<u>330,327,691</u>	<u>231,595,371</u>
Gearing ratio	<u>N/A ⁽ⁱ⁾</u>	<u>0.19</u>

⁽ⁱ⁾ N/A – Not applicable as net cash position

35. EVENT AFTER THE REPORTING PERIOD

On 4 April 2024, the subsidiary of the Company, BCM, has signed the Sale and Purchase Agreement with Northern Technocity Sdn. Bhd. to acquire a vacant industrial land at Kulim, Kedah for a total cash consideration of RM12,151,530. As at the date of this report, the acquisition transaction has yet to be completed.

36. COMPARATIVE FIGURES

The comparative figures of the Group and of the Company have been prepared for the financial year from 1 February 2022 to 31 January 2023. Accordingly, the comparative amounts presented in the financial statements are not entirely comparable.

Analysis of Shareholdings

As at 9 April 2024

OTHER INFORMATION

Total Issued Shares	: 394,068,000 ordinary shares
Class of shares	: Ordinary shares
Voting right	: One (1) vote per ordinary share

Analysis by Size of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of issued shares	%
Less than 100 shares	14	0.79	99	0.00
100 to 1,000 shares	498	28.02	307,801	0.08
1,001 to 10,000 shares	846	47.61	3,825,400	0.97
10,001 to 100,000 shares	266	14.97	8,910,700	2.26
100,001 to 19,703,399 shares (less than 5%)	149	8.38	170,901,200	43.37
19,703,400 shares (5%) and above	4	0.23	210,122,800	53.32
Total	1,777	100.00	394,068,000	100.00

Substantial Shareholders (Based on the Register of Substantial Shareholders)

Name of shareholders	Direct		Indirect	
	No. of issued shares	%	No. of issued shares	%
Main Stream Holdings Sdn. Bhd. (“MSH”)	78,979,900	20.04	-	-
Main Stream Limited (“MSL”)	76,293,000	19.36	-	-
Lee Chong Yeow @ Lee Chong Yan (Deceased)	-	-	155,272,900 ⁽¹⁾	39.40
Loh Hock Chiang	30,545,300	7.75	155,272,900 ⁽¹⁾	39.40
Pixel Advisers Pte. Ltd. (“PAPL”)	24,304,600	6.17	-	-
Tan Chong Hin	-	-	24,304,600 ⁽²⁾	6.17

⁽¹⁾ Deemed interested by virtue of his interest in MSH and MSL pursuant to Section 8(4) of the Companies Act 2016 (the “Act”).

⁽²⁾ Deemed interested by virtue of his direct interest in PAPL pursuant to Section 8(4) of the Act.

Directors’ Shareholdings (Based on the Register of Directors’ Shareholdings)

Name of Directors	Direct		Indirect	
	No. of issued shares	%	No. of issued shares	%
Loh Hock Chiang	30,545,300	7.75	155,272,900 ⁽¹⁾	39.40
Nor Shahmir bin Nor Shahid	-	-	-	-
Dato’ F’ng Meow Cheng	13,800	0.00 ⁽⁴⁾	-	-
Yee Swee Meng	-	-	-	-
Tan Chong Hin	-	-	24,304,600 ⁽²⁾	6.17
Jamie Hwe Ping Lee	7,636,325	1.94	-	-
Jonathan Ming Chian Lee (Alternate Director to Jamie Hwe Ping Lee)	7,636,325	1.94	155,272,900 ⁽³⁾	39.40

⁽¹⁾ Deemed interested by virtue of his direct interest in MSH and MSL pursuant to Section 8(4) of the Act.

⁽²⁾ Deemed interested by virtue of his direct interest in PAPL pursuant to Section 8(4) of the Act.

⁽³⁾ He is the Administrator of the Estate of Lee Chong Yeow @ Lee Chong Yan, as such he is deemed interested by virtue of the late Lee Chong Yeow @ Lee Chong Yan’s direct interest in MSH and MSL pursuant to Section 8(4) of the Act.

⁽⁴⁾ Negligible

Analysis of Shareholdings

As at 9 April 2024 (cont'd)

OTHER INFORMATION

List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares Held	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MAIN STREAM HOLDINGS SDN. BHD. (12021572) (434712)	78,979,900	20.04
2	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DBSSES CLT ACC FOR MAIN STREAM LIMITED (MAYBANK SG)	76,293,000	19.36
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR LOH HOCK CHIANG (12022325) (443594)	30,545,300	7.75
4	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEGDED SECURITIES ACCOUNT FOR PIXEL ADVISERS PTE LTD	24,304,600	6.17
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	16,710,100	4.24
6	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TITANIUM GOODWILL SDN BHD	10,305,900	2.61
7	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE SES CLT ACC FOR JOYCE LEE HWE LING	7,636,325	1.94
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE SES CLT ACC FOR SHIRLYN LEE HWE TING	7,636,325	1.94
9	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE SES CLT ACC FOR LEE, JONATHAN MING CHIAN	7,636,325	1.94
10	JAMIE HWE PING LEE	7,636,325	1.94
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	4,476,800	1.14
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (BNP NAJMAH EQ)	4,390,000	1.11
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (ABERDEEN 2)	4,212,800	1.07
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	3,932,400	1.00
15	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	3,883,200	0.99
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	3,851,700	0.98
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	3,291,400	0.83
18	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	3,246,300	0.82
19	LEMBAGA TABUNG ANGKATAN TENTERA	2,983,300	0.76

Analysis of Shareholdings

As at 9 April 2024 (cont'd)

OTHER INFORMATION

List of 30 Largest Shareholders (cont'd)

No.	Name of Shareholders	No. of Shares Held	%
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	2,962,300	0.75
21	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	2,764,200	0.70
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	2,426,400	0.61
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	2,085,700	0.53
24	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	2,000,000	0.51
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	1,971,700	0.50
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABDN EQ ABSR FD)	1,925,400	0.49
27	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-AFFIN-EQ)	1,862,200	0.47
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	1,800,000	0.46
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA PUBLIC TAKAFUL BHD.	1,793,400	0.45
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AHAM AM 2)	1,778,600	0.45
	Total	325,321,900	82.55

List of Properties

OTHER INFORMATION

No.	No Title	Property Address	Tenure	Description of property/ Existing Use	Category of land use/ Land area/ Built-up area S.Q. Metre	Acquisition Date	Approximate age of Building	Audited NBV as at 31-Dec 2023 (RM)
1	GRN 210066	Plot 21, Jalan Hi-Tech 4, Industrial Zone Phase 1, Kulim Hi-Tech Park, 09090 Kulim, Kedah Darul Aman	Term in perpetuity	An industrial complex in Industrial Zone Phase 1, Kulim Hi-Tech Park/ Own use for business operation	Industrial/ 40,627/ 24,117.78	29 October 1996	24 years for Phase 1 22 years for Phase 2 1 year 10 months for Phase 3	42,260,338.26

Notice Of Annual General Meeting

OTHER INFORMATION

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting of the Company will be held at **Townhall of Aurelius Technologies Berhad, Plot 21, Jalan Hi-Tech 4, Phase 1, Kulim Hi-Tech Park, 09090 Kulim, Kedah** on **Friday, 7 June 2024** at **10.00 a.m.** or at any adjournment thereof for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive Audited Financial Statements for the financial period ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. | To approve the payment of Directors' fees up to an amount of RM210,000 from 8 June 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors' benefits up to an amount of RM140,000 from 8 June 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire in accordance with Clause 91 of the Company's Constitution:
(a) Dato' F'ng Meow Cheng
(b) Encik Nor Shahmir Bin Nor Shahid | Ordinary Resolution 3
Ordinary Resolution 4 |
| 5. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

- | | | |
|----|---|-----------------------|
| 6. | Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act")
"THAT subject to Sections 75 and 76 of the Act and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company, 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 issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General meeting of the Company." | Ordinary Resolution 6 |
|----|---|-----------------------|

Notice Of Annual General Meeting (cont'd)

OTHER INFORMATION

7. Authority to Purchase its Own Shares

Ordinary Resolution 7

“THAT subject to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and requirements of any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following:

- (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;
- (c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:
 - (i) the conclusion of the next Annual General Meeting (“AGM”), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Act; or
 - (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

THAT the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion (which may be retained as treasury shares, distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Act, and the relevant rules, regulations and/or requirements).

THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase of the shares.”

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution.

BY ORDER OF THE BOARD

TAN AI PENG
(SSM PC No. 201908003179)
Company Secretary

Kuala Lumpur

30 April 2024

Notes:

- (i) For the purpose of determining who shall be entitled to attend this Third Annual General Meeting ("**3rd AGM**"), the Company shall request from Bursa Malaysia Depository Sdn. Bhd., to make available to the Company, pursuant to Clause 61 of the Company's Constitution, Paragraph 7.16 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and Subsection 34(1) of the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), a Record of Depositors ("**ROD**") as at 30 May 2024 and only Depositors whose names appear on such ROD shall be regarded as a member and entitled to attend, speak and vote at the 3rd AGM.
- (ii) A member who can participate can appoint one (1) or more proxies to participate for him but where that member appoints more than one (1) proxy, he must specify the proportion of his shareholdings represented by each proxy failing which the appointment will be deemed invalid.
- (iii) 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 seal or under the hand of an officer or attorney duly authorised by the corporation.
- (iv) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (vi) Members may deposit the instrument appointing the proxy by electronic means by way of submitting the instrument with the Share Registrar via TIIH Online website at <https://tjih.online> not later than Wednesday, 5 June 2024 at 10.00 a.m. Please follow the procedure as set out in the Administrative Guide of the 3rd AGM for further information on electronic submission of proxy form.
- (vii) Where a member of the Company is an authorised nominee as defined under the SICDA, 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.
- (viii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from complying with the provisions of Section 25A(1) of the SICDA.
- (ix) Pursuant to Paragraph 8.29(A) of MMLR, all resolutions set out in this Notice are to be voted by poll.

Explanatory Notes:

1. **Item 1 of the Agenda**

Audited Financial Statements for the financial period ended 31 December 2023 ("AFS")

The AFS are for discussion only as they do not require shareholders' approval pursuant to Section 340(1)(a) of the Companies Act 2016 ("**Act**"). Hence, this Agenda item will not be put forward for voting.

2. **Ordinary Resolution 1**

Directors' Fees Payable to Non-Executive Directors

The proposed Ordinary Resolution 1 is to facilitate the payment of Non-Executive Directors' fees based on the current Board size. In the event the Non-Executive Directors' fees proposed are insufficient, due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

Payment of the Non-Executive Directors' fees will be made by the Company as and when incurred if the proposed Ordinary Resolutions 1 & 2 are passed at the 3rd AGM. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid with the Directors' fees as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company for the relevant period.

Explanatory Notes: (cont'd)

**3. Ordinary Resolution 2
Directors' Benefits Payable to Non-Executive Directors**

The Directors' benefits comprise insurance and meeting allowance which are calculated based on the current Board size and number of scheduled Board and Board Committee meetings for the period commencing 8 June 2024 until the next AGM of the Company. In the event the proposed amount is insufficient, due to additional meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

**4. Ordinary Resolution 6
Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act**

*At last year's AGM, a mandate was given to Directors to issue and allot new shares not exceeding 10% of the total number of issued shares pursuant to Sections 75 and 76 of the Act ("**General Mandate**") which will continue to be in force until the conclusion of the Company's next AGM. However, the General Mandate was not utilised and accordingly, it will lapse at the conclusion of the Company's next AGM. As such, the Board would like to seek a renewal of the General Mandate.*

The Ordinary Resolution 6 is proposed pursuant to Sections 75 and 76 of the Act, and if passed, will give the Directors of the Company, the authority to issue and allot not exceeding 10% of the total number of issued shares of the Company for purpose of funding current/future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the Company's next AGM.

**5. Ordinary Resolution 7
Authority to Purchase its Own Shares**

The details of the proposal are set out in the Share Buy-Back Statement dated 30 April 2024, which is available at the Company's website at www.atechgroup.com.my as well as Bursa Securities' website.

Statement Accompanying Notice of Annual General Meeting

OTHER INFORMATION

1. Details of Individuals who are Seeking Election

As at the date of this notice, there are no individuals who are standing for election as Directors (excluding Directors standing for re-election) at this Third Annual General Meeting.

2. Statement Relating to General Mandate for Issue of Securities in Accordance with Rule 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The new General Mandate as set out in Ordinary Resolution 6 in the Notice of the AGM of the Company is to provide flexibility to the Company for any fundraising exercises, including but not limited to placement of new shares for the purposes of funding current and/or future investment project(s), working capital, repayment of borrowings and/or acquisition(s).

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Proxy Form

CDS ACCOUNT NO.	
NO. OF SHARES HELD	



AURELIUS TECHNOLOGIES BERHAD
Registration No. 202101005015 (1405314-D)
(Incorporated in Malaysia under the Companies Act 2016)

*I/*We, _____ Tel: _____
(Full name in block, NRIC/Passport/Company No.)

of _____
(Full Address)

being member(s) of **Aurelius Technologies Berhad**, hereby appoint:

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

*and/or

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing him/her, the Chairperson of the meeting, as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Third Annual General Meeting of the Company to be held at **Townhall of Aurelius Technologies Berhad, Plot 21, Jalan Hi-Tech 4, Phase 1, Kulim Hi-Tech Park, 09090 Kulim, Kedah** on **Friday, 7 June 2024 at 10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

(*strike out whichever is not applicable)

NO.	ORDINARY RESOLUTION	FOR	AGAINST
1.	To approve the payment of Directors' fees up to an amount of RM210,000 from 8 June 2024 until the next Annual General Meeting of the Company.		
2.	To approve the payment of Directors' benefits up to an amount of RM140,000 from 8 June 2024 until the next Annual General Meeting of the Company.		
3.	To re-elect Dato' F'ng Meow Cheng who is retiring in accordance with Clause 91 of the Company's Constitution.		
4.	To re-elect Encik Nor Shahmir Bin Nor Shahid who is retiring in accordance with Clause 91 of the Company's Constitution.		
5.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	To approve the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the authority to purchase its own shares.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2024

Signature of Shareholder/Common Seal

Notes:

- (i) For the purpose of determining who shall be entitled to attend this Third Annual General Meeting ("**3rd AGM**"), the Company shall request from Bursa Malaysia Depository Sdn. Bhd., to make available to the Company, pursuant to Clause 61 of the Company's Constitution, Paragraph 7.16 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and Subsection 34(1) of the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), a Record of Depositors ("**ROD**") as at 30 May 2024 and only Depositors whose names appear on such ROD shall be regarded as a member and entitled to attend, speak and vote at the 3rd AGM.
- (ii) A member who can participate can appoint one (1) or more proxies to participate for him but where that member appoints more than one (1) proxy, he must specify the proportion of his shareholdings represented by each proxy failing which the appointment will be deemed invalid.
- (iii) 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 seal or under the hand of an officer or attorney duly authorised by the corporation.
- (iv) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (vi) Members may deposit the instrument appointing the proxy by electronic means by way of submitting the instrument with the Share Registrar via TIH Online website at <https://tiih.online> not later than Wednesday, 5 June 2024 at 10.00 a.m. Please follow the procedure as set out in the Administrative Guide of the 3rd AGM for further information on electronic submission of proxy form.
- (vii) Where a member of the Company is an authorised nominee as defined under the SICDA, 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.
- (viii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from complying with the provisions of Section 25A(1) of the SICDA.
- (ix) Pursuant to Paragraph 8.29(A) of MMLR, all resolutions set out in this Notice are to be voted by poll.

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The Share Registrar

AURELIUS TECHNOLOGIES BERHAD

[Registration No. 202101005015 (1405314-D)]

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business
Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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Honouring Our Past &
Empowering Our Future with Sustainable Growth



AURELIUS TECHNOLOGIES BERHAD

(Registration No. 202101005015 (1405314-D))
(Incorporated in Malaysia under the Companies Act 2016)

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