



AURELIUS TECHNOLOGIES BERHAD

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

Connecting
Innovative Growth

Annual Report

**20
22**

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Connecting Innovative Growth

Aurelius Technologies Berhad ("ATech") connects each sector of its manufacturing capabilities ensuring precise and non-toxic services and products delivered to achieve innovative growth. As the visual of Smart City grows a network of sustainable technology, ATech benefits the world towards safer and greener environment and help builds a community stronger than ever with its precise communicating capabilities.

CORPORATE OVERVIEW



Atech was incorporated in Malaysia as a private limited company on 9 February 2021. On 16 December 2021, Atech was listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of Atech is investment holding whilst its subsidiary, BCM Electronics Corporation Sdn. Bhd., is principally a provider of EMS (Electronics Manufacturing Services) with focus in industrial electronic products.



CORPORATE VISION, MISSION AND VALUE



VISION

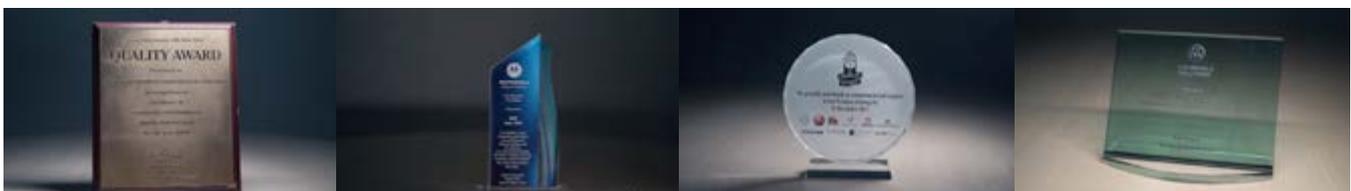
- Be the world class green manufacturing service provider.

MISSION

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

VALUE

- Committed to environmental, social and governance best practices.



GROUP STRUCTURE

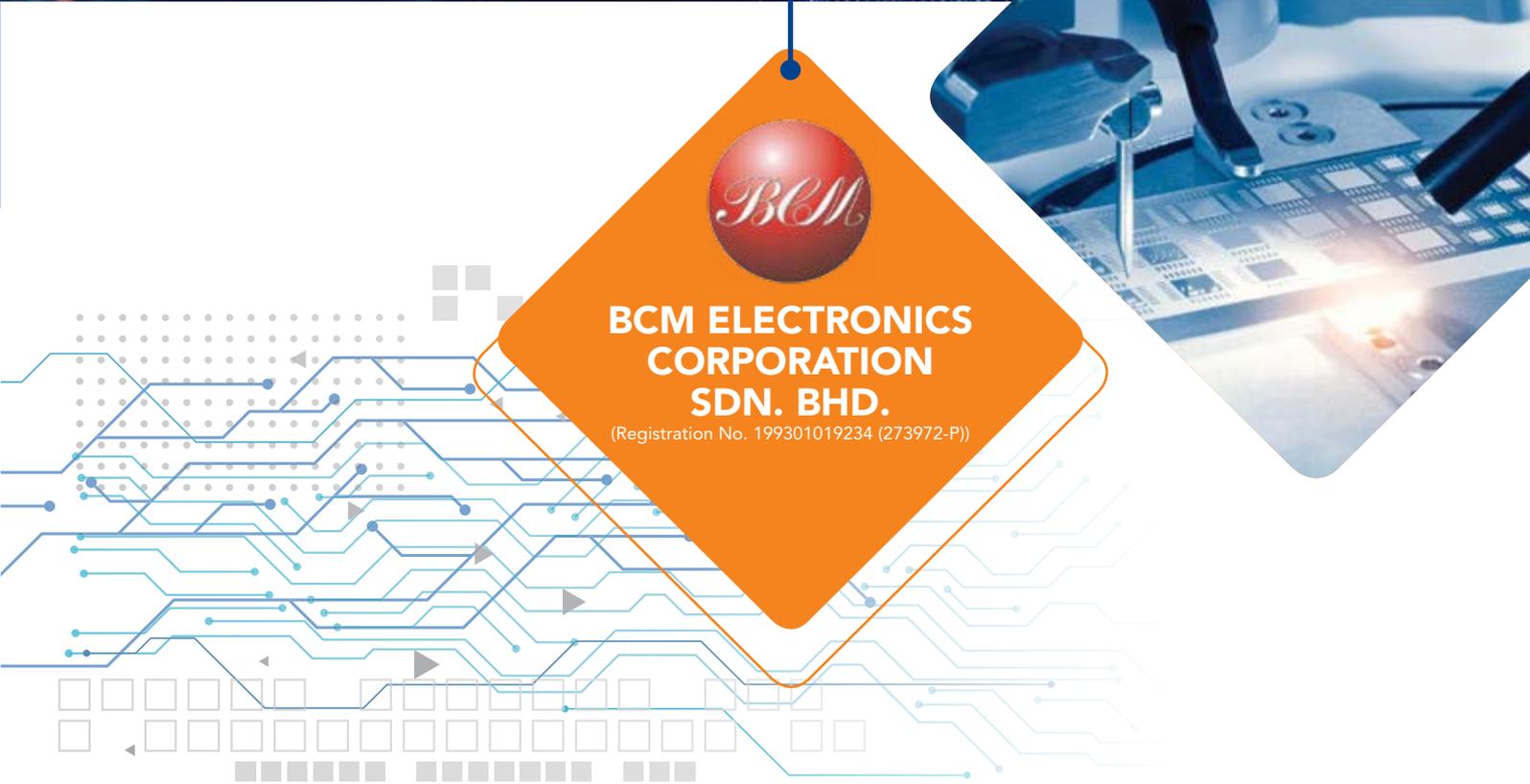


AURELIUS TECHNOLOGIES BERHAD
(Registration No. 202101005015 (1405314-D))

100%



BCM ELECTRONICS CORPORATION SDN. BHD.
(Registration No. 199301019234 (273972-P))



OUR MILESTONE

Corporate Key Event and Milestone

2022

- Upon the hosting of the Anti-Corruption Seminar by the Suruhanjaya Pencegahan Rasuah Malaysia (SPRM- Kedah) on **26 April 2022**, every staff with the ranking of section managers and above proudly signed the "Corruption Free Pledge".
- ATech completed the construction of its manufacturing plant expansion and obtained the Certificate of Completion & Compliance ("**CCC**") on **28 March 2022**. The new manufacturing plant will provide an additional 53,667 sq ft of production floor space, increasing its total manufacturing floor space to 132,029 sq ft to cater for the expansion of its EMS operations.
- 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 on **27 January 2022** to kick-start an industrial internship programme.

2021

- We celebrated the listing of the 358,180,000 issued ordinary shares of ATech on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on the **16 December 2021**.
- The groundbreaking ceremony of the construction of our new manufacturing plant extension took place on the **28 June 2021**.
- We continue to transcend towards Industrial 4.0 with the installation of two SMT (Surface Mount Technology) lines complete with four automated robotic back-end production lines for multicomponent semiconductor module.

2020

- We continued to expand our EMS within power control segment by securing two new contracts and customers:
 - Customer from France - to manufacture a power module used in marine and super computer 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

- We broaden our portfolio of services when we secured an electronics manufacturing services agreement for semiconductor components in the form of a multicomponent IC (Integrated Circuit) for communications IoT (Internet of Things) module. This marks a key milestone for us as we go up the value chain to incorporate semiconductor component manufacturing, while previously we were focused on industrial electronics products manufacturing.

2018

- We expanded our manufacturing services where we carried out board assembly, testing, subassembly and up to system calibration into a complete train communication interface unit. This system build product is to integrate with other systems installed in train carriages to communicate, monitor and transmit information between the train and a remote central monitoring centre.

2016

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

2000 - 2010

- Between 2010 and 2005, we expanded our products to include the following:
 - IoT wireless asset tracking devices for vehicle tracking application in 2007;
 - PCBA (Printed Circuit Board Assembly) 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 alternative current (AC) direct to current (DC) power supply in 2009 to a customer in Australia.
- Between 2010 and 2000, we increased our production capacity by investing in additional SMT lines.
- In 2005, we participated in a joint-design development exercise with a customer in the design of an industrial wireless communication device.
- In 2003, we completed our factory expansion in Kulim Hi-Tech Park which increased our production built-up area by an additional 89,638 sq ft.
- In 2000, we moved from rented premises in Prai, Penang to our current owned production facilities in Kulim Hi-Tech Park, Kedah with a total built-up area of 106,156 sq ft. Our facilities comprised seven SMT lines with 20 back-end assembly lines.
- In 2000, we expanded our EMS to produce power control electronic devices namely direct current-direct current (DC-DC) converter modules.

OUR MILESTONE (Cont'd)

Corporate Key Event and Milestone (Cont'd)

1993 - 1999 ←

- Incorporation and commencement of BCM Electronics Corporation Sdn. Bhd. ("BCM"), formerly known as Bakti Comintel Manufacturing Sdn. Bhd. before changing to its present name on 18 August 1997. This was according to a 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, we expanded our portfolio of services by securing our first box build supply contract for industrial communication devices. Box build assembly incorporates 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 our company's expansion as an EMS provider.
- We commenced operations in 1993, initially as a provider of SMT and sub-assembly services for industrial communication devices with one manual assembly line incorporating functional testing of communication products at rented premises in Prai, Penang.



CORPORATE INFORMATION

DIRECTORS

Datin Normaliza Binti Kairon
(Independent Non-Executive Chairperson)

Loh Hock Chiang
(Executive Director, Interim Group Chief Executive Officer and
Group Chief Financial Officer)

Tan Chong Hin
(Executive Director)

Nor Shahmir Bin Nor Shahid
(Independent Non-Executive Director)

Yee Swee Meng
(Independent Non-Executive Director)

F'ng Meow Cheng
(Independent Non-Executive Director)

Audit Committee

Nor Shahmir Bin Nor Shahid (Chairperson)
F'ng Meow Cheng
Yee Swee Meng

Nomination Committee

F'ng Meow Cheng (Chairperson)
Nor Shahmir Bin Nor Shahid
Yee Swee Meng

Remuneration Committee

Yee Swee Meng (Chairperson)
F'ng Meow Cheng
Nor Shahmir Bin Nor Shahid

Risk Management Committee

Nor Shahmir Bin Nor Shahid (Chairperson)
Loh Hock Chiang
Yee Swee Meng

Employees' Share Scheme

F'ng Meow Cheng (Chairperson)
Nor Shahmir Bin Nor Shahid
Loh Hock Chiang
Lee Siang Tat

Secretaries

Pauling Ng Peck Kun (MAICSA 7029550)
(SSM PC NO. 201908002573)
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
Tel. No. : +603 9212 0978
Fax No. : +603 9212 0975

Business Address

Plot 21 Jalan Hi-Tech 4
Kulim Hi-Tech Park Phase 1
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

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

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

BOARD OF DIRECTORS' PROFILE



DATIN NORMALIZA BINTI KAIRON

Independent Non-Executive Chairperson

Datin Normaliza Binti Kairon, a Malaysian female aged 51, is our Independent Non-Executive Chairperson. She was appointed to our Board on 2 April 2021. She was a member of the Audit Committee and Nomination Committee, and the chairperson of the Remuneration Committee from 2 April 2021 to 2 July 2021.

She graduated with a Bachelor of Accounting from Universiti Malaya in 1995 and later obtained her Master in Business Administration (majoring in Finance) from Open University Malaysia in 2006. She is a Chartered Accountant (Malaysia) and a member of CPA Australia since 1998 and 2014, respectively.

Datin Normaliza has vast experience in corporate reporting and governance, particularly with her role in enforcing the approved accounting standards on public listed companies (PLCs) and monitoring the PLCs' governance practices pursuant to the introduction of the Malaysian Code of Corporate Governance, during her 10 years tenure with the Securities Commission.

Her corporate experience includes her involvement in the financial and corporate reporting of Edaran Otomobil Nasional Berhad, and the transformation initiatives of Malayan Banking Berhad and Proton Holdings Berhad.

In the later years of her career, she was involved in the economic development and socio-economic transformation within the Economic Transformation Programme (ETP), during her tenure with TERAJU Bumiputera Corporation Berhad. Among others, she was instrumental in the formation and introduction of initiatives such as the Yayasan Peneraju Pendidikan Bumiputera (YPPB) and programs with the economic corridors.

Datin Normaliza is an advocate of the sustainable development agenda and an alumna of the United Nations' SDG Academy.

Datin Normaliza attended all seven (7) Board meetings held during the financial period ended 31 January 2022. She does not hold any other directorship in public companies and listed issuers.

BOARD OF DIRECTORS' PROFILE (Cont'd)



LOH HOCK CHIANG

*Executive Director,
Interim Group Chief Executive Officer and
Group Chief Financial Officer*

Loh Hock Chiang, a Malaysian male aged 57, is our Executive Director, Interim Group Chief Executive Officer and Group Chief Financial Officer. He was appointed to our Board on 9 February 2021. He is a member of the Risk Management Committee and Employees' Share Scheme Committee.

As our Executive Director, Interim Group Chief Executive Officer and Group Chief Financial Officer, he is responsible for overseeing the overall operational function of our Group.

He graduated with an honours degree in Management Studies from 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 in January 2018.

In August 2017, he incorporated Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.) together with the late Mr Lee Chong Yeow @ Lee Chong Yan to acquire BCM from Comintel Corporation Berhad. After the management buyout of BCM, he resigned from all the positions he held in the Comintel Group in January 2018 and assumed his current position as Executive Director of BCM. He was appointed as our Group Chief Financial Officer on 25 March 2021. He assumed the role of interim Group Chief Executive Officer on 24 January 2022.

He attended six (6) out of seven (7) Board meetings held during the financial period ended 31 January 2022. He does not holds any other directorship in public companies and listed issuers.

BOARD OF DIRECTORS' PROFILE (Cont'd)

Tan Chong Hin, a Malaysian male aged 47, is our Executive Director. He was appointed to our Board on 30 March 2022.

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



TAN CHONG HIN

Executive Director

BOARD OF DIRECTORS' PROFILE (Cont'd)



NOR SHAHMIR BIN NOR SHAHID

Independent Non-Executive Director

Nor Shahmir Bin Nor Shahid, a Malaysian male aged 51, is our Independent Non-Executive Director. He was appointed to our Board on 2 April 2021. He is the chairperson of the Audit Committee and Risk Management Committee, and a member of the Nomination Committee, Remuneration Committee and Employees' Share Scheme Committee.

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 is now an independent corporate advisory specialist for his clients.

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 attended all seven (7) Board meetings held during the financial period ended 31 January 2022. He does not hold any other directorship in public companies and listed issuers.

BOARD OF DIRECTORS' PROFILE (Cont'd)



YEE SWEE MENG

Independent Non-Executive Director

Yee Swee Meng, a Malaysian male aged 63, 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.

He graduated with a Bachelor of Arts in Economic from University of Guelph, Ontario, Canada in February 1984. He has been a fellow member of CPA Australia since May 2019 and obtained the recognition as a Certified Practising Accountant Australia in August 2017. He is a CA(M) and a member of the MIA 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 strategy 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. His responsibilities included, among others, advising the board of directors on all financial matters, management control, policies, mergers and acquisitions and other strategy 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 attended all six (6) Board meetings held during the financial period ended 31 January 2022. He does not hold any other directorship in public companies and listed issuers.

BOARD OF DIRECTORS' PROFILE (Cont'd)



F'NG MEOW CHENG

Independent Non-Executive Director

F'ng Meow Cheng, a Malaysian female aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 2 April 2021. She is the chairperson of the Nomination Committee and Employees' Share Scheme Committee, and also a member of the Audit Committee and Remuneration Committee.

She graduated with a Bachelor of Science in Business Administration from University of Southwestern 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 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 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 attended six (6) out of seven (7) Board meetings held during the financial period ended 31 January 2022. She also sits on the Board of UWC Berhad and SNS Network Technology Berhad.

Notes:-

Saved as disclosed, none of the Directors have:

- 1) any family relationship with any Director and / or major shareholder of the Company; and
- 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 January 2022, other than traffic offences.

KEY SENIOR MANAGEMENT'S PROFILE



LEE SIANG TAT

Lee Siang Tat ("Michael"), a Malaysian male aged 48, is the Chief Operating Officer 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 (SMT), 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 rejoined BCM and was appointed as Chief Operating Officer where he assumed his current responsibilities.

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



CHONG KEAN SEONG

Chong Kean Seong, a Malaysian male aged 50, is the Senior Director of Operation of BCM.

He has overall responsibility for engineering and production activities which include resources allocation, production build schedule, product roll yield and production continuous improvement activities. He has more than 20 years working experience in manufacturing industry.

He graduated with a Diploma in Technology (Mechanical and Manufacturing Engineering) from Tunku Abdul Rahman College in May 1996. He later received a Master of Science in Manufacturing Systems Engineering from Queens University of Belfast, Northern Ireland in November 1997.

He began his career as a Process Engineer with Motorola Technology Sdn. Bhd. in Penang in November 1997 where he was responsible for driving daily production line maintenance, initiating and leading continuous improvement activities. He left the company in February 2001 and joined BCM as Section Manager of Engineering (Technical Operations) Department in March 2001. In August 2006, he was promoted to Head of Engineering (Technical Operations) Department and subsequently in May 2014, he was promoted to Director of Engineering Department. In May 2021, he was redesignated as Senior Director of Operation where he assumed his current responsibilities.

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

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)



SEAH CHIN SEN

Seah Chin Sen, a Malaysian male aged 53, is the Senior Director of Supply Chain Management of BCM.

He is responsible for overseeing supply chain management activities. He has more than 25 years working experience in manufacturing industry.

He graduated with a Bachelor of Arts with specialisation in Geography from Universiti Sains Malaysia in August 1994.

He began his career as a Buyer Analyst with Motorola Technology Penang in April 1994 where he was responsible for purchasing components to support manufacturing line. In April 1996, he left Motorola Technology Penang and joined BCM as Senior Material Officer. He was promoted several times during his employment with BCM, namely Material Section Head in June 1997, Material Section Manager in November 1999, Material Manager in November 2000 and Senior Department Head in August 2006.

In January 2010, he was then promoted to the position of Director of Supply Chain Management. In May 2021, he was re-designated as Senior Director of Supply Chain Management where he assumed his current responsibilities.

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



CHIENG CHEE BOON

Chieng Chee Boon, a Malaysian male aged 50, is the Senior Director of Quality Assurance and Manufacturing Planning of BCM.

He is responsible for the plant-wide quality management system and manufacturing planning department. He has more than 20 years of working experience in manufacturing industry.

He graduated with a Bachelor of Science from University of South Alabama, USA in December 1996.

He began his career with Unico Technology Sdn. Bhd. as Statistician and Quality Assurance Engineer in April 1997. In January 1999, he left Unico Technology Sdn. Bhd. and joined Thundercom Sdn. Bhd. as Assistance Operation Manager. In October 1999, he left Thundercom Sdn. Bhd. and subsequently joined BCM as Section Head of Business Development Department. He was promoted several times during his employment with BCM, namely Quality Assurance Section Manager in May 2000, Quality Assurance Manager in November 2000 and Head of Department for Quality Assurance Department in October 2002. In August 2004, he was assigned to lead the Business Development Department and Industrial Engineering Department, before becoming Senior Manager of Quality Assurance Department in August 2006.

In June 2013, he was promoted to the position of Director of Quality Assurance Department and Manufacturing Planning Department. In May 2021, he was redesignated as Senior Director of Quality Assurance and Planning where he assumed his current responsibilities.

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

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)



KHOO BOO ENG

Khoo Boo Eng, a Malaysian male aged 61, is the Director of Business Development of BCM.

He is responsible for pursuing new business leads for the growth of the business of our Group. He has more than 30 years working experience in manufacturing industry.

He graduated with a Bachelor of Engineering from Universiti Malaya in August 1985.

He began his career with Motorola Technology Sdn. Bhd. in Penang as Research and Development Engineer in October 1985 where he specialised in receiver and transmitter circuitry of Motorola walkie talkie radio and manufacturing walkie talkie. In June 1998, he was assigned to Motorola, Beijing, China as Director of Sales. In May 2005, he left the position and joined Hytera Communications Corporation Limited ("**Hytera**") in Shenzhen, China, as Senior Vice President where he was responsible for international sales, research and development department and supply chain management. In August 2008, he left Hytera and took a career break before joining Sepura plc in November 2009 as Regional Director where he was responsible for sales.

In December 2010, he left Sepura plc and subsequently joined Alcatel-Lucent in Shanghai, China, as Vice President where he was responsible for sales and business development. In January 2014, he joined Stadium Group PLC in Chang Ping, Dong Guan District of Guang Dong Province, China as Director of Sales. In February 2014, he was assigned to become Director of Sales of Stadium Group PLC, Hong Kong before returning to Malaysia in July 2015 for a career break.

In February 2016, he joined BCM as Director of Business Development where he assumed his current responsibilities.

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



VALLI KUMARAN A/L RAMACHANDRAN

Valli Kumaran A/L Ramachandran, a Malaysian male aged 49, is the Director of Finance and Information Technology (IT) of BCM.

He is responsible for managing the finance and IT functions of our Group which include financial planning and review, cash flow management, financial reporting, and overseeing IT operations. He has more than 20 years of working experience in accounting and finance.

He obtained a Bachelor of Business Administration from Universiti Utara Malaysia in July 1997.

He began his career with BCM in June 1997 as Finance Assistant where he was responsible for account payables. He was promoted several times during his employment with BCM, namely Finance Analyst II in May 1998, Finance Officer in May 2000, Section Head of Finance Department in November 2000, Senior Section Manager of Finance Department in September 2004, Manager of Finance Department in January 2010 and Senior Manager of Finance & IT Department in January 2011.

In June 2015, he was promoted to his current position of Director of Finance and IT where he assumed his current responsibilities.

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

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)



HAFIZ BIN HASHIM

Hafiz Bin Hashim, a Malaysian male aged 50, is the Director of Test Systems Engineering of BCM. He is responsible for overseeing test systems engineering functions. He has more than 25 years working experience in manufacturing industry.

He obtained a Certificate of Electronics and Computer Technology from Ungku Omar Polytechnic in June 1992.

He began his career as Technician with Motorola Corporation Sdn Bhd in June 1992 where he was responsible for product analysing and test process control. He was promoted to the position of Senior Technician in June 1993 and Technical Group Leader in June 1994. In May 1995, he left the company and joined BCM Electronics as Test Engineer. He was promoted several times in Test Systems Engineering Department during his employment with BCM Electronics, namely Senior Product Engineer in November 1997, Engineering Section Head in May 2000, Section Manager in August 2004, Senior Section Manager in September 2004 and Department Manager in September 2008.

In January 2010, he was promoted to the position of Senior Department Manager. In April 2021, he was redesignated as Director of Test Systems Engineering where he assumed his current responsibilities.

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

Notes:-

None of the Key Senior Management has:

- 1) any family relationship with any Director and/or major shareholder of the Company; and
- 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 January 2022, other than traffic offences.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 January		2020	2021	2022
Revenue	RM'000	389,305	362,165	367,421
Profit Attributable to Owners of the Company	RM'000	23,596	15,096	22,033
Basic Earnings per Share ("EPS")	SEN	6.59	4.21	6.15
Total Assets	RM'000	249,411	281,564	411,352
Total Equity	RM'000	72,330	84,077	201,418
Net Assets per Share	RM	0.20	0.23	0.56
Number of Shares Post IPO	'000	358,180	358,180	358,180

Notes:

EPS - For illustration purposes only based on ATech's number of ordinary share post IPO, 358,180,000.



CHAIRPERSON'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board"), it is with great pleasure that I present to you this Annual Report and Audited Financial Statements of Aurelius Technologies Berhad and its subsidiary ("ATech Group") for this financial year / period ended 31 January 2022 ("FYE 2022").

The Year Under Review

FYE 2022 has been a momentous year for ATech Group. Amidst the continuous challenge as the nation went into the second year of battling the COVID-19 pandemic, ATech Group has marked its business presence and registered significant milestones. Upon successful completion of the acquisition of BCM Electronics Corporation Sdn Bhd ("BCM") on 12 November 2021, the capital market has warmly accepted the new ATech Group, as it made its debut on the Main Market of Bursa Malaysia Securities Berhad, on 16 December 2021.

This listing was indeed a testament of ATech Group's relevance in the nation's progress for economic recovery from the pandemic. The capital market has since, irrefutably witnessed the remarkable support for ATech's shares trading on the exchange.

It is with deepest sadness that FYE 2022 ended with the demise of Mr Lee Chong Yeow @ Lee Chong Yan ("CY"), the Group Chief Executive Officer/Executive Director of ATech Group. CY was a passionate and dedicated leader who has brought the group to where it is today. He has left a strong and resilient business for all of us to continue.

Business Performance

ATech Group, like any other businesses worldwide, has not been spared from the impact of the COVID-19 pandemic. There had been periods when our production was interrupted due to disruption of raw materials supply. We see some further impact on our current supply chain from the persisting Russia and Ukraine war as we continue to explore alternatives to brace for any changes desired for the long-term. Most importantly, the relationships that have been built with our suppliers and customers, enabled us to have the strategic flexibility to brace for the impact of the turbulent environment and in addressing disruptions and conflicts.

Despite the various challenges during the year, ATech Group has proven its agility. ATech Group has registered a commendable financial performance with RM367.4 million of revenue and RM25.9 million of profit before tax for FYE 2022 at the back of increased number of products and customers.

Sustainable Development Agenda

Business sustainability focuses on the ability of companies to respond to the three (3) pillars of sustainable development: economic, environment, and social, or the 'triple bottom line'. With this in mind, as a listed company, ATech Group, recognises its crucial contributions towards the global call for sustainable development agenda, by being a responsible business entity and having sustainable practices.

Among others, as an ISO14001 and ISO45001 certified company, ATech Group pledges to continuously improve our environmental performance through the efficient management and use of resources, and reduction of waste. In addition, our internal stakeholder, our employees, are our priority in ensuring social well-being and in our earnest support for human development. We extended our employees with the necessary onsite vaccination, testing support and additional open-air dining space in our joint efforts in managing the COVID-19 pandemic.

Following the increase of mass production of semiconductor components with our latest investments in automated processes and infrastructure, we have further increased our recruitment of employees and new vendors, sourced from the local vicinity. This latest production segment also involves the advance of smart technology, a form of innovation and catalyst for economic prosperity and sustainability, in line with the government's aspirations within the Shared Prosperity Vision 2030 and the 12th Malaysia Plan 2021-2025, as well as the United Nations' 2030 Agenda. Our commitment to support our local community is also extended to our new roll-out industrial internship programme for staff and students of Politeknik Tuanku Sultanah Bahiyah.

CHAIRPERSON'S STATEMENT (Cont'd)

Business Outlook

Our dynamic business model continues to provide us the unique competitive advantage in the electronic manufacturing services ("EMS") sector to advance in the production of semiconductor and Internet-of-Things ("IoT") products to meet the demands of the digital world - henceforth enabling ATech Group to rightfully positioned itself within the new paradigm of the Fourth Industrial Revolution ("4IR").

We are also proud to announce that our facility in Kulim has completed the development of our third phase of factory expansion on 28 March 2022 ahead of schedule. With this completion, we will continue to invest and roll-out the latest new Surface Mount Technology ("SMT") and automated back-end lines to continue the expansion and diversification of our production capability to meet customer demands. This demonstrates our commitment for growth and new value creation for our shareholders.

ATech Group has nearly three decades of experience as an EMS provider for manufacturing of industrial electronics products. Going forward, the Board of Directors is confident that the ATech Group has equipped itself with the critical measures to strengthen its position as the leading provider of EMS in Malaysia.

Appreciation

I would like to express sincere gratitude to Mr Loh Hock Chiang, the Interim Group Chief Executive Officer / Executive Director, and the rest of the management team, for their commitment and dedication to ATech Group. I would also like to extend sincere appreciation to our shareholders, for your strong support and trust in the Group; to our dedicated employees who play the key role in our business operations; and to our other stakeholders including our customers, suppliers, bankers, advisors, auditors, lawyers, various vendors, and the authorities, for your continuous support and assistance, and for being with us throughout this challenging year.

I would also like to acknowledge my heartfelt gratitude to my fellow Board members, who have given their time, insight and guidance, in helping to steer ATech Group as it embarks its journey as a listed entity.

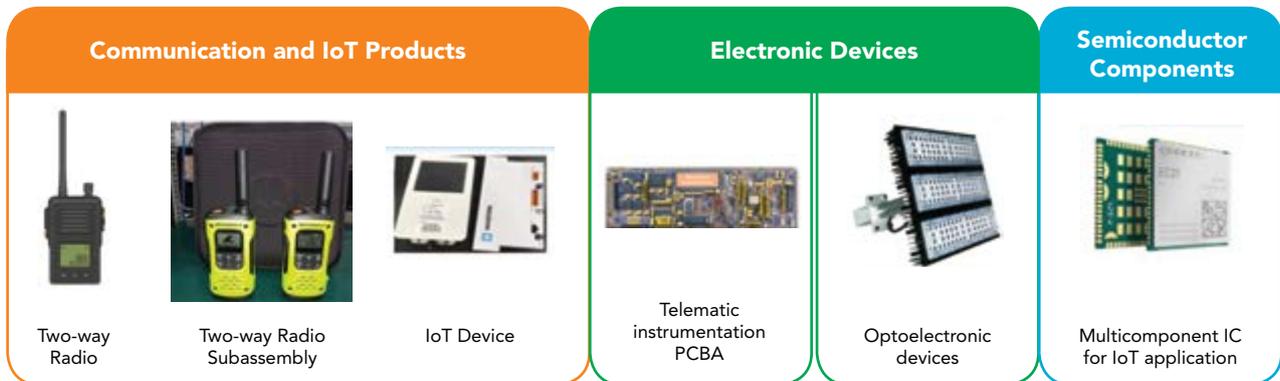
Datin Normaliza Binti Kairon
Independent Non-Executive Chairperson

18 May 2022

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 Overview of ATech Group

The Group operates predominantly in the electronic manufacturing services (“EMS”) focusing on industrial electronic products namely, communications and internet of things (“IoT”) products, electronics devices, and semiconductor components.



2.0 Status of corporate proposals

There was no corporate proposal announced by the Company but not completed as of 31 January 2022 except for the following:

The Company has successfully listed on 16 December 2021 with a public issue of 77,010,000 new ordinary shares on the Main Market of Bursa Securities (“Listing”).

As an integral part of its listing on the Main Market of Bursa Securities, the Company has undertaken the following listing scheme: -

Acquisition of BCM

The Company acquired the entire equity interest of BCM for a total purchase consideration of RM84,351,000 satisfied via the issuance of 281,169,999 new ordinary shares (“consideration shares”) at an issue price of RM0.30 per share. In consideration of the issuance of the consideration shares, the entire issued shares of BCM have been transferred to the Company on 12 November 2021.

Pre-IPO Dividend

On 30 June 2021, BCM has declared an interim single-tier dividend amounting to RM3,286,988 for the FYE 2022 to Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.), its previous sole shareholder. The interim dividend has been paid by way of cash of RM555,934 and in specie of quoted shares outside Malaysia of RM2,731,054 on 20 October 2021. Fair value gain on investment in quoted shares outside Malaysia amounting to RM255,056 has been recorded subsequent to the dividend in specie.

Public Issue

The IPO involves a public issue of 77,010,000 new ordinary shares in the Company at an issue price of RM1.36 per share. In conjunction with the IPO, the Company had sought the listing and quotation of its entire enlarged issued share capital comprising 358,180,000 ordinary shares in the Company on the Main Market of Bursa Securities.

Offer for Sale

The Offer for Sale comprises an offer for sale of up to 26,860,000 shares by the existing shareholders of the Company (“Selling Shareholders”) at an offer price of RM1.36 per share.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3.0 Financial Performance Review

	FYE 2022 RM'000	FYE 2021 RM'000	Changes	
			RM'000	%
Revenue	367,421	362,165	5,256	1.5
Gross Profit ("GP")	40,665	30,073	10,592	35.2
Profit Before Tax ("PBT")	25,905	17,819	8,086	45.4
Profit After Tax ("PAT")/ Net Profit	22,033	15,096	6,937	46.0
GP margin (%)	11.1	8.3	2.8	33.3
PBT margin (%)	7.1	4.9	2.1	43.3
Net profit margin (%)	6.0	4.2	1.8	43.9
Basic EPS (sen)	0.06	0.04	0.0	46.0
Number of shares post IPO ('000) ⁽¹⁾	358,180	358,180	0.0	0.0

Notes:

(1) - For illustration purposes only based on ATech's number of ordinary shares post IPO, 358,180,000.

The FYE 2022 was a challenging year with operations having to navigate government lockdown orders and implement new standard operating procedures ("SOPs"). Notwithstanding, the subsidiary was able to turn to a profit for the financial year.

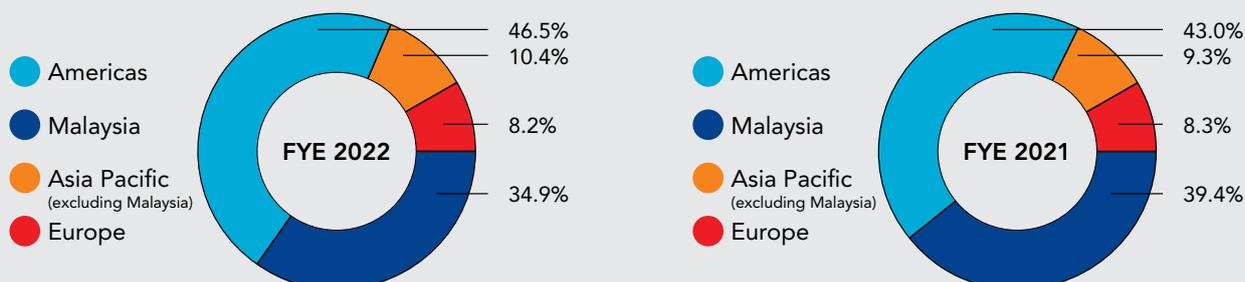
3.1 Revenue

The revenue analysis by product segments is illustrated in the table below:

	FYE 2022 RM'000	FYE 2021 RM'000	Changes	
			RM'000	%
Communication and IoT products	317,391	324,063	(6,672)	(2.1)
Electronics devices	38,885	34,099	4,786	14.0
Semiconductor components	11,145	4,003	7,142	178.4
Total	367,421	362,165	5,256	1.5

Our Group's overall revenue has increased by approximately RM5.3 million or 1.5% from RM362.2 million in FYE 2021 to RM367.4 million in FYE 2022 despite the very challenging market conditions throughout the financial period. The increase was primarily attributed to the introduction of new electronics devices products, and commencement of the new semiconductor components production lines.

Revenue Breakdown by Geographical Market



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3.0 Financial Performance Review (Cont'd)

3.1 Revenue (Cont'd)

Revenue contribution by geographical markets continue to be dominated by our customers from America with increased contribution by 3.5% in FYE 2022 as compared to FYE 2021. We also saw the increased contribution from our Asia Pacific (excluding Malaysia) in view of the commencement of semiconductor components production as we continue to strive towards a more balanced geographical contribution.

Communication and IoT product segment

Revenue from the communication and IoT product segment has decreased by RM6.7 million or 2.1% from RM324.1 million in FYE 2021 to RM317.4 million in FYE 2022. This was mainly due to global shortage of raw components and production capacity constrains as a result of the various restrictions imposed by the Governments in response to Covid-19 pandemic. Our order book for this segment continues to be strong, and the revenue contribution in this segment is expected to catch-up with the order book upon improvements the global supply chain.

Electronics devices segment

Revenue from electronics devices segment has increased by RM4.8 million or 14.0% from RM34.1 million in FYE 2021 to RM38.9 million in FYE 2022. The increase was mainly due to the introduction and expansion of new electronics devices product portfolio in this segment.

Semiconductor segment

Revenue from electronics devices segment has increased by RM7.1 million or 178.4% from RM4.0 million in FYE 2021 to RM11.1 million in FYE 2022. The increase was predominantly from the contribution of scaling-up of production volumes via the two new SMT lines completed with its four automated robotic back-end production lines. With the installation of the additional two comprehensive SMT lines, we hope to continue enhancing revenue in this segment.

3.2 Financial Result & Analysis

	FYE 2022 RM'000	FYE 2021 RM'000	Changes RM'000	%
GP	40,665	30,073	10,592	35.2
Other income	306	1,201	(895)	(74.5)
Administrative expenses	(10,992)	(9,114)	(1,878)	20.6
Selling and distribution expenses	(176)	(202)	26	(12.8)
Finance costs	(3,898)	(4,139)	241	(5.8)
PBT	25,905	17,819	8,086	45.4
Taxation	(3,872)	(2,723)	(1,149)	42.2
PAT	22,033	15,096	6,937	46.0



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3.0 Financial Performance Review (Cont'd)

3.2 Financial Result & Analysis (Cont'd)

Gross Profit

Our Group registered an overall gross profit of RM40.7 million in FYE 2022 marking a year-on-year increase by RM10.6 million or 35.2% compared to the gross profit of RM30.1 million in FYE 2021. The increase was largely attributed by production process improvements, implementation of new infrastructure and product diversification.

Profit After Tax

Our Group's profit after tax has increased by RM6.9 million or 46.0% from RM15.1 million in FYE 2021 to RM22.0 million in FYE 2022 as we diligently contained our administrative, selling and distribution expenses. Our administrative expenses included one-off expenses arising from the pre-IPO restructuring and IPO expenses of RM1.36 million which was not directly associated to the issuance of new shares.

4.0 Financial Position Review

4.1 Financial Position Analysis

	31.01.2022	31.01.2021	Changes	
	RM'000	RM'000	RM'000	%
Non-current assets	83,963	56,198	27,765	49.4
Current assets	327,389	225,366	102,023	45.3
Total assets	411,352	281,564	129,788	46.1
Non-current liabilities	(23,743)	(31,194)	7,451	(23.9)
Current liabilities	(186,191)	(166,294)	(19,897)	12.0
Total liabilities	(209,934)	(197,487)	(12,447)	6.3
Net assets	201,418	84,077	117,341	139.6
Current ratio (times)	1.8	1.4	0.4	28.6

Assets

Our Group's non-current assets increased by RM27.8 million or 49.4% from RM56.1 million as at 31 January 2021 to RM83.9 million as at 31 January 2022 mainly due to the increase in:

- the investments of two new SMT lines for semiconductor component customer of RM16.6 million;
- the on-going construction of manufacturing plant extension's work-in-progress of RM15.6 million.

The current assets have increased by RM102.0 million or 45.3% from RM225.4 million as at 31 January 2021 to RM327.4 million as at 31 January 2022 mainly due to a combination of:

- increased in cash and bank balances by RM54.0 million from the IPO proceeds.
- increased inventories by RM61.0 million due to safety stock purchases for communication and IoT products customers.
- decreased in trade receivables by RM9.6 million with our customers from IoT product segment granting a temporary shorter settlement terms.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

4.0 Financial Position Review (Cont'd)

4.1 Financial Position Analysis (Cont'd)

Liabilities

Our Group's non-current liabilities decreased by RM7.5 million or 23.9% from RM31.2 million as at 31 January 2021 to RM23.7 million as at 31 January 2022. This was mainly due to settlement of hire purchase and term loan in FYE 2022 arising from a combination of scheduled payments and utilization of the IPO proceeds.

Our Group's current liabilities increased by RM19.9 million or 12.0% from RM166.3 million as at 31 January 2021 to RM186.2 million as at 31 January 2022 mainly attributable to increase in trade payables, other payables and accruals of RM31.8 million. The increase in trade payables, other payables and accruals was mainly due to higher in purchase of raw material and assets during the FYE 2022 as compared to FYE 2021. The overall increase was partially offset by the repayments of short-term loan of RM11.7 million.

4.2 Cash Flow Analysis

	FYE 2022 RM'000	FYE 2021 RM'000	Changes RM'000	%
Net cash generated from operating activities	11,138	150	10,988	7,325.3
Net cash used in investing activities	(34,567)	(14,513)	(20,054)	138.2
Net cash (used in)/generated from financing activities	75,966	4,017	71,949	1,791.1
Net changes in cash and cash equivalents	52,537	(10,346)	62,883	(607.8)
Effect of exchange rate fluctuations	(11)	51	(62)	(121.6)
Cash and cash equivalents at the beginning of the financial year	17,109	27,404	(10,296)	(37.6)
Cash and cash equivalents at the end of the financial year	69,635	17,109	52,525	307.0

Our Group's net cash from operating activities increased by RM11.0 million or 7,325.3% from RM0.2 million in FYE 2021 to RM11.2 million in FYE 2022 mainly due to higher operating profit, and improved management of working capital cycles.

Our Group's net cash used in investing activities increased by RM20.0 million or 138.2% from RM14.5 million in FYE 2021 to RM34.6 million in FYE 2022 mainly due to cash outflow increase in:

- the investments of two new SMT lines for semiconductor component customer of RM16.6 million;
- the on-going construction of manufacturing plant extension's work-in-progress of RM15.6 million.



4.0 Financial Position Review (Cont'd)

4.2 Cash Flow Analysis (Cont'd)

Our Group recorded a net cash generated in financing activities of RM76.0 million in FYE 2022 as compared to net cash from financing activities of RM4.0 million in FYE 2021. This was mainly due to the:

- (a) net IPO proceeds of RM98.6 million received,
- (b) drawdown of term loans of RM19.2 million for capital expenditure,
- (c) drawdown of trade facilities totaling RM6.2 million for working capital purposes.

The overall increase was partially offset by the repayments of term loan of RM40.0 million and hire purchases RM7.3 million as a result of utilization of IPO proceeds.

4.3 Liquidity & Capital Reserves

Taking into the consideration of the followings, our Group believes that we have sufficient working capital for our existing and foreseeable requirement:

- (i) Current ratio improved from 1.4 times as at 31 January 2021 to 1.8 times as at 31 January 2022, which indicated our ability to meet short-term obligations;
- (ii) Cash and cash equivalents of RM69.6 million as at 31 January 2022;
- (iii) Expected cash flows to be generated from the operations of our Group;

In FY2022, we incurred a total capital expenditure ("CAPEX") of approximately RM33.4 million which comprised of:

- (a) the investments of two new SMT lines for semiconductor component customer of RM16.6 million,
- (b) the on-going construction of manufacturing plant extension's work-in-progress of RM15.6 million and
- (c) other miscellaneous equipment, fixtures and fittings.

The CAPEX was funded through a combination of IPO proceeds, internally generated funds and bank borrowings.

5.0 Operation Outlook

As the COVID-19 cases continue to ebb and flow - creating inflationary effects and uncertainties for a clear runway for complete global supply chain and economy recovery, there appears to be increasing global sentiments and concerns inflation and recessions.

The challenges of the Group for FY2023 will be underlined by the ongoing COVID-19 pandemic, prolonged Russia Ukraine conflict, global geo-political instability, global semiconductors components shortages, logistics challenges, labour supply shortages and various inflationary effects.

Whilst being cautiously optimistic despite being confronted with this very challenging global outlook and economic environment, we continue to:

- (a) pursue diversity of product and client portfolios,
- (b) dynamically respond to new approaches to supply chain, logistic and production,
- (c) minimize operational and financial risk in our business.

Whilst we continue to grow our order book of approximately RM523.0 million as at 31 January 2022, we are committed in continuing our effort to continuously build on our customer relationship, improving its production quality, efficiency, technical capability, and capacity to better prepare the Group in facing these challenges. Barring any unforeseen circumstances, the Group's prospects for the financial year ending 31 January 2023 remain favourable.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

5.0 Operation Outlook (Cont'd)

5.1 Impact of COVID-19 pandemic

The COVID-19 pandemic has had various impact on our business and operations in Malaysia arising from the measures implemented by the Government to reduce and control the spread of COVID-19.

With regards to the risks relating to COVID-19, our Group complied fully with the stringent SOPs issued by authorities and continue to undertake extra precautionary measures to safeguard our employees while ensuring minimal disruptions to production. This includes social distancing, swab test for employees, trainings, placing sanitisers in common areas and the use of face masks at all time.

Our Group had also commenced its participation in Program Imunisasi Industri COVID-19 Kerjasama Awam-Swasta ("PIKAS") to accelerate the immunisation of the employees. To date, our employees are fully vaccinated. Therefore, we received approval from authorities to operate at full capacity. The Group will continue to monitor the situation to assess and address the impact of the COVID-19 outbreak and its business and financial condition.

6.0 Business Risk

6.1 Supply Chain Impact

Any serious and prolonged global shortage of input materials may lead to loss of business opportunities and delay in our production. We may be exposed to price fluctuations in the cost of the input materials due to unavoidable time lag between the time of our commitment to our customers and our subsequent purchase of such input materials on our customers' behalf.

6.2 We are dependent on purchase orders from major customers for revenue and on the agreement with semiconductor component customer for our ongoing and future expansion plans

Our sales are secured by way of purchase orders from our major customers from time to time. We are dependent on purchase orders from and agreements with our major customers and the loss of any of the major customers, if not replaced, may adversely affect our financial condition and results of our operation. Our major customers collectively contributed approximately 96.5% for FYE 2022. In addition, our financial performance may be adversely affected if our major customers lose market share, experience financial difficulty or if they are faced with an economic downturn which affects demand for their products or services. We are also deemed dependent on semiconductor component customer for on-going and future expansion plans mainly for semiconductor component manufacturing.

6.3 We are subject to operational risks which may cause interruptions to our business operations

Operational risks including but not limited to fire outbreaks and disruption of electricity supply may cause interruptions to our business operation. Any prolonged disruptions will affect our production schedules and may affect the timely delivery of our products to our customers, which consequently may affect our results of operations, financial condition and reputation.

6.4 We are subject to the demand and performance of the user-industries

We face the risk of dependency on communications and IoT products within the industrial electronics sector. Hence, in the event of any downturn and/or decline in demand for communication and IoT products, it would adversely affect our business, financial condition, results of operations and prospects.



6.0 Business Risk (Cont'd)

6.5 We operate in a technological industry where we are required to compete effectively

If we do not stay up-to-date with technological advances and be sensitive to the market trends or if one or more of our competitors introduce products and design services that can better address customer's needs, it may adversely affect our Group's competitiveness and therefore may affect our Group's business, financial condition, results of operations and prospects.

7.0 Future Plans

The Group's future plans and strategies are as follows:

(i) Expansion of semiconductor component manufacturing

As at 31 January 2022, we have installed four (4) SMT production line with six (6) automated backend lines. For financial year ending 31 January 2023, we plan to invest additional three (3) SMT production lines to cater for its expected increase in demand.

(ii) Expansion of our production facilities

- (a) The new manufacturing plant was completed and handed over on 31 December 2021. We have obtained CCC (Certificate of Completion & Compliance) on 28 March 2022.
- (b) We planned to have one (1) SMT line for existing EMS business as per prospectus.

(iii) Upgrading of manufacturing facilities towards Industry 4.0

We expect to spend approximately RM4 million through internal generated funds over the next 2-3 years to upgrade our MES system. The investment is mainly in software and system integration to create a network to link the manufacturing facilities providing real time information and data of our manufacturing operation, enabling the monitoring of production yield, quality, health of our machinery and status of delivery.

8.0 Dividends

For information purposes, BCM, a wholly owned subsidiary of the Company, declared an interim single-tier dividend of RM0.10 per ordinary share amounting to RM3,286,988 in total in respect of the FYE 2022. The said dividend was paid to Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.), being the previous sole shareholder of BCM, on 20 October 2021. RM2,731,054 was funded by way of a dividend in specie of quoted shares listed on a foreign exchange while the remaining RM555,934 was funded by BCM's internally generated fund. Save as disclosed above, there was no dividend declared or recommended for payment by the Board of Directors of the Company during the financial period under review.



9.0 Material Litigation

Save as disclosed below, our Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the financial or business position of our Group:

BCM had, on 13 October 2015, filed a lawsuit against Mimos Berhad ("Mimos") at the High Court of Malaya at Kuala Lumpur ("High Court") to claim a sum RM1,672,789 together with the interest ("Suit"). The High Court judge had, on 6 May 2019, allowed BCM's claim with costs amounting to RM1,694,734.75. Mimos had on 9 May 2019 filed an appeal against the decision at the Court of Appeal of Malaysia. On 3 August 2021, the Court of Appeal of Malaysia allowed the appeal filed by Mimos with cost and BCM is to return the sum of RM1,731,134.75 (including costs) to Mimos.

BCM filed an application of motion for leave to the Federal Court of Malaysia ("Leave Application") on 2 September 2021.

The court deferred the Leave Application for hearing from 25 January 2022 to 31 March 2022. The hearing date for Leave Application for case management has been rescheduled and fixed on 13 June 2022.

Pending the application for leave, BCM has repaid the claim together with the interest amounting to RM1,731,135 to Mimos on 14 September 2021.

The outcome of the hearing of the Leave Application is not expected to have a material impact on our Group as the remaining inventory have been written off in the FYE 2019 and the additional costs amounting to RM36,400.00 (being the difference between RM1,731,134.75 and RM1,694,734.75 as mentioned above) is immaterial.



SUSTAINABILITY STATEMENT

INTRODUCTION

This is the first Sustainability Statement ("Statement") after ATech was listed on Bursa Securities on 16 December 2021. With the growing awareness of sustainability within the context of Economic, Environmental and Social (EES) locally and globally, the Group intends to adopt the best practices and principles of sustainability in our business operations.

Sustainability Governance Structure

STRUCTURE	ROLES & RESPONSIBILITIES
BOARD OF DIRECTORS ("BOD")	Responsible for the strategic direction and monitoring of the Group's overall sustainability initiatives.
MANAGEMENT	Comprises the Executive Directors (EDs) who will be responsible for the strategic implementation of the sustainability initiatives, and Head of Departments (HODs) who will be responsible for the execution of the sustainable practices.

Scope And Basis

In this first year of sustainability reporting, the Group will highlight its initial initiatives to address the identified key areas of sustainability in our operations - which include the economic, environmental, and social factors impacting our operation. Our basis of considerations included guidance from Bursa Malaysia's Sustainability Reporting Guide and internal engagements. Going forward, the BOD endeavor to further evaluate our sustainability matters and enhance our sustainability initiatives through engagements with both internal and external stakeholders in our desire to develop a more integrated sustainability strategy, framework, and governance structure for the Group.

Material Sustainability Matters

The Executive Directors and HODs have considered and identified the material sustainability matters that are most relevant to the Group. A total of twelve (12) key priority areas for the material sustainability matters as follows:

ECONOMIC	ENVIRONMENTAL	SOCIAL
1 Business Growth	6 Environmental Sustainability	9 Workforce Diversity
2 Quality Product and Service	7 Material Management	10 Occupational Safety and Health
3 Total Customer Satisfactory	8 Pollution and Waste Management	11 Employee Training & Development
4 Supply Chain Management		12 Work Life Balance
5 Corporate Governance		

We are committed to creating long-term sustainable value for the Group, stakeholders, the communities in which we operate in, as well as the environment. We believe that having regular engagements with the relevant parties are essential to sustaining success.

SUSTAINABILITY STATEMENT (Cont'd)

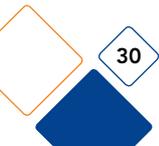
1. BUSINESS GROWTH

The recent past year was a strenuous year for us as we maneuverer through an exacting business environment - overwhelmed with uncertainties arising from factors such as the COVID-19 pandemic and the US-China trade conflict. Since our business commencement in 1993, we have progressed and continuously transformed our business to meet such challenges including the evolving global changes in the electronics industry:

Our business progression and transformation							
	1993 - 2021					2022 -2023	
Factory Premises	Rented premises		Owened premises 195,794 sq. ft.	+	Owened premises 64,563 sq.ft. plant under construction	=	Owened premises with total built-up of 260,357 sq.ft.
Factory Technology	Manual assembly and backend testing	+	Frontend automated production lines MES	+	Fully automated production line	=	Manual, semi and fully automated production supported by MES and incorporating Industry 4.0
Manufacturing Capabilities	PCBA subassemblies	+	Box build	+	System build	=	End-to-end EMS provider
Industry Value Chain	Industrial electronic product manufacturing			+	Semiconductor component manufacturing	=	Moving up the industry value chain

- Factory Premises:** We have been operating at our owned premises in Kulim Hi-Tech Park, Kedah since year 2000. In March 2022, we completed construction of our new manufacturing plant to cater for business growth, in particular expansion of manufacturing of semiconductor components.
- Factory Technology:** Over the years, our factory technology has also progressed where we have increasingly automated our manufacturing processes. This is mainly to reduce human intervention for critical processes to maintain product quality. Besides, this also caters to evolving changes in electronic products requiring faster throughput, miniaturisation and precision while maintaining a high level of product quality. As such, we are continually transforming our manufacturing facilities and capabilities towards higher levels of automation.

In this respect, our manufacturing capabilities expanded from our initial manual assembly to frontend automated SMT lines and subsequently becoming a full automated production line incorporating frontend SMT and backend testing and packing for some of our production lines. As we progress towards higher automation, we have developed and implemented MES in 2018 to support our manufacturing operations. Our MES is to ensure that our end-to-end manufacturing processes are based on pre-determined detailed workflow. This enables us to convert customer orders efficiently and effectively into instructions for the manufacturing process which facilitates our factory floor operators to follow these instructions on a step-by-step basis to minimise human errors. Overall, our progression in the technology value chain towards higher levels of automation is part of our aim to embrace the concept of Industry 4.0 in our manufacturing processes.



SUSTAINABILITY STATEMENT (Cont'd)

1. BUSINESS GROWTH (Cont'd)

- Manufacturing Capabilities:** Our manufacturing capabilities have also progressed and transformed from manufacturing electronic parts in the form of PCBA and subassemblies, to include end-to-end manufacturing of box build and system build finished products. In addition, we provide engineering support services in collaboration with our customers during their product development process. Our end-to-end electronics manufacturing provides customers with convenience as they only need to liaise with us for their products.
- Industry Value Chain:** We have progressed and transformed our business to offer semiconductor component manufacturing services as an additional new service offering commencing from 2019. This marks a key milestone for us as this represents our move up the value chain to incorporate semiconductor component manufacturing, which precedes electronics manufacturing in the value chain. Moving forward, we will continue to expand our business focusing on manufacturing of electronics products and semiconductor components.

Moving forward, we will continue to strengthen and leverage from our core competency in providing EMS for industrial electronic products as well as expanding into semiconductor component manufacturing services and other areas to support our business growth. The summary of our business strategies and plans are depicted below:



2.0 QUALITY PRODUCT AND SERVICE

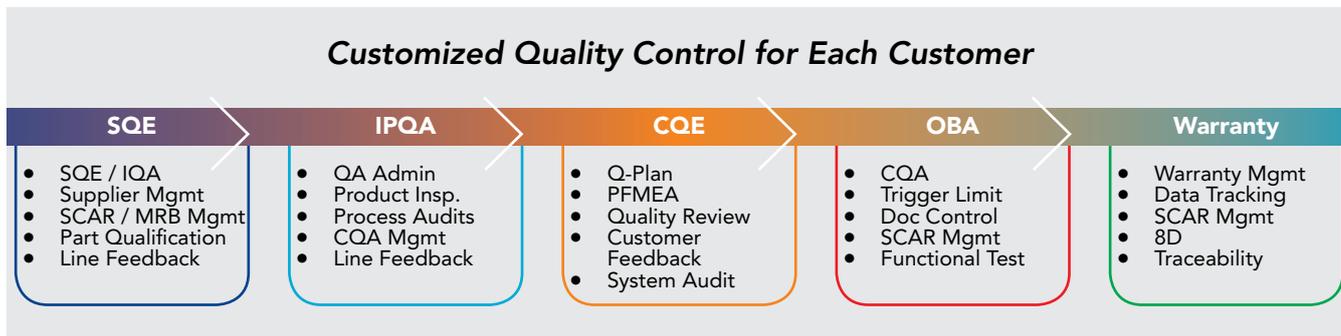
The Group is passionate to strive for highest quality levels for our customers through our executions in quality planning, initiatives in driving continuous improvement and working with our customers in achieving the sustainable goals.

Our experienced team executes our established operating procedures, ensuring our quality policy is effectively communicated to all levels. We emphasize customized quality plan for our customers, with validated in-house developed systems, subject matter expert in our fields and proven continuous work applications, in ensuring we are compliant with all applicable industry requirements. We undergo regular global TUV quality management system audits and proactively studies and research in implementing the best practices available, to stay ahead in the industry.

Through deploying advance quality plan and measurable metrics, we develop the zero-defect culture through proactively involving all levels of employees to mitigate risk and promoting seamless processes through execution of lean practices. Our designed trainings for our valued employees continuously steering the momentum to motivate and strive for better manufacturing processes that yields better product quality.

SUSTAINABILITY STATEMENT (Cont'd)

2.0 QUALITY PRODUCT AND SERVICE (Cont'd)



Our Quality Certifications:

- ISO 9001:2015 – QUALITY MANAGEMENT SYSTEM
- ISO14001:2015 – 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

3.0 TOTAL CUSTOMER SATISFACTORY

The Group understand that Total Customer Satisfaction is critical to the success of our business. As a customer-driven company, we continuously strive to create value for all our customers. On top of delivering quality products on time, our technical sales team also provide technical support on customised upgrading, modification and rework. During the challenging times of COVID-19, we continue to provide technical support to our customers. We strongly believe that goodwill nurtured from satisfied customers will translate into new business opportunities through their recommendations to other prospective customers and repeat orders from themselves. In our daily operations, we target to response timely to our customers. In general, all enquiries, feedbacks and comments are addressed/responded within the target of two (2) working days.

As such, we kick start this process by engaging with all our customers at very early stage of product development. This would ensure all new products are designed for manufacturing, for assembly, for test and at the same time for the environment and overall society we operate in.

In addition to the above early engagement, we also place high priority on effective customer feedbacks with the objective of achieving Total Customer Satisfaction. We take all feedbacks positively and set key goals and timeline in the resolutions of all improvement plans.

All our customers will provide their score. Though it may differ in the format, all customers focus on Delivery, Quality, Cost and Strategic Partnerships. The graph below depicts the average Customer Satisfaction score of the Group top three customers.

Delivery will continue to be a huge challenge in the coming years and The Group will continue to work aggressively to mitigate the material supply issues. Operational cost is also on the rise and The Group will need to proactively work with all our major customer to address this sustainably.

4.0 SUPPLY CHAIN MANAGEMENT

After many years of business with our suppliers, we have built up a strong relationship with the suppliers from various commodities. We strongly believe that a good supply chain management system and team are crucial and vital to support our manufacturing process. As an EMS, we follow exactly the customers' AML (Approved Manufacturer List) as our purchasing source to ensure the quality of raw materials and services supplied by suppliers. We share the manufacturer's quality performance with customer for the next actions should there be on-going non-performance incidents that affecting the final product. As for the materials that we are approved and required to source, we carry out supplier evaluation and audit to assess their quality and workmanship besides the cost. All suppliers in our approved supplier listing (ASL) are measured monthly covering the delivery time and quality. Supplier who is unable to meet our requirements continuously will be removed from our ASL. The Group is promoting localization projects to source and buy from local suppliers especially for packaging items and labels, with the effort to support the local economy.



SUSTAINABILITY STATEMENT (Cont'd)

4.0 SUPPLY CHAIN MANAGEMENT (Cont'd)

The pandemic has affected the global supply chain since year 2020. The situation has interrupted the continuous and smooth supply chain besides unfavourable cost impact. We are working very closely with customers to untangle the supply chain situation. Short-term and long-term mitigation plan has been put in place to avoid or minimize the overall supply chain interruptions.

5.0 CORPORATE GOVERNANCE

We are committed to a high standard of corporate governance that our employees uphold a high standard of integrity and governance in business conducts and dealings internally as well as with external stakeholders. To this end, we are a member of the "Promise of Integrity Alliance" in Penang since 2017 where the founding members comprise some of the local and multinational electronics corporations in Penang and members are mainly electronics corporations operating in the Northern Region of Peninsular Malaysia. We also have in place policies and procedures to promote and maintain compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Whistleblower Protection Act 2010.

Anti-Corruption Seminar Collaborate with Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) Negeri Kedah.

Date : 26 April 2022

Venue : Aurelius Technologies Berhad

Time : 9.00 am – 1.00 pm



The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy are published on our Company's website at <https://www.atechgroup.com.my/corporate-governance>.

We are pleased to highlight that no employees had been disciplined or dismissed, nor any public cases been brought against ATech Group, its subsidiary, and its employees due to non-compliance to the laws and regulations. Hence, there was no relevant fines, penalties or settlements were imposed or made during the FYE 2022.

6.0 ENVIRONMENTAL SUSTAINABILITY



Environmental sustainability is the practice of interacting with the earth responsibly. We do it to avoid depleting natural resources and compromising the future generation ability to meet their daily needs.

We are committed to minimizing our environmental impact by complying with all relevant regulations and best practices, by creating and maintaining a safe and healthy environment for all employees, visitors, customers, and contractors. We comply with, and whenever possible fulfill national safety and health standard, as well as Fire and Environmental Quality Act 1974.

SUSTAINABILITY STATEMENT (Cont'd)

6.0 ENVIRONMENTAL SUSTAINABILITY (Cont'd)

We have established an environmental impact control system as part of our ISO14001:2015, ISO45001:2018, and Jabatan Alam Sekitar regulatory requirements. The objective of the system is to measure, monitor and identify the various aspects of environmental, safety and health hazards impacting to the Group operations.



Company activities related to Environmental Sustainability.



7.0 MATERIAL MANAGEMENT

The Group practices as environmental responsible manufacturer and we are compliant to the latest global standards to promote material use in our products are environmentally friendly and safe to human health. We source and purchase material only from approved vendor/manufacturer list provided by customer. We send out yearly survey to key suppliers on RoHS (Restriction on Hazardous Substance), CMRT (Conflict Material Reporting Template) for compliance check to ensure the raw material that we use are safe, reliable, and meeting regulatory standards. Our latest survey results on supplier compliance check in Q4 2021 that our suppliers are complying to the requirements.

We are ISO14001:2015 certified company, where we continuously improve our environmental performance through more efficient use of resources and reduction of waste. Our team strives to identify innovative solutions to improve production efficiency and minimize wastage of material through creative solutions. We practice reuse, recycle, and reduce, and we frequently work with customer and suppliers on ideas in their product design cycle.



SUSTAINABILITY STATEMENT (Cont'd)

8.0 POLLUTION AND WASTE MANAGEMENT



We practice responsible waste management across our operations with minimum impact to the environment as much as we can.

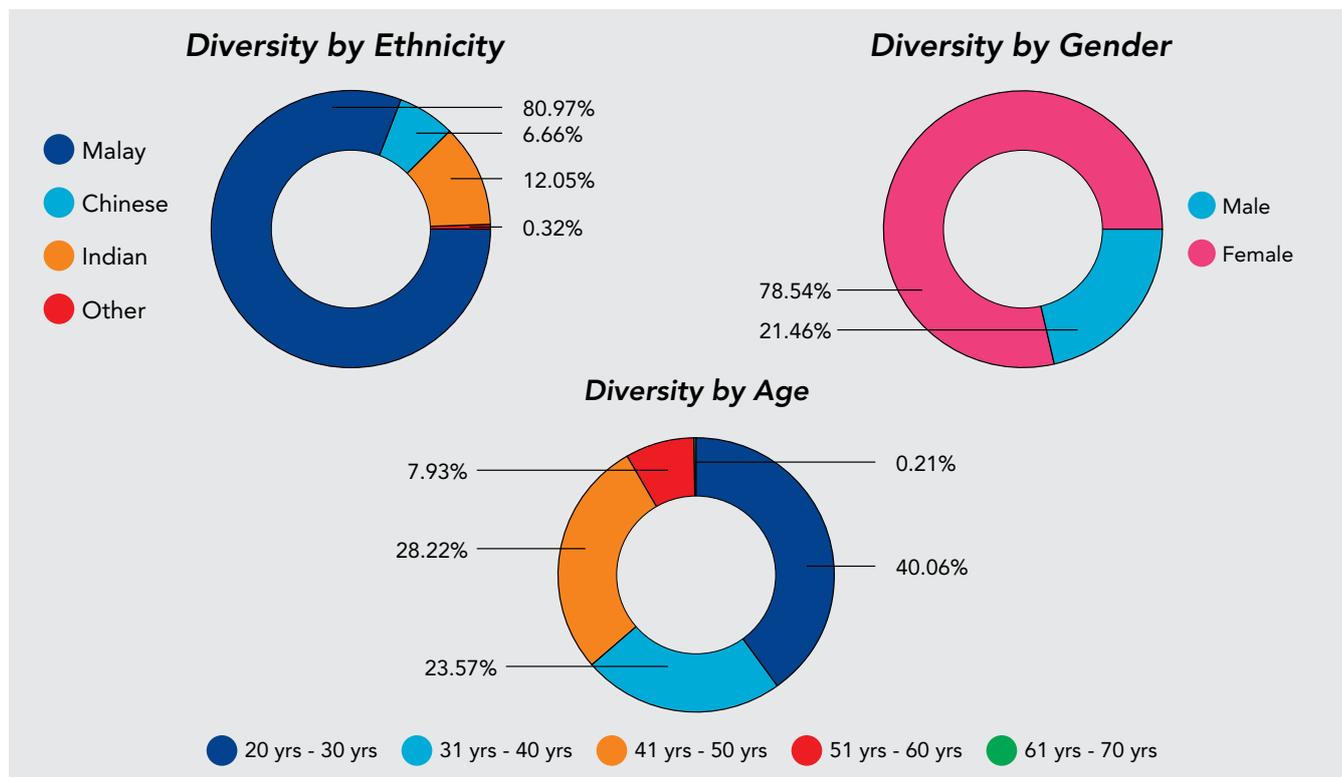
We have put in place strict policies on handling and disposal of hazardous waste in accordance with local laws and regulations. Our policies also include a defined procedure for management of (a) scheduled waste / general waste disposal, and (b) chemical substances – which is in compliance with ISO 14001:2015. The overall key objective of our policies is to minimize the waste and the environmental impact.

9.0 WORKFORCE DIVERSITY

We are supportive of diversity and inclusion in promoting:

- Principles of meritocracy in our employment practice.
- No discrimination in term of gender, age, race, religion in our employment practice.
- Hire new employees based on equal diversity.

Breakdown of human capital by Ethnicity, Gender & Age:



We recognize female employees to be part of leadership team in our Group. Herewith attached leadership team by gender diversity

Position	Male	Female	Total	Below 40	Above 40
Board of Directors	4	2	6	0	6
Senior & Middle Management	26	10	36	4	32
Executives	112	107	219	104	115

SUSTAINABILITY STATEMENT (Cont'd)

10. OCCUPATIONAL SAFETY & HEALTH

Activities conducted to prevent accident at workplaces:

- Promote Safety & Health consciousness in the plant
- Plan and implement Safety & Health education program
- Plan and Organize Safety & Health Campaign
- Identify and Assess Workplace Hazards
- Establish Environmental Safety & Health Committee
- Establish Emergency Response Team
- Conduct OSH audit on monthly basis
- Conduct OSHA awareness for new employees

Safety & Health Activities:



Safety & health program



First aid training

11. EMPLOYEE TRAINING & DEVELOPMENT



Every year we focus on talent development and succession planning. Investing in talent development creates the opportunity for organizations to:

- Develop the organization's ideal employees
- Assist employees in achieving their full potential
- Save on employee turnover cost
- Align employees in business strategies

We provide training & development program based on training needs analysis conducted on yearly basis and engagements with employees during performance appraisal session.



SUSTAINABILITY STATEMENT (Cont'd)

11. EMPLOYEE TRAINING & DEVELOPMENT

Internship Engagement Program.

We signed a certificate of collaboration with Politeknik Tuanku Sultanah Bahiyah on 27 January 2022 to kick-start an industrial internship programme for staff and student of the education institution. The industrial internship programme offers the local community access and exposures to the latest technological advancements adopted by our Group.



12. WORK LIFE BALANCE

Work life balance is a concept of prioritizing between work and lifestyle. Our Group believes healthy work life balance bring positive energy to our staffs. To promote healthy life balance to our employees, we organized various employees' engagement activities such as:

- Health campaign & Free Medical check up
- Sports activities for our employees such as football, badminton, futsal
- In-House booster vaccination program
- Blood donation campaign
- Road safety program

However, many recent scheduled activities were limited by the COVID-19 pandemic, and our Group is working towards reviving such activities to enhance employee engagements and work life balance.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company ("**Board**") is committed to ensure good corporate governance practices ("**CG Practices**") are observed and practiced throughout the Company and its subsidiary (collectively referred to as "**Group**") for business growth and enhancement of shareholders' value. As a newly listed company, the Group is poised to instill good corporate governance environment to achieve the Group's long-term objectives, protecting and enhancing shareholders' value and safeguarding the interests of stakeholders.

This Corporate Governance Overview Statement ("**Statement**") provides shareholders and investors with an overview of the application of the CG Practices as set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia ("**SC**") on 28 April 2021 ("**MCCG**") by the Company throughout the financial period from 9 February 2021 (Date of Incorporation) to 31 January 2022 ("**FYE 2022**"), and should be read together with the Corporate Governance Report 2022 ("**CG Report**") of the Company which provides the details on how the Company has applied each CG Practices.

The CG Report is available on the Company's website 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, Chairperson of the Board, Chief Executive Officer ("**CEO**"), Chief Financial Officer, Independent Directors and Board Committees. 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 Charter is reviewed periodically to ensure that it remains consistent with the vision, mission and value, and also 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 includes 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 CEO who is supported by the Executive Director, and assisted by the senior management of the Group is 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. Since its listing on the Main Market of Bursa Securities, Independent Non-Executive Directors contributed to the Group's decision-making by bringing in the quality of detached impartiality with its vast knowledge and experiences.

The Board is assisted by several Board committees, namely Audit Committee ("**AC**"), Nomination Committee ("**NC**"), Remuneration Committee, Risk Management Committee ("**RMC**") and Employees' Share Scheme Committee in discharging its duties and responsibilities. The Chairperson of the respective committees would provide an update to the Board during Board meetings on matters deliberated in the respective committee's meeting.

Each committee has its own Terms of Reference/By-Laws, which sets out its functions, responsibilities and authorities.

Chairperson and CEO

There is clear division of responsibilities between the Independent Non-Executive Chairperson and CEO, where the position of Chairperson and the 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 inculcates 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 are considered 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 (Cont'd)

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

With the demise of the late Mr Lee Chong Yeow @ Lee Chong Yan in January 2022, who was the Promoter and Group Chief Executive Office, the NC and Board having assessed, and appointed Mr Loh Hock Chiang as the interim Group Chief Executive Officer, whilst, continuing his role as the Group Chief Financial Officer. The NC and Board viewed that Mr Loh Hock Chiang, who is also the Promoter, and the Executive Director, would be able to drive the strategic business direction to ensure continued business and operational growth of the Group with his strong leadership and vast knowledge and experiences.

Company Secretaries

The Board recognises the importance of the Company Secretaries' role in advising the Board on its roles and fulfilment of its responsibilities pursuant to governance and regulatory requirements which includes corporate governance policies, corporate disclosures, compliance with companies and securities laws and regulations and listing requirements. The Company Secretaries also advises the Board on board policies and procedures, manages the agenda, facilitate and coordinate for meetings of the Board and shareholders. To carry out these duties, Company Secretaries must have the necessary qualification recognised by the relevant regulatory authorities and experience in carrying out their roles and responsibilities.

The Board is supported by two (2) external Company Secretaries, both qualified to act as company secretary under Section 235 of the Companies Act 2016 and are also registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. Both Company Secretaries are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

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 Secretaries, 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 to 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 committees meetings are not combined with the Board meetings. Board committees 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 committees meetings are documented in the minutes, and are circulated for review by the Board members and Board committees members on accuracy and completeness. The Company Secretaries will thereafter, tabled the minutes for confirmation in subsequent meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

I. BOARD RESPONSIBILITIES (Cont'd)

Meetings

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 seven (7) times during FYE 2022. The attendance of the Directors at the Board meetings held during the FYE 2022 is set out below:

Name	Total Meeting Attended
Datin Normaliza Binti Kairon <i>Appointed on 2 April 2021</i>	7 of 7
Lee Chong Yeow @ Lee Chong Yan <i>Demised on 24 January 2022</i>	5 of 5
Loh Hock Chiang	6 of 7
Nor Shahmir Bin Nor Shahid <i>Appointed on 2 April 2021</i>	7 of 7
F'ng Meow Cheng <i>Appointed on 2 April 2021</i>	6 of 7
Yee Swee Meng <i>Appointed on 2 July 2021</i>	6 of 6

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 that is accessible via the Company's website.

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 in place a Whistleblowing Policy ("**WBP**") that sets out the disclosure procedures and protection for to whistleblowers to meet the Group's ethical obligations.

The WBP is accessible via the Company's website.

II. BOARD COMPOSITION

As at the date of this Statement, the Board has six (6) members comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors (including the Chairperson) as follows:

Name	Directorate
Datin Normaliza Binti Kairon	Independent Non-Executive Chairperson
Loh Hock Chiang	Executive Director, Interim Group Executive Officer and Group Chief Financial Officer
Tan Chong Hin	Executive Director
Nor Shahmir Bin Nor Shahid	Independent Non-Executive Director
Yee Swee Meng	Independent Non-Executive Director
F'ng Meow Cheng	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

II. BOARD COMPOSITION (Cont'd)

The composition of the Board fulfils the requirements as set in the Main Market Listing Requirements of Bursa Securities ("MMLR") which require at least two (2) directors or one third (1/3) of the Board, whichever is higher, to be independent directors. Current Board composition also fulfills the requirement of MCCG, whereby the Board comprises of a majority of independent directors.

Currently, the Board has two (2) female Directors and four (4) male Directors that constitutes 33.33% 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 12 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 exceeded a cumulative term of more than nine (9) years in the Company as at the date of this Statement.

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

Nomination Committee ("NC")

The Board established the NC on 2 April 2021. The NC is primarily responsible for proposing new candidates to the Board and for assessing the performance of the members of the Board on an on-going basis. The NC is governed by its Terms of Reference approved by the Board which is available on the Company's website.

The NC comprises exclusively of Independent Non-Executive Directors as follows:

Name	Designation
F'ng Meow Cheng	Chairperson
Nor Shahmir Bin Nor Shahid	Member
Yee Swee Meng <i>Appointed on 2 July 2021</i>	Member
* Datin Normaliza Binti Kairon <i>Resigned on 2 July 2021</i>	Member

* *Datin Normaliza Binti Kairon, the Chairperson of the Board, resigned as NC member in line with Practice 1.4 of the MCCG. She was a member of the NC from 2 April 2021 to 2 July 2021.*

For the FYE 2022, the NC carried out the below activities:

- Reviewed the appointment of Mr Yee Swee Meng as Director of the Company and made recommendation to the Board for approval;
- Reviewed the mix of skill and experience and other qualities of the Board;
- Reviewed the performance and effectiveness of the Board members, individually and collectively as a Board;
- Reviewed the performance and effectiveness of the AC members, individually and collectively as a committee;
- Reviewed the independence of Independent Directors.

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 position. The NC also concluded that the AC had carried out its functions and responsibilities effectively in accordance with its terms of reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

II. BOARD COMPOSITION (Cont'd)

Nomination Committee (Cont'd)

An evaluation of the Independent Directors was also carried out to assess their independency and competency to continue in office as Independent Directors. It was concluded that each Independent Director has maintained his/her independency and is competent to continue serving as an Independent Director of the Company.

Appointment to the Board

The Board is committed to upholding high standards of governance in respect of new appointments to the Board to ensure that the Directors of the Company comprised of those who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole.

The NC is responsible for assessing and recommending suitable candidate for directorship to the Board, and would leverage on several sources such as 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 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

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the 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 recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

At the forthcoming AGM of the Company, all Directors are due to retire under Clause 91 of the Company's Constitution and being eligible, have offered themselves for re-election. The NC had reviewed the performance of each Director in all key areas of meeting attendance, time commitment, operational matters including that each and every Director have performed and discharged their responsibility as Directors of the Company adequately and satisfactory, as well as contributed positively to the effective functioning and processes of the Board.

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 in order to achieve effective board stewardship.

The Board presently does not have any gender 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 in.

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)

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.

All Board members, except for Mr Tan Chong Hin, have attended the Mandatory Accreditation Programme as prescribed by the MMLR. Mr Tan Chong Hin will be attending the Mandatory Accreditation Programme on 21-23 June 2022.

Below were the training programmes and seminars attended by the Directors during the FYE 2022:

Name of Director	Date	Organiser	Title of the Training Programmes/ Seminars
Datin Normaliza Binti Kairon	22 April 2021	Imperial College Business School, Brevan Howard Centre for Financial Analysis & Ping An Technology	Integration of ESG and Climate Risks in Investment Management
	8 – 10 June 2021	Malaysian Institute of Accountants (“MIA”)	Virtual MIA International Accountants Conference 2021
	22- 23 June 2021	MIA	MIA Virtual Conference Series: Corporate Board Leadership Symposium 2021
	24 - 25 June 2021	Joint Committee on Climate Change (“JC3”)	JC3 Flagship Conference 2021
	30 June 2021	MIA	MIA Webinar Series - Malaysian Code of Corporate Governance: Raising the Bar on Governance in Malaysia
	5 July 2021	MIA	MIA Webinar Series - SC Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries
	18 August 2021	MIA	MIA Webinar Series - Updates to the MCCG and their Implications to Listed Corporations, Directors & Management
	2 - 3 September 2021	MIA	MIA Virtual Conference - C2ESG: Climate Change & ESG Conference
	12 January 2022	Malaysian Investor Relations Association (“MIRA”)	The Sustainability Accelerator – Workshop A
	20 January 2022	MIA	MIA Virtual Conference Series: Women of Substance Symposium 2021
Loh Hock Chiang	8 – 10 June 2021	MIA	Virtual MIA International Accountants Conference 2021
	12 January 2022	MIRA	The Sustainability Accelerator - Workshop A
	14 January 2022	MIRA	2022 Economic & Market Outlook

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)

Name of Director	Date	Organiser	Title of the Training Programmes/ Seminars
F'ng Meow Cheng	3 February 2021	Thannees Tax Consulting Services ("TCS")	Virtual Tax Conference 2021 – Tackling Practical problems Faced by Taxpayers
	17 March 2021	Bursa Securities	Syariah Investing Dialogue with PLCs 2021 – Session 1
	18 March 2021	Taylor's College	Evolving Tax Rule and Agile Role of Tax Advisor
	8 April 2021	MIA	MIA Webinar Series: ISA 570 (Revised) on Ongoing Concern Assessment & Evaluation
	17 June 2021	MIA	MIA Virtual Conference Series: Capital Market Conference 2021
	2 September 2021	Chartered Tax Institute Of Malaysia ("CTIM")	Workshop on Practical Preparation for Tax Audit & Investigations
	21 September 2021	CTIM	Workshop on Real Property Gains Tax
	12 October 2021	TTCS	2nd Virtual Tax Conference 2021 – Tackling Practical problems Faced by Taxpayers
	9 November 2021	Lembaga Hasil Dalam Negeri Malaysia	Seminar Percukaian Kebangsaan 2021
	15 November 2021	MIA	MIA Webinar Series: Beneficial Ownership & Voluntary Winding-Up of LLP
	23 November 2021	MIA	Workplace Safety and Living in the COVID-19 Era
	10 December 2021	MAICSA	Webinar Series: Essential Secretarial Practice : Module 2- Meetings, Minutes and Resolutions
	14 December 2021	MAICSA	Webinar Series: Everything About Dividend
	15 December 2021	MIA	MIA Webinar Series : Effective Secretarial Practice for Accountants Series (Module 4) – Issue and Allotment of Shares: Navigating the Processes and Procedures & Best Practices
	16 December 2021	MIA	Case Study-Based MFRS Webinar: MFRS 15 Revenue from Contracts with Customers MPERS Sections 23 & 34
21 December 2021	MAICSA	Webinar Series: Removal of Director – Step by Step	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

III. REMUNERATION

Remuneration Committee

The Board established the Remuneration Committee (“RC”) on 2 April 2021. The RC and Board are mindful of the need to remunerate and retain its Directors and senior management to ensure that their commitment remains intact as well as to properly motivate, inspire and drive their performance. Their remuneration package is therefore, directly linked to their performance, service, seniority, experience and scope of responsibilities. The RC is governed by its Terms of Reference approved by the Board which is available on the Company’s website.

The RC comprises exclusively of Independent Non-Executive Directors as follows:

Name	Designation
Yee Swee Meng <i>Appointed on 2 July 2021</i>	Chairperson
* Datin Normaliza Binti Kairon <i>Resigned on 2 July 2021</i>	Chairman
Nor Shahmir Bin Nor Shahid	Member
F’ng Meow Cheng	Member

* *Datin Normaliza Binti Kairon, the Chairperson of the Board, resigned as Chairperson of the RC in line with Practice 1.4 of the MCCG. She was the Chairperson of the RC from 2 April 2021 to 2 July 2021.*

The details of the remuneration and benefits paid to the Directors of the Company and the Group for services rendered in all capacities for the FYE 2022 are tabulated under Practice 8.1 of the CG Report respectively.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC was established on 2 April 2021 and comprises of three (3) Independent Non-Executive Directors. All AC members are members of the Malaysian Institute of Accountants.

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 a 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.

Information on the AC is 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 for 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Cont'd)

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 RMC and AC assists 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 is 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.

Statement on Risk Management & Internal Control incorporating report on risk management review and internal audit function are set out from pages 49 to 52 of this Annual Report.

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.attechgroup.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 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 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.

This Statement was approved by the Board on 18 May 2022.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) was established by the Company’s Board of Directors (“Board”) on 2 April 2021 to assist the Board in fulfilling its oversight responsibilities relating to corporate accounting, system of internal controls, management and financial reporting practices of the Company and its subsidiaries (collectively referred to as “Group”). The AC is guided by its Terms of Reference which sets out the composition, authority, duties and responsibilities.

The Terms of Reference of the AC is available at www.atechgroup.com.my.

The AC is pleased to present its report and summary of work for the financial period from 9 February 2021 (Date of Incorporation) to 31 January 2022 (“FYE 2022”) in compliance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

COMPOSITION

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC members during the FYE 2022 and as at the date of this report:

Name	Designation
Nor Shahmir Bin Nor Shahid	Chairperson
F’ng Meow Cheng	Member
Yee Swee Meng <i>Appointed on 2 July 2021</i>	Member
* Datin Normaliza Binti Kairon <i>Resigned on 2 July 2021</i>	Member
* <i>Datin Normaliza Binti Kairon, the Chairperson of the Board, resigned as AC member in line with Practice 1.4 of the Malaysian Code on Corporate Governance issued by the Securities Commission on 28 April 2021 (“MCCG”). She was a member of the AC from 2 April 2021 to 2 July 2021 and no AC meeting was held during that period.</i>	

The composition of the AC is in compliance with the requirements as set out in the following:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- MCCG

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. All AC members are members of the Malaysian Institute of Accountants.

MEETINGS

Since the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 16 December 2021 up to 31 January 2022, two (2) meetings were held. The attendance of each of the AC member was as follows:

Name	Designation	Number of Meetings Attended
Nor Shahmir Bin Nor Shahid	Chairperson	2/2
F’ng Meow Cheng	Member	2/2
Yee Swee Meng <i>Appointed on 2 July 2021</i>	Member	2/2

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.

AUDIT COMMITTEE REPORT (Cont'd)

MEETINGS (Cont'd)

The Group Chief Financial Officer ("**Group CFO**") and the Director of Finance of BCM Electronics Corporation Sdn. Bhd. ("**DF**"), a wholly owned subsidiary of the Company, 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 DF had briefed the AC on specific issues and areas arising from the quarterly and audit reports.

The AC had on 18 May 2022 met with the external auditors without the presence of executive directors and management staff to discuss matters relating to the audit process including the cooperation and assistance extended by management and employees of the Group.

SUMMARY OF ACTIVITIES

The following summary of activities had been carried out by the AC, since the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 16 December 2021 up to 31 January 2022:

- (i) Reviewed the quarterly unaudited financial results and related announcements and recommended the same to the Board for consideration and approval, prior to release to Bursa Malaysia Securities Berhad pursuant to the Main Market Listing Requirements;
- (ii) Reviewed and approved the audit plan and scope of work presented by the external Auditors for the statutory audit of the Group's financial statements for the FYE 2022;
- (iii) Reported to the Board on matters discussed and addressed at meetings of the AC;
- (iv) Reviewed the independence of the external Auditors;
- (v) Reviewed the audit fee proposal and recommended the same to the Board for approval;
- (vi) Reviewed and recommended to the Board on the engagement of outsourced internal audit function.

INTERNAL AUDIT FUNCTION

The Group recognises the importance of independent review on core aspects provided by the internal auditors engaged through outsourcing practice, in which, Talent League Sdn. Bhd., was appointed as the Group's outsourced internal Auditors on 17 February 2022.

The AC had after the FYE 2022, reviewed and recommended to the Board for approval on the internal audit plan for 2022, to ensure the scope and audit coverages are sufficient and reasonably adequate.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

The Board of Directors ("Board") of Aurelius Technologies Berhad ("Company" or "ATech") acknowledges the importance of maintaining good risk management and internal control system within ATech and its subsidiary (collectively, "Group") and is pleased to present the statement on risk management and internal control ("Statement") which outlines the nature and scope of risk management and internal control systems of the Group for the FYE 2022 and up to the date of approval this Statement disclosed pursuant to Chapter 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the Malaysian Code on Corporate Governance. This Statement was prepared by taking into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") pursuant to Practice Note 9 of MMLR. The scope of this Statement includes ATech and its operating subsidiary ("Group").

2. Board Responsibilities

The Board recognises the importance of maintaining the risk management and internal control system to safeguard the assets of the Group as well as the investment of shareholders and the interests of customers, regulators, employees and other stakeholders. The Board, in discharging its responsibilities, is fully committed to maintaining appropriate risk management and internal controls system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the objectives of the Group. However, in view of the limitations that are inherent in any risk management system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, losses, or fraud.

The Board has delegated the oversight of the risk management to the Risk Management Committee ("RMC") which comprises majority of Independent Non-Executive Directors and internal control function to the Audit Committee ("AC") which comprises solely of Independent Non-Executive Directors. On a periodic basis, the Board, via the RMC and AC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. The process has been in place for the financial period under review and up to the date of approval of this Statement for inclusion in this 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;
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures.

A risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating, and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires the Management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of the RMC, AC and Board at the respective meetings. This serves as an on-going process of identifying, assessing, and managing risks faced by the Group and has been put in place for the financial period under review and up to the date of approval of this Statement for inclusion in this Annual Report.

Risk management of the Group is driven by the Risk Management Executive Committee who are responsible for identifying, evaluating, and monitoring of risks and taking appropriate and timely actions to manage risk and assisted by the Respective Risk Owners. These processes are embedded and carried out as part of the operating and business management processes of the Group. External and relevant professionals would be engaged to assist and provide advice to the Management team when necessary.

In conducting its review, the process is periodically reviewed by the Board via the RMC at the Board meeting with the assistance of the outsourced independent consulting professionals when necessary to further review and improve the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the business changes and competitive environment.

STATEMENT OF 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 independent assessment on 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 makes reference 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 to 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.

As the Company was only listed on the 16 December 2021, Talent League has yet to start the audit work for FYE 2022.

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 well defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of the Group within management, which provides the levels of accountability and responsibility of the respective job functions of management.

b. Policies and Procedures

Standard Operating Procedures and various policies are formalised to serve as a guiding principle to all employees within the Group for their day-to-day activities to safeguard the assets of the Group against material losses. The policies and procedures shall be periodically reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs. The Group has also documented policies and procedures to regulate relevant key processes in compliance with the following:

- ISO 9001:2015 – QUALITY MANAGEMENT SYSTEM
- ISO14001:2015 – 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

c. Integrity and Ethical Value

Integrity and ethical value expected from the employees are incorporated in the Employees Handbook whereby the ethical behaviours expected with customers, suppliers, employees to carry out their duties and responsibilities assigned are also established and formalised in the Handbook.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti-Bribery and Anti-Corruption Policy had been put in place to prevent the risk of bribery and conflict of interest within the Group with Whistleblowing Policy and procedures implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

5. Other Internal Control Processes (Cont'd)

Apart from risk management and internal audit, the system of internal controls of the Group also comprises the following key elements: (Cont'd)

d. Board of Directors/ Board Committee Meetings

The role, functions, composition, operation, and processes of the Board are guided by Board Charter. Board Committees, namely AC, Nomination Committee, Remuneration Committee and RMC are established with terms of references clearly outlining their functions and duties delegated by the Board. AC and RMC assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

e. Employee Handbook

Guidelines on the human resource management are in place to ensure the ability of the Group to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skills and experience in order 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, for training needs and talent development.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programs and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

f. Information and Communication

The Group has put in place effective and efficient information and communication infrastructures and channels, i.e., computerised systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

g. Monitoring and Review Activities

The Executive Director and Interim Group Executive Officer and Group Chief Financial Officer is closely involved in the daily operations regularly reviews the operational information. The Group conducts weekly management meeting which is chaired by our CEO and attended by the various Head of Departments to review and discuss on various matters covering operational, financial, business development and human resources areas.

h. Company Secretary

The Company Secretary provides the necessary advice and guidance on matters relating to the Constitution of the Company, Board policies and procedures, and compliance with relevant regulatory requirements, codes or guidance.

i. COVID-19 Management

The Group emphasised the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

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, issued by the Malaysian Institute of Accountants for inclusion in this Annual Report of the Group for the FYE 2022 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 Board has received assurance from the Interim Group Executive Officer and Group Chief Financial Officer that the risk management and internal control system adopted by the Group is operating adequately and effectively, in all material aspects, based on their observations in the course of their management of daily operations of the Group. The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group for the financial period under review, and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report of the Company. The Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of the Group to meet the strategic objectives of the Group.

The Board is committed towards maintaining a sound internal control system and an effective risk management throughout the Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This Statement was approved by the Board on 18 May 2022.

ADDITIONAL DISCLOSURE REQUIREMENTS

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

Our Company was listed on Main Market of Bursa Securities on 16 December 2021. In conjunction with the listing, our Company undertook a public issue of 77,010,000 new ordinary shares at an issue price of RM1.36 per share, raising gross proceeds of RM104.7 million.

As at 30 April 2022, the utilisation of proceeds are summarised as follows:

Details of use	Estimated timeframe for utilisation upon listing	Proposed Utilisation RM	%	Fund Utilised	Balance as at 30 April 2022
Purchase of new machinery and equipment	within 24 months	40,000,000	38.2	-	40,000,000
Repayment of bank borrowings	within 6 months	29,520,000	28.2	29,003,750	516,250
Working capital	within 36 months	28,128,600	26.9	28,128,600	-
Listing expenses	within 6 months	7,085,000	6.7	7,085,000	-
Total		104,733,600	100.00	64,217,350	40,516,250

The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 29 November 2021.

2. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The fees paid or payable to the external Auditors in relation to the audit and non-audit services rendered to the Company and the Group for the FYE 2022 were as follows:

	The Company RM	The Group RM
Audit Fees	30,000	73,000
Non-Audit Fees	364,300	379,300
Total	394,300	452,300

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

There were no material contracts entered into by the Group, involving the interest of the Directors, chief executive and major shareholders.

4. EMPLOYEES' SHARE SCHEME

The Employees' Share Scheme ("ESS") was implemented on 1 April 2022 and no options or shares were allotted as at 30 April 2022. Other than the ESS, no other scheme was established by the Company.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions entered into by the Group during the FYE 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In the course of preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible for ensuring that the financial statements are drawn up in accordance with the requirements of the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 ("**Act**") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the financial year/period ended 31 January 2022, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- prepared the financial statements on a going concern basis.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Company provide 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 to ensure 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 such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

For The Financial Year/Period Ended 31 January 2022

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year/period ended **31 January 2022**.

PRINCIPAL ACTIVITIES

The Company was incorporated on 9 February 2021 under the Companies Act 2016 in Malaysia as a private limited company and domiciled in Malaysia. The Company was subsequently converted into a public limited company on 8 July 2021.

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 include 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 year/period.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial year/period	<u>22,032,622</u>	<u>(1,248,870)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year/period ended **31 January 2022** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the date of incorporation.

The directors do not recommend any final dividend payment for the financial year/period.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

On the date of incorporation, the Company issued 1 ordinary share at RM1 as subscriber's share for cash. During the financial period, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 281,169,999 new ordinary shares pursuant to the acquisition of BCM Electronics Corporation Sdn. Bhd. as disclosed in Note 36(i) to the financial statements at an issue price of RM0.30 per ordinary share; and
- (ii) 77,010,000 new ordinary shares pursuant to the public issue as disclosed in Note 36(ii) to the financial statements at an issue price of RM1.36 per ordinary share.

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

DIRECTORS' REPORT (Cont'd)

For The Financial Year/Period Ended 31 January 2022

HOLDING COMPANY

The Company is a subsidiary of Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.), a company incorporated and domiciled in Malaysia. The directors regard Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.) as the ultimate holding company.

DIRECTORS

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

- * **Loh Hock Chiang (first director, appointed on 9.2.2021)**
- * **Lee Chong Yeow @ Lee Chong Yan (first director, appointed on 9.2.2021 and demised on 24.1.2022)**
- * **Tan Chong Hin (appointed on 30.3.2022)**
 - Datin Normaliza Binti Kairon (appointed on 2.4.2021)**
 - F'ng Meow Cheng (appointed on 2.4.2021)**
 - Nor Shahmir Bin Nor Shahid (appointed on 2.4.2021)**
 - Yee Swee Meng (appointed on 2.7.2021)**

* 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 9.2.2021	Subscribed/ Issued	Sold	Balance at 31.1.2022
The Company				
Direct Interest:				
Loh Hock Chiang	-	100,000 ²	-	100,000
Datin Normaliza Binti Kairon	-	260,000 ²	-	260,000
F'ng Meow Cheng	-	180,000 ²	-	180,000
Nor Shahmir Bin Nor Shahid	-	180,000 ²	(180,000)	-
Yee Swee Meng	-	50,000 ²	(40,000)	10,000
Deemed Interest:				
¹ Loh Hock Chiang	1	281,169,999 ³	(26,860,000)	254,310,000

Note:

- ¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.).
- ² Subscription of shares pursuant to initial public offering as disclosed in Note 36(ii) to the financial statements.
- ³ Issuance of shares pursuant to the acquisition of BCM Electronics Corporation Sdn. Bhd. as disclosed in Note 36(i) to the financial statements.

DIRECTORS' REPORT (Cont'd)

For The Financial Year/Period Ended 31 January 2022

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year/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	48,000	-	48,000
Salaries, allowances and bonus	8,000	936,000	944,000
Defined contribution plan	-	81,360	81,360
Social security contribution	-	1,516	1,516
Benefits-in-kind	-	47,900	47,900
	56,000	1,066,776	1,122,776

Since the date of incorporation, 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.

During and at the end of the financial year/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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial period.

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 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 no provision for doubtful debts were required, 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 to make any for doubtful debts in the financial statements of the Group and of the Company; 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.

DIRECTORS' REPORT (Cont'd)

For The Financial Year/Period Ended 31 January 2022

OTHER STATUTORY INFORMATION (Cont'd)

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 year/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 year/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 year/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 year/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 year/period in which this report is made.

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 36 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 37 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year/period ended 31 January 2022 are RM73,000 and RM30,000 respectively.

The Group and the Company have agreed to indemnify the auditors, **Grant Thornton Malaysia PLT** as permitted under the requirements of the Companies Act 2016 in Malaysia. No payment has been made to indemnify **Grant Thornton Malaysia PLT** for the financial year/period ended 31 January 2022.

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

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

.....
Tan Chong Hin

Penang,

Date: 18 May 2022

.....
Datin Normaliza Binti Kairon

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 64 to 111 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 January 2022** and of their financial performance and cash flows for the financial year/period then ended.

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

.....
Tan Chong Hin

.....
Datin Normaliza Binti Kairon

Date: 18 May 2022

STATUTORY DECLARATION

I, **Loh Hock Chiang**, 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 64 to 111 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 **18th**)
day of **May 2022**.)

.....
Loh Hock Chiang

Before me,

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

INDEPENDENT AUDITORS' REPORT

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

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 January 2022** 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 year/period then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 64 to 111.

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 January 2022** and of their financial performance and cash flows for the financial year/period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 year/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)
 (Incorporation In Malaysia)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of inventories (Note 6 to the financial statements)</p> <p>The Group holds significant inventories as at 31 January 2022 which exposes the Group to a risk that the inventories may become slow moving or recorded above their realisable value. Besides, it is also exposed to risks of inaccurate valuation due to inaccurate physical or costing records.</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 year 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 costing method used by the Group and whether it is consistent with prior year. This process involves understanding how material, labour and overhead cost are allocated to the inventories and whether the data used by the management was up-to-date; • Evaluated the reasonableness and adequacy of the inventories written down recognised for identified exposures.
<p>Revenue recognition (Note 21 to the financial statements)</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, revenue may not be recognised correctly as different customers have different deliverable arrangements and this could impact the point at which the control of the goods is passed on to the customer.</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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

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

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.

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, International Financial Reporting 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

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

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

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

- 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.

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 year/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. 03487/03/2024 J
Chartered Accountant

Penang

Date: 18 May 2022

STATEMENTS OF FINANCIAL POSITION

As At 31 January 2022

		GROUP		COMPANY
	NOTE	2022 RM	2021 [*] RM	2022 RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	83,962,896	56,197,987	-
Investment in a subsidiary	5	-	-	84,351,000
		<u>83,962,896</u>	<u>56,197,987</u>	<u>84,351,000</u>
Current assets				
Inventories	6	133,500,019	72,532,081	-
Trade receivables	7	90,580,658	100,157,289	-
Other receivables, deposits and prepayments	8	2,520,959	2,457,415	257,553
Contract assets	9	23,510,090	25,173,083	-
Amount due from a subsidiary	10	-	-	59,734,003
Current tax assets		938,223	-	-
Other investment	11	-	2,731,054	-
Fixed deposits with licensed banks	12	41,707,008	5,206,652	30,000,000
Cash and bank balances	13	34,632,313	17,108,571	7,623,901
		<u>327,389,270</u>	<u>225,366,145</u>	<u>97,615,457</u>
TOTAL ASSETS		<u>411,352,166</u>	<u>281,564,132</u>	<u>181,966,457</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	14	182,946,490	-	182,946,490
Invested equity	14	-	45,864,068	-
Merger deficit	15	(38,486,932)	-	-
Revaluation reserve	16	6,375,701	6,563,220	-
Retained profits/(Accumulated losses)		50,582,927	31,649,774	(1,248,870)
Total equity		<u>201,418,186</u>	<u>84,077,062</u>	<u>181,697,620</u>
Non-current liabilities				
Deferred tax liabilities	17	7,881,000	5,068,000	-
Borrowings	18	15,862,145	26,125,501	-
		<u>23,743,145</u>	<u>31,193,501</u>	<u>-</u>
Current liabilities				
Trade payables	19	75,496,126	46,318,082	-
Other payables and accruals	20	12,175,791	9,587,308	221,837
Borrowings	18	98,471,918	110,191,762	-
Current tax liabilities		47,000	196,417	47,000
		<u>186,190,835</u>	<u>166,293,569</u>	<u>268,837</u>
Total liabilities		<u>209,933,980</u>	<u>197,487,070</u>	<u>268,837</u>
TOTAL EQUITY AND LIABILITIES		<u>411,352,166</u>	<u>281,564,132</u>	<u>181,966,457</u>

* As disclosed in Note 36(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year/Period Ended 31 January 2022

	NOTE	GROUP		COMPANY
		1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 * RM	9.2.2021 to 31.1.2022 RM
Revenue	21	367,421,226	362,165,317	287,407
Cost of sales		(326,756,364)	(332,092,384)	-
Gross profit		40,664,862	30,072,933	287,407
Other income	22	306,008	1,200,645	-
Administrative expenses		(10,991,791)	(9,113,932)	(1,489,277)
Selling and distribution expenses		(176,202)	(201,851)	-
Operating profit/(loss)		29,802,877	21,957,795	(1,201,870)
Finance costs	23	(3,897,402)	(4,138,574)	-
Profit/(Loss) before tax	24	25,905,475	17,819,221	(1,201,870)
Income tax expense	26	(3,872,853)	(2,723,710)	(47,000)
Profit/(Loss) for the financial year/period		22,032,622	15,095,511	(1,248,870)
Total other comprehensive income, net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of leasehold land and building, net		-	1,581,749	-
Transfer of revaluation surplus to retained profits		187,519	569,311	-
Realisation of revaluation surplus upon depreciation		(187,519)	(569,311)	-
		-	1,581,749	-
Total comprehensive income/(loss) for the financial year/period		22,032,622	16,677,260	(1,248,870)
Earnings per share attributable to owners of the Company (sen)				
- Basic and diluted	27	7.57	5.37	

* As disclosed in Note 36(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2022

	NOTE	Attributable to owners of the Company					Total Equity RM
		Share Capital RM	Invested equity RM	Merger Deficit RM	Revaluation Reserve RM	Distributable Retained Profits RM	
31.1.2022							
Balance at beginning		-	45,864,068	-	6,563,220	31,649,774	84,077,062
At date of incorporation		1	-	-	-	-	1
Total comprehensive income for the financial year		-	-	-	(187,519)	22,220,141	22,032,622
<i>Transaction with owners of the Company:</i>							
Adjustment on the acquisition of a subsidiary	14	-	(45,864,068)	45,864,068	-	-	-
Issuance of shares pursuant to:							
- acquisition of a subsidiary	14	84,351,000	-	(84,351,000)	-	-	-
- public issue	14	104,733,600	-	-	-	-	104,733,600
Shares issuance expenses for the public issue	14	(6,138,111)	-	-	-	-	(6,138,111)
Dividends	28	-	-	-	-	(3,286,988)	(3,286,988)
Total transaction with owners		182,946,489	(45,864,068)	(38,486,932)	-	(3,286,988)	95,308,501
Balance at end		182,946,490	-	(38,486,932)	6,375,701	50,582,927	201,418,186
31.1.2021 *							
Balance at beginning		-	45,864,068	-	5,550,782	20,915,434	72,330,284
Total comprehensive income for the financial year		-	-	-	1,012,438	15,664,822	16,677,260
<i>Transaction with owners of the Company:</i>							
Dividends	25	-	-	-	-	(4,930,482)	(4,930,482)
Balance at end		-	45,864,068	-	6,563,220	31,649,774	84,077,062

* As disclosed in Note 36(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

STATEMENT OF CHANGES IN EQUITY

For The Financial Period Ended 31 January 2022

	NOTE	Share Capital RM	Accumulated Losses RM	Total Equity RM
31.1.2022				
Balance at 9.2.2021, date of incorporation		1	-	1
Total comprehensive loss for the financial period		-	(1,248,870)	(1,248,870)
<i>Transaction with owners of the Company:</i>				
Issuance of shares pursuant to:				
- acquisition of a subsidiary	14	84,351,000	-	84,351,000
- public issue	14	104,733,600	-	104,733,600
Shares issuance expenses for the public issue	14	(6,138,111)	-	(6,138,111)
Total transaction with owners		182,946,489	-	182,946,489
Balance at end		182,946,490	(1,248,870)	181,697,620

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

STATEMENTS OF CASH FLOWS

For The Financial Year/Period Ended 31 January 2022

	NOTE	GROUP		COMPANY
		1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 * RM	9.2.2021 to 31.1.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax		25,905,475	17,819,221	(1,201,870)
Adjustments for:				
Addition/(Reversal) of inventories written down		463,353	(473,237)	-
Depreciation of property, plant and equipment		5,609,204	4,494,046	-
Dividend income		(23,485)	-	-
Fair value loss on investment in quoted shares		-	636,022	-
Gain on disposal of property, plant and equipment		(3,881)	(2,661)	-
Interest expenses		3,716,006	3,978,014	-
Interest income		(277,666)	(202,522)	(287,407)
Property, plant and equipment written off		-	4,908	-
Unrealised loss on foreign exchange		240,282	370,725	-
Operating profit/(loss) before working capital changes		35,629,288	26,624,516	(1,489,277)
Changes in:				
Inventories		(61,431,291)	(7,628,244)	-
Receivables		9,419,838	(8,193,497)	(257,553)
Contract assets		1,662,993	(15,387,458)	-
Payables		31,721,133	12,812,447	221,837
Cash generated from/(used in) operations		17,001,961	8,227,764	(1,524,993)
Income tax paid		(2,147,493)	(4,100,857)	-
Income tax refunded		-	1,230	-
Interest paid		(3,716,006)	(3,978,014)	-
Net cash from/(used in) operating activities		11,138,462	150,123	(1,524,993)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received		23,485	-	-
Interest received		172,310	78,720	287,407
Placement of fixed deposits pledged to licensed banks		(1,392,337)	-	-
Net disposal/(additions) in other investment		-	(3,187,242)	-
Proceeds from disposal of property, plant and equipment		9,570	13,911	-
Purchase of property, plant and equipment		(33,379,802)	(11,418,298)	-
Net cash used in investing activities		(34,566,774)	(14,512,909)	287,407

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year/Period Ended 31 January 2022

		GROUP	COMPANY
	NOTE	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 * RM
			9.2.2021 to 31.1.2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(555,934)	(4,930,482)
Proceeds from issuance of shares, net		98,595,489	-
Repayment of finance lease liabilities	B	(7,376,031)	(831,808)
Drawdown of term loans	B	19,242,584	7,104,971
Repayment of term loans	B	(40,139,095)	(214,304)
Net changes in bankers acceptances and onshore foreign currency loan	B	1,198,640	2,888,167
Net changes in revolving credit	B	5,000,000	-
Net changes in a subsidiary's balance		-	-
Net cash from financing activities		<u>75,965,653</u>	<u>4,016,544</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		52,537,341	(10,346,242)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE		(10,937)	50,649
CASH AND CASH EQUIVALENTS AT BEGINNING/DATE OF INCORPORATION		<u>17,108,572</u>	<u>27,404,164</u>
CASH AND CASH EQUIVALENTS AT END	A	<u><u>69,634,976</u></u>	<u><u>17,108,571</u></u>
			<u><u>37,623,901</u></u>

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

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year/Period Ended 31 January 2022

A. Cash and cash equivalents

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 * RM	9.2.2021 to 31.1.2022 RM
Fixed deposits with licensed banks	41,707,008	5,206,652	30,000,000
Cash and bank balances	34,632,313	17,108,571	7,623,901
	76,339,321	22,315,223	37,623,901
Less: Fixed deposits pledged with licensed banks	(6,704,345)	(5,206,652)	-
	69,634,976	17,108,571	37,623,901

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	Unrealised loss/(gain) on foreign exchange RM	Balance at end RM
1.2.2021 to 31.1.2022				
Borrowings, representing total liabilities arising from financing activities	136,317,263	(22,073,902)	90,702	114,334,063
1.2.2020 to 31.1.2021 *				
Borrowings, representing total liabilities arising from financing activities	127,678,772	8,947,026	(308,535)	136,317,263

* As disclosed in Note 36(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

1. CORPORATE INFORMATION

General

The Company was incorporated on 9 February 2021 under the Companies Act 2016 in Malaysia as a private limited company and domiciled in Malaysia. The Company was subsequently converted into a public limited company on 8 July 2021.

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 Company is a subsidiary of Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.), a company incorporated and domiciled in Malaysia. The directors regard Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.) as the ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 May 2022.

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 year/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"), International Financial Reporting Standards ("IFRS") 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 unless otherwise indicated in the summary of accounting policies as set out in Note 3 to the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

2. BASIS OF PREPARATION (Cont'd)

2.2 Basis of Measurement (Cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

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.

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs

Since the date of incorporation, the Company had adopted all the MFRSs and amendments/improvements to MFRSs including those that are mandatory for the current financial period.

The accounting policies adopted by the Group are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 June 2020

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concession

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2

Initial application for the above standards did not have any material impact to the financial statements of the Group upon adoption.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards Issued But Not Yet Effective (Cont'd)

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9

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: Classification of Liabilities as Current or Non-Current

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

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 is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

2.6 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.

2.6.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

2.6.2 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 year 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

2. BASIS OF PREPARATION (Cont'd)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (Cont'd)

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

The Group uses a provision matrix to calculate expected credit losses 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.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses 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 expected credit losses on the Group's trade receivables is disclosed in Note 32.3.1 to the financial statements.

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Consolidation

(i) Subsidiary

Subsidiary is entity, including structured entity, controlled by the Company. The financial statements of subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of an investment in a subsidiary, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

(ii) Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and its subsidiary, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary are all drawn up to the same reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.1 Consolidation (Cont'd)

(ii) Basis of consolidation (Cont'd)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.13 to the financial statements.

Subsidiary is consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

(iii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) Acquisition from entity under common control

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.1 Consolidation (Cont'd)

(v) Loss of control

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

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Property, Plant and Equipment

Property, plant and equipment, except for land and building, are initially stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

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. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluation of land and buildings is recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Leasehold land and building are depreciated on a straight line basis over the remaining lease period of the land of 34 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%

Capital work-in-progress represents assets under construction, and which are ready for commercial use at the end of the reporting period. Capital work-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 work-in-progress are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.2 Property, Plant and Equipment (Cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses from disposal of property, plant and equipment are recognised in profit or loss.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group has only short-term leases and leases of low-value assets as at the end of the reporting period.

Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of hostel and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial assets

(i) Initial recognition and measurement

Financial assets are measured at initial recognition at fair value and subsequently measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, at its transaction costs.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at AC are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at AC (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group and the Company do not have any financial assets FVTPL and FVOCI as at the end of the reporting period.

Financial assets at AC

Financial assets at AC are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at AC include cash and cash equivalents, trade and other receivables and amount due from a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.5 Financial Instruments (Cont'd)

3.5.1 Financial assets (Cont'd)

(ii) Subsequent measurement (Cont'd)

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as other income in the statements of comprehensive income when the right of payment has been established.

The Group's finance assets at FVTPL includes other investment.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(iv) Impairment

The Group and the Company recognise allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. ECLs are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.5 Financial Instruments (Cont'd)

3.5.1 Financial assets (Cont'd)

(iv) Impairment (Cont'd)

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

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

3.5.2 Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include borrowings, trade and other payables.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL
- Financial liabilities at AC

The Group and the Company do not have any financial liabilities measured at FVTPL as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.5 Financial Instruments (Cont'd)

3.5.2 Financial liabilities (Cont'd)

(ii) Subsequent measurement (Cont'd)

Financial liabilities at AC

This is the category most relevant to the Group and to the Company. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

3.5.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Inventories

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.

Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads.

Cost of all inventories is determined on the first-in, first-out basis.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

3.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and demand deposits. Cash and cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.8 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.9 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The performance obligations to recognise revenue are as follows:

(i) Sale of goods

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.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest rate in profit or loss.

3.9.1 Contract balances

This refers to the closing balances of the trade receivables and contract assets as at the end of the reporting period.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are recorded when the revenue is recognised prior to invoicing a customer.

Contract assets will be reclassified to trade receivables when the invoicing are issued to the customer. Contract assets are subject to impairment assessment.

3.10 Employee Benefits

Short term benefits

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

Defined contribution plan

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.11 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that will take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.11 Borrowing Costs (Cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.12 Foreign Currency Translations

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

3.13 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period/year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill and of assets or liabilities in a transaction that is not a business combination and which at the initial recognition affects neither accounting nor taxable profit or loss.

The deferred tax on the revaluation surplus of the property measured at fair value in accordance with the accounting policy as disclosed in Note 3.2 to the financial statements, is recognised using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilized reinvestment allowance can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

3. ACCOUNTING POLICIES (Cont'd)

3.14 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

3.15 Operating Segments

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

3.16 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.17 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group.
 - (ii) The entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Company or an entity related to the Group.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the entity.
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP

	At valuation		At cost				Total RM
	Leasehold land RM	Building RM	Plant and machinery RM	Furniture, fittings and equipment RM	Motor vehicles RM	Capital work-in- progress RM	
2021							
At valuation/cost							
Balance at beginning	7,700,000	21,300,000	44,498,595	19,995,013	1,537,554	-	95,031,162
Additions	-	-	9,058,984	2,359,314	-	-	11,418,298
Disposals	-	-	(673,890)	(49,680)	-	-	(723,570)
Revaluation gain/(loss)	2,300,000	(3,300,000)	-	-	-	-	(1,000,000)
Reclassification	-	-	(9,500)	9,500	-	-	-
Written off	-	-	(7,460,714)	(4,612,137)	(66,000)	-	(12,138,851)
Balance at end	10,000,000	18,000,000	45,413,475	17,702,010	1,471,554	-	92,587,039
Accumulated depreciation							
Balance at beginning	599,171	1,757,078	28,812,845	15,666,566	986,858	-	47,822,518
Current charge	192,500	532,500	2,427,927	1,184,226	156,893	-	4,494,046
Disposals	-	-	(673,890)	(38,430)	-	-	(712,320)
Reclassification	-	-	(475)	475	-	-	-
Written off	-	-	(7,455,806)	(4,612,137)	(66,000)	-	(12,133,943)
Elimination of accumulated depreciation on revaluation	(791,671)	(2,289,578)	-	-	-	-	(3,081,249)
Balance at end	-	-	23,110,601	12,200,700	1,077,751	-	36,389,052
Carrying amount	10,000,000	18,000,000	22,302,874	5,501,310	393,803	-	56,197,987

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

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	
	2022 RM	2021 RM
Leasehold land	2,279,421	2,345,015
Building	16,214,985	16,681,587
	18,494,406	19,026,602

The fair value measurement of the leasehold land and building which were derived from the valuation carried out on 31 January 2021 is categorised as follows:

	Level 3 RM
Leasehold land	10,000,000
Building	18,000,000

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 and Level 2 during the financial year.

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.

- (ii) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2022 RM	2021 RM
Plant and machinery	-	7,478,894
Furniture, fittings and equipment	-	442,330
Motor vehicles	247,221	393,803
	247,221	8,315,027

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (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 18 to the financial statements are as follows:

	GROUP	
	2022 RM	2021 RM
Leasehold land	9,720,280	10,000,000
Building	17,496,503	18,000,000
Plant and machinery	8,647,768	7,603,053
	<u>35,864,551</u>	<u>35,603,053</u>

- (iv) Included in the property, plant and equipment is a motor vehicle with carrying amount of **RM170,533** (2021: RM246,326) being held by a director 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:

	Carrying amount RM	Current depreciation RM	Revaluation gain RM
GROUP			
2022			
Leasehold land	9,720,280	279,720	-
Motor vehicles	247,221	146,582	-
2021			
Leasehold land	10,000,000	192,500	3,091,671
Plant and machinery	7,478,894	838,755	-
Furniture, fittings and equipment	442,330	73,654	-
Motor vehicles	<u>393,803</u>	<u>146,582</u>	-

5. INVESTMENT IN A SUBSIDIARY

	COMPANY 2022 RM
Unquoted shares, at cost	<u>84,351,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

5. INVESTMENT IN A SUBSIDIARY (Cont'd)

Details of the subsidiary, which was incorporated and domiciled in Malaysia, are as follows:

Name of Subsidiary	Effective Equity Interest		Principal Activities
	2022	2021	
BCM Electronics Corporation Sdn. Bhd.	100%	-	Provider of electronic manufacturing services ("EMS") which provides integrated manufacturing services that include printed circuit board assembly ("PCBA"), sub-assembly and box build.

6. INVENTORIES

	GROUP	
	2022 RM	2021 RM
At cost		
Raw materials	120,561,278	59,010,442
Work-in-progress	1,604,191	1,478,612
Finished goods	4,776,506	8,595,244
Goods in transit	6,558,044	3,447,783
	<u>133,500,019</u>	<u>72,532,081</u>
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	326,293,011	332,565,621
Addition/(Reversal) of inventories written down	<u>463,353</u>	<u>(473,237)</u>

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

7. TRADE RECEIVABLES

The currency profile of trade receivables is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	39,985	314,646
United States Dollar	90,540,673	97,483,486
Euro	-	2,359,157
	<u>90,580,658</u>	<u>100,157,289</u>

The normal credit terms granted to trade receivables range from **30 to 80 days** (2021: 30 to 80 days). The trade receivables are recognised at their original invoice amounts which represent the fair value on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Other receivables	304,546	70,083	-
Deposits	46,473	26,973	4,500
Prepayments	2,169,940	2,360,359	253,053
	<u>2,520,959</u>	<u>2,457,415</u>	<u>257,553</u>

The currency profile of other receivables, deposits and prepayment is as follows:

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Ringgit Malaysia	2,489,355	2,399,761	257,553
United States Dollar	31,604	57,654	-
	<u>2,520,959</u>	<u>2,457,415</u>	<u>257,553</u>

9. CONTRACT ASSETS

	GROUP	
	2022 RM	2021 RM
Contract assets arising from revenue recognised during the financial year	<u>23,510,090</u>	<u>25,173,083</u>

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 Company has satisfied all its performance obligations.

10. AMOUNT DUE FROM A SUBSIDIARY

COMPANY

The amount due from a subsidiary is non-trade related, unsecured, non-interest bearing and classified based on the expected timing of realisation except for **RM59,581,498** on which interest is charged at 3.45% per annum as at the end of the reporting period.

11. OTHER INVESTMENT

	GROUP	
	2022 RM	2021 RM
Financial assets at fair value through profit or loss:		
Investment in shares quoted outside Malaysia	<u>-</u>	<u>2,731,054</u>

The other investment was wholly denominated in Australian Dollar.

The fair value of the other investment was categorised as Level 1 hierarchy as its market price was quoted in an active market.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

12. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates per annum and maturities of the fixed deposits with licensed banks as at the end of the reporting period range from **1.40% to 2.00%** (2021: 1.40% to 2.50%) per annum and **1 month to 12 months** (2021: 1 month to 12 months) respectively.

Included in the fixed deposits with licensed banks of the Group is an amount of **RM6,704,345** (2021: RM5,206,652) which are pledged to financial institutions for the banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

13. CASH AND BANK BALANCES

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Cash in hand and at banks	10,528,196	17,108,571	25,887
Short term money market deposit	24,104,117	-	7,598,014
	34,632,313	17,108,571	7,623,901

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 **1.35% to 1.60%** (2021: Nil) per annum and **17 to 30 days** (2021: Nil) respectively.

The effective interest rate per annum and maturity of the short term money market deposit of the Company as at the end of the reporting period are 1.60% per annum and 30 days respectively.

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

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Ringgit Malaysia	26,383,890	6,019,935	7,623,901
United States Dollar	8,205,959	11,066,197	-
Others	42,464	22,439	-
	34,632,313	17,108,571	7,623,901

14. SHARE CAPITAL AND INVESTED EQUITY

(i) Share capital

	Number of ordinary shares 2022	Amount 2022 RM
Issued and fully paid with no par value:		
Balance at date of incorporation	1	1
Issuance of shares pursuant to:		
- acquisition of a subsidiary	281,169,999	84,351,000
- public issue	77,010,000	104,733,600
Share issuance expenses for the public issue	-	(6,138,111)
Balance at end	358,180,000	182,946,490

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

14. SHARE CAPITAL AND INVESTED EQUITY (Cont'd)

(i) Share capital (Cont'd)

On the date of incorporation, the Company issued 1 ordinary share at RM1 as subscriber's share for cash. During the financial period, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of:

- (a) 281,169,999 new ordinary shares pursuant to the acquisition of BCM Electronics Corporation Sdn. Bhd. as disclosed in Note 36(i) to the financial statements at an issue price of RM0.30 per ordinary share; and
- (b) 77,010,000 new ordinary shares pursuant to the public issue as disclosed in Note 36(ii) to the financial statements at an issue price of RM1.36 per ordinary share.

(ii) Invested equity

Invested equity comprised the share capital of a subsidiary acquired. The amount has been reversed against the merger deficit as disclosed in Note 15 to the financial statements.

15. MERGER DEFICIT

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

16. REVALUATION RESERVE

	GROUP	
	2022 RM	2021 RM
Balance at beginning	6,563,220	5,550,782
Revaluation of leasehold land and building	-	2,081,249
Realisation of revaluation surplus upon depreciation	(187,519)	(569,311)
Deferred tax impact on revaluation surplus	-	(499,500)
Balance at end	<u>6,375,701</u>	<u>6,563,220</u>

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

17. DEFERRED TAX LIABILITIES

	GROUP	
	2022 RM	2021 RM
Balance at beginning	5,068,000	3,301,000
Recognised in profit or loss	2,425,000	801,702
Recognised in other comprehensive income	-	499,500
Under provision in prior year	388,000	465,798
Balance at end	<u>7,881,000</u>	<u>5,068,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

17. DEFERRED TAX LIABILITIES (Cont'd)

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

	GROUP	
	2022 RM	2021 RM
Property, plant and equipment	7,635,040	3,674,039
Revaluation reserve	2,010,307	2,069,434
Unabsorbed reinvestment allowance	(1,482,000)	-
Provisions	(282,347)	(675,473)
	<u>7,881,000</u>	<u>5,068,000</u>

18. BORROWINGS

	GROUP	
	2022 RM	2021 RM
Non-current liabilities		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within one year	115,427	2,019,420
More than one year and less than two years	11,860	1,957,811
More than two years and less than five years	-	4,494,763
	127,287	8,471,994
Future finance charges	(2,500)	(971,176)
	124,787	7,500,818
Amount due within one year included under current liabilities	(112,987)	(1,629,448)
	11,800	5,871,370
<u>Term loans</u>		
Total amount repayable		
- fixed rate	-	6,890,667
- floating rate	18,994,156	33,000,000
	18,994,156	39,890,667
Amount due within one year included under current liabilities	(3,143,811)	(19,636,536)
	<u>15,850,345</u>	<u>20,254,131</u>
	<u>15,862,145</u>	<u>26,125,501</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

18. BORROWINGS (Cont'd)

	GROUP	
	2022 RM	2021 RM
Current liabilities		
Secured:		
Finance lease liabilities	112,987	1,629,448
Term loans	3,143,811	19,636,536
Bankers acceptances and onshore foreign currency loan ("OFCL")	90,215,120	88,925,778
Revolving credit	5,000,000	-
	98,471,918	110,191,762
Total borrowings	114,334,063	136,317,263

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 12 to the financial statements;
- (vi) corporate guarantee of the Company; and
- (vii) joint and several guarantee of certain directors of the Company in respect of financial year ended 31 January 2021.

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
2022					
Finance lease liabilities	1.88 to 2.31	124,787	112,987	11,800	-
Term loans	3.55 to 4.90	18,994,156	3,143,811	4,006,878	11,843,467
Bankers acceptances and OFCL	1.20 to 3.50	90,215,120	90,215,120	-	-
Revolving credit	3.18	5,000,000	5,000,000	-	-
2021					
Finance lease liabilities	1.88 to 3.05	7,500,818	1,629,448	1,669,952	4,201,418
Term loans	4.65 to 5.00	39,890,667	19,636,536	16,021,362	4,232,769
Bankers acceptances and OFCL	1.55 to 3.20	88,925,778	88,925,778	-	-

The currency profile of the borrowings is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	47,985,943	70,362,485
United States Dollar	66,348,120	65,954,778
	114,334,063	136,317,263

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

19. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	1,101,101	1,639,771
United States Dollar	74,255,281	44,591,409
Japanese Yen	104,635	31,936
Others	35,109	54,966
	<u>75,496,126</u>	<u>46,318,082</u>

The normal credit terms granted by trade payables range from **14 to 90 days** (2021: 14 to 90 days).

20. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Other payables	8,011,133	3,817,414	-
Debt recovered under litigation (Note 35)	-	1,694,735	-
Accruals	4,164,658	4,075,159	221,837
	<u>12,175,791</u>	<u>9,587,308</u>	<u>221,837</u>

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

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Japanese Yen	6,798,627	-	-
Ringgit Malaysia	5,369,153	9,587,308	221,837
United States Dollar	8,011	-	-
	<u>12,175,791</u>	<u>9,587,308</u>	<u>221,837</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

21. REVENUE

21.1 Disaggregated revenue information

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Sale of goods recognised at a point in time, representing total revenue from contracts with customers	367,286,324	362,165,317	-
Interest income, representing other revenue	134,902	-	287,407
	<u>367,421,226</u>	<u>362,165,317</u>	<u>287,407</u>

Geographical markets

United States of America	170,935,692	155,640,783	-
Malaysia	127,887,567	142,706,581	-
Singapore	23,340,934	24,972,407	-
Germany	18,988,267	23,547,996	-
Hong Kong	12,206,710	7,970,822	-
France	8,171,779	2,017,379	-
Lithuania	2,985,407	2,231,297	-
United Kingdom	-	2,208,763	-
China	2,361,419	429,683	-
Australia	408,549	224,988	-
Brazil	-	214,618	-
Total revenue from contracts with customers	<u>367,286,324</u>	<u>362,165,317</u>	<u>-</u>

21.2 Performance obligation

The performance obligation of the revenue is spelt out in Note 3.9 to the financial statements.

22. OTHER INCOME

	GROUP	
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM
Dividend income	23,485	-
Gain on disposal of other investment	-	117,432
Gain on disposal of property, plant and equipment	3,881	2,661
Interest income	142,764	202,522
Realised gain on foreign exchange	-	769,849
Scrap sales	135,878	108,181
	<u>306,008</u>	<u>1,200,645</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

23. FINANCE COSTS

	GROUP	
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM
Interest expenses on:		
- Finance lease liabilities	544,185	237,335
- Term loans	1,612,535	1,734,235
- Bankers acceptances and OFCL	1,401,209	2,001,098
- Revolving credit	157,340	-
- Bank overdraft	737	5,346
- Bank commission and charges	181,396	160,560
	<u>3,897,402</u>	<u>4,138,574</u>

24. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Auditors' remuneration			
- Statutory audit			
- current year	73,000	53,000	30,000
- under provision in prior year	-	3,000	-
- Other services	257,065	8,000	242,065
Addition/(Reversal) of inventories written down	463,353	(473,237)	-
Depreciation of property, plant and equipment	5,609,204	4,494,046	-
Directors' fees	48,000	-	48,000
Employee benefits expense (Note 25)	38,418,693	36,776,887	8,000
Expenses relating to lease of low value assets	46,518	12,127	-
Expenses relating to short-term leases	62,562	24,000	-
Fair value loss on investment in quoted shares	-	636,022	-
Loss on foreign exchange - realised	986,794	-	-
Loss on foreign exchange - unrealised	240,282	370,725	-
Property, plant and equipment written off	-	<u>4,908</u>	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

25. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Salaries, allowances, bonus, overtime and wages	34,182,115	32,713,730	8,000
Defined contribution plan	3,422,794	3,404,736	-
Social security contribution	568,038	520,307	-
Other staff related expenses	245,746	138,114	-
	<u>38,418,693</u>	<u>36,776,887</u>	<u>8,000</u>

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

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Executive directors of the Company:			
- Fees	48,000	-	48,000
- Salaries, allowances and bonus	944,000	1,062,452	8,000
- Defined contribution plan	81,360	89,702	-
- Social security contribution	1,516	1,516	-
	<u>1,074,876</u>	<u>1,153,670</u>	<u>56,000</u>
- Benefits-in-kind	47,900	47,900	-
	<u>1,122,776</u>	<u>1,201,570</u>	<u>56,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

26. INCOME TAX EXPENSE

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Malaysian income tax:			
Based on results for the financial year/period			
- Current tax	(978,000)	(2,141,000)	(47,000)
- Deferred tax relating to origination and reversal of temporary differences	(2,425,000)	(801,702)	-
	(3,403,000)	(2,942,702)	(47,000)
(Under)/Over provision in prior year			
- Current tax	(81,853)	684,790	-
- Deferred tax	(388,000)	(465,798)	-
	(469,853)	218,992	-
	(3,872,853)	(2,723,710)	(47,000)
Deferred tax relate to item recognised in other comprehensive income (Note 17)			
Revaluation of leasehold land and building	-	(499,500)	-

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

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Profit/(Loss) before tax	25,905,475	17,819,221	(1,201,870)
Income tax at Malaysian statutory tax rate of 24%	(6,217,314)	(4,276,613)	288,449
Income not subject to tax	21,945	49,700	-
Expenses not deductible for tax purposes	(859,819)	(410,132)	(335,449)
Utilisation of reinvestment allowance	2,111,416	1,514,922	-
Deferred tax assets recognised on reinvestment allowance	1,481,645	-	-
Annual crystallisation of deferred tax on revaluation reserve	59,127	179,421	-
	(3,403,000)	(2,942,702)	(47,000)
(Under)/Over provision in prior year	(469,853)	218,992	-
	(3,872,853)	(2,723,710)	(47,000)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

27. EARNINGS PER SHARE

27.1 Basic earnings per share

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

	GROUP	
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM
Profit for the financial year (RM)	<u>22,032,622</u>	<u>15,095,511</u>
Weighted average number of shares in issue	<u>291,086,356</u> ⁽ⁱ⁾	<u>281,170,000</u> ⁽ⁱⁱ⁾
Basic earnings per ordinary share (sen)	<u>7.57</u>	<u>5.37</u>

(i) Based on the weighted average number of issued share capital of 281,170,000 ordinary shares after the completion of the acquisition of a subsidiary but before the public issue and 358,180,000 ordinary shares after the completion of the public issue.

(ii) Based on the issued share capital of 281,170,000 ordinary shares after the completion of the acquisition of a subsidiary but before the public issue.

27.2 Diluted earnings per share

Diluted earnings per share is not applicable as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basic earnings per share.

28. DIVIDENDS

	GROUP	
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM

In respect of the financial year ended 31 January 2022:

- First interim single tier dividend⁽ⁱ⁾ **3,286,988** -

In respect of the financial year ended 31 January 2021:

- First interim single tier dividend - 4,930,482
3,286,988 4,930,482

(i) BCM Electronics Corporation Sdn. Bhd, a wholly owned subsidiary of the Company, has paid the said dividend to Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.), a former sole shareholder of BCM Electronics Corporation Sdn. Bhd. on 20 October 2021 by way of dividend in specie of shares quoted outside Malaysia amounting to RM2,731,054 and cash dividend of RM555,934.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

29. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its corporate shareholder, a subsidiary and key management personnel.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year/period.

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Dividends paid to Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.)	3,286,988	4,930,482	-
Interest income from a subsidiary	-	-	152,505

(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 year/period is as follows:

	GROUP		COMPANY
	1.2.2021 to 31.1.2022 RM	1.2.2020 to 31.1.2021 RM	9.2.2021 to 31.1.2022 RM
Fees	48,000	-	48,000
Salaries, allowance and bonus	2,273,236	2,383,688	8,000
Defined contribution plan	240,120	248,462	-
Social security contribution	7,056	7,056	-
Benefits-in-kind	47,900	47,900	-
	2,616,312	2,687,106	56,000
Analysed as:			
- Directors	1,122,776	1,201,570	56,000
- Other key management personnel	1,485,536	1,485,536	-
	2,608,312	2,687,106	56,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

30. CAPITAL COMMITMENT

	GROUP	
	2022 RM	2021 RM
Contracted but not provided for:		
- Property, plant and equipment	1,387,262	208,676
Approved but not provided for:		
- Property, plant and equipment	<u>53,542,600</u>	<u>-</u>

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.

Geographical segments

Revenue information based on the geographical location of the customers are disclosed in Note 21.1 to the financial statements.

Location of assets

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

Information of major customers

The revenue from **3** (1.2.2020 to 31.1.2021: 3) major customers which individually contributed to more than 10% of the Group's total revenue amounted to **RM314,748,781** (1.2.2020 to 31.1.2021: RM320,672,661).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

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			
2022			
Financial assets			
Trade receivables	90,580,658	90,580,658	-
Other receivables and refundable deposits	351,019	351,019	-
Fixed deposits with licensed banks	41,707,008	41,707,008	-
Cash and bank balances	34,632,313	34,632,313	-
	<u>167,270,998</u>	<u>167,270,998</u>	<u>-</u>
Financial liabilities			
Trade payables	75,496,126	75,496,126	-
Other payables and accruals	12,175,791	12,175,791	-
Borrowings	114,334,063	114,334,063	-
	<u>202,005,980</u>	<u>202,005,980</u>	<u>-</u>
2021			
Financial assets			
Trade receivables	100,157,289	100,157,289	-
Other receivables and refundable deposits	97,056	97,056	-
Other Investment	2,731,054	-	2,731,054
Fixed deposits with licensed banks	5,206,652	5,206,652	-
Cash and bank balances	17,108,571	17,108,571	-
	<u>125,300,622</u>	<u>122,569,568</u>	<u>2,731,054</u>
Financial liabilities			
Trade payables	46,318,082	46,318,082	-
Other payables and accruals	9,587,308	9,587,308	-
Borrowings	136,317,263	136,317,263	-
	<u>192,222,653</u>	<u>192,222,653</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

32. FINANCIAL INSTRUMENTS (Cont'd)

32.1 Categories of financial instruments (Cont'd)

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

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2022			
Financial assets			
Other receivables and refundable deposits	4,500	4,500	-
Amount due from subsidiary	59,734,003	59,734,003	-
Fixed deposits with licensed banks	30,000,000	30,000,000	-
Cash and bank balances	7,623,901	7,623,901	-
	<u>97,362,404</u>	<u>97,362,404</u>	<u>-</u>
Financial liability			
Other payables and accruals	<u>221,837</u>	<u>221,837</u>	<u>-</u>

32.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and 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.

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 advances to its subsidiary and 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 30 to 80 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 in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

32. FINANCIAL INSTRUMENTS (Cont'd)

32.3 Credit risk (Cont'd)

32.3.1 Trade receivables (Cont'd)

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

	2022 RM	2021 RM
Not past due	88,013,813	93,763,973
1 to 30 days past due	2,122,413	6,105,460
31 to 60 days past due	140,695	104,405
61 to 90 days past due	20,840	-
91 to 180 days past due	223,069	133,465
More than 180 days past due	59,828	49,986
	2,566,845	6,393,316
Total	90,580,658	100,157,289

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 year.

The Group has trade receivables amounting to **RM2,566,845** (2021: RM6,393,316) 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 **2 customers** (2021: 4 customers) representing **83%** (2021: 96%) of the total trade receivables.

Maximum exposure to credit risk

The Group regards the entire trade receivables to be low risk as there is minimal overdue balances.

In managing the credit risk of the trade receivables, 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 at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables 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 year.

32.3.2 Intercompany balances

The Company provides advances to its subsidiary and monitors its results regularly.

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

32. FINANCIAL INSTRUMENTS (Cont'd)

32.3 Credit risk (Cont'd)

32.3.2 Intercompany balances (Cont'd)

As at the end of the reporting period, there was no indication that the advances to its subsidiary is not recoverable. The Company does not specifically monitor the ageing of these advances.

32.3.3 Financial guarantees

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

	2022 RM	2021 RM
Corporate guarantees issued to financial institutions for banking facilities granted to a subsidiary		
- Limit	139,821,000	-
- Maximum exposure	114,209,276	-

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
GROUP				
2022				
Non-derivative financial liabilities				
Trade payables	75,496,126	75,496,126	75,496,126	-
Other payables and accruals	12,175,791	12,175,791	12,175,791	-
Borrowings	114,334,063	116,131,634	99,105,806	17,025,828
Total undiscounted financial liabilities	202,005,980	203,803,551	186,777,723	17,025,828

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

32. FINANCIAL INSTRUMENTS (Cont'd)

32.4 Liquidity risk (Cont'd)

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: (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
2021				
<i>Non-derivative financial liabilities</i>				
Trade payables	46,318,082	46,318,082	46,318,082	-
Other payables and accruals	9,587,308	9,587,308	9,587,308	-
Borrowings	136,317,263	139,823,874	112,160,876	27,662,998
Total undiscounted financial liabilities	<u>192,222,653</u>	<u>195,729,264</u>	<u>168,066,266</u>	<u>27,662,998</u>

COMPANY

2022

Non-derivative financial liabilities

Other payables and accruals	221,837	221,837	221,837	-
* Financial guarantees	-	114,209,276	114,209,276	-
Total undiscounted financial liabilities	<u>221,837</u>	<u>114,431,113</u>	<u>114,431,113</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		COMPANY
	2022 RM	2021 RM	2022 RM
Fixed rate instruments			
Financial assets	65,811,125	5,206,652	97,179,512
Financial liabilities	<u>95,339,907</u>	<u>103,317,263</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

32. FINANCIAL INSTRUMENTS (Cont'd)

32.5 Interest rate risk (Cont'd)

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: (Cont'd)

	GROUP		COMPANY
	2022 RM	2021 RM	2022 RM
Floating rate instruments			
Financial liabilities	<u>18,994,156</u>	<u>33,000,000</u>	<u>-</u>

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 by **RM121,061** (2021: RM90,055) and a corresponding 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.

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 the United States Dollar ("USD"), Japanese Yen ("JPY"), Euro and Australian Dollar ("AUD").

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. 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 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	
	2022 RM	2021 RM
USD	(2,091,659)	(96,993)
JPY	(345,163)	(1,453)
Euro	(220)	116,934
AUD	1,378	136,946
Others	(1,535)	(1,139)
(Decrease)/Increase in profit before tax	<u>(2,437,199)</u>	<u>154,295</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 JANUARY 2022

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 other investment which are the equity securities quoted in foreign country.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share price of the quoted equity securities had been 5% higher/lower, with all other variables held constant, the Group's profit before tax would have been **RM Nil** (2021: RM136,553) higher/lower, arising as a result of higher/lower fair value gain on investment in quoted shares.

33. FAIR VALUE INFORMATION

33.1 Fair value of financial instruments

The carrying amounts of the financial assets 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.

33.2 Fair value of non-financial assets

The fair value of the non-financial assets using the valuation model are disclosed in Note 4 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 JANUARY 2022

34. CAPITAL MANAGEMENT (Cont'd)

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	
	2022 RM	2021 RM
Total borrowings	114,334,063	136,317,263
Less: Fixed deposits with licensed banks	41,707,008	5,206,652
Cash and bank balances	34,632,313	17,108,571
	(76,339,321)	(22,315,223)
Net debt	<u>37,994,742</u>	<u>114,002,040</u>
Total equity	<u>201,418,186</u>	<u>84,077,062</u>
Gearing ratio	<u>0.19</u>	<u>1.36</u>

35. MATERIAL LITIGATION

BCM Electronics Corporation Sdn. Bhd. ("BCM Electronics") had filed a claim against a former customer in the Kuala Lumpur High Court on 6 June 2016 for an amount of RM1,672,789 being unpaid parts ordered for the manufacturing of the said customer's order. On 6 May 2019, the learned Judge allowed BCM Electronics's claim together with interest at 5% per annum from the date of judgement till full and final realisation of the debt. On 9 May 2019, the former customer filed an appeal to the Court of Appeal to against the decision by Kuala Lumpur High Court.

On 3 August 2021, the Court of Appeal held in favour of the former customer. BCM Electronics had filed an application for leave to the Federal Court against the decision by Court of Appeal. The leave application is fixed for hearing on 25 January 2022. Pending the application for leave, BCM Electronics has repaid the claim together with the interest amounting to RM1,731,135 to the former customer on 14 September 2021.

The leave application for case management has been fixed on 13 June 2022.

36. SIGNIFICANT EVENTS

- (i) On 20 July 2021, the Company has entered into a conditional share sale agreement with Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.) for the acquisition of the entire issued share capital of BCM Electronics comprising 32,869,878 ordinary shares ("Acquisition"). The purchase consideration for the Acquisition was RM84,351,000 satisfied by the issuance of 281,169,999 new ordinary shares in the Company at an issue price of RM0.30 per share to Main Stream Holdings Sdn. Bhd. (formerly known as Aurelius Holdings Sdn. Bhd.). The Acquisition was completed on 3 November 2021 and BCM Electronics become wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2022

36. SIGNIFICANT EVENTS (Cont'd)

- (ii) On 4 October 2021 and 1 November 2021 respectively, the Company has obtained the approvals from the Securities Commission Malaysia and Bursa Malaysia Securities Berhad in relation to the proposed listing on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has launched its initial public offering in conjunction with its listing on the Main Market of Bursa Securities comprising:
 - (a) public issue of 77,010,000 new ordinary shares in the Company at an issue price of RM1.36 per ordinary share; and
 - (b) offer for sale of 26,860,000 existing ordinary shares of the Company at an offer price of RM1.36 per ordinary share.

On 15 December 2021, the Company was successfully admitted to the Official List of Bursa Securities and the Company's entire enlarged issued and paid up share capital comprising 358,180,000 were listed and quoted on the Main Market of Bursa Securities.

37. EVENT AFTER THE REPORTING PERIOD

- (i) On 1 April 2022, the Company has implemented the Employees' Share Scheme ("ESS") which entails the granting of Employees' Share Option Scheme ("ESOS") options and Employees' Share Grant Plan ("ESGP") shares to the eligible directors and employees of the Group. There are no ESOS options and ESGP shares granted to the eligible directors and employees of the Group as at to-date.
- (ii) On 1 April 2022, the Company has subscribed for 6,000 redeemable preference shares in its subsidiary, BCM Electronics Corporation Sdn. Bhd., by way of converting amount due from BCM Electronics Corporation Sdn. Bhd. of RM60,000,000.

ANALYSIS OF SHAREHOLDINGS

As At 11 May 2022

Issued and paid-up share capital : RM189,084,600.70 comprised of 358,180,000 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	10	0.28	170	0.00
100 to 1,000 shares	861	23.96	581,930	0.16
1,001 to 10,000 shares	2,014	56.05	9,038,500	2.52
10,001 to 100,000 shares	591	16.45	17,692,300	4.94
100,001 to 17,908,999 shares (less than 5%)	116	3.23	76,557,100	21.38
17,909,000 shares (5%) and above	1	0.03	254,310,000	71.00
Total	3,593	100.00	358,180,000	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. (formerly known as Aurelius Holdings Sdn. Bhd.) ("MSH")	254,310,000	71.00	-	-
Main Stream Limited	-	-	254,310,000 ⁽¹⁾	71.00
Lee Chong Yeow @ Lee Chong Yan (Deceased)	100,000	0.03	254,310,000 ⁽²⁾	71.00
Loh Hock Chiang	100,000	0.03	254,310,000 ⁽²⁾	71.00

⁽¹⁾ Deemed interested by virtue of its direct interest in MSH pursuant to Section 8(4) of the Companies Act 2016 ("Act").

⁽²⁾ Deemed interested by virtue of his direct and indirect interest in MSH 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	%
Datin Normaliza Binti Kairon	260,000	0.07	-	-
Loh Hock Chiang	100,000	0.03	254,310,000 ⁽¹⁾	71.00
Nor Shahmir Bin Nor Shahid	-	-	-	-
F'ng Meow Cheng	180,000	0.05	-	-
Yee Swee Meng	10,000	0.00	-	-
Tan Chong Hin	-	-	254,310,000 ⁽²⁾	71.00

⁽¹⁾ Deemed interested by virtue of his direct and indirect interest in MSH pursuant to Section 8(4) of the Act.

⁽²⁾ Deemed interested by virtue of his indirect interest in MSH pursuant to Section 8(4) of the Act.

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 11 May 2022

List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares Held	%
1	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAIN STREAM HOLDINGS SDN BHD	254,310,000	71.00
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	5,137,300	1.43
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	4,595,500	1.29
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	4,217,500	1.18
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (ABERDEEN 2)	3,513,100	0.98
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	3,308,700	0.92
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	2,805,600	0.78
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	2,600,000	0.73
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	2,530,500	0.71
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (BNP NAJMAH EQ)	2,125,800	0.59
11	GUH HOLDINGS BHD	1,780,100	0.50
12	TAN SOO ENG	1,750,000	0.49
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PRINCIPAL SMALL CAP OPPORTUNITIES FUND (240218)	1,674,200	0.47
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (PREM EQUITY)	1,587,500	0.44
15	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ISLAMIC ASSET MANAGEMENT SDN BHD FOR LEMBAGA TABUNG HAJI	1,300,000	0.36
16	ALLIANCE INVESTMENT BANK BERHAD CLEARING FOR TA INVESTMENT MANAGEMENT BERHAD	1,280,000	0.36
17	H'NG BAK TEE	1,247,700	0.35
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (DANA EKUITI)	1,225,000	0.34
19	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	1,000,000	0.28
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	1,000,000	0.28
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	930,000	0.26
22	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP MASTER EQUITY GROWTH FUND (50144 TR01)	900,000	0.25
23	OOI HOE LENG	900,000	0.25
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (BNP P Q ESG F)	842,400	0.24

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 11 May 2022

List of 30 Largest Shareholders (Cont'd)

No.	Name of Shareholders	No. of Shares Held	%
25	CITIGROUP NOMINEES (ASING) SDN BHD CBSG GW FOR ABERDEEN STANDARD MALAYSIAN EQUITY FUND	842,200	0.24
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL TAKAFUL BHD (GENERAL 2)	834,000	0.23
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (FAMILY)	786,000	0.22
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (BALANCE)	770,000	0.21
29	TAN LYE BENG	684,500	0.19
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (FAMILY PIF)	653,000	0.18

LIST OF PROPERTIES

No	Title No.	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 January 2022 (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/ 18,189.81	29 October 1996	22 years for Phase 1 20 years for Phase 2	27,216,783.00

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of the Company will be held on a virtual basis and conducted entirely through live streaming and remote voting using the remote participation and voting facilities from the Broadcast Venue at **Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 28 June 2022** at **10.00 a.m.** or at any adjournment thereof for the following purposes:

A G E N D A

AS ORDINARY BUSINESS

- | | |
|--|------------------------------------|
| 1. To receive Audited Financial Statements for the financial period from 9 February 2021 (Date of Incorporation) to 31 January 2022 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. To approve the payment of the Directors' fees and benefits of RM56,000.00 for the financial period ended 31 January 2022. | Ordinary Resolution 1 |
| 3. To approve the payment of the Directors' fees and benefits of up to RM355,700.00 from 1 February 2022 until the conclusion of the next Annual General Meeting. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who retire in accordance with Clause 91 of the Company's Constitution and are being eligible, have offered themselves for re-election: | |
| (a) Datin Normaliza Binti Kairon | Ordinary Resolution 3 |
| (b) Mr Loh Hock Chiang | Ordinary Resolution 4 |
| (c) En. Nor Shahmir Bin Nor Shahid | Ordinary Resolution 5 |
| (d) Mdm F'ng Meow Cheng | Ordinary Resolution 6 |
| (e) Mr Yee Swee Meng | Ordinary Resolution 7 |
| (f) Mr Tan Chong Hin | Ordinary Resolution 8 |
| 5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 9 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution:

- | | | |
|---|------------------------|------------------------------------|
| 6. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"). | Ordinary Resolution 10 | |
| "THAT subject always to the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities (where such approval is required), the Directors be and are hereby authorised and empowered pursuant to Section 75 and Section 76 of the Act, to issue and allot 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 to be issued pursuant to this resolution during the preceding twelve (12) months does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being and shall continue to be in force until 31 December 2022 and thereafter, shall be reinstated to ten percent (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the MMLR AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company AND FURTHER THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued." | | Please refer to Explanatory Note 3 |
| 7. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Act. | | |

BY ORDER OF THE BOARD

PAULINE NG PECK KUN (MAICSA 7029550, SSM PC No. 201908002573)

TAN AI PENG (MAICSA 7018419, SSM PC No. 201908003179)

Company Secretaries
Kuala Lumpur

Date: 31 May 2022

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

- (i) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to attend the First Annual General Meeting ("**1st AGM**") in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 1st AGM using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its TIH Online website at <https://tiah.online>. For further information, kindly refer to the Administrative Guide for the 1st AGM.

- (ii) For the purpose of determining who shall be entitled to attend this 1st 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 and Paragraph 7.16 of the MMLR, a Record of Depositors ("**ROD**") as at 21 June 2022 and only Depositors whose names appear on such ROD shall be entitled to attend the 1st AGM.
- (iii) A member who can participate can appoint one (1) or more proxies (who need not be members) 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.
- (iv) 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 appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised by the corporation.
- (v) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (vi) 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, situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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.
- (vii) Subject to the Company's Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument with the Share Registrar via TIH Online website at <https://tiah.online> not later than 26 June 2022 at 10.00 a.m. Please follow the procedure as set out in the Administrative Guide of the 1st AGM for further information on electronic submission of proxy form.
- (viii) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**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.
- (ix) 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.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Explanatory Notes:

1. **Item 1 of the Agenda** **Audited Financial Statements for the financial period ended 31 January 2022 ("AFS")**

The AFS are for discussion only as they do not require shareholders' approval pursuant to Section 340(1)(a) of the Act. Hence, this Agenda item will not be put forward for voting.

2. **Ordinary Resolutions 1 & 2 – Directors' remuneration and benefits**

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting. Payment of the fees and benefits of the Directors will be made by the Company as and when incurred if the proposed Ordinary Resolutions 1 & 2 are passed at the 1st AGM. The Board is of the view that it is just and equitable for the Directors to be paid fees and benefits as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company for the relevant period.

	<i>For the financial period ended 31 January 2022</i>	<i>From 1 February 2022 until the conclusion of the next Annual General Meeting</i>
<i>Fees</i>	<i>RM48,000.00</i>	<i>RM255,000.00</i>
<i>Chairperson of the Board</i>	<i>RM500.00 per meeting attendance</i>	<i>RM2,000.00 per meeting attendance</i>
<i>Chairperson of the Board committees</i>		<i>RM1,000.00 per meeting attendance</i>
<i>Board/ Board committee members</i>		<i>RM700.00 per meeting attendance</i>

3. **Ordinary Resolution 10 - Authority to Directors to allot and issue shares**

Bursa Malaysia Securities Berhad ("**Bursa Securities**") had via its letter dated 23 December 2021 granted an extension to the temporary relief measure to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("**20% General Mandate**"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and the future financials needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Act from its shareholders at this 1st AGM of the Company.

The 20% General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/ or acquisitions. The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of 31 December 2022.

The general mandate if passed, will give the Directors, the authority to issue and allot ordinary shares in the Company, for such purposes as the Directors consider would be in the best interest of the Company and also to avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

4. **Voting by Poll**

Pursuant to Paragraph 8.29A of the MMLR, all resolutions set out in this Notice are to be voted by poll.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant To Paragraph 8.27(2) Of The Main Market Listing Requirements Of Bursa Malaysia Securities Berhad

1. Details of Individuals who are Seeking Election

There are no individuals who are standing for election as Directors (excluding Directors standing for re-election) at this 1st AGM.

2. Statement Relating to General Mandate for Issue of Securities in Accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The General Mandate as set out in Ordinary Resolution 10 in the Notice of the 1st 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). As at the date of this Notice, no new shares were issued since the Company's listing on 16 December 2021.

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PROXY FORM



AURELIUS TECHNOLOGIES BERHAD

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

CDS ACCOUNT NO.	
NO. OF SHARES HELD	

*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 (if more than one (1) proxy)

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 First Annual General Meeting of the Company to be held on a virtual basis and conducted entirely through live streaming and remote voting using the remote participation and voting facilities from the Broadcast Venue at **Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 28 June 2022** 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 the Directors' fees and benefits of RM56,000.00 for the financial period ended 31 January 2022.		
2.	To approve the payment of the Directors' fees and benefits of up to RM355,700.00 from 1 February 2022 until the conclusion of the next Annual General Meeting.		
3.	To re-elect Datin Normaliza Binti Kairon who is retiring pursuant to the Clause 91 of the Company's Constitution.		
4.	To re-elect Mr Loh Hock Chiang who is retiring pursuant to Clause 91 of the Company's Constitution.		
5.	To re-elect En. Nor Shahmir Bin Nor Shahid who is retiring pursuant to Clause 91 of the Company's Constitution.		
6.	To re-elect Mdm F'ng Meow Cheng who is retiring pursuant to Clause 91 of the Company's Constitution.		
7.	To re-elect Mr Yee Swee Meng who is retiring pursuant to Clause 91 of the Company's Constitution.		
8.	To re-elect Mr Tan Chong Hin who is retiring pursuant to Clause 91 of the Company's Constitution.		
9.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To approve the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

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 _____ 2022

Signature of Shareholder/Common Seal

NOTES:

- (i) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to attend the First Annual General Meeting ("**1st AGM**") in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 1st AGM using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its TIH Online website at <https://tiah.online>. For further information, kindly refer to the Administrative Guide for the 1st AGM.
- (ii) For the purpose of determining who shall be entitled to attend this 1st 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 and Paragraph 7.16 of the MMLR, a Record of Depositors ("**ROD**") as at 21 June 2022 and only Depositors whose names appear on such ROD shall be entitled to attend the 1st AGM.
- (iii) A member who can participate can appoint one (1) or more proxies (who need not be members) 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.
- (iv) 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 appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised by the corporation.
- (v) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (vi) 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, situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia 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.
- (vii) Subject to the Company's Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument with the Share Registrar via TIH Online website at <https://tiah.online> not later than 26 June 2022 at 10.00 a.m. Please follow the procedure as set out in the Administrative Guide of the 1st AGM for further information on electronic submission of proxy form.
- (viii) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**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.
- (ix) 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.

STAMP
HERE

THE SHARE REGISTRAR

AURELIUS TECHNOLOGIES BERHAD

(COMPANY 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



AURELIUS TECHNOLOGIES BERHAD

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