

## **AT SYSTEMATIZATION BERHAD (“AT” or the “Company”)**

Company No. 200401006297 (644800-X)

(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“EGM”) of the Company conducted on a fully virtual basis from the Broadcast Venue at Level 18, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 12 April 2021 at 11.00 a.m.

### Attendance

As per Attendance List

The Meeting commenced at 11.00 a.m. with the requisite quorum being present.

#### **1. CHAIRMAN’S ADDRESS**

The Chairman, Dato’ Nik Ismail Bin Dato’ Nik Yusoff, welcomed all members present and thanked them for their attendance at the Company’s Extraordinary General Meeting. Dato’ Chairman then proceeded to introduce the Board members and Company Secretary.

Upon the Secretary’s confirmation of a quorum being present, Dato’ Chairman requested Mr. Lim Kim Teck, the Company Secretary to brief the members on the proceedings of the meeting and voting procedure and to go through the agenda of the meeting on his behalf.

#### **2. PROCEDURES OF MEETING AND PRESENTATIONS**

The Company Secretary informed all present that in line with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on all the resolutions set out in the notice of the Extraordinary General Meeting will be carried out by way of poll. He informed that ShareWorks Sdn. Bhd. has been appointed as the poll administrator and Sharepolls Sdn. Bhd. has been appointed as the independent scrutineer (“Scrutineer”) for the polling process. The polling will be conducted electronically via the remote participation and voting (“RPV”) facility provided by Mlabs Research Sdn. Bhd. The voting session commenced from 11.00 a.m. and remained open for voting until the announcement of end of the voting session by the Chairman. He further informed that shareholders and proxy holders that they could pose their questions in real time during the meeting by using the Query Box in the RPV facility. The polling administrator showed a presentation on how to vote through the RPV facility.

The Managing Director, Mr. Choong Lee Aun then proceeded to give a presentation on updates in respect of the Group’s business which included the progress of the new factory for the glove business under AT Glove Engineering Sdn. Bhd.

#### **3. QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) AND COMPANY’S RESPONSES**

The Company Secretary informed all present that the Company has received a letter dated 6 April 2021 from Minority Shareholders Watch Group (“MSWG”) wherein MSWG sought clarification on certain matters and the Company has replied to MSWG accordingly.

The Managing Director, Mr. Choong Lee Aun and Chief Financial Officer, Mr. Yong Man Chai presented the questions posed by MSWG and the Company’s response to the queries from MSWG. The said questions from MSWG and the Company’s response (set out in Appendix A) were also displayed on screen for ease of reading by all present.

#### **4. MEETING AGENDA AND QUESTION AND ANSWER**

The Company Secretary then proceeded to the agenda of the EGM.

The shareholders and proxy holders of the Company raised the questions and the Board of Directors, due to the time constraints provided the answers for selected questions as set out in Appendix B.

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**5. VOTING AND POLL RESULTS**

The meeting then proceeded to voting and was adjourned for the votes to be counted and validated by the Scrutineer. Upon completion of the poll, Dato’ Chairman announced the results of the poll which had been verified by the Scrutineer as follows:-

**ORDINARY RESOLUTION 1**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS” OR “SCHEME”) INVOLVING UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF ATS (EXCLUDING TREASURY SHARES, IF ANY) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF ATS AND ITS SUBSIDIARIES (“PROPOSED ESOS”)**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
19	662,181,848	97.1407	48	19,491,400	2.8593	Carried

Accordingly Dato’ Chairman announced that the following resolution was passed as an Ordinary Resolution : -

“**THAT** subject to the approval of all relevant authorities and parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the new ordinary shares in the Company (“**ATS Shares**” or “**Shares**”) to be issued pursuant to the exercise of the Options granted under the Scheme having been obtained, approval be and is hereby given for the Company to establish the Scheme involving up to 30% of the total number of issued shares of the Company from time to time (excluding treasury shares, if any) for the benefit of eligible directors and eligible employees of the Company and its subsidiaries, excluding the subsidiaries which are dormant (“**ATS Group**” or the “**Group**”) and the Board be and is hereby authorised to:-

- (i) implement and administer the Scheme in accordance with the by-laws governing the Scheme (“**By-laws**”), a draft of which is set out in Appendix II of the Circular to Shareholders dated 26 March 2021 (“**Circular**”), and to give full effect to the Scheme with full powers to assent to any conditions, variations, modifications and/or amendments as may be deemed fit or expedient and/or imposed or required by the relevant authorities or as may be deemed fit or necessary by the Board at its discretion;
- (ii) make the necessary applications to Bursa Securities and do all the things necessary at the appropriate time or times for the listing and quotation of the new Shares which may from time to time be allotted and issued pursuant to the exercise of the Options granted under the Scheme;
- (iii) allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the exercise of the Options granted under the Scheme provided that the aggregate number of new Shares to be allotted and issued under the Scheme shall not exceed in aggregate of 30% of the total number of issued shares of the Company (excluding treasury shares, if any) at any time during the existence of the Scheme. The new Shares to be allotted and issued upon the exercise of any Options granted under the Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment, issuance, rank *pari passu* in all respects with the then existing issued Shares, save and except that the new Shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares;

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5. **VOTING AND POLL RESULTS (CONTINUED...)**

**ORDINARY RESOLUTION 1 (CONTINUED...)**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS” OR “SCHEME”) INVOLVING UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF ATS (EXCLUDING TREASURY SHARES, IF ANY) FOR ELIGIBLE DIRECTORS AND EMPLOYEES OF ATS AND ITS SUBSIDIARIES (“PROPOSED ESOS”) (CONTINUED...)**

- (iv) modify and/or amend the By-laws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board provided that such modifications and/or amendments are effected in accordance with the provisions of the By-laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme;
- (v) extend the duration of the Scheme, provided always that such extension of the Scheme made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the date on which the Scheme shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Securities or any other relevant authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting; and

**THAT** the By-laws of the Scheme, a draft of which is set out in Appendix II of the Circular, be and is hereby approved and adopted;

**AND THAT** the Board be and is hereby authorised to give effect to the Scheme with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant regulatory authorities or as the Board may deem fit or necessary at its absolute discretion.”

**ORDINARY RESOLUTION 2**

**PROPOSED ALLOCATION TO DATO’ NIK ISMAIL BIN DATO’ NIK YUSOFF**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
22	663,389,482	97.3178	45	18,283,766	2.6822	Carried

Accordingly Dato’ Chairman announced that the following resolution was passed as an Ordinary Resolution : -

**“THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities (where required) having been obtained, the Board be and is hereby authorised, at any time and from time to time throughout the duration of the Scheme, to offer and grant such number of Options to subscribe for new Shares under the Scheme to Dato’ Nik Ismail Bin Dato’ Nik Yusoff, the Independent Non-Executive Chairman of the Company (**“Proposed Allocation to Dato’ Nik Ismail”**), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through persons connected with the eligible director and/or eligible employee, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any);

...4/-

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5. **VOTING AND POLL RESULTS (CONTINUED...)**

**ORDINARY RESOLUTION 2 (CONTINUED...)**

**PROPOSED ALLOCATION TO DATO’ NIK ISMAIL BIN DATO’ NIK YUSOFF (CONTINUED...)**

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Dato’ Nik Ismail with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Dato’ Nik Ismail as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

**ORDINARY RESOLUTION 3**

**PROPOSED ALLOCATION TO CHOONG LEE AUN**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
25	664,044,482	97.4139	42	17,628,766	2.5861	Carried

Accordingly Dato’ Chairman announced that the following resolution was passed as an Ordinary Resolution : -

**“THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities (where required) having been obtained, the Board be and is hereby authorised, at any time and from time to time throughout the duration of the Scheme, to offer and grant such number of Options to subscribe for new Shares under the Scheme to Choong Lee Aun, the Managing Director of the Company (**“Proposed Allocation to Choong Lee Aun”**), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through persons connected with the eligible director and/or eligible employee, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any);

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Choong Lee Aun with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Choong Lee Aun as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

...5/-

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**5. VOTING AND POLL RESULTS (CONTINUED...)**

**ORDINARY RESOLUTION 4**

**PROPOSED ALLOCATION TO MAK SIEW WEI**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
23	663,684,482	97.3682	43	17,938,766	2.6318	Carried

Accordingly Dato’ Chairman announced that the following resolution was passed as an Ordinary Resolution : -

**“THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities (where required) having been obtained, the Board be and is hereby authorised, at any time and from time to time throughout the duration of the Scheme, to offer and grant such number of Options to subscribe for new Shares under the Scheme to Mak Siew Wei, the Executive Director of the Company (**“Proposed Allocation to Mak Siew Wei”**), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through persons connected with the eligible director and/or eligible employee, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any);

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Mak Siew Wei with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Mak Siew Weias well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

**ORDINARY RESOLUTION 5**

**PROPOSED ALLOCATION TO DR. CH’NG HUCK KHOON**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
24	655,018,482	96.0926	42	26,634,766	3.9074	Carried

Accordingly Dato’ Chairman announced that the following resolution was passed as an Ordinary Resolution : -

**“THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities (where required) having been obtained, the Board be and is hereby authorised, at any time and from time to time throughout the duration of the Scheme, to offer and grant such number of Options to subscribe for new Shares under the Scheme to Dr. Ch’ng Huck Khoon, the Independent Non-Executive Director of the Company (**“Proposed Allocation to Dr. Ch’ng Huck Khoon”**), provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through persons connected with the eligible director and/or eligible employee, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any);

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**5. VOTING AND POLL RESULTS (CONTINUED...)**

**ORDINARY RESOLUTION 5 ("CONTINUED...")**

**PROPOSED ALLOCATION TO DR. CH'NG HUCK KHOON ("CONTINUED...")**

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Dr. Ch'ng Huck Khoon with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Dr. Ch'ng Huck Khoon as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

**ORDINARY RESOLUTION 6**

**PROPOSED ALLOCATION TO TAN LAY CHEE**

Vote For			Vote Against			Results
No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
21	654,528,482	96.0179	46	27,144,766	3.9821	Carried

Accordingly Dato' Chairman announced that the following resolution was passed as an Ordinary Resolution : -

**"THAT**, subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities (where required) having been obtained, the Board be and is hereby authorised, at any time and from time to time throughout the duration of the Scheme, to offer and grant such number of Options to subscribe for new Shares under the Scheme to Tan Lay Chee, the Independent Non-Executive Director of the Company ("**Proposed Allocation to Tan Lay Chee**") , provided always that not more than ten percent (10%) of the total shares available under the ESOS should be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through persons connected with the eligible director and/or eligible employee, holds twenty percent (20%) or more of the issued share capital of the Company (excluding treasure shares, if any);

**AND THAT** subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as are necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation to Tan Lay Chee with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation to Tan Lay Chee as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

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6. **CONCLUSION**

Dato’ Chairman informed the Meeting that the Company has not received any notice of motion from the shareholders of the Company since the dispatch of the notice of Extraordinary General Meeting.

There being no further matters to discuss, it was resolved that the Meeting be concluded at 12.10 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record



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Dato’ Nik Ismail Bin Dato’ Nik Yusoff  
Chairman

1. We note that Non-Executive Directors will be eligible to participate in the Proposed Employees' Share Option Scheme ("ESOS").

MSWG does not encourage the practice of giving ESOS options to Independent Directors. Independent Directors are required to be impartial. Receiving shares under the ESOS may compromise their independence and/or impartiality or at least create such a perception.

Independent Directors should be paid a fee that is commensurate with their roles and responsibilities according to the skills and experience they bring to the Company. The ESOS Scheme, by definition, is meant for employees.

As set out in Section 3 of the Circular, the allocation of Options to non-executive directors is to recognise the contributions and efforts made by the non-executive Directors as they play a constructive role in contributing towards the growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company who will assist in the overall strategic decision-making of the Group.

As such, the Company would like to have the flexibility to allocate Options to Independent Directors in the future and to use ESOS as one of the means to recognise the contributions and efforts made by its Independent Directors.

2. The Proposed ESOS will be administered and managed by the ESOS Committee in accordance with the By-Laws.

- (i) Who are the members of the ESOS Committee?

The Board plans to set up the ESOS committee upon approval from Shareholders at the EGM for the Proposed ESOS. The composition of the ESOS committee shall be as follows:-

- a) Dato' Nik Ismail Bin Dato' Nik Yusoff (*Independent Non-Executive Chairman*)
- b) Choong Lee Aun (*Managing Director*)
- c) Mak Siew Wei (*Executive Director*)
- d) Yong Man Chai (*Chief Financial Officer*)

- (ii) Please explain how the ESOS Committee can function impartially as every Board member will be allocated shares under the ESOS. Would it not be a conflict of interest as board members will be determining their ESOS allocation?

As set out in Section 8, page 10 of the Circular, the Directors have abstained and will continue to abstain from all deliberations and voting in relation to any specific allocation of Options to themselves respectively as well as any specific allocation of Options to persons connected to them, if any, at all relevant Board meetings.

As such, the board members shall not be determining their ESOS allocation.



3. Included in the material commitment is an amount of RM 63.9 million allotted for the conditional voluntary take-over offer by the Company to acquire all the ordinary shares in Asdion Berhad for a cash offer price of RM0.50 per Offer Share (page 12 of the Circular).

**What value did the Board see in Asdion Berhad, a loss-making company for the past 5 years?**

As mentioned in pages 3 and 4 of the Company's announcement dated 11 March 2021, the additional income stream from the businesses of Asdion Berhad ("**Asdion**") and its subsidiaries ("**Asdion Group**") will reduce the Group's reliance on its existing businesses.

The Asdion Group is principally involved in the logistics business. The Group believes that the logistics business has growth potential particularly in view that the demand in the logistics sector is expected to remain strong, supported by, amongst others, the increased e-commerce activities amidst the on-going coronavirus disease 2019 (COVID-19) pandemic as well as improved logistics infrastructure, with increased route networks and connectivity across Malaysia.

Furthermore, pursuant to the Project Development Unincorporated Joint Venture Agreement entered into between Asdion and Kingdom Infra Holdings Sdn Bhd dated 6 May 2019 ("**PDUJVA**"), the Asdion Group will participate in the development and operation of the support base located at Tumpat, Kelantan. The PDUJVA is expected to transform Asdion from a traditional logistics service provider into a full-fledged logistics service provider and operator in the logistics sector.

**1. Could you pls provide us overall picture of the glove operations of AT?**

Mr. Choong briefed:-

Phase 1: Dipping Line 1 to 6

1<sup>st</sup> dipping line was completed by December 2020, whereas the 2<sup>nd</sup> & 3<sup>rd</sup> dipping line were completed by February 2021. Currently there are 3 lines running production. Additional 3 lines to be completed by April 2021 and the capacity to reach is 1.17 billion pieces per annum.

Phase 2: Dipping Line 7 to 13

For phase 2, currently in the progress of preparing the foundation and structural work both for the dipping lines and utilities.

New 4 Storey Office Building

The new 4 storey office building is targeted to be completed by end of this month, April 2021.

- Ground Floor: Receptionist, Meeting room, sample room, office room (sales, purchase & human resource)
- 1st Floor: Office room (operation), meeting room, document room
- 2nd Floor: Control room, lab room, training
- 3rd Floor: Document room and office room for engineers

**2. What are the risks associated with the sourcing of raw materials for gloves?**

Mr. Choong explained that due to the high demand for nitrile, the Group is aware of the shortage of raw material and the Group has suppliers from Taiwan and China. The Group has performed test in ensuring that the quality of the raw materials from these suppliers are in line with their requirement in terms of quality. For the past few months, the Company has managed to get 200 tons supply from these suppliers and will continue engaging them.

**3. What is the progress status of the second factory in Kamunting?**

The Group has completed acquiring the Kamunting Land 18 acres plot of industrial land on 26 March 2021 for setting up Plant 2.

Moving forward, the Group plans to build another 48 glove dipping lines and target capacity output to add by another 14.5 billion pieces per annum upon completion of 48 glove dipping lines.

Currently, soil test is conducted on the land. The architect and the machine dipping line vendor are working on drawing of the building plan and designing on dipping line respectively.

**4. Why did AT raise so much monies in the past 12 months? How did AT use these funds?**

Mr. Yong briefed that during the last 12 months, AT has raised approximately RM322 mil from shareholders via rights issues, private placements and share issuance scheme to employees.

These amounts were utilised towards business expansion of fabrication business, diversification into glove business, working capitals to support the Group's business and settlement of bank borrowings.

**5. Why did AT place so much monies into money market funds. What will happen if AT is not able to redeem it.**

Mr. Yong explained that pending utilisation of the proceeds, AT has put the excess funds into interest-bearing deposits and money market funds. This is in line with the disclosures made in the circulars given to shareholders previously.

With regards to the placement of money market funds, the trust funds that the Company have invested are low risk, ie:

- redemption can be made within T+1 day;
- the Company has selected to invest in trust fund that are shariah-based deposits and did not invest in equity securities.

The money market funds provide tax exempted income (average 2.3%) as compared to conventional fixed deposit interest which is taxable.