

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT

9.1 Major Shareholders

9.1.1 Major Shareholders and their Shareholdings

The major shareholders (holding 5% or more of the issued and paid-up share capital of AEM) of AEM and their respective shareholdings, according to the Register of Substantial Shareholders and Register of Members, before and after the Public Issue, are as follows:-

Shareholders	Designation	Nationality/ Place of Incorporation	Before the Public Issue				After the Public Issue			
			No. of ordinary shares of RM0.50 each held		%		No. of ordinary shares of RM0.50 each held		%	
			Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Mohamed Azman bin Yahya	Non-Executive Chairman	Malaysian	15,979,998 [#]	23.50	-	-	15,979,998 [#]	19.97	-	-
Stanza ¹	-	Malaysia	14,231,398	20.93	-	-	14,231,398	17.79	-	-
Peninsular ²	-	Malaysia	10,367,598	15.25	-	-	10,367,598	12.96	-	-
Hsu Pao Lu	-	Taiwanese	3,876,000	5.70	-	-	3,876,000	4.85	-	-
Rithauddin Hussein Jamalatif bin Jamaluddin	-	Malaysian	3,740,000	5.50	-	-	3,740,000	4.68	-	-
Datin Hajah Sumaiah bte Sarif	-	Malaysian	2,838,326	4.17	10,367,598 [*]	15.25	2,838,326	3.55	10,367,598 [*]	12.96
Loh Ah Heoh	-	Malaysian	811,920	1.19	10,367,598 [*]	15.25	811,920	1.01	10,367,598 [*]	12.96
Yang Wu-Hsiung	Managing Director	Taiwanese	700,964	1.03	14,231,398 ^{**}	20.93	700,964	0.88	14,231,398 ^{**}	17.79

Notes:-

The table above does not include the 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 Peninsular.

^{**} Deemed interested through Stanza.

¹ Stanza was incorporated in Malaysia under the Companies Act, 1965 on 23 December 1992 as a private limited company. It is principally an investment holding company. As at the date hereof, AEC is the only investment of Stanza.

The Directors of Stanza and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at the date hereof are as follows:-

Directors	No. of shares held	% of issued and paid-up share capital
Yang Wu-Hsiung	493,751	20.10
Yang Chao-Tung	303,796	12.37

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9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The major shareholders of Stanza and their respective shareholdings according to the Register of Members as at the date hereof are as follows:-

Major Shareholders	No. of shares held	% of issued and paid-up share capital
Yang Wu-Hsiung	493,751	20.10
Hsu Yu-Tang	316,765	12.90
Yang Cheng Hsiung	305,205	12.43
Yang Chao-Tung	303,796	12.37
Lim Hun Hooi	279,022	11.36
Yang Chuch-Kuang	124,130	5.05

2

Peninsular was incorporated in Malaysia under the Companies Act, 1965 on 22 March 1995 as a private limited company. It is principally an investment holding company. As at the date hereof, AEC is the only investment of Peninsular.

The Directors of Peninsular and their respective shareholdings according to the Register of Directors and Directors' Shareholdings as at the date hereof are as follows:-

Directors	No. of shares held	% of issued and paid-up share capital
Dato' Hj. Mohd. Tajri Abu Yaim (Abu Yamin)	-	-
Yeoh Cheng Han	-	-
Tan Ah Lee	80,067	8.01

The major shareholders of Peninsular and their respective shareholdings according to the Register of Members as at the date hereof are as follows:-

Major Shareholders	No. of shares held	% of issued and paid-up share capital
Datin Hajah Sumaiah bte Sarif	261,176	26.12
Loh Ah Heoh	176,471	17.65
Tham Keng Chuen	140,000	14.00
Cher Tze Hang	140,000	14.00
Tan Ah Lee	80,067	8.01
Lim Kok Hock	56,361	5.64

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9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.1.2 Changes in Major Shareholders and their Shareholdings

Shareholders	—As at the date of incorporation— No. of ordinary shares of RM1.00 each held				—After the Acquisition of AEC— No. of ordinary shares of RM10.50 each held				—After the Rights Issue— No. of ordinary shares of RM10.50 each held			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
Loo Chye Sheng	1	50.00	-	-	2	+	-	-	2	+	-	-
Saik Thim Moon	1	50.00	-	-	2	+	-	-	2	+	-	-
Dato' Mohamed Azman bin Yahya	-	-	-	-	14,556,804 [#]	23.50	-	-	15,979,998 [#]	23.50	-	-
Stanza	-	-	-	-	12,963,936	20.93	-	-	14,231,398	20.93	-	-
Peninsular	-	-	-	-	9,444,250	15.25	-	-	10,367,598	15.25	-	-
Hsu Pao Lu	-	-	-	-	3,530,800	5.70	-	-	3,876,000	5.70	-	-
Rithauckin Hussain Jamalutifflin bin Jamaluddin	-	-	-	-	3,406,912	5.50	-	-	3,740,000	5.50	-	-
Datin Hajah Surraiah bte Sarif	-	-	-	-	2,585,542	4.17	9,444,250**	15.25	2,838,326	4.17	10,367,598**	15.25
Loh Ah Heoh	-	-	-	-	739,610	1.19	9,444,250**	15.25	811,920	1.19	10,367,598**	15.25
Yang Wu-Hsiung	-	-	-	-	638,536	1.03	12,963,936*	20.93	700,964	1.03	14,231,398*	20.93

Notes:-

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

+ Negligible

Held through CIMB Nominees (Tempatan) Sdn Bhd

* Deemed interested through Stanza.

** Deemed interested through Peninsular.

9.1.3 Other Directorships and Major Shareholdings

Details on the other directorships of Dato' Mohamed Azman bin Yahya in other public companies incorporated in Malaysia for the past two (2) years are set out in Section 9.3.2 of this Prospectus. Save for the abovementioned major shareholder, none of the other major shareholders of AEM (after the Public Issue) hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years as at 16 May 2002.

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9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

9.1.4 Profiles of Major Shareholders

The profiles of Dato' Mohamed Azman bin Yahya and Yang Wu-Hsiung are set out in Section 9.3.3 of this Prospectus whilst the details on Stanza and Peninsular are set out in Section 9.1.1 of this Prospectus. The profiles of other major shareholders of AEM are as follows:-

Rithauddin Hussein Jamalattiff bin Jamaluddin, aged 37, graduated with a Bachelor of Law (Honours) from University of Buckingham, United Kingdom in 1988. He was called to the Bar in 1990. In 1991, he joined Messrs Abd Ghani & Associates as a legal assistant. He left Messrs Abd Ghani & Associates in 1992 to set up his own practice under Rithauddin & Azlin. He is currently a partner of Rithauddin & Azlin. Currently, he is a substantial shareholder of United Kotak Berhad and sits on the Board of Esprit Berhad, both are companies listed on the KLSE. He also sits on the Board of several private limited company.

Loh Ah Heoh, aged 56, is a substantial shareholder of Peninsular. She is currently employed as an Administrative Executive in a private limited company. She also sits on the Board of a private limited company.

Hsu Pao Lu, aged 64, is a retired businessman from Taiwan. He holds a certificate in Business Administration from the Taipei Commercial College. He was involved in business of trading and supply of electronic products for over 20 years prior to his retirement.

Datin Hajah Sumaiah bte Sarif, aged 56, has been a teacher since graduated from with a Diploma in Teaching from Johor Bahru Regional Training Centre in 1967 before she retired in 1992. Currently, she is a businesswoman with business interest in property development, cultivation of oil palm, cultivation of fruits, property investment and manufacturing of PCB (through her interest in AEC). She also sits on the Board of several private limited company.

9.2 Promoters

Yang Wu-Hsiung, Yang Chao-Tung and Tan Ah Lee individually and collectively are promoters of the Company.

Their details are set out in Section 9.3.1 of this Prospectus. The profiles of the respective promoters are set out in Section 9.3.3 of this Prospectus. None of the promoters of AEM hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years as at 16 May 2002.

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9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.3 Directors

9.3.1 Shareholdings

The Directors of AEM and their shareholdings, according to the Register of Directors and Directors' Shareholdings, before and after the Public Issue, are as follows:-

Directors	Designation	Before the Public Issue				After the Public Issue			
		No. of ordinary shares of RM0.50 each held		%		No. of ordinary shares of RM0.50 each held		%	
		Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Mohamed Azman bin Yahya	Non-Executive Chairman	15,979,998 [#]	23.50	-	-	15,979,998 [#]	19.97	-	-
Yang Wu-Hsiung	Managing Director	700,964	1.03	14,231,398*	20.93	700,964	0.88	14,231,398*	17.79
Yang Chao-Tung	Executive Director	1,365,814	2.01	-	-	1,365,814	1.71	-	-
Tan Ah Lee	Executive Director	720,060	1.06	-	-	720,060	0.90	-	-
Syed Abdullah bin Syed Abd. Kadir	Non-Executive Director	-	-	-	-	-	-	-	-
Wee Cheong Poh	Non-Executive Director	-	-	-	-	-	-	-	-

Notes:-

The shareholdings disclosed above do 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.

9.3.2 Other Directorships and Major Shareholdings

Other than the Directors set out below, none of the other Directors of AEM hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years, as at 16 May 2002:-

Names	Company	Directorship		Major Shareholdings			
		Date appointed	Date resigned	Direct	Percentage of issued and paid-up share capital %	Indirect	Percentage of issued and paid-up share capital %
Dato' Mohamed Azman bin Yahya	Pengurusan Danaharta Nasional Berhad	20 June 1998	-	-	-	-	-
	Sime Darby Berhad	16 November 1998	-	-	-	-	-
	United Engineers (Malaysia) Berhad	27 September 2001	1 April 2002	-	-	-	-
	Renong Berhad	5 October 2001	5 April 2002	-	-	-	-
	Pharmaniaga Berhad	15 November 2001	-	-	-	5,000 [#]	*
	Malaysian Airline System Berhad	1 December 2001	-	5,000	*	-	-
	Island & Peninsular Berhad PLUS Expressways Berhad	13 December 2001 3 May 2002	-	-	-	-	-
Syed Abdullah bin Syed Abd. Kadir	YTL Power International Berhad	18 February 1997	-	177,480	*	-	-
	YTL Corporation Berhad	20 October 1999	-	2,448	*	-	-
	YTL E-Solutions Berhad	26 April 2000	-	-	-	-	-
	Iris Corporation Berhad	7 May 1998	-	800,000	*	-	-

Notes:-

[#] Deemed interested through his spouse.

* Negligible.

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.3.3 Board of Directors

The profiles of the Directors of AEM are as follows:-

Dato' Mohamed Azman bin Yahya, aged 38, was appointed as Non-Executive Chairman of AEM on 9 May 2002. He graduated with a First Class Honours Degree in Economics from the London School of Economics and Political Science of the University of London, United Kingdom in 1985, and is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England and Wales. He started his career with KPMG in London in 1985. Upon his return to Malaysia in 1989, he joined Island & Peninsular Berhad, a public listed property and plantations group and his last position was Assistant General Manager heading the Finance Department. In 1990, he joined Bumiputera Merchant Bankers Berhad and was subsequently promoted as Head of Corporate Finance Department. In 1994, he was appointed as Executive Director of Amanah Merchant Bank Berhad and later assumed the position of Group Executive Director of Amanah Capital Group ("Amanah Capital"), a financial services and property group involved in, among others, investment banking, money and futures broking, finance company, discount house operations and fund management. He left Amanah Capital in 1998 to serve as Managing Director of Pengurusan Danaharta Nasional Berhad ("Danaharta"), the national asset management company of Malaysia.

He is currently the Chairman of Corporate Debt Restructuring Committee and Danaharta. He also serves as a member of the Malaysian Steering Committee on Bank Restructuring and sits on the advisory panels for the Malaysian Financial Sector Masterplan, the Securities Commission Capital Market Advisory Council and the Malaysian Venture Capital Management Berhad. He sits on the board of several public listed and private limited companies including Sime Darby Berhad, Malaysian Airline System Berhad, Pharmaniaga Berhad, Island & Peninsular Berhad and PLUS Expressways Berhad.

Yang Wu-Hsiung, aged 60, was appointed as Managing Director of AEM on 9 May 2002. He graduated with a college degree majoring in Electronics Engineering from Taipei Technical College in 1960. Upon his graduation, he did his military service from 1960 to 1963. He is a businessman by profession and is the founder of the AEM Group. With good foresight, he envisioned the vast opportunities in the electronic products and computer sectors, resulting from which AEC was formed in 1989. Prior to the commencement of business of AEC, he was with Kulim Co. Ltd. (Taiwan) from 1963 to 1967 and then started his own business from 1967 to 1970. Thereafter, he joined Kua Tiang (Taiwan) Industry Co. Ltd, a manufacturer of PCB, from 1971 to 1981 in the capacity of General Manager. During the period from 1981 to 1989, he served as the General Manager of Amallion Enterprise Corp ("AE"), which was principally involved in the manufacturing of PCB. AE ceased manufacturing PCB in 1991 and is now principally involved in trading of electronic products. He was appointed as Chairman of AEC on 1 September 1990. At present, he also sits on the Board of several other private limited companies.

Yang Chao-Tung, aged 37, was appointed as Executive Director of AEM on 9 May 2002. He graduated with a college degree majoring in Mechanical Engineering from Hwa Shia Tech College, Taiwan in 1987. Upon his graduation, he did his military service from 1987 to 1988. Prior to joining AEC as General Manager in 1992, he was attached with Unitech Corporation Ltd. ("UCL") from end 1989 to early 1991, a public company in Taiwan involved in the manufacturing of PCB. During his tenure in UCL, he was attached to the Design and Engineering Department as Engineer. His responsibilities as Executive Director of the AEM Group include management and co-ordination of the administration, marketing, production, engineering and quality control departments. He is also responsible for the business development of overseas' markets and oversees the overall operations of the Group.

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Tan Ah Lee, aged 54, was appointed as Executive Director of AEM on 9 May 2002. He completed his secondary education at Chung Ling High School, Pulau Pinang in 1967. He started his career as a Shipping Assistant cum Treasurer with Syarikat Perkapalan Soo Hup Seng ("SPSH") in 1971 and was promoted to Assistant Manager two (2) years later. Since 1976, he was appointed as a Director when SPSH was converted into a private limited company. He was appointed as a Director of Grand Peninsular Construction Sdn Bhd since 1992. Over the years in the shipping and construction industries, he has gained comprehensive knowledge and experience in the field of shipping, international trade, manufacturing, property development and building construction, and has a strong understanding of the varied business culture. He was appointed as a Director of AEC, a subsidiary of AEM, since July 1995. He also sits on the Board of several other private limited companies.

Syed Abdullah bin Syed Abd. Kadir, aged 48, was appointed as Non-Executive Director of AEM on 9 May 2002. He graduated in 1977 with a Bachelor of Science and Commerce majoring in Engineering Production and Economics from the University of Birmingham, United Kingdom. He started his career as a Resident Officer with The Hongkong and Shanghai Banking Corporation in 1977. In 1985, he joined Bumiputera Merchant Bankers Berhad as Assistant Manager in the Corporate Banking Department and subsequently held the appointment of Manager, Head and General Manager in 1987, 1989 and 1991 respectively. In 1994, he was appointed as General Manager of Amanah Capital Partners Berhad. He left Amanah Capital Partners Berhad in 1996. At present, he is the Director and Group Executive Director of YTL Power International Berhad and YTL Corporation Berhad respectively. He also sits on the Board of several other public and private limited companies.

Wee Cheong Poh, aged 62, was appointed as Non-Executive Director of AEM on 9 May 2002. He graduated in 1966 from Perth Technical College, Australia, with a Diploma in Accountancy. He was admitted as a member of the Australian Society of Certified Practising Accountants in 1970 and is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has been practising as an accountant since 1971 under a sole proprietorship known as C. P Wee & Co.. Other than the aforementioned sole proprietorship, he does not sit on the Board of any other public and private limited companies.

9.3.4 Directors' Remuneration

The range of aggregate remuneration and benefits of the existing Directors of AEM for services rendered in all capacities within the Group and the number of Directors within the specified range are as set out below:-

Range of remuneration per annum	Year ended 31 December 2001 No. of Director	Year ending 31 December 2002 No. of Director
More than RM50,000	2	2
Less than RM50,000	1	4

The aggregate remuneration and fees paid to the existing Directors of AEM for services rendered in all capacities to AEC, AET and MWSB in the financial year ended 31 December 2001 was RM391,780. For the financial year ending 31 December 2002, the forecast remuneration and fees payable to the existing Directors of the Company amount to RM700,000.

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

9.4 Key Management

9.4.1 Shareholdings

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

Names	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 Chueh-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 I Luang 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 Koe Hoon	Finance and Accounts Head of AEC	107,480	0.13	-	-

Note:-

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

9.4.2 Profiles

The management team of the AEM Group is headed by Yang Wu-Hsiung. The other members of the senior management team are as follows:-

Lim Kheng Tee, aged 36, is the Assistant General Manager of AEC. He completed his higher secondary education at Chung Ling High School, Pulau Pinang in 1986. He was attached to Data Scan (M) Sdn Bhd as Marketing Representative from 1986 to 1989. He joined AEC as Marketing Executive in 1990 and was subsequently promoted to Marketing Manager in 1993. He was promoted to his present capacity in 2001. His responsibilities include overseeing AEC's operations.

Yang Chueh-Kuang, aged 32, is the Assistant General Manager of AEC. He graduated in 1991 with a Bachelor degree, majoring in Industrial Engineering from the University of Texas, Arlington, USA. Upon his graduation, he joined President Co. Ltd., a company incorporated in Taiwan, in 1992 as Production Engineer. In 1993, he left President Co. Ltd. to further his study and graduated with a Master of Science majoring in Industrial Engineering from University of Texas in 1995. In 1996, he joined Min Aik Industrial Co. Ltd., a company incorporated in Taiwan, as Quality Assurance Manager and was promoted to Development Manager in 1998. In 1999, he joined AEC as Factory Manager and was subsequently promoted to his present capacity in 2001. His responsibilities include overseeing AET's operations.

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Teoh Kok Cheow, aged 36, is the Managing Director of MWSB. He graduated in 1990 with a Bachelor of Business majoring in Accountancy from Queensland University of Technology and later in 1999, he obtained his Master in Business Administration majoring in Finance from Leicester University, United Kingdom. From 1990 to 1991, he was attached with Kassim Chan, a firm of Public Accountants, as Audit Assistant where he gained experience in the areas of accounting, auditing and taxation. In 1991, he joined QCD (M) Sdn Bhd as Accountant and later in 1993, he joined AEC as Finance and Administration Manager. In 1998, he joined MWSB as Director and was subsequently promoted to his present capacity. His responsibilities include overseeing MWSB's operational activities. He is also a Director of Beltrax Engineering Sdn Bhd ("BESB").

Cheam Hock Meng, aged 33, is a Director of MWSB. He graduated in 1993 with a Bachelor of Science majoring in Chemistry from Universiti Malaya. From 1993 to 1996, he was attached with Turriss Chemical Trading as Assistant Sales Manager where he gained experience in waste water treatment which encompasses a wide range of engineering work. In 1997, he joined MWSB as Director and his responsibilities include overseeing MWSB's operational activities. He is also a Director of BESB.

Choong Bee Leong, aged 36, is the Senior Engineering Manager of AEC. He completed his secondary education at Chung Ling High School, Pulau Pinang in 1984. After completing an interior designing course in 1985, he joined a printing company as an Artist in 1986. He left the printing company in 1987 to help in his family business (video renting and used car dealing). In 1990, he joined Malaysian Circuit Industries Sdn Bhd as Engineering Technician. In 1991, he joined AEC as Supervisor in the Engineering Department and was subsequently promoted to his current position in 1997. His responsibilities include overseeing the Engineering Department, and Research and Development Department to support the production processes of AEC.

Howard Huang Tse-Ho, aged 46, is the Production Manager of AEC. He graduated with a Degree in Industrial Engineering from National Taipei University of Technology, Taiwan in 1982. He began his career in 1983 as a Quality Assurance with Ko Seng Enterprise ("KSE"), a company principally involved with the production of multi-layer PCB. He was subsequently promoted to Production Supervisor in 1985. He left KSE in 1989 and joined Lite-On Corporation Ltd. in the same year as Engineering Manager. He was subsequently assigned to Lite-On (Thailand) Corporation Ltd. in 1991. In 1995, he joined Brain-Power Corporation Ltd. as Factory Manager and thereafter joined Innovation Electronics Sdn Bhd in 2000 as its Factory Manger. He joined AEC in 2001 in his current position. His responsibilities include overseeing AEC's production of PCB and upkeep of machinery.

Ong Eng Theam, aged 33, is the Quality Assurance Manager of AEC. He graduated in 1994 with a Bachelor of Science (Honours) majoring in Physics from Unviersiti Putra Malaysia. He began his career with Malaysian Circuit Ind. (M) Sdn Bhd in 1994 as Production and QA Assistant Manager. In 1997, he joined Asian Micro (S) Pte. Ltd., a company incorporated in Singapore, as QA Manager. He was attached to Kingston Technology F.E. (M) Sdn. Bhd as QA Manager in 1999 before joining AEC in 2002. His responsibilities include establishing and maintaining Quality Management System, setting and achieving quality goals and mission.

Eng Swee Luan, aged 31, is the Production Control Head of AEC. She graduated with a Bachelor of Economics majoring in Business Administration from Universiti Malaya, Malaysia in 1996. She began her career with AEC in 1996 as Quality Assurance Engineer and was subsequently promoted to Production Control Manager in 1999. She assumed her current capacity in 2001. Her responsibilities include overseeing the overall production process and maintaining strict quality control of AEC's PCB manufacturing operation.

9. INFORMATION ON MAJOR SHAREHOLDERS PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Lee Kuang How, aged 35, is the Sales Manager of MWSB. He graduated in 1991 with a Diploma in Mechanical & Manufacturing Engineering from Tunku Abdul Rahman College, Malaysia. He began his career with Acer Technologies (M) Sdn Bhd in 1991 as Quality Assurance Engineer. From 1992 to 1994, he was attached with Linear Cooling Tower Sdn Bhd as Marketing Executive and later joined Hexagon Tower Sdn Bhd in 1994 as Service Engineer. From 1996 to 1999, he was attached with Atlantech Pollution Control Sdn Bhd as Sales Manager. He joined MWSB in 2000 in his current position, and is involved in the sales and marketing of chemical treatment services.

Lim Kooi Peng, aged 38, is the Administration Manager of MWSB. She graduated with a Bachelor of Business Administration with Honours from Universiti Utara Malaysia in 1990. She began her career with QCD (M) Sdn Bhd in 1990 as Sales Co-ordinator. From 1992 to 1993, she was attached to MEP (M) Sdn Bhd as Quality Assurance Engineer. In 1993, she joined AEC as Purchasing Executive. Later in 1996, she joined MWSB in her current position, and her responsibilities include overseeing the general and administrative functions of MWSB.

Tan Siew Lean, aged 33, is the Administration Head of AEC. She graduated with a Bachelor of Business Administration from Universiti Utara Malaysia in 1994. She began her career with AEC in 1994 as Quality Assurance Engineer. In 1995, she was promoted to Process Engineer and was subsequently promoted to her current position in 1997. Her responsibilities include overseeing the general and administration functions of AEC.

Heng Kim Joo, aged 30, is the Quality Assurance Head of AEC. He graduated in 1994 with a Diploma in Electro Mechanical Engineering from the Technical and Further Education College, Seremban. He began his career with Hualon Corporation (M) Berhad in 1994 as an Engineer and joined Prime Granite Sdn Bhd as an Executive in 1997. He joined AEC in 2000 in his current position and his responsibilities include maintaining strict quality control for the PCB production process.

Tang Chin Sin, aged 29, is the Engineering Head of AEC. He graduated in 1993 with a Diploma of Accountancy from Simyong College, Pulau Pinang. He joined AEC in 1994 as Purchasing Assistant and was promoted to his current position in 2001. His responsibilities includes overseeing the overall engineering functions of the product sampling division.

Yeoh Kee Hoon, aged 28, is the Finance and Accounts Head of AEC. She graduated with a Bachelor of Arts with Joint Honours in Accounting and Finance from University of Strathclyde, United Kingdom in 1996. From 1997 to 2000, she was attached with Ernst & Young, a firm of Public Accountants, as Audit Assistant where she gained experience in the areas of accounting, auditing and taxation. She joined AEC in 2000 in her current position, and her responsibilities include overseeing the finance and accounting functions.

9.5 Employees

As at 31 March 2002, the Group has a total workforce of 402 employees. The employees do not belong to any union and generally enjoy a cordial relationship with the management.

9.6 Family Relationship

Yang Chueh-Kuang is the son of Yang Wu-Hsiung. Yang Chao-Tung is the nephew of Yang Wu-Hsiung whilst Lim Kooi Peng is the wife of Teoh Kok Cheow. Yeoh Kee Hoon is the daughter of Loh Ah Heoh, a substantial shareholder of AEM.

Save as disclosed above, none of the Directors, major shareholders (after the Public Issue) and key management personnel of the Group are related to one another.

10. INFORMATION ON SUBSIDIARIES

Details of the subsidiaries of AEM are as follows:-

10.1 AEC

10.1.1 History and Business

AEC was incorporated in Malaysia under the Companies Act, 1965 on 15 October 1987 as a private limited company under the name of Circuitprint Sdn Bhd and subsequently adopted its present name on 9 January 1989. The company commenced operation on 1 March 1990 and is principally involved in the manufacturing of PCB.

10.1.2 Share Capital

Its present authorised and paid-up share capital are as follows:-

Type	No. of ordinary shares	Par value RM	RM
Authorised	10,000,000	1.00	10,000,000
Issued and paid-up	10,000,000	1.00	10,000,000

Changes in the issued and paid-up share capital of AEC since its incorporation are as follows:-

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital RM
15.10.1987	2	1.00	Cash; Subscribers' shares issued at par	2
12.02.1990	2,299,998	1.00	Cash; Issued at par	2,300,000
02.08.1991	200,000	1.00	Cash; Issued at par	2,500,000
21.07.1995	970,000	1.00	Cash; Issued at par	3,470,000
13.10.1998	775,500	1.00	Cash; Issued at par	4,245,500
16.12.1999	2,854,500	1.00	Cash; 250,000 shares issued at par; 1,894,500 shares issued at RM1.40 per share; 710,000 shares issued at RM3.50 per share	7,100,000
23.03.2000	2,900,000*	1.00	Cash; 550,000 shares issued at RM1.58 per share; 2,350,000 shares issued at RM3.40 per share	10,000,000

Note:-

* On allotment, RM0.01 was paid up on these shares. Subsequently, the company made two (2) calls of RM0.99 and RM2.40 per share on 2,350,000 of these shares on 27 March 2001 and 19 April 2002 respectively and two (2) calls of RM0.99 and RM0.58 per share on the remaining 550,000 shares on 22 August 2001 and 19 April 2002 respectively. No other calls are due on the 2,900,000 shares.

10.1.3 Subsidiary and Associated Company

Details of AEC's subsidiary as at the date hereof are as follows:-

Name	Date and place of incorporation	Registered ordinary share capital ('000)	Paid-up ordinary share capital ('000)	Principal activities
AET	24.05.90; Thailand	THB110,000	THB110,000	Manufacturing of PCB

As at the date hereof, AEC does not have any associated company.

10. INFORMATION ON SUBSIDIARIES (Cont'd)

10.1.4 Major Shareholder

AEM is the beneficial owner of the entire issued and paid-up share capital of AEC.

10.1.5 Directors

The Directors of AEC and their shareholdings according to the Register of Directors and the Directors' Shareholdings are as follows:-

Directors	-----No. of ordinary shares of RM1.00 each held-----			
	Direct	%	Indirect	%
Yang Wu-Hsiung	-	-	10,000,000*	100.00
Yang Chao-Tung	-	-	-	-
Tan Ah Lee	-	-	-	-

Note:-

* Deemed interested through Stanza's shareholding in AEM.

10.1.6 Profit and Dividend Records

The following is a summary of the audited results of AEC for the five (5) financial years ended 31 December 1997 to 2001:-

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	51,034	50,461	53,642
Profit before depreciation, interest and taxation	5,084	6,750	8,397	9,272	10,873
Depreciation	(1,464)	(2,063)	(2,314)	(2,659)	(3,275)
Interest expense	(1,582)	(1,915)	(1,611)	(1,393)	(1,557)
Profit before taxation	2,038	2,772	4,472	5,220	6,041
Taxation	-	-	-	(443)	(723)
Profit after taxation	2,038	2,772	4,472	4,777	5,318
Weighted average no. of ordinary shares in issue	3,470,000	3,756,288	4,370,629	9,350,273	10,000,000
Net EPS (RM)	0.59	0.74	1.02	0.51	0.53
Gross dividend rate (%)	-	-	-	-	-

Notes:-

- (i) Revenue increased by 57.95% to RM39.19 million for the financial year ended 31 December 1998 due to the boom of the electronics and electrical industry and aided by the devalued Ringgit. Profit before tax increased by 36.02% to RM2.77 million in tandem with higher sales volume.
- (ii) Revenue increased by 30.24% to RM51.03 million for the financial year ended 31 December 1999 due to the increase in customers demand as a result of the continued boom of the electronics and electrical industry. Profit before tax increased by 61.33% to RM4.47 million due to increase in turnover and the reduction in interest expense as a result of lower interest rates.
- (iii) Revenue decreased by 1.12% to RM50.46 million for the financial year ended 31 December 2000 due to the reduction in average selling prices as compared to the financial year ended 31 December 1999 because majority of the customers requested for lower material grade so as to remain competitive e.g. from fibre glass board to paper phenolic board. Profit before tax however, increased by 16.73% to RM5.22 million mainly due to the lower cost of production arising from the benefit of a second automated printing line being installed and commissioned in the second half of the year and decrease in interest expense.

10. INFORMATION ON SUBSIDIARIES (Cont'd)

- (iv) Revenue increased by 6.30% to RM53.64 million for the financial year ended 31 December 2001 due to increased demand by existing customers and AET. Profit before tax increased by 15.73% to RM6.04 million in line with increased revenue during the financial year.
- (v) There were no taxation charges for the financial years ended 31 December 1997 and 31 December 1998 due mainly to the availability of unabsorbed tax losses, capital allowances and reinvestment allowance to offset against the tax adjusted/statutory income. There was no taxation charge for the financial year ended 31 December 1999 as it was a tax waiver year.
- (vi) The taxation charges for the financial years ended 31 December 2000 and 31 December 2001 represent a rate lower than the statutory income tax rate due to its eligibility for reinvestment allowance claim.
- (vii) There was no exceptional or extraordinary item in respect of the financial years under review.

10.2 AET

10.2.1 History and Business

AET was incorporated in Thailand on 24 May 1990 as a private limited company under the name of Far East Umbrella (Thailand) Co. Ltd. and changed its name to Fareast Umbrella (Thailand) Co. Ltd. ("Fareast") on 23 August 1990. Subsequently on 3 August 1999, the company adopted its present name. Initially, Fareast was engaged in the manufacturing of umbrellas until 1999 when it ceased its umbrella manufacturing operations. The umbrella factory was strategically located adjacent to one of AET's major customer, namely Delta Electronics (Thailand) Public Co. Ltd. ("Delta"), and due to its logistical advantage, the Group acquired the entire equity interest in Fareast, and reconstructed the factory into a PCB manufacturing plant in 1999. Delta accounted for approximately 30.0% of AET's revenue for the financial year ended 31 December 2001. The reconstruction of the factory building was completed in April 2000 and AET, commenced manufacturing of PCB in June 2000.

10.2.2 Share Capital

Its present registered and paid-up share capital are as follows:-

Type	No. of ordinary shares '000	Par value THB	THB'000
Registered	1,100	100.00	110,000
Paid-up	1,100	100.00	110,000

Changes in the paid-up share capital of AET since its incorporation are as follows:-

Date of allotment	No. of Ordinary shares allotted	Par value THB	Consideration	Paid-up share capital THB'000
24.05.1990	100,000	100.00	Cash; Issued at par	10,000
08.12.1995	300,000	100.00	Cash; Issued at par	40,000
14.12.2000	700,000	100.00	Cash; Issued at par	110,000

10. INFORMATION ON SUBSIDIARIES (Cont'd)**10.2.3 Subsidiary and Associated Company**

As at the date hereof, AET does not have any subsidiary or associated company.

10.2.4 Major Shareholder

AET is wholly-owned by AEC and AEM is the beneficial owner of the entire issued and paid-up share capital of AEC, which in turn is wholly-owned by AEM.

10.2.5 Directors

The Directors of AET and their shareholdings are as follows:-

Directors	-----No. of ordinary shares of THB100.00 each held-----			
	Director	%	Indirect	%
Yang Wu-Hsiung	1 ⁺	*	1,100,000#	100.00
Yang Chao-Tung	1 ⁺	*	-	-
Tan Ah Lee	1 ⁺	*	-	-

Notes:-

+ Held in trust for AEC.

* Negligible.

Deemed interested through Stanza's shareholding in AEM.

10.2.6 Profit and Dividend Records

The following is a summary of the audited results of AET for the five (5) financial years ended 31 December 1997 to 2001:-

Financial year ended 31 December	1997 RM 000	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000
Revenue	3,147	3,233	355	3,355	8,387
Profit/(Loss) before depreciation and interest and taxation	154	(1,304)	(1)	556	1,045
Depreciation	(40)	(52)	(39)	(319)	(689)
Interest expense	(13)	(1)	(259)	-	(134)
(Loss)/Profit before taxation	101	(1,357)	(299)	237	222
Taxation	-	-	-	-	-
(Loss)/Profit after taxation	101	(1,357)	(299)	237	222
Weighted average no. of shares in issue	400,000	400,000	400,000	434,529	1,100,000
Net earnings/(loss) per share (RM)	0.25	(3.39)	(0.75)	0.54	0.20
Gross dividend rate (%)	-	-	-	-	-

Notes:-

The results above were converted to RM based on the relevant exchange rates.

- (i) For the financial years ended 31 December 1997 to 31 December 1999, AET was a manufacturer of umbrellas. It ceased its umbrella operations during the financial year ended 31 December 1998. For the financial year ended 31 December 1999, revenue was in respect of sales of left-over inventories.

10. INFORMATION ON SUBSIDIARIES (Cont'd)

- (ii) *The factory building construction was completed in April 2000 and AET installed a finishing line (punching, auto test, flux coating process, quality control and packing) and commenced commercial production in June 2000. Semi-finished PCB are bought from AEC and the finishing process is completed in the AET plant. Thereafter, the finished products are delivered to the customers. AET was able to record sales of RM3.36 million in its six months of operation in the financial year ended 31 December 2000. Because of the lower production overheads in AET, the gross profit margin was better and the company managed to make a profit before tax of RM237,000.*
- (iii) *Revenue increased by 149.99% to RM8.39 million for the financial year ended 31 December 2001 as it was in its full year of operations and the company obtained bigger sales order from its existing customers. AET commissioned its automated production line for single sided PCB by the beginning of December 2001 which contributed to the increase in revenue as well. Profit before tax decreased by 6.33% to RM222,000 due to a reduction in selling price, a consequent of competition, higher production overheads and higher depreciation expense as a result of the increased plant and machinery purchased during the year.*
- (iv) *AET has been granted a 3 year income tax exemption by the Board of Investment, Thailand, effective from its operation date in June 2000.*
- (vi) *There was no exceptional or extraordinary item in respect of the financial years under review.*

10.3 MWSB

10.3.1 History and Business

MWSB was incorporated in Malaysia under the Companies Act, 1965 on 16 January 1995 as a private limited company. It is principally engaged in chemical processing, trading activities, provision of waste water treatment facilities and waste water recycling services.

10.3.2 Share Capital

Its present authorised and paid-up share capital are as follows:-

Type	No. of ordinary shares	Par value RM	RM
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	600,000	1.00	600,000

Changes in the issued and paid-up share capital of MWSB since its incorporation are as follows:-

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital RM
16.01.1995	2	1.00	Cash; Subscribers' shares issued at par	2
20.05.1996	22,498	1.00	Cash; Issued at par	22,500
20.07.1996	10,000	1.00	Cash; Issued at par	32,500
05.09.1996	10,000	1.00	Cash; Issued at par	42,500
05.11.1996	30,000	1.00	Cash; Issued at par	72,500
10.08.1998	27,500	1.00	Cash; Issued at par	100,000
01.09.1998	80,000	1.00	Cash; Issued at par	180,000

10. INFORMATION ON SUBSIDIARIES (Cont'd)

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital RM
29.04.1999	114,000	1.00	Bonus issue on the basis of approximately 633 new ordinary shares for every 1,000 ordinary shares held	294,000
01.07.1999	306,000	1.00	Cash; Issued at approximately RM1.84 per share	600,000

10.3.3 Subsidiary and Associated Company

As at the date hereof, MWSB does not have any subsidiary or associated company.

10.3.4 Major Shareholders

AEM holds 51.0% effective equity interest in MWSB. The remaining 34.1% and 14.9% are held by Beltrax Engineering Sdn. Bhd. and Amia Co. Ltd. respectively.

10.3.5 Directors

The Directors of MWSB and their shareholdings, according to the Register of Directors and Directors' Shareholdings are as follows:-

Directors	-----No. of ordinary shares of RM1.00 each held-----			
	Direct	%	Indirect	%
Yang Wu-Hsiung	-	-	306,000*	51.0
Teoh Kok Cheow	-	-	204,600 [#]	34.10
Cheam Hock Meng	-	-	204,600 [#]	34.10
Tan Ah Lee	-	-	-	-
Chan Kuo-Chin	-	-	-	-
Chen Kuo-Shan	-	-	-	-

Notes:-

* Deemed interested through Stanza's shareholding in AEM.

Deemed interested through Beltrax Engineering Sdn Bhd.

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10. INFORMATION ON SUBSIDIARIES (Cont'd)

10.3.6 Profit and Dividend Records

The following is a summary of the audited results of MWSB for the five (5) financial years ended 31 December 1997 to 2001:-

Financial year ended 31 December	1997 RM 000	1998 RM 000	1999 RM 000	2000 RM 000	2001 RM 000
Revenue	1,929	2,765	2,653	4,707	5,026
Profit before depreciation, interest and taxation	95	274	407	718	988
Depreciation	(7)	(61)	(98)	(197)	(214)
Interest expense	(44)	(101)	(62)	(78)	(77)
Profit before taxation	44	112	247	443	697
Taxation	(21)	(4)	10	(30)	(110)
Profit after taxation	23	108	257	413	587
Weighted average no. of ordinary shares in issue	72,500	224,089*	448,258*	600,000	600,000
Net EPS (RM)	0.32	0.48	0.57	0.69	0.98
Gross dividend rate (%)	-	-	-	-	-

Notes:-

* Adjusted for bonus issue implemented on 29 April 1999.

- (i) Revenue increased by 43.34% to RM2.77 million for the financial year ended 31 December 1998 as more customer accounts were secured and MWSB started its waste water treatment activities. Profits before tax increased by 154.55% to RM112,000 in tandem with the increase in revenue.
- (ii) Revenue decreased by 4.05% to RM2.65 million for the financial year ended 31 December 1999 due to lower sale of waste water treatment plant. Profit before tax increased by 120.54% to RM247,000 due to the increase in profit contribution from sales to new customers during the year.
- (iii) Revenue increased by 77.42% to RM4.71 million for the financial year ended 31 December 2000 due to a 56.59% and 225.38% increase in chemical and waste water treatment sales respectively. Profit before tax increased by 79.35% to RM443,000 due to the substantial increase in revenue for the year.
- (iv) Revenue increased by 6.78% to RM5.03 million for the financial year ended 31 December 2001 due to the increase in chemical sales as more customers were secured. Profit before tax increased by 57.34% to RM697,000 due to the increase profit contribution from the new customers secured.
- (v) For the financial year ended 31 December 1997, the effective tax rate was higher than the statutory tax rate due to certain expenses not deductible for tax purposes. The effective tax rates for the financial years ended 31 December 1998, 2000 and 2001 were lower due to the utilisation of unabsorbed capital allowances and reinvestment allowance
- (vi) For the financial year ended 31 December 1999, taxation expense represents deferred taxation and over provision for tax in previous year. There was no current taxation charge for the year as it was a tax waiver year
- (vii) There was no exceptional or extraordinary item in respect of the financial years under review.

11. OTHER INFORMATION ON THE AEM GROUP

11.1 Approvals and Conditions

The FIC, MITI and the SC approved the Restructuring and Listing Exercise as set out in Section 8.3 of this Prospectus on 25 October 2001 and 20 March 2002; 7 November 2001 and 18 March 2002; and 28 November 2001 and 6 March 2002, respectively.

The conditions imposed by all the authorities and the status of compliance are as follows:-

Authority	Details of Conditions Imposed	Status of Compliance
FIC	AEM is to obtain the approvals of the MITI and SC.	AEM obtained the approvals of the MITI and SC on 7 November 2001 and 18 March 2002; and 28 November 2001 and 6 March 2002 respectively.
MITI	AEM is to obtain the approvals of the FIC and SC.	AEM obtained the approvals of the FIC and SC on 25 October 2001 and 20 March 2002; and 28 November 2001 and 6 March 2002 respectively.
SC	<p>(i) The utilisation of proceeds raised from the Public Issue are subject to the following:-</p> <p>(a) Approval from the SC should be sought for any changes to the utilisation of proceeds other than for the core business of the AEM Group;</p> <p>(b) Shareholders' approval is required for any deviation by twenty five percent (25.0%) or more from the utilisation as determined. If the deviation is less than twenty five percent (25.0%), appropriate disclosure should be made to the shareholders of AEM;</p> <p>(c) Any extension of time on the period of utilisation already determined by AEM for the utilisation of proceeds should be approved through a final resolution by the Board of Directors of AEM and communicated to the KLSE; and</p> <p>(d) Appropriate disclosure on the status of the utilisation of proceeds should be made in the quarterly and annual reports of AEM until the said proceeds have been fully utilised.</p>	<p>Will comply if applicable.</p> <p>Will comply if applicable.</p> <p>Will comply if applicable</p> <p>Will comply if applicable</p>

11. OTHER INFORMATION ON THE AEM GROUP (Cont'd)

Authority	Details of Conditions Imposed	Status of Compliance
	(ii) A moratorium on sale of shares is imposed on 36,066,020 ordinary shares of RM0.50 each, representing 45.08% of the enlarged issued and paid-up share capital of AEM after the Public Issue, where the shares under moratorium are not allowed to be sold, transferred or assigned within one year from the date of admission of the Company's shares on the KLSE. Thereafter, the shares under moratorium are allowed to be sold, transferred or assigned up to a maximum of one-third of the shareholding under moratorium per year;	Complied as detailed in Section 11.4 of this Prospectus.
	(iii) AEM is required to ratify the unapproved structures at the low cost house in Sungai Petani and the factory in Thailand (as disclosed in the Valuation Report provided by the private valuers) and also to ratify the differences between the building erected on AEC's factory site in Sungai Petani and the plans approved by the local authority, prior to the issuance of the Prospectus;	Complied. The SC was informed on 14 March 2002.
	(iv) AEM is required to enter into a formal agreement with Amallion Enterprise Corp. ("AE") for the use of the trade mark registered by AE; and	Met. AEM entered into a Licence Agreement with AE on 17 March 2002.
	(v) AEM must comply fully with the applicable guidelines in relation to companies' listing as stated in the SC's Policies and Guidelines on Issue/Offer of Securities, particularly that as provided under Chapter 10.17 that requires AEM to focus on its existing core business activities for a minimum period of three (3) years subsequent to its listing on the KLSE.	To be complied.

11.2 Related Party Transactions

Save as disclosed in Section 21.3(ix) of this Prospectus, there are no transactions, existing or potential, entered or to be entered by AEM or its subsidiaries as at the date hereof, which involved the interest, direct or indirect, of the Directors, major shareholders and/or persons connected to them as defined under Section 122A of the Companies Act, 1965.

There are no transactions, existing or potential, entered or to be entered by AEM or its subsidiaries as at the date hereof which involved the interest, direct or indirect, of its key management personnel.

11. OTHER INFORMATION ON THE AEM GROUP (Cont'd)

11.3 Conflict of Interest

Save for disclosed below, there is no conflict of interest or potential conflict of interest between the Group and its Adviser, Reporting Accountants, Solicitors, Valuers, Registrar and Independent Market Research Consultant. The Adviser, Reporting Accountants, Solicitors, Valuers, Registrar and Independent Market Research Consultant are paid a fee for their professional services.

CIMB had, on 1 March 2001, entered into a Facility Agreement, Call Option Agreement and Memorandum of Deposit with Dato' Mohamed Azman bin Yahya ("Dato' Azman") to provide financing to him for the subscription of ordinary shares in AEC. Accordingly, his 2,350,000 AEC ordinary shares of RM1.00 each were pledged to CIMB and held by CIMB Nominees (Tempatan) Sdn Bhd as security for the facility. The said 2,350,000 AEC shares were subsequently exchanged with 15,979,998 AEM shares pursuant to the Acquisition of AEC and the Rights Issue. Further, pursuant to the Call Option Agreement, Dato' Azman has granted a call option to CIMB for the purchase of up to 2.0% of the issued and paid-up share capital of AEM ("Call Option") upon completion of the Rights Issue. The Call Option is exercisable for a period of six (6) months commencing from the date of the Listing.

In addition, CIMB had, on 1 March 2001, entered into a Put Option Agreement with Yang Wu-Hsiung and Yang Chao-Tung wherein CIMB has the right but not the obligation to put to Yang Wu-Hsiung and Yang Chao-Tung collectively, up to 2,350,000 AEC ordinary shares of RM1.00 each or such number of new AEM ordinary shares of RM1.00 each which will be exchange pursuant to the Acquisition of AEC and/or subscribed by Dato' Azman, upon the occurrence of certain events of default under the Facility Agreement or events which would prevent the implementation of the Listing.

Dato' Azman, the Non-Executive Chairman of AEM, has through a private limited company controlled by him, entered into an agreement to purchase the entire issued and paid-up share capital of the Registrar, Signet Share Registration Services Sdn Bhd. The agreement which is yet to be completed is not connected to nor dependent on the Listing.

11.4 Moratorium on Shares

Under the Policies and Guidelines on Issue/Offer of Securities issued by the SC and as a condition of the SC's approval for the Listing, the belowmentioned shareholders of AEM will not be allowed to sell, transfer or assign their respective portion of their shareholdings, amounting in totality to 36,066,020 ordinary shares of RM0.50 each, representing 45.08% of the enlarged issued and paid-up share capital of AEM after the Public Issue within one (1) year from the date of admission of AEM to the Official List of the Second Board of KLSE. Thereafter, they are permitted to sell, transfer or assign only up to a maximum of one-third per annum (on a straight-line basis) of their shareholding in the Company which is under moratorium.

Details of the shareholders of AEM who will be subjected to the moratorium, as approved by the SC, are as follows:-

Shareholders	AEM ordinary shares held after the Public Issue		AEM ordinary shares under moratorium	
	No. of ordinary shares of RM0.50 each	% of enlarged share capital	No. of ordinary shares of RM0.50 each	% of enlarged share capital
Dato' Mohamed Azman bin Yahya	15,979,998	19.97	7,990,000	9.99
Stanza	14,231,398	17.79	9,148,150	11.44
Peninsular	10,367,598	12.96	6,664,442	8.33
Hsu Pao Lu	3,876,000	4.85	2,076,292	2.60
Datin Hajah Sumaiah bte Sarif	2,838,326	3.55	1,520,432	1.90
Saffie bin Bakar, A.M.P., P.J.K.	2,470,848	3.09	1,323,580	1.65

11. OTHER INFORMATION ON THE AEM GROUP (Cont'd)

Shareholders	AEM ordinary shares held after the Public Issue		AEM ordinary shares under moratorium	
	No. of ordinary shares of RM0.50 each RM	% of enlarged share capital %	No. of ordinary shares of RM0.50 each RM	% of enlarged share capital %
Liaw Hsin Chung	1,768,000	2.21	947,080	1.18
Yang Chao-Tung	1,365,814	1.71	731,638	0.92*
Hsu Yu Tang	1,245,998	1.56	667,456	0.83
Tham Keng Chuen	978,290	1.22	524,050	0.66
Cher Tze Hlang	971,122	1.21	520,210	0.65
Lim Hun Hooi	815,850	1.02	437,036	0.55
Loh Ah Heoh	811,920	1.01	434,928	0.54
Yang Chueh-Kuang	747,118	0.93	400,216	0.50
Tan Ah Lee	720,060	0.90	385,720	0.48
Yang Wu-Hsiung	700,964	0.88	375,492	0.47
Wu, Michael Chien Lung	571,200	0.71	305,980	0.38
Yang Chueh-Yu	462,060	0.58	247,516	0.31
Wu Hsien Sao	380,800	0.48	203,986	0.26*
Chen Chu Chia	349,744	0.44	187,350	0.23
Ng Soo Chai	331,500	0.41	177,578	0.22
Yang Cheng Hsiung	299,200	0.37	160,276	0.20
Lim Kok Hock	259,304	0.32	138,904	0.17
Wong Mei Hwa	238,000	0.30	127,492	0.16
Roseni bte Yusoff	237,278	0.30	127,106	0.16
Tang Yew Khuan @ Tan Ewe Kuan	230,058	0.29	123,238	0.15
Lin King Lung	223,774	0.28	119,872	0.15
Total	63,472,222	84.02	36,066,020	45.08

Note:-

* Rounded up.

The restriction, which is fully accepted by the aforesaid shareholders, is specifically endorsed on the share certificates representing the shareholding of the aforesaid shareholders which are under moratorium to ensure that the Company's Registrar do not register any transfer not in compliance with the restriction imposed by the SC and KLSE.

The remarks to be endorsed on these share certificates are as follows:-

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the SC ("Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificate or certificates will be issued to replace this certificate unless the same shall be endorsed with this restriction."

In the case where the affected shareholder is a private holding company, every shareholder of the private holding company (if an individual) or ultimate individual shareholders (if the shareholder of the private holding company is another holding company) is required to, pursuant to Section 10.12 of the SC's Policies and Guidelines on Issue/Offer of Securities, give an undertaking that he/she will not sell, transfer or assign his/her shareholding in the related private holding company for the Moratorium Period imposed by the SC on the sale of shares in AEM. Accordingly, the aforesaid shareholders whose shares are under moratorium had, on via their respective undertaking letters, given their respective undertaking to the SC that they will not sell, transfer or assign their respective shareholdings during the Moratorium Period.

12. CONSOLIDATED PROFIT FORECAST TOGETHER WITH THE ASSUMPTIONS THEREON

12.1 Consolidated Profit Forecast of AEM

The Directors of AEM forecast that, barring unforeseen circumstances, the consolidated profit after taxation of AEM for the financial year ending 31 December 2002 will be as follows:-

Financial year ending 31 December	Forecast 2002 RM 000
Revenue	73,393
Consolidated profit before taxation, minority interests and pre-acquisition profit	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	4,592
Net EPS (sen)	9.19 ⁽ⁱ⁾
Net PE multiple based on issue price of RM0.80 per share (times)	8.71

Note:-

- (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.*

12.2 Principal Bases and Assumptions

The principal assumptions upon which the forecast have been made are as follows:-

- (a) The Listing will be completed by 30 June 2002.
- (b) There will be no significant changes to the prevailing economic and political environment in Malaysia and elsewhere which will adversely affect the activities or performance of the Group.
- (c) There will be no significant changes to the present legislations or regulations, bases and rates of duties, levies and corporate tax rate affecting the activities of the Group or the market in which it operates.
- (d) There will be no significant changes in the principal activities of the Group.
- (e) There will be no major industrial dispute or any abnormal circumstances which may adversely affect the operations of the Group.
- (f) The fluctuation of foreign exchange rates against the RM will have no significant impact on the operations of the Group as the RM has been pegged at RM3.80 to USD1.00 and the exchange rate against THB is not forecast to change materially from the current exchange rate of RM8.865 to THB100.00.
- (g) The inflation rate will not fluctuate significantly from the forecast levels.

12. CONSOLIDATED PROFIT FORECAST TOGETHER WITH THE ASSUMPTIONS THEREON
(Cont'd)

- (h) There will be no significant changes in the management, operating and accounting policies from those presently adopted by the Group.
- (i) There will be no material changes in sales mix and margin of the Group's products.
- (j) There will be no significant changes in the prices of raw materials, labour, manufacturing and other operating expenses.
- (k) The existing financing facilities will remain available with no significant changes in their prevailing interest rates.
- (l) There will be no material acquisitions or disposal of fixed assets or investments other than those that have been forecast.

The consolidated profit forecast had been prepared on bases and accounting policies consistent with those previously adopted in the preparation of the audited financial statements of AEM and its subsidiaries.

12.3 Directors' Analysis

The Directors of AEM have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of AEM for the financial year ending 31 December 2002 and are of the opinion that the consolidated profit forecast is fair and reasonable in light of the future plans, strategies and prospects of the AEM Group as set out in Section 7 of this Prospectus and the prospects of the electrical and electronics products industry and telecommunications industry as set out in Sections 6.2 and 6.3 respectively of this Prospectus and after taking into consideration the forecast gearing levels and the liquidity and working capital requirements of the Group.

Profit forecast for the financial year ending 31 December 2002

Revenue is forecast at RM73.393 million for the financial year ending 31 December 2002, representing a 19.07% increase from the proforma consolidated turnover for the financial year ended 31 December 2001. The improvement is mainly due to the full commissioning of the single-sided PCB plant in Thailand, the forecast 20.0% increased in revenue generated from the chemical processing and trading activities, and expected commencement of the Silver Through Hole ("STH") double-sided PCB production in the third quarter of 2002. As a result of the increase in revenue, profit before taxation is forecast to increase by 17.99% to RM7.904 million compared to previous financial year.

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13. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in this Prospectus)

JB LAU & ASSOCIATES
CHARTERED ACCOUNTANTS

■ 51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

■ Phone: (04) 2287828 (6 Lines)
Fax: (04) 2279828
E-mail: jblau@tm.net.my

28 May 2002

**The Board of Directors
AE Multi Holdings Berhad
51-8-B Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Malaysia**

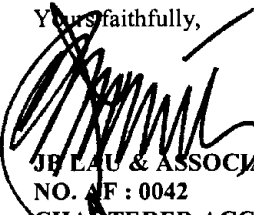
Dear Sirs,

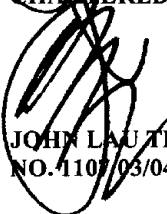
**CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31
DECEMBER 2002**

We have reviewed the accounting policies and calculations for the consolidated profit forecast of AE Multi Holdings Berhad, for which the Directors are solely responsible, for the financial year ending 31 December 2002 as set out in the Prospectus to be dated 7 June 2002 issued in connection with the public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.80 per ordinary share pursuant to the listing of and quotation for its entire issued and fully paid-up share capital on the Second Board of Kuala Lumpur Stock Exchange.

In our opinion, the consolidated profit forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors as set out in the Prospectus and are presented on a basis consistent with the accounting policies normally adopted by the AEM Group.

Yours faithfully,


**JB LAU & ASSOCIATES
NO. AF : 0042
CHARTERED ACCOUNTANTS**


**JOHN LAU TIANG HUA
NO. 1107/03/04(J)**

14. DIVIDEND FORECAST

It is the policy of the Directors of AEM to recommend dividends to allow shareholders to participate in the profits of the Company as well as leaving adequate reserves for the future growth of the Group.

Based on the forecast profit after taxation and minority interests of RM6.64 million for the financial year ending 31 December 2002, the Directors of AEM anticipate that, in the absence of unforeseen circumstances, the Company will be in a position to propose a tax-exempt dividend of 2.5 sen per share for the financial year ending 31 December 2002 based on its issued and paid-up share capital of 80,000,000 ordinary shares of RM0.50 each.

The intended appropriation of the forecast profit after taxation and minority interests for the financial year ending 31 December 2002 will be as follows:-

Financial year ending 31 December	Forecast 2002 RM 000
Consolidated profit after taxation and minority interests	6,641
Less: Proposed tax-exempt dividend of 2.5 sen per share	(2,000)
Profit retained for the financial year	<u>4,641</u>
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 based on tax-exempt dividend of 2.5 sen per share (times)	3.32

Future dividends may be waived if:-

- (a) the Group is in a loss position for the relevant financial year; or
- (b) the Group has insufficient cash flows to meet any dividend payments.

Notwithstanding the above, the Directors of AEM have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interest of the Company.

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15. PROFORMA CONSOLIDATED BALANCE SHEETS AND NOTES THEREON

The Proforma Consolidated Balance Sheets of AEM as at 31 December 2001 as set out below are provided for illustrative purposes only to show the effects of the Acquisition of AEC, Rights Issue, Public Issue and the 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 the 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				
Gross amount due from customers	-	52	52	52
Inventories	-	13,142	13,142	13,142
Trade debtors	-	15,654	15,654	15,654
Other debtors, deposits and prepayments	-	1,687	1,687	1,687
Fixed deposits with licensed banks	-	192	192	192
Cash and bank balances	#	6,410	9,438	10,683
	#	37,137	40,165	41,410
CURRENT LIABILITIES				
Trade creditors	-	7,556	7,556	7,556
Gross amount due to customers	-	9	9	9
Other creditors and accruals	5	7,876	7,876	7,876
Bank borrowings	-	16,771	16,771	15,963
Provision for taxation	-	204	204	204
	5	32,416	32,416	31,608
NET CURRENT (LIABILITIES)/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
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

Note:-

RM2.00 only.

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

15. PROFORMA CONSOLIDATED BALANCE SHEETS AND NOTES THEREON (Cont'd)

Notes to the Proforma Consolidated Balance Sheets

1. The Proforma Consolidated Balance Sheets of AEM have been prepared for illustrative purposes based on the bases and accounting principles consistent with those previously adopted in the preparation of the audited consolidated financial statements of AEC and on the assumption that the following were effected on that date:-

- (a) (i) The acquisition of 100% equity interest in AEC based on its adjusted audited consolidated NTA as at 31 December 2000 after adjusting for the call up on unpaid shares and revaluation surplus and deficit arising from the revaluation of landed properties, satisfied by the issuance of new AEM ordinary shares of RM0.50 each valued at approximately RM0.56 per share.

	Adjusted NTA as at 31 December 2000 RM 000	New AEM shares to be issued '000
AEC	34,972*	61,944
		RM 000
Audited consolidated NTA as at 31 December 2000		24,492
Add: Call-up on unpaid shares		8,830 [#]
Revaluation surplus of AEC		210
Revaluation surplus of AET		1,452 [^]
Share of revaluation deficit of MWSB		(12)
Adjusted NTA		<u>34,972*</u>
		RM 000
<u>Issued shares</u>		
2,350,000 ordinary shares of RM1.00 each issued at RM3.40 per share		7,990
550,000 ordinary shares of RM1.00 each issued at RM1.58 per share		869
		<u>8,859</u>
Less: 1st call of RM0.01 paid-up		(29)
Call-up on unpaid shares		<u>8,830[#]</u>
		THB'000
<u>Revaluation surplus of AET</u>		
Open market value of land and building		42,100
Net book value of land and building		(25,566)
		<u>16,534</u>
		RM 000
Translated using exchange rate as at 31 December 2000 of THB100.00 : RM8.7790		1,452 [^]

15. PROFORMA CONSOLIDATED BALANCE SHEETS AND NOTES THEREON (Cont'd)

- (ii) Subsequent to the Acquisition of AEC, AEC disposed of its 51% equity interest in the issued and paid-up share capital of MWSB to AEM for a total cash consideration of RM777,530. The purchase consideration was arrived at based on the adjusted audited NTA as at 31 December 2000 after adjusting for revaluation deficit of RM22,724 arising from the revaluation of its landed properties.
- (b) Rights issue of 6,056,148 new ordinary shares of RM0.50 each on the basis of approximately 98 shares for every 1,000 shares held at an issue price of RM0.50 per share.
- (c) Public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.80 per share.
- (d) The gross proceeds from the Rights Issue and Public Issue will be utilised as follows:-

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

- (e) The movement of cash and bank balances are as follows:-

	RM 000
Audited as at 31 December	#
Arising from the Acquisition of AEC	<u>6,410</u>
Proforma I	6,410
Proceeds from the Rights Issue	<u>3,028</u>
Proforma II	9,438
Proceeds from the Public Issue	9,600
Utilisation of proceeds	
- Repayment of bank borrowings	(3,248)*
- Purchase of machinery	(3,457)
- Estimated listing expenses	(1,650)
Proforma III	<u>10,683</u>

Notes:-

RM2.00 only.

* For the purpose of illustrating the Proforma Balance Sheets, only RM3.248 million was shown utilised as repayment of bank borrowings as the balance of RM1.782 million was only drawn down subsequent to the financial year ended 31 December 2001.

15. PROFORMA CONSOLIDATED BALANCE SHEETS AND NOTES THEREON (Cont'd)

- (f) The estimated listing expenses of RM1,650,000 will be written off against the share premium account.

	RM 000
Share premium from:	
Issue of shares to AEC at a premium of approximately RM0.065 x 61,943,848	4,000
Public Issue - RM0.30 x 12,000,000	3,600
Listing expenses	(1,650)
	5,950

2. The Proforma Consolidated Balance Sheets of AEM and its subsidiaries have been prepared under the acquisition method of consolidation. The Proforma Consolidated Balance Sheets have been prepared on the accounting principles and bases consistent with those normally adopted by AEM and its subsidiaries.

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16. **REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS**

(Prepared for inclusion in this Prospectus)

JB LAU & ASSOCIATES
CHARTERED ACCOUNTANTS

■ 51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia.

■ Phone: (04) 2287828 (6 Lines)
Fax: (04) 2279828
E-mail: jblau@tm.net.my

28 May 2002

**The Board of Directors
AE Multi Holdings Berhad
51-8-B Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Malaysia**

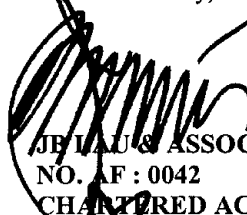
Dear Sirs,

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2001

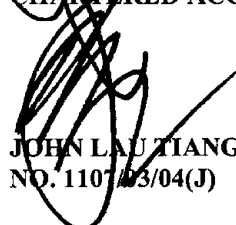
We have reviewed the presentation of the Proforma Consolidated Balance Sheets of AE Multi Holdings Berhad ("AEM") as at 31 December 2001, together with the accompanying notes thereon, for which the Directors are solely responsible, as set out in the accompanying statement prepared for purposes of inclusion in the Prospectus to be dated 7 June 2002 issued in connection with the public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.80 per ordinary share pursuant to the listing of and quotation for its entire issued and fully paid-up share capital on the Second Board of Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets of AEM as at 31 December 2001 together with the notes thereto, which are provided for illustrative purposes only, have been properly compiled on a basis consistent with the accounting policies normally adopted by the Group and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully,



JB LAU & ASSOCIATES
NO. AF : 0042
CHARTERED ACCOUNTANTS



JOHN LAU TIANG HUA
NO. 110743/04(J)