



**Securities Investors Association (Singapore)**

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**Issuer:** AA Group Holdings Ltd.

**Security:** AA Group Holdings Ltd.

**Meeting details:**

Date: 29 April 2019

Time: 9.30 a.m.

Venue: 60 Benoi Road, #03-02 EMS Building, Boardroom, Singapore 629906

**Company Description**

AA Group Holdings Ltd. is a Malaysia-based investment holding company. The Company produces and supplies cold forged loudspeaker parts, such as T-yokes, U-yokes, washers and frames to manufacturers of automotive and commercial audio devices, home audio-visual products and other consumer electronic products. The Company operates through five segments: manufacture of T-yokes, U-yokes, Washers, Frame, and trading in iron ore and others. Yokes and washers are components of the magnet assembly in a loudspeaker. Using cold forging technology, the Company manufactures yokes (T-yokes and U-yokes), washers and frames, which are made of low carbon steel. The Company's subsidiaries include Allied Advantage Sdn. Bhd., which is a manufacturer of speaker parts and A2A Management Pte Ltd., which is engaged in the provision of business and management consultancy services. The Company operates in Asia, Europe and North America.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5GZ](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5GZ))

1. The acquisition of Poh Huat Heng Corporation Pte. Ltd. (PHH) was completed in December 2018.

- (i) Has the integration of PHH been completed?**
- (ii) How synergistic is PHH to the group's other businesses, namely W&P Precast and W&P Corporation?**

It is observed that PHH was the previous shareholder of Engineering Manufacturing Services (S) Pte. Ltd. (EMS) and its subsidiaries, namely Germaxco Pte. Ltd. which the company acquired in February 2017.

PHH was also the vendor of W&P Precast Pte. Ltd. which the company acquired in August 2017.

The company also acquired W&P Corporation Pte Ltd on the same date from Ng Chuan Heng, Teo Siew Cheng, Chua Kim Hua, Tan Poh Guan, Tan Zhen Ying (Chen Zhenying) and Tan Jun Hao.

The vendors of PHH are the same as the vendors of W&P Corporation Pte Ltd except for Chua Kim Hua.

- (iii) Do the independent directors consider the series of acquisition of EMS, W&P Precast and W&P Corporation and PHH to be linked? Do the acquisitions of all these new subsidiaries have the same effect as a reverse-takeover?**

From the total revenue of \$19.6 million, the group recognised gross profit of \$5.5 million. Net loss was \$(1.69) million from continuing operations for the financial year.

- (iv) With all the newly acquired operating subsidiaries, can the board articulate the business model of the group and identify the key value drivers?**

2. As announced on 14 January 2019, the company entered into a Memorandum of Understanding with OneAsia Network (Pte.) Ltd. to collaborate on the development of 60 Benoi Road as a data centre and/or for other purposes.

- (i) Has the board analysed if there is the risk of an oversupply of data center in Singapore, for at least the short term?**
- (ii) As there are large and specialised data center operators/owners with global footprint, how does the group intend to compete with the big players to lease out the capacity?**
- (iii) What is the total investment earmarked for the data center?**

3. Following the worksite accident and the fine, a minor fire incident occurred at 60 Benoi Road, Singapore 629906 on 24 July 2018.

- (i) Would the board consider it opportune to carry out an assessment of the group's work safety framework and culture?**
- (ii) How are the board and the senior management addressing the issue of workplace safety so that shareholders and other stakeholders know that the group is committed to achieving the highest safety standards?**
- (iii) Can management update shareholders on how the group's safety awareness and training has been improved since the worksite accident?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=AA%20Group%20Holdings%20Ltd&cid=6688,4588>

The company's response could be found here: -----