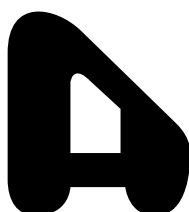


THIS CIRCULAR TO SHAREHOLDERS OF AE MULTI HOLDINGS BERHAD (“AEM” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



AE MULTI HOLDINGS BERHAD
(Registration No. 200101004021(539777-D))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN AEM (“AEM SHARES” OR “SHARES”) INTO 1 AEM SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No. 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company (“**EGM**”) will be conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 2 February 2024 at 11.00 a.m. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Form of Proxy and deposit it at the Company’s share registrar’s office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not less than 48 hours before the date and time indicated below or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy : Wednesday, 31 January 2024 at 11.00 a.m.
Date and time of the EGM : Friday, 2 February 2024 at 11.00 a.m.
Broadcast Venue of the EGM : Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan

This Circular is dated 18 January 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

AEM or the Company	: AE Multi Holdings Berhad (200101004021 (539777-D))
AEM Group or the Group	: Collectively, AEM and its subsidiaries
AEM Shares or Shares	: Ordinary shares in the Company
Board	: The Board of Directors of AEM
Books Closing Date	: A date to be determined and announced later by the Board, at the close of business on which the Shareholders must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Share Consolidation
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-Laws	: The by-laws governing the ESOS
Circular	: This circular to Shareholders in relation to the Proposed Share Consolidation
Consolidated Shares	: Shares that have been consolidated following the completion of the Proposed Share Consolidation
Consolidated Warrants B	: Adjusted Warrants B after the Proposed Share Consolidation
Deed Poll B	: The deed poll constituting Warrants B dated 1 July 2021
Directors	: Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007 and Director shall be construed accordingly
EGM	: Extraordinary general meeting of the Company
EPS	: Earnings per Share
ESOS	: Employees' share option scheme of the Company which took effect on 20 August 2021, for a period of 5 years
ESOS Options	: Options granted or which may be granted under the ESOS pursuant to the By-Laws, where each holder of the ESOS Options can subscribe for 1 new Share for every 1 ESOS Option held
FYE	: Financial year ended / ending, as the case may be
Listing Requirements	: Main Market Listing Requirements of Bursa Securities including any amendments made thereto from time to time
LPD	: 29 December 2023, being the latest practicable date prior to the printing of this Circular
Market Day	: Any day on which Bursa Securities is open for trading in securities

DEFINITIONS (CONT'D)

Maximum Scenario	:	Assuming all the Warrants B are exercised into new Shares prior to the Books Closing Date
Minimum Scenario	:	Assuming none of the Warrants B are exercised into new Shares prior to the Books Closing Date
NA	:	Net assets
Proposed Consolidation Share	:	Proposed consolidation of every 10 existing AEM Shares held by the Shareholders on the Books Closing Date into 1 Consolidated Share
Record of Depositors	:	A record of securities holders provided by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991, including the Securities Industry (Central Depositories) (Amendment) Act 1998
RM and sen	:	Ringgit Malaysia and sen respectively
Shareholders	:	Registered holders of AEM Shares
TA Securities or the Principal Adviser	:	TA Securities Holdings Berhad (197301001467 (14948-M))
Warrants B	:	Warrants 2021/2024 of the Company which will expire on 15 August 2024. Each warrant holder is entitled the right to subscribe for 1 AEM Share at an exercise price of RM0.05.

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to 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. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular 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 Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between the amounts stated, actual figures and the totals thereof in this Circular are due to rounding.

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EXECUTIVE SUMMARY

This Executive Summary of the Proposed Share Consolidation only highlights the key information from other parts of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular for further details before voting at the EGM.

Summary

Summary of the Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 10 existing Shares held by the Shareholders, whose names appear in the Company's Record of Depositors at the close of business on the Books Closing Date, into 1 Consolidated Share.

Please refer to Section 2 of this Circular for further information.

Rationale for the Proposed Share Consolidation

The Company has a large number of Shares in issue and a relatively low trading price range, the Board noted that a small movement in the Share price may result in a high corresponding percentage movement. The Proposed Share Consolidation would lead to a reduction in the number of Shares available in the market and may reduce the magnitude of fluctuation of the Company's market capitalisation.

Please refer to Section 3 of this Circular for further information.

Approvals required

- (i) Bursa Securities, the approval of which was obtained on 10 January 2024 for the Proposed Share Consolidation;
- (ii) Shareholders at the forthcoming EGM; and
- (iii) any other relevant parties / authorities, if required.

Please refer to Section 7 of this Circular for further information.

Interests of Directors, major Shareholders, chief executive and/or persons connected with them

None of the Directors, major Shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Share Consolidation.

Please refer to Section 9 of this Circular for further information.

Board's recommendation

The Board recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Share Consolidation to be tabled at the forthcoming EGM, the details of which are set out in this Circular, and the Notice of EGM as enclosed.

Please refer to Section 10 of this Circular for further information.



AE MULTI HOLDINGS BERHAD
(Registration No. 200101004021 (539777-D))
(Incorporated in Malaysia)

Registered Office

1-10, Medan Perniagaan Pauh Jaya
Jalan Baru
13700 Perai
Pulau Pinang
Malaysia

18 January 2024

Board of Directors

Yang, Chao-Tung (Managing Director)
Mak Siew Wei (Executive Director)
Yee Yit Yang (Independent Non-Executive Director)
Ong Poh Lin Abdullah (Independent Non-Executive Director)
Lim Choo Hooi (Independent Non-Executive Director)
Saffie Bin Bakar (Non-Independent Non-Executive Director)

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

On 17 October 2023, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Share Consolidation.

On 10 January 2024, TA Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 10 January 2024 granted its approval for the Proposed Share Consolidation.

The approval of Bursa Securities is subject to the conditions as set out in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED SHARE CONSOLIDATION AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE CONSOLIDATION WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE CONSOLIDATION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation entails the consolidation of every 10 existing Shares held by the Shareholders, whose names appear in the Company's Record of Depositors at the close of business on the Books Closing Date, into 1 Consolidated Share.

As at the LPD, the issued share capital of the Company is RM167,252,676 comprising 2,163,503,889 Shares. The Company does not have any treasury shares. The Company has the following convertible securities:

- (i) 1,081,720,597 outstanding Warrants B; and
- (ii) up to 324,525,500 ESOS Options which may be granted and exercised pursuant to the maximum allowable amount under the ESOS.

The Company does not intend to grant any ESOS Options prior to the completion of the Proposed Share Consolidation. For clarity, the Company has not granted any ESOS Options since the commencement of the ESOS on 20 August 2021 up to the LPD. For illustration:

- (i) assuming none of the Warrants B are exercised into new Shares prior to the Books Closing Date, the 2,163,503,889 Shares as at the LPD will be consolidated into 216,350,388 Consolidated Shares; and
- (ii) assuming all the 1,081,720,597 Warrants B are exercised into new Shares prior to the Books Closing Date, the enlarged number of 3,245,224,486 Shares will be consolidated into 324,522,448 Consolidated Shares.

The actual number of Consolidated Shares will be determined later based on the total number of issued shares of the Company at the Books Closing Date after taking into consideration any new Shares that may be issued arising from the exercise of any outstanding Warrants B.

Fractional entitlements of the Consolidated Shares and Consolidated Warrants B arising from the Proposed Share Consolidation, if any, shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

2.1 Theoretical adjusted reference price of the Consolidated Shares and Consolidated Warrants B

The Proposed Share Consolidation will result in an adjustment to the reference price of the Shares and Warrants B as quoted on the Main Market of Bursa Securities. Theoretically, this shall not have any impact on the total market value of these securities held by the Shareholders and Warrant B holders.

(i) Consolidated Shares

For illustration, based on the last transacted market price of the Shares as at the LPD, the theoretical adjusted reference price of the Consolidated Shares upon completion of the Proposed Share Consolidation is as follows:

	No. of Shares	Closing market price / Theoretical adjusted reference price per Share (RM)	Total value ⁽¹⁾ (RM)
As at the LPD	2,163,503,889	0.015	32,452,558
After the Proposed Share Consolidation	216,350,388	0.150 ⁽²⁾	32,452,558

Notes:

- (1) The total value is arrived at by multiplying the number of Shares with the closing market price / theoretical adjusted reference price per Share.
- (2) The theoretical adjusted reference price is arrived at based on the following formula:

$$\begin{aligned} \text{Theoretical adjusted reference price} &= \text{Market price per Share} \times \frac{\text{Number of Shares before the Proposed Share Consolidation}}{\text{Number of Shares after the Proposed Share Consolidation}} \\ &= 0.015 \times \frac{2,163,503,889}{216,350,388} \\ &= 0.150 \end{aligned}$$

(ii) Consolidated Warrants B

The Proposed Share Consolidation will also result in an adjustment to the reference price of the existing Warrants B. For illustration, based on the last transacted market price of the Warrants B as at the LPD, the theoretical adjusted reference price of the Warrants B upon completion of the Proposed Share Consolidation is as follows:

	No. of Warrants B	Closing market price / Theoretical adjusted reference price per Warrant B (RM)	Total value ⁽¹⁾ (RM)
As at the LPD	1,081,720,597	0.005	5,408,603
After the Proposed Share Consolidation	108,172,059	0.050 ⁽²⁾	5,408,603

Notes:

- (1) The total value is arrived at by multiplying the number of Warrants B with the closing market price / theoretical adjusted reference price per Warrant B.
- (2) The theoretical adjusted reference price is arrived at based on the following formula:

$$\begin{aligned} \text{Theoretical adjusted reference price} &= \text{Market price per Warrant B} \times \frac{\text{Number of Warrants B before the Proposed Share Consolidation}}{\text{Number of Warrants B after the Proposed Share Consolidation}} \\ &= 0.005 \times \frac{1,081,720,597}{108,172,059} \\ &= 0.050 \end{aligned}$$

Based on the illustration above, the Proposed Share Consolidation will increase the reference prices of the Shares and Warrants B respectively but it will not have any impact on the total value of these securities, save for non-material changes due to the disregard of fractional entitlements and / or potential differential pricing for odd lot trading by Shareholders and warrant holders holding Consolidated Shares and Consolidated Warrants B in odd lots. It should also be noted that odd lot trading is generally illiquid. For Shareholders' information, fractional entitlement refers to a shareholding of less than 1 whole share, whereas odd lot holdings refer to a shareholding of less than 100 shares in total or of any quantity that is not in an exact multiple of 100 shares.

The pro forma effects of the Proposed Share Consolidation on the Shareholders' shareholding as well as Warrants B holders' holding in the Company based on the Record of Depositors as at the LPD are as follows:

Consolidated Shares

Size of Holdings	As at the LPD		After the Proposed Share Consolidation					
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Less than 100	43	0.83	1,799	*	211	4.06	5,006	*
100-1,000	446	8.57	326,260	0.02	1,577	30.32	828,769	0.38
1,001-10,000	1,299	24.98	8,009,688	0.37	2,286	43.95	10,281,243	4.75
10,001-100,000	2,286	43.95	102,812,436	4.75	976	18.77	31,725,089	14.66
100,001- Less than 5% issued shares	1,125	21.63	1,314,739,382	60.77	149	2.86	99,748,849	46.11
5% and above of issued shares	2	0.04	737,614,324	34.09	2	0.04	73,761,432	34.10
Total	5,201	100.00	2,163,503,889	100.00	5,201	100.00	216,350,388	100.00

Consolidated Warrants B

Size of Holdings	As at the LPD		After the Proposed Share Consolidation					
	No. of Warrant B holders	%	No. of Warrants B	%	No. of Warrant B holders	%	No. of Warrants B	%
Less than 100	12	1.99	698	*	30	4.98	564	*
100-1,000	23	3.82	9,950	*	76	12.62	39,255	0.04
1,001-10,000	71	11.80	387,547	0.04	242	40.20	1,148,950	1.06
10,001-100,000	242	40.20	11,489,504	1.06	207	34.39	6,769,480	6.25
100,001- Less than 5% issued Warrants B	250	41.53	399,537,998	36.93	43	7.15	33,184,320	30.68
5% and above of issued Warrants B	4	0.66	670,294,900	61.97	4	0.66	67,029,490	61.97
Total	602	100.00	1,081,720,597	100.00	602	100.00	108,172,059	100.00

* Less than 0.01%.

In summary, the Proposed Share Consolidation will result in the following:

- (i) 131 Shareholders and 13 Warrant B holders will end up with fractional entitlement. 11 of these Shareholders will cease to be Shareholders as they only hold less than 1 Consolidated Share each after the Proposed Share Consolidation. No cessation of Warrant B holders as each of them holds at least 1 Consolidated Warrant B after the Proposed Share Consolidation;
- (ii) a total of 63 Consolidated Shares and 11 Consolidated Warrants B will be disregarded due to the adjustment of fractional entitlements; and

- (iii) no other impact to the Shareholders and Warrant B holders with odd lot holdings, as the odd lot entitlement can still be traded in the odd lot market of Bursa Securities, albeit at a lower liquidity and potential differential pricing, which may be at a significant premium or discount relative to the prevailing market price. For illustration, there was only 1 Share traded in the odd lot market of Bursa Securities for the past 12 months up to the LPD. The said Share was traded at RM0.305, which represented a premium of 1,425% to the then prevailing market price of RM0.02 per Share on the same day. As for Warrants B, there was no trading in the odd lot market of Bursa Securities for the past 12 months up to the LPD.

Based on the analysis above, the consolidation ratio of every 10 existing Shares into 1 Consolidated Share was contemplated after considering the following reasons:

- (i) shares with very low prices tend to be more volatile, as small price movements can result in large percentage changes. The Consolidated Shares will help to reduce the aforesaid volatility, making the Shares more stable;
- (ii) the higher share price resulting from the Proposed Share Consolidation will provide the Company with more flexibility in fixing the issue price for future corporate proposals, if any;
- (iii) non-material changes to the shareholdings of existing Shareholders and Warrant B holders (i.e. 63 Consolidated Shares and 11 Consolidated Warrants B were disregarded due to adjustment of fractional entitlement after the Proposed Share Consolidation, which represent less than 0.01% each for the total Consolidated Shares and Consolidated Warrants B); and
- (iv) notwithstanding that there will be 28,126 Shares and 7,749 Warrants B in odd lot after the Proposed Share Consolidation (as compared to 7,089 Shares and 2,597 Warrants B in odd lot as at the LPD), the consolidation ratio of every 10 existing Shares into 1 Consolidated Share is a ratio that will both meet the Company's rationale for the Proposed Share Consolidation set out in Section 3 below and result in the least number of Shares and Warrants B in odd lot after the Proposed Share Consolidation.

Having considered the rationale and justifications as laid out above, the Board is of the opinion that the Proposed Share Consolidation is in the best interest of the Company and its Shareholders.

Further, the Proposed Share Consolidation is expected to result in adjustments to the exercise price and number of outstanding Warrants B, further details of which are set out in Section 4.5 of this Circular. As there is no outstanding ESOS Options currently and the Company does not intend to grant any ESOS Options prior to the completion of the Proposed Share Consolidation, no adjustment to exercise price and/or number of ESOS Options is required due to the Proposed Share Consolidation.

2.2 Ranking of the Consolidated Shares and Consolidated Warrants B

The Consolidated Shares shall rank equally in all respects with one another.

The Consolidated Warrants B shall rank equally in all respects with one another.

2.3 Suspension of trading, listing date and notices of allotment

There will not be any suspension of trading of the Shares and Warrants B on the Main Market of Bursa Securities pursuant to the Proposed Share Consolidation.

The Consolidated Shares and Consolidated Warrants B will be listed and quoted simultaneously on the Main Market of Bursa Securities on the next Market Day after the Books Closing Date.

The notices of allotment of the Consolidated Shares and Consolidated Warrants B will be issued and despatched to the entitled holders within 4 Market Days after the listing and quotation of the Consolidated Shares and Consolidated Warrants B on the Main Market of Bursa Securities.

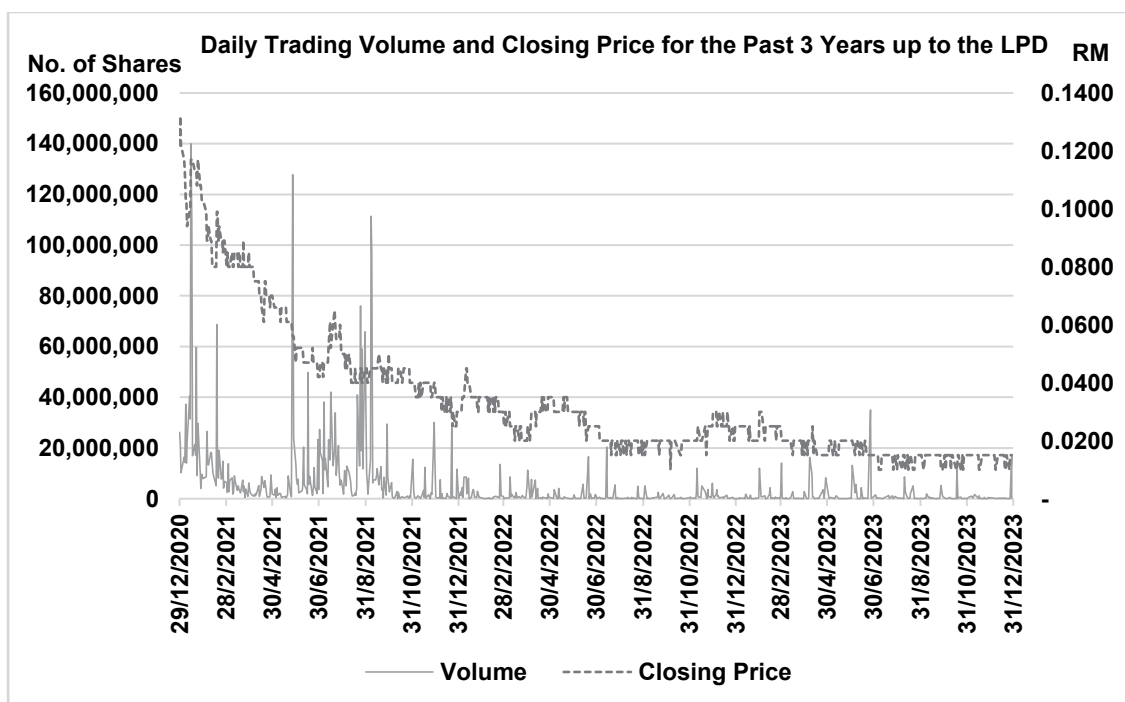
3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation is part of the Company's proactive capital management plan to improve the Company's capital structure.

As the Company has a large number of Shares in issue and a relatively low trading price range (mainly since February 2021 up to the LPD, where closing price has consistently been lower than RM0.10 per Share), the Board noted that a small movement in the Share price may result in a high corresponding percentage movement. The Proposed Share Consolidation would lead to a reduction in the number of Shares available in the market and may reduce the magnitude of fluctuation of the Company's market capitalisation.

Following the completion of the Proposed Share Consolidation, the market price of each Share will increase by 10 times theoretically and the total number of Shares in issue will be reduced by the corresponding ratio. Notwithstanding this, Shareholders should note that the Proposed Share Consolidation is not expected to alter the total value of the Consolidated Shares held by them.

The Board is of the view that the aforesaid increase in the market price of the Shares may facilitate market participation in the trading of the Shares. This may in turn support the trading volume of the Shares which has generally been on a downtrend in the past 3 years up to the LPD, in line with the decreasing market price of the Shares as illustrated below:



A yearly analysis of the average daily trading volume and closing price of the Shares for the past 3 years up to the LPD is further illustrated as follows:

Yearly period	Average daily trading volume (no. of shares)	Average daily closing price (RM)
30 December 2020 to 29 December 2021	11,196,596	0.0600
30 December 2021 to 29 December 2022	1,297,763	0.0254
30 December 2022 to 29 December 2023 (LPD)	1,208,497	0.0171

As shown above, both average daily trading volume and closing price for the Shares have been decreasing in the past 3 years up to the LPD. The Board views that the decreasing trading volume is partly attributable to the low market price of the Shares where it may be more difficult for potential buyers and sellers to agree on a trading price given the tick size of RM0.005 as determined by Bursa Securities. The tick size is the minimum price variation between the buy and sell price for a stock. In the case of the Shares and given the average daily closing price of RM0.0171 in the past 1 year up to the LPD, the tick size of RM0.005 would require a potential buyer or seller of the Shares to vary its offer price for the Shares by at least 29.24% (i.e., a variation of at least RM0.005 from RM0.0171) in order to transact, unless there is a ready buyer or seller for the price initially offered.

In this regard, the Board is of the view that the completion of the Proposed Share Consolidation may facilitate trading of the Shares as the theoretically higher share price is expected to provide greater pricing flexibility to potential buyer or seller of the Shares. For illustration and comparison, the tick size of RM0.005 represents only 2.92% of the theoretical average daily closing price of the Shares in the past 1 year up to the LPD of RM0.171 after the Proposed Share Consolidation. This is expected to facilitate trading of the Shares, which in turn provides opportunities for potential investors to invest in the Shares as well as for existing Shareholders to monetise their investment in the Shares if they wish to.

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4. EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

4.1 Share capital

The pro forma effects of the Proposed Share Consolidation on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	2,163,503,889	167,252,676	2,163,503,889	167,252,676
To be issued assuming full exercise of Warrants B	-	-	1,081,720,597	(1)64,903,236
After full exercise of the Warrants B	2,163,503,889	167,252,676	3,245,224,486	232,155,912
Resultant issued share capital upon completion of the Proposed Share Consolidation	216,350,388	167,252,676	324,522,448	232,155,912

Note:

(1) Assuming full exercise of 1,081,720,597 outstanding Warrants B at the exercise price of RM0.05 each and after accounting for the reversal of warrants reserve.

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4.2 NA and gearing

The pro forma effects of the Proposed Share Consolidation on the NA and gearing of the Group are as follows:

Minimum Scenario

	Audited as at 31 March 2023 (RM'000)	(I) (1) After the Proposed Share Consolidation (RM'000)
Share capital	167,253	167,253
Foreign currency translation reserve	4,667	4,667
Revaluation reserve	5,306	5,306
Warrant reserve	10,817	10,817
Other reserve	(10,817)	(10,817)
Accumulated losses	(98,933)	(99,113)
Total equity / NA	78,293	78,113
No. of Shares in issue ('000)	2,163,504	216,350
NA per Share (RM)	0.04	0.36
Total borrowings (RM'000)	49,608	49,608
Gearing (times)	0.63	0.64

Note:

(1) Based on the consolidation of every 10 existing Shares into 1 Consolidated Share pursuant to the Proposed Share Consolidation and after deducting estimated expenses to be incurred in relation to the Proposed Share Consolidation of RM0.18 million.

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Maximum Scenario

	Audited as at 31 March 2023 (RM'000)	(1) After assuming full exercise of Warrants B (RM'000)	(2) After (1) and the Proposed Share Consolidation (RM'000)
Share capital	167,253	232,156	232,156
Foreign currency translation reserve	4,667	4,667	4,667
Revaluation reserve	5,306	5,306	5,306
Warrant reserve	10,817	-	-
Other reserve	(10,817)	(10,817)	(10,817)
Accumulated losses	(98,933)	(98,933)	(99,113)
Total equity / NA	78,293	132,379	132,199
No. of Shares in issue ('000)	2,163,504	3,245,224	324,522
NA per Share (RM)	0.04	0.04	0.41
Total borrowings (RM'000)	49,608	49,608	49,608
Gearing (times)	0.63	0.37	0.38

Notes:

- (1) Assuming full exercise of 1,081,720,597 outstanding Warrants B at the exercise price of RM0.05 each and after accounting for the reversal of warrants reserve.
- (2) Based on the consolidation of every 10 existing Shares into 1 Consolidated Share pursuant to the Proposed Share Consolidation and after deducting estimated expenses to be incurred in relation to the Proposed Share Consolidation of RM0.18 million.

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4.3 Substantial Shareholders' shareholdings

The pro forma effects of the Proposed Share Consolidation on the substantial Shareholders' shareholdings in the Company based on the register of substantial Shareholders of the Company as at the LPD are as follows:

Minimum Scenario

Substantial Shareholders	As at the LPD				(1) After the Proposed Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
AT Precision Tooling Sdn Bhd	677,936,200	31.34	-	-	67,793,620	31.34	-	-
AT Systematization Berhad	-	-	(3)677,936,200	31.34	-	-	(3)67,793,620	31.34
Morgan Stanley & Co. International Plc	137,534,324	6.36	-	-	13,753,432	6.36	-	-
Mitsubishi UFJ Financial Group, Inc.	-	-	(4)137,534,324	6.36	-	-	(4)13,753,432	6.36

Notes:

- (1) Computed based on 2,163,503,889 Shares as at the LPD.
- (2) Computed based on 216,350,388 Consolidated Shares following the completion of the Proposed Share Consolidation.
- (3) Deemed interested by virtue of its interests in AT Precision Tooling Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (4) Deemed interested by virtue of its interests in Morgan Stanley & Co. International Plc pursuant to Section 8 of the Companies Act 2016.

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Maximum Scenario

Substantial Shareholders	(I)					
	As at the LPD		Assuming full exercise of Warrants B			
	Direct	Indirect	Direct	Indirect		
No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	
AT Precision Tooling Sdn Bhd	677,936,200	31.34	-	-	1,127,996,200	34.76
AT Systematization Berhad	-	-	(4)677,936,200	31.34	-	-
Morgan Stanley & Co. International Plc	137,534,324	6.36	-	-	137,534,324	4.24
Mitsubishi UFJ Financial Group, Inc.	-	-	(5)137,534,324	6.36	-	-
					(6)137,534,324	4.24

Substantial Shareholders	(II)				
	After (I) and the Proposed Share Consolidation				
	Direct	Indirect	Direct	Indirect	
No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(3)%
AT Precision Tooling Sdn Bhd	112,799,620	34.76	-	-	-
AT Systematization Berhad	-	-	(4)112,799,620	34.76	-
Morgan Stanley & Co. International Plc	13,753,432	4.24	-	-	-
Mitsubishi UFJ Financial Group, Inc.	-	-	(5)13,753,432	4.24	-

Notes:

- (1) Computed based on 2,163,503,889 Shares as at the LPD.
- (2) Computed based on 3,245,224,486 Shares assuming full exercise of the Warrants B.
- (3) Computed based on 324,522,448 Consolidated Shares following the completion of the Proposed Share Consolidation.
- (4) Deemed interested by virtue of its interests in AT Precision Tooling Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (5) Deemed interested by virtue of its interests in Morgan Stanley & Co. International Plc pursuant to Section 8 of the Companies Act 2016.

4.4 Earnings and EPS

The Proposed Share Consolidation will not have any effect on the consolidated earnings of the Group for the FYE 31 March 2024, except that the lower number of AEM Shares in issue upon completion of the Proposed Share Consolidation will result in a corresponding increase in the EPS of the Group.

4.5 Convertible securities

Save for the following, the Company does not have any other outstanding convertible securities as at the LPD:

4.5.1 Warrants B

As at the LPD, there are 1,081,720,597 outstanding Warrants B, which have an exercise price of RM0.05 each and are expiring on 15 August 2024.

Consequential to the Proposed Share Consolidation, the exercise price and/or number of Warrants B may be adjusted in accordance with the provisions of the Deed Poll B (“**Adjustments**”) to ensure that the status of the Warrant B holders is not prejudiced as a result of the Proposed Share Consolidation.

For illustrative purposes, the adjustments to the exercise price and number of the 1,081,720,597 outstanding Warrants B are set out below based on the assumption that the Books Closing Date has been fixed on the LPD.

Under the Deed Poll B, the exercise price and the number of outstanding Warrants B which are not exercised prior to the Books Closing Date will be adjusted based on the following formula:

$$\text{Adjusted exercise price of warrants} = \frac{\text{Existing exercise price of warrants} \times Y}{Z}$$

$$\text{Adjusted number of warrants} = \frac{\text{Existing number of warrants} \times Z}{Y}$$

where:

Y = The aggregate number of issued AEM Shares as at the Books Closing Date

Z = The aggregate number of issued AEM Shares on the next Market Day after the Books Closing Date

Following the above, the Adjustments are as follows:

$$\begin{aligned} \text{Adjusted exercise price of Warrants B} &= \frac{\text{RM0.05} \times 2,163,503,889}{216,350,388} \\ &= \mathbf{RM0.50} \end{aligned}$$

$$\begin{aligned} \text{Adjusted number of Warrants B} &= \frac{1,081,720,597 \times 216,350,388}{2,163,503,889} \\ &= \mathbf{108,172,059} \end{aligned}$$

Such Adjustments will only be finalised on the Books Closing Date and will be effective on the next Market Day after the Books Closing Date. The rights and obligations of the holders of the existing Warrants B will remain unchanged, save for the aforesaid Adjustments.

The holders of the outstanding Warrants B will be officially notified in due course on the effective Adjustments arising from the Proposed Share Consolidation.

4.5.2 ESOS Options

As at the LPD, there is no outstanding ESOS Option which has been granted but yet to be exercised, and up to 324,525,500 ESOS Options may be granted and exercised pursuant to the maximum allowable amount under the ESOS. Nonetheless, the Company does not intend to grant any ESOS Options prior to the completion of the Proposed Share Consolidation and hence no adjustment to exercise price and/or number of ESOS Options is required due to the Proposed Share Consolidation.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of AEM Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	High RM	Low RM
2023		
January	0.030	0.020
February	0.030	0.020
March	0.025	0.015
April	0.025	0.015
May	0.020	0.015
June	0.025	0.010
July	0.015	0.010
August	0.020	0.010
September	0.015	0.010
October	0.015	0.010
November	0.015	0.010
December	0.020	0.010
Last transacted market price on 16 October 2023, being the last market day immediately prior to the first announcement of the Proposed Share Consolidation	0.015	
Last transacted market price on the LPD (RM)	0.015	

(Source: Bloomberg)

6. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all approvals being obtained, the Proposed Share Consolidation is expected to be completed by the first quarter of 2024. The tentative timeline for the implementation of the Proposed Share Consolidation is as follows:

Date	Events
2 February 2024	EGM for the Proposed Share Consolidation
End February 2024	Books Closing Date Completion of the Proposed Share Consolidation

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Share Consolidation is subject to approvals being obtained from the following:

- (i) Bursa Securities for the Proposed Share Consolidation comprising the listing and quotation of:
 - (a) up to 324,522,448 Consolidated Shares; and
 - (b) up to 108,172,059 Consolidated Warrants B,on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained on 10 January 2024 and is subject to the following conditions:

Conditions		Status of compliance
(a)	AEM to furnish Bursa Securities with a certified true copy of the resolution passed by Shareholders at the EGM for the Proposed Share Consolidation prior to the listing and quotation of the Consolidated Shares and Consolidated Warrants B;	To be complied
(b)	AEM or TA Securities to make the relevant announcements pursuant to Paragraphs 6.56(2)(ii) and (iii) and Paragraph 13.20(2) of the Listing Requirements; and	To be complied
(c)	The Consolidated Shares and Consolidated Warrants B must be listed and quoted simultaneously.	To be complied

- (ii) Shareholders at the forthcoming EGM; and
- (iii) any other relevant parties / authorities, if required.

The Proposed Share Consolidation is not conditional upon any other proposals undertaken or to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Share Consolidation, there are no other corporate exercises which have been announced by the Company but are pending completion as at the date of this Circular.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major Shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Share Consolidation apart from their respective entitlements as Shareholders and/or Warrant B holders under the Proposed Share Consolidation, which all other Shareholders and Warrant B holders are similarly entitled to.

10. BOARD'S RECOMMENDATION

The Board, having considered all aspects, including the rationale and justifications as well as effects of the Proposed Share Consolidation, is of the opinion that the Proposed Share Consolidation is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Consolidation to be tabled at the forthcoming EGM.

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution, with or without modifications, to give effect to the Proposed Share Consolidation.

Date and time of the EGM : Friday, 2 February 2024 at 11.00 a.m.
--

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy via hardcopy in accordance with the instructions contained therein as soon as possible, so as to arrive at the Company's share registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not less than 48 hours before the date and time for the EGM as indicated above or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

12. FURTHER INFORMATION

You are requested to refer to the appendix for further information.

Yours faithfully,
For and on behalf of the Board of
AE MULTI HOLDINGS BERHAD

Yang, Chao-Tung
Managing Director

APPENDIX I – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

TA Securities, being the Principal Adviser for the Proposed Share Consolidation, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

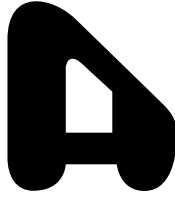
TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the Principal Adviser for the Proposed Share Consolidation.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai Pulau Pinang Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of AEM for the FYE 31 March 2022 and FYE 31 March 2023 as well as the unaudited financial results of the Company for the 6-month financial period ended 30 September 2023;
- (iii) the letter of consent referred to in Section 2 of Appendix I above; and
- (iv) the Deed Poll B.

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AE MULTI HOLDINGS BERHAD
(Registration No. 200101004021 (539777-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of AE Multi Holdings Berhad (“AEM” or the “Company”) will be conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 2 February 2024 at 11.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:

ORDINARY RESOLUTION

PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN AEM (“AEM SHARES” OR “SHARES”) INTO 1 AEM SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”)

“**THAT** upon the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to give effect to the consolidation of every 10 Shares into 1 Consolidated Share;

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another **AND THAT** the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board of Directors of the Company (“**Board**”) in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the above transactions with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
(SSM PC NO. 202008002451)

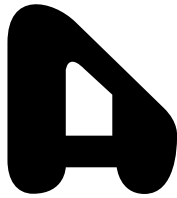
ADELINE TANG KOON LING (LS 0009611)
(SSM PC NO. 202008002271)

Company Secretaries

Penang
18 January 2024

Notes:

- (1) Only a member whose name appear in the Record of Depositors as at 26 January 2024 shall be regarded as a member entitled to attend, speak and vote or to appoint a proxy or proxies to attend, speak and vote at the EGM.
- (2) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (3) Subject to Paragraph (4) below, a member entitled to attend and vote is entitled to appoint more than two (2) proxies to attend and vote instead of him. Where a member appoints more than two (2) proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Company's share registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (7) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, the resolution set out above will be put to vote by way of poll.
- (8) The EGM will be conducted fully virtual at the Broadcast Venue. The members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.



AE MULTI HOLDINGS BERHAD
 (Registration No. 200101004021 (539777-D))
 (Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.																
No. of shares held																

I/We _____
 (FULL NAME IN BLOCK LETTERS)

(NRIC No./ Registration No./ Passport No. _____)

of _____
 (FULL ADDRESS)

(Contact No. _____ and Email Address _____)

being a member/members of **AE MULTI HOLDINGS BERHAD** ("Company"), hereby appoint

Name of Proxy	NRIC No./ Passport No.	% of Shareholdings to be Represented
Address		
Contact No.	Email Address	

and/ or failing him/ her

Name of Proxy	NRIC No./ Passport No.	% of Shareholdings to be Represented
Address		
Contact No.	Email Address	

or failing him/ her*, the CHAIRMAN OF THE MEETING as my/ our* proxy to vote for me/ us* on my/ our* behalf at the Extraordinary General Meeting of the Company to be conducted on a virtual basis through live streaming and online remote participation and voting from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 2 February 2024 at 11.00 a.m. or at any adjournment thereof.

My / our proxy is to vote as indicated below:

Resolution		For	Against
Ordinary Resolution	Proposed Share Consolidation		

Please indicate with "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this _____ day of _____ 2024.

 *Signature of Member(s) / Common Seal of Shareholder

* Delete if not applicable



Notes:

- (1) Only a member whose name appear in the Record of Depositors as at 26 January 2024 shall be regarded as a member entitled to attend, speak and vote or to appoint a proxy or proxies to attend, speak and vote at the Extraordinary General Meeting.
- (2) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (3) Subject to Paragraph (4) below, a member entitled to attend and vote is entitled to appoint more than two (2) proxies to attend and vote instead of him. Where a member appoints more than two (2) proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Company's share registrar's office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W. P. Kuala Lumpur or fax to 03-6413 3270 or email to infosr@wscs.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (7) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, the resolution set out above will be put to vote by way of poll.
- (8) The EGM will be conducted fully virtual at the Broadcast Venue. The members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

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AFFIX
STAMP

THE SHARE REGISTRAR OF
AE MULTI HOLDINGS BERHAD
Registration No. 200101004021 (539777-D)

c/o WORKSHIRE SHARE REGISTRATION SDN BHD
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

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