

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

SHARE BUY-BACK STATEMENT

IN RELATION TO THE

PROPOSED AUTHORITY TO AURELIUS TECHNOLOGIES BERHAD TO PURCHASE ITS OWN SHARES

The resolution in respect of the above proposal will be tabled at the Second Annual General Meeting (“**2nd AGM**”) of the Company. The 2nd AGM will be held at Townhall of Aurelius Technologies Berhad, Plot 21, Jalan Hi-Tech 4, Phase 1, Kulim Hi-Tech Park, 09090 Kulim, Kedah on Wednesday, 28 June 2023 at 10.00 a.m. or at any adjournment thereof.

The Notice of the 2nd AGM, Form of Proxy, Administrative Guide and this Statement, are published at the Company’s website at www.atechgroup.com.my. Please follow the procedures provided in the Administrative Guide for 2nd AGM in order to register, participate and vote at the 2nd AGM.

The Form of Proxy must be deposited at the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or electronic lodgement via TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or at any adjournment thereof.

Last date and time for lodging the Form of Proxy : 26 June 2023 at 10.00 a.m.
Date and time of the 2nd AGM : 28 June 2023 at 10.00 a.m.

This Statement is dated 30 May 2023

DEFINITIONS

Except where the context otherwise requires, the following definition shall apply throughout this Statement:

Act	Companies Act 2016, as amended from time to time and any re-enactment thereof
2nd AGM	Second Annual General Meeting
ATech or Company	Aurelius Technologies Berhad, 202101005015 (1405314-D)
ATech Group or Group	ATech and its subsidiary
Board or Directors	Directors of ATech
Bursa Securities	Bursa Malaysia Securities Berhad, 200301033577 (635998-W)
Code	Malaysian Code on Take-Overs and Mergers, 2016
EPS	Earnings per share
Listing Requirements	Main Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time
LPD	10 May 2023, being the Latest Practicable Date prior to printing of this Statement
Major Shareholder	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
NA	Net Assets
Proposed Share Buy-Back Authority	Statement to Shareholders in relation to the Proposed Share Buy-Back Authority
Purchased Shares	Share purchased pursuant to the Proposed Share Buy-Back
Share(s)	Ordinary share(s) in ATech
Substantial Shareholder	Shall have the meaning given in Section 136 of the Act
Statement	Share Buy-Back Statement
Treasury Shares	The purchased shares which are retained by the Company and shall have the meaning given under Section 127 of the Act

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

Registered Office:

Level 13A-6 Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
50490 Kuala Lumpur
Wilayah Persekutuan

30 May 2023

Board of Directors:

Datin Normaliza Binti Kairon (*Independent Non-Executive Chairperson*)

Loh Hock Chiang (*Executive Director and Group Chief Executive Officer*)

Tan Chong Hin (*Executive Director and Group Chief Financial Officer*)

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

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

Yee Swee Meng (*Independent Non-Executive Director*)

Jamie Hwe Ping Lee (*Non-Independent Non-Executive Director*)

Jonathan Ming Chian Lee (*Non-Independent Non-Executive Director*)
(*Alternate Director to Jamie Hwe Ping Lee*)

To: **The Shareholders of Aurelius Technologies Berhad**

Dear Sir/Madam

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

Aurelius Technologies Berhad had on 19 May 2023 announced its intention to seek shareholders' approval for the Company to purchase its own shares at the forthcoming 2nd AGM of the Company.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back Authority and to seek your approval for the ordinary resolution to be tabled at the forthcoming 2nd AGM of the Company.

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY

The authority from the shareholders for the Proposed Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back Authority until:

- (i) the conclusion of the next AGM, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Act; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Rationale, potential advantages and disadvantages

The Board is of the opinion that the Proposed Share Buy-Back Authority is expected to potentially benefit the Company and shareholders as follows:

- (a) If Purchased Shares are cancelled, the EPS of ATech Group would be enhanced (all things being equal). This should have a positive impact on the market price of the Company's Shares which should benefit shareholders of ATech.
- (b) If the Shares bought are retained in treasury, it may provide the Company with an opportunity to sell the Treasury Shares at a higher price which should benefit the Company.
- (c) The Treasury Shares can be distributed as share dividends to the shareholders of the Company.

The Proposed Share Buy-Back Authority, if implemented, will reduce the financial resources of ATech and may reduce interest income that may be derived from depositing the funds in interest/profit bearing instruments. It may also result in a lower amount of cash reserve available for dividends to be declared to shareholders as funds are utilised to purchase shares.

Save as disclosed above, the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantages to ATech and its shareholders as it will be exercised only after due consideration of the financial resources of the Group and of the resultant impact on its shareholders. The Board in exercising any decision on the Proposed Share Buy-Back Authority will be mindful of the interest of the Company and that of its shareholders.

2.2 The maximum number or percentage of shares to be purchased

The Board proposes to seek an authorisation from its shareholders for the Company to be empowered to purchase its own shares on the Bursa Securities through its appointed stockbroker(s). The Board proposes to purchase and/or hold up to a maximum of 10% of the total number of issued shares of the Company as at the time of purchase. The Listing Requirements stipulate that a listed corporation must not purchase its own shares or hold any of its own shares as Treasury Shares if this results in the aggregate of the Shares Purchased or held exceeding 10% of its total number of issued shares. As at LPD, the total number of issued shares of the Company is 393,998,000 Ordinary Shares.

2.3 The amount of retained profits and source of funds

The Listing Requirements stipulate that the proposed purchase by a company of its own shares must be made out of retained profits of the listed corporation.

The Board therefore proposes to allocate the maximum funds which shall not exceed the amount of retained profits of the Company for the purchase of its own shares subject to compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase. The audited financial statement of the Company as at 31 January 2023 showed retained profits of RM80,851,432.

The funding of the Proposed Share Buy-Back Authority is expected to be financed by a combination of borrowings/financing and internally generated funds of the Group.

2.4 Shareholdings of Directors and Major/Substantial Shareholders

2.4.1 Major/Substantial Shareholders

	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Main Stream Holdings Sdn. Bhd.	78,979,900	20.05	-	-	78,979,900	22.27	-	-
Main Stream Limited	76,293,000	19.36	-	-	76,293,000	21.52	-	-
Pixel Advisers Pte. Ltd.	24,304,600	6.17	-	-	24,304,600	6.85	-	-
Lee Chong Yeow @ Lee Chong Yan (deceased)	30,545,300	7.75	155,272,900 ⁽¹⁾	39.41	30,545,300	8.61	155,272,900 ⁽¹⁾	43.79
Loh Hock Chiang	30,545,300	7.75	155,272,900 ⁽¹⁾	39.41	30,545,300	8.61	155,272,900 ⁽¹⁾	43.79
Tan Chong Hin	-	-	24,304,600 ⁽²⁾	6.17	-	-	24,304,600 ⁽²⁾	6.85

Notes:(1) Deemed interested by virtue of his interest in Main Stream Holdings Sdn. Bhd. and Main Stream Limited pursuant to Section 8(4) of the Act.

(2) Deemed interested by virtue of his interest in Pixel Advisers Pte. Ltd. pursuant to Section 8(4) of the Act.

2.4.2 Directors

	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datin Normaliza Binti Kairon	190,000	0.05	-	-	190,000	0.05	-	-
Loh Hock Chiang	30,545,300	7.75	155,272,900 ⁽¹⁾	39.41	30,545,300	8.61	155,272,900 ⁽¹⁾	43.79
Tan Chong Hin	-	-	24,304,600 ⁽²⁾	6.17	-	-	24,304,600 ⁽²⁾	6.85
Dato' F'ng Meow Ching	13,800	0.00	-	-	13,800	0.00	-	-
Nor Shahmir Bin Nor Shahid	-	-	-	-	-	-	-	-
Yee Swee Meng	-	-	-	-	-	-	-	-
Jamie Hwe Ping Lee	-	-	-	-	-	-	-	-
Jonathan Ming Chian Lee (Alternate Director to Jamie Hwe Ping Lee)	-	-	185,818,200 ⁽³⁾	47.16	-	-	185,818,200 ⁽³⁾	52.40

Notes: (1) Deemed interested by virtue of his interest in Main Stream Holdings Sdn. Bhd. and Main Stream Limited pursuant to Section 8(4) of the Act.

(2) Deemed interested by virtue of his interest in Pixel Advisers Pte. Ltd. pursuant to Section 8(4) of the Act.

(3) He is the Administrator of the Estate of Lee Chong Yeow @ Lee Chong Yan, as such he is deemed interested by virtue of the late Lee Chong Yeow @ Lee Chong Yan's direct shareholdings in the Company, and direct interest in Main Stream Holdings Sdn. Bhd. and Main Stream Limited pursuant to Section 8(4) of the Act.

3. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

Based on the assumption that the Proposed Share Buy-Back Authority is carried out in full, the effects of the Proposed Share Buy-Back Authority on the share capital, NA, earnings, and working capital of ATech are as set out below:

3.1 Share Capital

As at LPD, the total issued share capital of the Company was RM266,809,660.70 comprising 393,998,000 Shares.

The effect of the Proposed Share Buy-Back Authority on the share capital of the Company assuming ATech buys and subsequently cancels up to 39,399,800 Shares representing 10% of the total number of issued Shares as at LPD is as follows:

	No. of Shares
As at LPD	393,998,000
Less: No. of ATech Shares to be cancelled pursuant to the Proposed Share Buy-Back Authority of up to 10% of the existing share capital of ATech	39,399,800
Upon completion of the cancellation of the 39,399,800 bought back	354,598,200

However, there will be no effect on the share capital of ATech if the Shares so purchased are retained as Treasury Shares.

3.2 Net Assets (“NA”) and Working Capital

The Proposed Share Buy-Back Authority may increase or decrease the NA per share of ATech Group depending on the acquisition cost in comparison to the NA per share of ATech Group at the time that the purchase is made. Assuming the Purchased Shares are cancelled, the NA per share will be reduced if the acquisition cost exceeds the NA per share at the time of purchase and conversely would increase the NA per share if the acquisition cost is less than the NA per share at the time of purchase.

If the Purchased Shares are kept as Treasury Shares, the NA per share would increase unless the cost per share of the Treasury Shares purchased is above the NA per share at the relevant point in time. This is due to the requirement for Treasury Shares to be carried at cost resulting in an increase in the NA of the Company.

The Proposed Share Buy-Back Authority is likely to reduce the working capital of the Group, the quantum of which will depend on the actual purchase price and number of shares that would be purchased pursuant to the Proposed Share Buy-Back Authority.

3.3 Earnings

Assuming that the Purchased Shares are cancelled, the Proposed Share Buy-Back Authority may increase the EPS of the Group. In addition, on the assumption that the Purchased Shares are treated as Treasury Shares and subsequently resold, the earnings of the Group may be affected depending on the actual selling price and number of Treasury Shares resold. In the event the Purchased Shares are held as Treasury Shares i.e. neither cancelled nor resold, the effective reduction in the issued Shares of the Company pursuant to the Proposed Share Buy-Back Authority would generally, all else being equal, increase the consolidated EPS of ATech Group.

3.4 Gearing

The effect of the Proposed Share Buy-Back on the gearing of the ATech Group will depend on the proportion of borrowings/financing utilised (if required) to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will serve to increase the gearing of the ATech Group.

4. IMPLICATIONS RELATING TO THE MALAYSIAN TAKE-OVERS AND MERGERS CODE

The Board is mindful of the potential implications relating to the Code. In the event that the obligations relating to the Code are expected to be triggered as a result of the Proposed Share Buy-Back Authority, which is an action outside its direct participation, the affected substantial shareholders and parties acting in concert may apply to the Securities Commission for an exemption from undertaking the mandatory offer under the Code.

5. HISTORICAL SHARE PRICES

The monthly high and low prices of our Shares as traded on Bursa Securities for the past 12 months from May 2022 to April 2023 are as follows:

2022	High (RM)	Low (RM)
May	1.69	1.49
June	1.66	1.35
July	1.64	1.33
August	1.83	1.55
September	2.00	1.50
October	1.89	1.62
November	1.88	1.53
December	2.03	1.77
2023		
January	2.63	1.83
February	3.40	2.56
March	3.34	2.62
April	2.87	2.62

The last traded price of ATech as at LPD is RM2.30.

(Source: Bloomberg)

6. PUBLIC SHAREHOLDING SPREAD OF THE COMPANY

As at LPD, the public shareholding spread of the Company was 38.86%. The Company will ensure that the minimum public shareholding spread of 25% is complied with.

7. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is subject to the approval of shareholders at the forthcoming 2nd AGM.

8. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and Major Shareholders of the Company as a result of the implementation of the Proposed Share Buy-Back Authority, which will similarly affect the other shareholders, none of the Directors and Major Shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back Authority and the subsequent resale of Treasury Shares, if any, in the future.

9. DIRECTORS' RECOMMENDATION

The Board, after taking into consideration all relevant aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming 2nd AGM.

10. 2ND AGM

The 2nd AGM, the notice of which is enclosed in the Annual Report 2023 of ATech, will be held at Townhall of Aurelius Technologies Berhad, Plot 21, Jalan Hi-Tech 4, Phase 1, Kulim Hi-Tech Park, 09090 Kulim, Kedah on Wednesday, 28 June 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution on the Proposed Share Buy-Back Authority under agenda 8 as set out in the Notice of the 2nd AGM.

You will find in the Annual Report 2023 of the Company a copy of the proxy form. If you are unable to attend and vote at the 2nd AGM, you are entitled to appoint a proxy or proxies to vote on your behalf. In such event, the Form of Proxy must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or electronic lodgement via TIIH Online website at <https://tiih.online> not later than forty-eight (48) hours before the time appointed for holding the 2nd AGM or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid. Kindly refer to the Administrative Guide for further details on proxy lodgement via electronic means.

The lodgement of the proxy form will not preclude you from attending and voting at the 2nd AGM should you subsequently wish to do so.

11. FURTHER INFORMATION

Please refer to the enclosed Appendix I for further information.

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FURTHER INFORMATION

I. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Statement and they collectively and individually accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Statement false or misleading.

II. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 13A-6 Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the forthcoming 2nd AGM:

- i. Constitution of the Company; and
- ii. Audited financial statements of the Company for the financial years ended 31 January 2022 and 31 January 2023.

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