

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF AE MULTI HOLDINGS BERHAD (539777-D) ("AEM") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD (18417-M), THE ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND IS SATISFIED THAT THE CONSOLIDATED PROFIT FORECAST (FOR WHICH THE DIRECTORS OF AEM ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THIS PUBLIC ISSUE BUT THAT APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THIS PUBLIC ISSUE, WHICH IS THE SUBJECT OF THIS PROSPECTUS. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF AEM AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE VALUATION OF THE PROPERTIES APPROVED OR ACCEPTED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE LISTING PROPOSAL SUBMITTED TO AND APPROVED BY THE SC, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE ("KLSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF KLSE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF AEM OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC AND LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for AEM's entire enlarged issued and paid-up share capital on the Second Board of KLSE is set out below:-

Event	Date
OPENING OF APPLICATION FOR THE ISSUE SHARES	7 June 2002
CLOSING OF APPLICATION FOR THE ISSUE SHARES	20 June 2002*
TENTATIVE BALLOTING DATE FOR APPLICATIONS FOR THE ISSUE SHARES	26 June 2002
TENTATIVE ALLOTMENT DATE OF THE ISSUE SHARES	9 July 2002
TENTATIVE LISTING DATE	15 July 2002

Note:-

- * *The application for the Public Issue will close at the time and date as stated above or such other later date or dates as the Directors of AEM and the Underwriters may in their absolute discretion mutually decide.*

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DEFINITIONS

In this Prospectus, unless otherwise stated, the following abbreviations shall have the following meanings:-

Acquisition of AEC	- Acquisition of 10,000,000 ordinary shares of RM1.00 each in AEC, representing the entire equity interest therein, for a purchase consideration of RM34,971,924, satisfied wholly by the issuance of 61,943,848 new ordinary shares of RM0.50 each in AEM, credited as fully paid-up, at an issue price of approximately RM0.56 per new AEM share
ADA	- Authorised Depository Agent
ADA Code	- ADA (Broker) Code
AEC	- AE Corporation (M) Sdn Bhd (165329-V), a wholly-owned subsidiary of AEM
AEM or Company	- AE Multi Holdings Berhad (539777-D)
AEM Group or Group	- AEM and its subsidiaries, namely AEC, AET and MWSB
AET	- Amallion Enterprise (Thailand) Corporation Ltd. (5909/2533), a wholly-owned subsidiary of AEC
ATM	- Automated Teller Machine
CCL	- Copper clad laminates
CDS	- Central Depository System
CIMB	- Commerce International Merchant Bankers Berhad (18417-M)
Electronic Share Application	- Application for the Issue Shares through a Participating Financial Institution's ATM
EPS	- Earnings per share
FIC	- Foreign Investment Committee
Issue Shares	- 12,000,000 new AEM ordinary shares of RM0.50 each to be issued at RM0.80 per share pursuant to the Public Issue
KLSE	- Kuala Lumpur Stock Exchange (30632-P)
Listing	- Listing of and quotation for the entire issued and paid-up share capital of AEM on the Second Board of KLSE
MAICSA	- Malaysian Association of The Institute of Chartered Secretaries and Administrators
MCD	- Malaysian Central Depository Sdn Bhd (165570-W), a subsidiary of KLSE
MIA	- Malaysian Institute of Accountants
MIH	- Malaysian Issuing House Sdn Bhd (258345-X)
MITI	- Ministry of International Trade and Industry
MNC	- Multinational companies
MWSB	- Meridian World Sdn Bhd (330800-V), a 51.0% owned subsidiary of AEM

DEFINITIONS *(Cont'd)*

NTA	-	Net tangible assets
Participating Financial Institution(s)	-	Participating financial institutions for Electronic Share Application as listed in Section 22.5 (ii)(o) of this Prospectus
PCB	-	Printed circuit boards
PE multiple	-	Price earnings multiple
Peninsular	-	Peninsular Accord Sdn Bhd (336923-D), a substantial shareholder of AEM
Public Issue	-	Public issue of the Issue Shares to identified investors, eligible Directors and employees of AEM and its subsidiaries in Malaysia, and the Malaysian public
Rights Issue	-	Rights issue of 6,056,148 new AEM ordinary shares of RM0.50 each at par on the basis of approximately 98 new ordinary shares for every 1,000 ordinary shares of RM0.50 each held after the Acquisition of AEC
SC	-	Securities Commission
Stanza	-	Stanza Corporation Sdn Bhd (254418-P), a substantial shareholder of AEM
USA	-	United States of America
RM and sen	-	Ringgit Malaysia and sen respectively
THB	-	Thai Baht
USD	-	United States of America dollar

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation.

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

Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

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I. CORPORATE DIRECTORY

Directors

Name	Address	Occupation	Nationality
Dato' Mohamed Azman bin Yahya <i>(Non-Executive Chairman)</i>	4, Persiaran Batai Barat Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan	Company Director	Malaysian
Yang Wu-Hsiung <i>(Managing Director)</i>	20, Lorong 64 Taman Patani Jaya 08000 Sungai Petani Kedah Darul Aman	Company Director	Taiwanese
Yang Chao-Tung <i>(Executive Director)</i>	3, Lorong 28 Taman Patani Jaya 08000 Sungai Petani Kedah Darul Aman	Company Director	Taiwanese
Tan Ah Lee <i>(Executive Director)</i>	23, Lorong Lembah Permai 11200 Tanjung Bungah Pulau Pinang	Company Director	Malaysian
Syed Abdullah bin Syed Abd. Kadir <i>(Independent Non-Executive Director)</i>	59, Lakeview Bungalows Saujana Resort, Seksyen U2 40150 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Wee Cheong Poh <i>(Independent Non-Executive Director)</i>	49, Lorong Nangka Tujuh Taman Desa Damai 14000 Bukit Mertajam Pulau Pinang	Chartered Accountant	Malaysian

Audit Committee

Name	Designation	Directorship
Wee Cheong Poh	Chairman of the Committee	Independent Non-Executive Director
Syed Abdullah bin Syed Abd. Kadir	Member of the Committee	Independent Non-Executive Director
Yang Chao-Tung	Member of the Committee	Executive Director

Company Secretaries

: Chia Tong Saik
(MIA 1182/MICPA 1342)
23, Jalan Tembaga
Island Park
11600 Pulau Pinang

Tan Choong Kiang
(MAICSA 7018448)
45, Lorong Kurau 19
Chai Leng Park
Seberang Perai
13700 Pulau Pinang

1. CORPORATE DIRECTORY (*Cont'd*)

- Registered Office** : 51-8-B, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Telephone no.: 04-228 7828
E-mail: fastrackpg@pd.jaring.my
- Head/Management Office** : Lot 87, Persiaran Sebelas
Kawasan Perusahaan Bakar Arang
08000 Sungai Petani
Kedah Darul Aman

Telephone no.: 04-421 3715
E-mail: aemulti@aecorp.po.my
<http://www.aemulti.com.my/ae-multi>
- Auditors and Reporting Accountants** : JB Lau & Associates
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Pulau Pinang
- Solicitors for the Public Issue** : Wong Beh & Toh
Peti #30
Level 12, West Block
Wisma Selangor Dredging
Jalan Ampang
50450 Kuala Lumpur
- Valuers** : CH Williams Talhar & Wong Sdn Bhd
2nd Floor, Bangunan Kheng Chew Association
38, Jalan Putra
05100 Alor Setar
Kedah Darul Aman
- Principal Bankers** : Malayan Banking Berhad
G27, Ground Floor, Central Square
23, Jalan Kampung Baru
08000 Sungai Petani
Kedah Darul Aman

Arab-Malaysian Merchant Bank Berhad
Level 3
37, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
- Issuing House** : Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Telephone no.: 03-2693 2075

1. **CORPORATE DIRECTORY** (Cont'd)

<i>Registrar</i>	:	Signet Share Registration Services Sdn Bhd 11th Floor, Tower Block Kompleks Antarabangsa Jalan Sultan Ismail 50250 Kuala Lumpur Telephone no.: 03-2145 4337
<i>Adviser, Managing Underwriter and Placement Agent</i>	:	Commerce International Merchant Bankers Berhad 8th Floor, Bangunan CIMB Jalan Semantan, Damansara Heights 50490 Kuala Lumpur
<i>Underwriters</i>	:	Commerce International Merchant Bankers Berhad 8th Floor, Bangunan CIMB Jalan Semantan, Damansara Heights 50490 Kuala Lumpur OSK Securities Berhad 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur
<i>Independent Market Research Consultant</i>	:	Vital Factor Consulting Sdn Bhd 75C & 77C, Jalan SS22/19 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan
<i>Listing Sought</i>	:	Second Board of KLSE

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2. INTRODUCTION

This Prospectus is dated 7 June 2002.

A copy of this Prospectus has been registered by the SC and lodged with the Companies Commission of Malaysia which takes no responsibility for its contents.

An application will be made to the KLSE within three (3) market days of the issuance of this Prospectus for admission to the Official List of the Second Board of KLSE and for permission to deal in and the listing of and quotation for the entire issued and fully paid-up ordinary shares of the Company, including the Issue Shares, which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the Second Board of KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptance of applications will be conditional upon permission being granted by the KLSE to deal in and quotation for the entire issued and fully paid-up ordinary shares of the Company, including the Issue Shares, within six (6) weeks from the date of this Prospectus or such longer period as may be specified by the SC, provided the Company is notified by or on behalf of KLSE within the six (6) weeks or such longer period as may be specified by the SC. Accordingly, monies paid in respect of any application accepted will be returned without interest if the said permission from the KLSE is not granted.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, the KLSE has prescribed AEM as a CDS counter. In consequence thereof, the shares issued through this Prospectus will be deposited directly with MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.

Pursuant to the SC's Policies and Guidelines on Issue/Offer of Securities, the Company needs to have at least 25% of the enlarged issued and paid-up share capital in the hands of public shareholders and a minimum number of 750 public shareholders (of which at least 500 shareholders are members of the public who are not employees of the Company) holding not less than 1,000 shares each upon completion of the Public Issue. The Company is expected to achieve this at the point of Listing. In the event that the above requirement is not met pursuant to the Public Issue, the Company may not be allowed to proceed with the Listing. In the event thereof, monies paid in respect of all applications will be returned without interest if the said permission is not granted.

An applicant should state his CDS account number in the space provided in the Application Form if the applicant presently has such an account and he shall be deemed to have authorised MCD to disclose information pertaining to the CDS Account to the issuing house/Company for the purpose of crediting the Issue Shares allotted to him to his CDS account. Where an applicant does not presently have a CDS account, the applicant should state in the Application Form his or her preferred ADA Code. Where an applicant already has a CDS account, he or she should not complete the preferred ADA Code. For application using the Electronic Share Application, an applicant must have a CDS account.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by AEM and/or CIMB. Neither the delivery of this Prospectus nor any Public Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the AEM Group since the date hereof.

The distribution of this Prospectus and the sale of the Issue Shares are subjected to Malaysian law and the Company takes no responsibility for the distribution of this Prospectus and/or sale of the Issue Shares outside Malaysia. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer is not authorised or lawful or to any person to whom it is unlawful to make such offer.

If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser immediately.

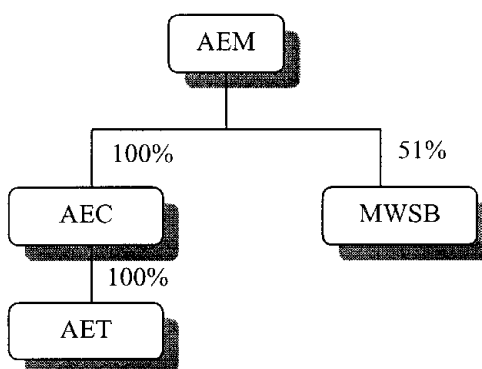
3. INFORMATION SUMMARY

The following is only a summary of the salient information about the AEM Group and of the Public Issue. Investors should read and understand the whole Prospectus prior to deciding whether to invest in the Issue Shares. The following information is derived from, and should be read in conjunction with, the full text of this Prospectus.

3.1 History and Business

AEM was incorporated in Malaysia under the Companies Act, 1965 on 20 February 2001 as a public limited company under its present name. On 19 March 2001, it obtained its Certificate of Commencement of Business from the Registrar of Companies, and in accordance with Section 142 of the Companies Act, 1965, held a statutory meeting on 4 May 2001.

The current structure of the AEM Group is as follows:-



AEM is principally an investment holding company while the principal activities of its subsidiaries are as follows:-

Subsidiaries	Country of incorporation	Principal activities
AEC	Malaysia	Manufacturing of PCB
AET	Thailand	Manufacturing of PCB
MWSB	Malaysia	Chemical processing and trading activities, provision of waste water treatment facilities and waste water recycling services.

As at the date thereof, AEM does not have any associated company. Further information on AEM and its subsidiaries are set out in Sections 8 and 10 of this Prospectus respectively.

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3. INFORMATION SUMMARY (Cont'd)

3.2 Major Shareholders, Promoters, Directors and Key Management

3.2.1 Major Shareholders

The major shareholders (holding 5% or more of the issued and paid-up share capital) of AEM and their respective shareholdings after the Public Issue are as follows:-

Shareholders	Designation	After the Public Issue			
		No. of ordinary shares of RM0.50 each held		%	
		Direct	%	Indirect	%
Dato' Mohamed Azman bin Yahya	Non-Executive Chairman	15,979,998 [#]	19.97	-	-
Stanza	-	14,231,398	17.79	-	-
Peninsular	-	10,367,598	12.96	-	-
Datin Hajah Sumaiah bte Sarif	-	2,838,326	3.55	10,367,598**	12.96
Loh Ah Heoh	-	811,920	1.01	10,367,598**	12.96
Yang Wu-Hsiung	Managing Director	700,964	0.88	14,231,398*	17.79

Notes:-

The table above does not include allocations of the Issue Shares reserved for eligible Directors and employees of AEM and its subsidiaries in Malaysia pursuant to the Public Issue.

[#] Held through CIMB Nominees (Tempatan) Sdn Bhd.

* Deemed interested through Stanza.

** Deemed interested through Peninsular.

3.2.2 Promoters

Yang Wu-Hsiung, Yang Chao-Tung and Tan Ah Lee individually and collectively are promoters of the Company, details of which are as set out in Section 3.2.3 below.

3.2.3 Directors

The Directors of AEM and their shareholdings after the Public Issue are as follows:-

Directors	Designation	After the Public Issue			
		No. of ordinary shares of RM0.50 each held		%	
		Direct	%	Indirect	%
Dato' Mohamed Azman bin Yahya	Non-Executive Chairman	15,979,998 [#]	19.97	-	-
Yang Wu-Hsiung	Managing Director	700,964	0.88	14,231,398*	17.79
Yang Chao-Tung	Executive Director	1,365,814	1.71	-	-
Tan Ah Lee	Executive Director	720,060	0.90	-	-
Syed Abdullah bin Syed Abd. Kadir	Non-Executive Director	-	-	-	-
Wee Cheong Poh	Non-Executive Director	-	-	-	-

Notes:-

The table above does not include allocations of the Issue Shares reserved for eligible Directors of AEM and its subsidiaries in Malaysia pursuant to the Public Issue.

[#] Held through CIMB Nominees (Tempatan) Sdn Bhd.

* Deemed interested through Stanza.

3. INFORMATION SUMMARY (Cont'd)

3.2.4 Key Management

The key management personnel of AEM and their shareholdings after the Public Issue are as follows:-

Name	Designation	After the Public Issue			
		No. of ordinary shares of RM0.50 each held			
		Direct	%	Indirect	%
Lim Kheng Tee	Assistant General Manager of AEC	-	-	-	-
Yang Chuch-Kuang	Assistant General Manager of AEC	747,118	0.93	-	-
Teoh Kok Cheow	Managing Director of MWSB	68,000	0.09	-	-
Cheam Hock Meng	Director of MWSB	-	-	-	-
Choong Bee Leong	Senior Engineering Manager of AEC	11,560	0.01	-	-
Howard Huang Tse-Ho	Production Manager of AEC	-	-	-	-
Ong Eng Theam	Quality Assurance Manager of AEC	-	-	-	-
Eng Swee Luan	Production Control Head of AEC	-	-	-	-
Lee Kuang How	Sales Manager of MWSB	-	-	-	-
Lim Kooi Peng	Administration Manager of MWSB	-	-	-	-
Tan Siew Lean	Administration Head of AEC	-	-	-	-
Heng Kim Joo	Quality Assurance Head of AEC	-	-	-	-
Tang Chin Sin	Engineering Head of AEC	-	-	-	-
Yeoh Kee Hoon	Finance and Accounts Head of AEC	107,480	0.13	-	-

Note:-

The table above does not include allocation of the Issue Shares reserved for eligible employees of AEM and its subsidiaries in Malaysia pursuant to the Public Issue.

Detailed information on the major shareholders, promoters, Directors and key management of AEM is set out in Section 9 of this Prospectus.

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3. INFORMATION SUMMARY (Cont'd)

3.3 Financial Highlights

3.3.1 Proforma Consolidated Income Statements

The following is a summary of the proforma audited consolidated results of the AEM Group for the past five (5) financial years ended 31 December 1997 to 2001, prepared based on the audited financial statements of the companies in the AEM Group, for illustrative purposes, on the assumption that the current structure of the Group had been in existence throughout the financial years under review:-

	-----Financial year ended 31 December-----				
	1997 RM 000	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000
Revenue	24,809	39,185	53,867	56,112	61,639
Profit before amortisation depreciation, interest and taxation	5,084	6,750	8,800	10,516	12,937
Amortisation	-	-	(287)	(287)	(287)
Depreciation	(1,464)	(2,063)	(2,451)	(3,174)	(4,183)
Interest expense	(1,582)	(1,915)	(1,930)	(1,472)	(1,768)
Profit before taxation	2,038	2,772	4,132	5,583	6,699
Taxation	-	-	10	(464)	(842)
Profit after taxation but before minority interests and pre-acquisition loss	2,038	2,772	4,142	5,119	5,857
Minority interests	-	-	(126)	(202)	(287)
Pre-acquisition loss	-	-	269	-	-
Profit attributable to shareholders	2,038	2,772	4,285	4,917	5,570
No. of ordinary shares assumed in issue*	61,943,852	61,943,852	61,943,852	61,943,852	61,943,852
Net EPS (sen)	3.29	4.48	6.92	7.94	8.99
Gross dividend rate (%)	-	-	-	-	-

Note:-

* The assumed issued and paid-up share capital of 61,943,852 ordinary shares of RM0.50 each is based on the issued and paid-up share capital of AEM after the Acquisition of AEC but prior to the Rights Issue and Public Issue.

Further details on the proforma consolidated income statements are set out in Section 8.6 of this Prospectus.

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3. INFORMATION SUMMARY (Cont'd)

3.3.2 Proforma Consolidated Balance Sheets

The following is a summary of the proforma consolidated balance sheets of AEM as at 31 December 2001, prepared for illustrative purposes only, to show the effects of the Acquisition of AEC, Rights Issue, Public Issue and proposed utilisation of proceeds from the Public Issue in conjunction with the Listing, on the assumption that these transactions were completed on 31 December 2001:-

	Audited as at 31 December 2001 RM 000	Proforma (I) After the Acquisition of AEC RM 000	Proforma (II) After Proforma (I) and the Rights Issue RM 000	Proforma (III) After Proforma (II), and the Public Issue and proposed utilisation of proceeds RM 000
Property, plant and equipment	-	46,328	46,328	49,785
Investment	-	30	30	30
Negative goodwill on consolidation	-	(5,658)	(5,658)	(5,658)
Current assets	#	37,137	40,165	41,410
Current liabilities	(5)	(32,416)	(32,416)	(31,608)
Net current assets	(5)	4,721	7,749	9,802
	(5)	45,421	48,449	53,959
Financed by:-				
Share capital	*	30,972	34,000	40,000
Share premium	-	4,000	4,000	5,950
Accumulated Loss	(5)	(5)	(5)	(5)
Shareholders' equity	(5)	34,967	37,995	45,945
Minority interests	-	1,046	1,046	1,046
Deferred taxation	-	722	722	722
Long term liabilities	-	8,686	8,686	6,246
	(5)	45,421	48,449	53,959
(Net liabilities)/NTA per share (RM)	(2,500.00)	0.66	0.64	0.65

Notes:-

RM2.00 only.

* RM2.00 only comprising 2 ordinary shares of RM1.00 each.

Further details on the proforma consolidated balance sheets of AEM as at 31 December 2001 are set out in Section 15 of this Prospectus. The above summary should be read together with the notes and assumptions to the proforma consolidated balance sheets as set out in Section 15 of this Prospectus.

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3. INFORMATION SUMMARY (Cont'd)

3.4 Principal Statistics Relating to the Public Issue

(i) Share Capital	RM
<i>Authorised</i> 100,000,000 ordinary shares of RM0.50 each	50,000,000
<i>Issued and fully paid-up as at the date of this Prospectus</i> 68,000,000 ordinary shares of RM0.50 each	34,000,000
<i>To be issued pursuant to the Public Issue</i> 12,000,000 ordinary shares of RM0.50 each	6,000,000
	40,000,000

(ii) Classes of Shares and Rights

There is only one class of shares in AEM, being ordinary shares of RM0.50 each. The Issue Shares shall rank *pari passu* in all respects with the existing issued and paid-up ordinary shares of RM0.50 each of AEM.

Subject to any special rights attaching to any shares that may be issued by the Company in the future, the shareholders of ordinary shares in the Company shall be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company.

At every general meeting of AEM, each shareholder shall be entitled to vote in person or by proxy or by attorney, and on a show of hands, every person present who is a shareholder or representative or proxy or attorney to a shareholder shall have one vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(iii) Issue price of RM0.80 per ordinary share of RM0.50 each

The factors taken into consideration in the pricing of the Issue Shares are set out in Section 4.7 of this Prospectus.

(iv) Proforma Group NTA	RM
Proforma Group NTA as at 31 December 2001 (<i>after the Acquisition of AEC, Rights Issue and Public Issue</i>)	51,603,000
Proforma Group NTA per share (<i>based on the enlarged share capital of 80,000,000 ordinary shares of RM0.50 each</i>)	0.65

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3. INFORMATION SUMMARY (Cont'd)

(v) Consolidated Profit Forecast

The consolidated profit forecast for the financial year ending 31 December 2002 are as follows:-

Financial year ending 31 December	Forecast 2002 RM 000
Consolidated profit before taxation	7,904
Taxation	(973)
Consolidated profit after taxation	6,931
Minority interests	(290)
Consolidated profit after taxation and minority interests	6,641
Pre-acquisition profit	(2,049)
Consolidated profit after taxation, minority interests and pre-acquisition profit	<u>4,592</u>
Net EPS (sen)	9.19 ⁽ⁱ⁾
Net PE multiple based on the issue price of RM0.80 per share (times)	8.71

Notes:-

- (i) Computed based on profit after taxation, minority interests and pre-acquisition profit, and the weighted average number of shares in issue of 49,986,735 ordinary shares of RM0.50 each calculated on the assumption that the Public Issue is completed on 30 June 2002.

The principal bases and assumptions upon which the consolidated profit forecast of AEM have been made are set out in Section 12 of this Prospectus.

(vi) Dividend Forecast

The dividend forecast for the financial year ending 31 December 2002 is as follows:-

Financial year ending 31 December	Forecast 2002
Tax-exempt dividend per ordinary share (sen)	2.50
Tax-exempt dividend yield based on the issue price of RM0.80 per share (%)	3.13
Net dividend cover (times)	3.32

Further information on the dividend forecast of AEM is set out in Section 14 of this Prospectus.

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3. INFORMATION SUMMARY *(Cont'd)*

3.5 Risk Factors

An investment in shares listed/to be listed on KLSE involves a number of risks. Investors should rely on their own evaluations and carefully consider the investment considerations, together with other information contained in this Prospectus before subscribing for any of the Issue Shares, which are the subject of this Prospectus.

The following are some of the main risk factors (which may not be exhaustive), as extracted from Section 5 of this Prospectus, which applicants for the Issue Shares should carefully consider, in addition to other information contained elsewhere in this Prospectus, before applying for the Issue Share:-

(i) No prior market for AEM's shares

Prior to the Listing, there was no public market for AEM's shares. There can be no assurance that an active market for AEM's shares will develop upon the Listing or, if developed, that such market will be sustained.

(ii) Delay in or Abortion of the Listing

The occurrence of certain events may cause a delay in or the abortion of the Listing. Although the Directors will endeavour to secure the Listing, there can be no assurance that the aforementioned events will not cause a delay in or abortion of the Listing.

(iii) Control by substantial shareholders

Following the Public Issue, Peninsular, Stanza and Dato' Mohamed Azman bin Yahya will be able to control the outcome of certain matters as they will collectively own approximately 50.72% of the Company's issued and paid-up share capital.

(iv) Supply and cost of raw materials

The long term viability of the AEM Group depends significantly on the long term sustainable supply and cost of CCL, industrial chemicals and printing ink, being the main raw materials used for the production of the Group's products. Further, AEM and other local PCB manufacturers also face competition from other lower-cost producer countries such as China and Thailand.

(v) Competition

The AEM Group faces competition from various quarters, including sourcing of its raw materials, new technologies and marketing of its products. The Group also faces competition from potential new entrants to the PCB manufacturing industry.

(vi) Implications of the ASEAN Free Trade Area ("AFTA")

The implementation of the AFTA in 2003 would create more competition to the local PCB manufacturers, which include the AEM Group.

(vii) Business risks

The Group is not insulated from general business risk as well as certain risks inherent in the manufacturing industry and those specific to the PCB industry.

3. INFORMATION SUMMARY (Cont'd)

(viii) Foreign operation risks

The future growth and level of profitability of AET, a wholly-owned foreign subsidiary of AEM, will be subject to risks arising from the prevailing economic, political, legal, administrative, social conditions of Thailand and fluctuations of the THB against the RM or other major currencies.

(ix) Foreign exchange risks

Certain transaction of the Group such as purchases of raw materials sourced from Japan, Korea, Taiwan, China, Singapore and the USA are transacted in foreign currencies. Accordingly, any significant fluctuation in foreign currencies in relation to the RM and THB might have an effect on the Group's financial results.

(x) Dependency on single product

At present, the Group's core business is the manufacturing of single-sided PCB. There can be no assurance that the Group will be able to sustain the demand for its single-sided PCB.

(xi) Risks associated with new products

The Group will commence production of Silver Through Hole double-sided PCB in the third quarter of 2002 and plans to venture into the production of flexible PCB. In this respect, the Group is subject to certain risks associated with its venture into new products.

(xii) Restrictive covenants under borrowing facility agreements

The covenants set out in the credit facility agreements entered into by the subsidiaries of AEM may limit the AEM Group's operating and financial flexibility.

(xiii) Dependence on key personnel

The Group believes that its continued success will depend, to a significant extent, upon the abilities and continued efforts of its existing Executive Directors and senior management. The loss of any of the Group's Executive Directors or key members of its senior management may affect the Group's performance.

(xiv) Dependence on a small number of customers

The Group's top five (5) customers accounted for approximately 48.48% of its total revenue for the financial year ended 31 December 2001, whilst its single largest customer, Acer Technologies Sdn Bhd (*now known as Benq Technologies Sdn. Bhd.*), accounted for 15.78% of total revenue.

(xv) Technological change and process development

The Group faces the risks of obsolescence of current technology and the requirement of new equipment. There can be no assurance that the Group will be able to raise the required capital to acquire new technologies and equipment.

(xvi) Environmental liability

The Group's operations are regulated under a number of federal, state, provincial, local and foreign environmental laws and regulations which govern, among other things, the discharge of hazardous materials as well as handling, transport, storage and disposal of such materials.

3. INFORMATION SUMMARY *(Cont'd)*

(xvii) Use of trade mark

AEC currently uses a trade mark owned by Amallion Enterprise Corp. for a tenure of five (5) years with the option of renewal for another two (2) terms of five (5) years vide a Licence Agreement dated 17 March 2002.

(xviii) Profit forecast

This Prospectus contains certain forecasts that are based on reasonable assumptions that are nevertheless subject to uncertainties and contingencies.

(xix) Political, economic and regulatory considerations

Like all other business entities, changes in political, economic and regulatory conditions in Malaysia, Thailand (where AET operates) and elsewhere could materially and adversely affect the financial and business prospects of the Group and the markets of its end products.

(xx) Future prospects

Certain statements in this Prospectus are based on historical data which may not be reflective of future results, and others are forward-looking in nature which are subject to uncertainties and contingencies.

The above risk factors are elaborated in Section 5 of this Prospectus.

3.6 Future Prospects of the AEM Group

The Directors believe that the Group will be able sustain its present growth as one of the major suppliers providing high quality single-sided PCB in the domestic market. The Group has the business expertise, technical skills, and high quality product standards established by reliable principals to maintain its existing as well as to capture new customers. Together with its established management practices and continual quality improvement regime, the Group is in a sound strategic position to fully satisfy the demand of its customers.

Details of the Group's future prospects are set out in Section 7.2 of this Prospectus.

3.7 Utilisation of Proceeds

The total gross proceeds of RM12,628,074 from the Rights Issue and Public Issue will be utilised in the following manner:-

	RM 000
Purchase of machinery	3,457
Repayment of bank borrowings (short term and long term)	5,030
Working capital	2,491
	<hr/>
	10,978
Estimated listing expenses	1,650
	<hr/>
	12,628

The estimated expenses and fees, including brokerage, placement fees, management fee and underwriting commission relating to the Issue Shares, incidental to the Listing amounting to approximately RM1.65 million will be borne by the Company.

Details of the utilisation of proceeds are set out in Section 4.8 of this Prospectus.

3. INFORMATION SUMMARY *(Cont'd)*

3.8 Material Litigation, Material Commitments and Contingent Liabilities

(i) Material Litigation

AEM and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant which has a material effect on the financial position of AEM or its subsidiaries, and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company or its subsidiaries.

(ii) Material Commitments for Capital Expenditure

Save for the purchase of machinery amounting to RM3.457 million as disclosed in note 1 of Section 4.8 of this Prospectus, there are no material commitments for capital expenditure contracted or known to be contracted by AEM or its subsidiaries, which may have a substantial impact on the financial position of the Group as at 15 May 2002 (being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus).

(iii) Contingent Liabilities

There are no material contingent liabilities incurred by AEM and its subsidiaries as at 15 May 2002 (being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus) other than those incurred in the ordinary course of business.

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