



**ACE INNOVATE ASIA BERHAD**  
**(Registration No.: 201901007350 (1316677-U))**  
**(Incorporated in Malaysia under the Companies Act 2016)**

**ADDITIONAL INFORMATION ACCOMPANYING THE AUDITED  
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2021**

**(APPENDIX 6A, PART B OF THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD)**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA  
SECURITIES”)**

**THE LEAP MARKET OF BURSA SECURITIES HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET AND MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY ACE INNOVATE ASIA BERHAD (“AIAB” OR THE “COMPANY”). INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISK OF INVESTING IN AIAB AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

**This Additional Information is dated 27 April 2022**



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**1. ANALYSIS OF FINANCIAL PERFORMANCE**

The financial results for the financial year ended (“FYE”) 31 December 2021 and FYE 31 December 2020 of the Company and its subsidiaries (“Group”) are as follows:

**(i) Revenue**

	<b>AUDITED</b>		<b>AUDITED</b>	
	<b>FOR THE FYE 31.12.2021</b>	<b>%</b>	<b>FOR THE FYE 31.12.2020</b>	<b>%</b>
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>(a) By products and services</b>				
Scrap gold bar	206,779	13.03	233,705	17.59
Cast gold bar	1,377,508	86.77	1,093,777	82.32
Minted gold bar	3,014	0.19	960	0.07
Assaying services	166	0.01	196	0.02
Others	25	-	8	-
<b>Total</b>	<b>1,587,492</b>	<b>100.00</b>	<b>1,328,646</b>	<b>100.00</b>
<b>(b) By geographical location</b>				
Malaysia	1,544,348	97.28	1,244,030	93.63
Singapore	43,144	2.72	84,616	6.37
<b>Total</b>	<b>1,587,492</b>	<b>100.00</b>	<b>1,328,646</b>	<b>100.00</b>
<b>(c) By sales channels</b>				
Gold Trading Platform (“GTP”) Easy platform	1,497,419	94.33	1,327,192	99.89
E-commerce	2,992	0.19	960	0.07
Banking	86,902	5.47	290	0.02
Assay services	166	0.01	196	0.02
Others	13	-	8	-
<b>Total</b>	<b>1,587,492</b>	<b>100.00</b>	<b>1,328,646</b>	<b>100.00</b>



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**(ii) Gross profit (“GP”)/ Gross loss (“GL”) and GP/ (GL) margin**

	<b>AUDITED</b>		<b>AUDITED</b>	
	<b>FOR THE FYE 31.12.2021</b>		<b>FOR THE FYE 31.12.2020</b>	
	<b>RM’000</b>	<b>%</b>	<b>RM’000</b>	<b>%</b>
<b>(a) By product and services</b>				
<b>GP</b>				
Scrap gold bar	1,084	11.69	6,370	44.57
Cast gold bar	8,008	86.39	7,686	53.77
Minted gold bar	150	1.62	183	1.28
Assaying services	3	0.03	46	0.32
Others	25	0.27	8	0.06
<b>Total</b>	<b>9,270</b>	<b>100.00</b>	<b>14,293</b>	<b>100.00</b>
<b>GP margin</b>				
Scrap gold bar		0.52		2.73
Cast gold bar		0.58		0.70
Minted gold bar		4.98		19.06
Assaying services		1.81		23.47
Others		100.00		100.00
<b>Overall</b>		<b>0.58</b>		<b>1.08</b>
<b>(b) By geographical location</b>				
<b>GP/(GL)</b>				
Malaysia	9,313	100.46	10,985	76.86
Singapore	(43)	(0.46)	3,308	23.14
<b>Total</b>	<b>9,270</b>	<b>100.00</b>	<b>14,293</b>	<b>100.00</b>



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**(ii) Gross profit (“GP”)/ (Gross loss (“GL”) and GP/ (GL) margin (continued)**

**(b) By geographical location (continued)**

	AUDITED FOR THE FYE 31.12.2021	AUDITED FOR THE FYE 31.12.2020
<b>GP/(GL) margin</b>		
Malaysia	0.60	0.88
Singapore	(0.10)	3.91
<b>Overall</b>	<b>0.58</b>	<b>1.08</b>

**(c) By sales channels**

**GP**

GTP Easy platform	7,775	83.87	14,053	98.32
E-commerce	213	2.30	184	1.29
Banking	1,266	13.66	2	0.01
Assay services	3	0.03	46	0.32
Others	13	0.14	8	0.06
<b>Total</b>	<b>9,270</b>	<b>100.00</b>	<b>14,293</b>	<b>100.00</b>

**GP margin**

GTP Easy platform	0.52		1.06
E-commerce	7.12		19.17
Banking	1.46		0.69
Assay services	1.81		23.47
Others	100.00		100.00
<b>Overall</b>	<b>0.58</b>		<b>1.08</b>



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**(d) Profit after tax and net profit margin**

	<b>AUDITED FOR THE FYE 31.12.2021</b>	<b>AUDITED FOR THE FYE 31.12.2020</b>	<b>CHANGES (%)</b>
Profit after tax attributable to owners of the Company (RM'000)	153	4,053	(96.29)
Net profit margin (%)	0.01	0.31	(96.77)

**(iii) Financial position**

	<b>AUDITED FOR THE FYE 31.12.2021</b>	<b>AUDITED FOR THE FYE 31.12.2020</b>	<b>CHANGES (%)</b>
Total Shareholders' Equity	24,427	27,245	(10.34)
Total Assets	56,373	33,659	67.48
Total Liabilities	31,946	6,414	398.07

**Revenue**

The Group revenue increased by RM258.85 million or 19.48% to RM1.59 billion in the FYE 31 December 2021 as compared to FYE 31 December 2020, mainly due to increases in revenue from cast gold bar (by RM283.73 million or 25.94%) and minted gold bar (by RM2.05 million or 213.96%), which was partially offset by a decrease in revenue from scrap gold bar (by RM26.93 million or 11.52%). The decrease in revenue from scrap gold bar was mainly due to the disruptions to the business as a result of implementation of National Recovery Plan effective from 1 June 2021 in light of the higher Covid-19 cases in our country.

The increase in revenue from cast gold bar of RM283.73 million, a 25.94% year-on-year growth, to RM1.38 billion in FYE 31 December 2021 as compared to previous financial year was mainly due to higher demand of gold traded through GTP Easy platform and banking channel, wherein the revenue recorded through these sales channel increased by RM170.23 million and RM86.61 million, which represented a 12.83% and 29,866.21% year-on-year growth, respectively,

Minted gold bar revenue grew from RM0.96 million in FYE 31 December 2020 to RM3.01 million in FYE 31 December 2021, with an increase of 213.96%. The Covid-19 pandemic had accelerated the digital lifestyles of consumers and growth of e-commerce activities. In light of this, the revenue via e-commerce increased by RM2.03 million which represented a 211.67% year-on-year growth, which was mainly due to the increase of trading of minted gold bar through this sales channel.

**Profit before taxation ("PBT")**

	<b>AUDITED</b>	
	<b>FOR THE FYE 31.12.2021</b>	<b>FOR THE FYE 31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,587,492	1,328,646
PBT	803	5,396



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**Profit before taxation (“PBT”) (continued)**

Despite the increase in revenue, the Group reported a lower PBT of RM0.80 million for the FYE 31 December 2021 as compared to RM5.40 million in the FYE 31 December 2020. The decrease in PBT was mainly due to significant reduction in GP margin as a result of the depreciation of the Malaysian Ringgit against the United States Dollar, fluctuations in gold price, increase of gold premium charge and other associated costs.

**2. PROSPECTS**

In order to further increase our market share in the industry, a key priority going forward is to build trust-based partnerships via integration of the Company’s gold trading platform with local Islamic banks, financial institutions, e-wallet providers, and other organisations to expand our digital gold capability and to drive long-term value through commercial agreements, strategic alliances and business relationships.

Hence, on 21 January 2022, the Company’s wholly-owned subsidiary, Ace Capital Growth Sdn. Bhd. (“**ACG**”), had entered into a partnership agreement with AirAsia Com Travel Sdn Bhd (“**AirAsia**”) for supplying, selling and providing digital gold trading platform (i.e., via the Company’s GTP Easy platform) to AirAsia for digital gold trading. Further, on 22 March 2022, ACG executed a collaboration agreement to supply, sell, buy and provide digital gold trading platform to Bank Muamalat Malaysia Berhad for digital gold trading.

Currently the Company is in the midst of negotiating with a few e-wallet providers and financial institutions to collaborate on the digital gold trading. Moving forward, the Company intends to include wholesale of minted gold bars to goldsmiths or jewellery traders.

With the abovesaid initiatives, the Company is expected to have additional sales channels to reach new customer base and can diversify the revenue stream of the Group in the future.

**3. MATERIAL EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 9 August 2021, the Company announced that ACG had on 9 August 2021 lodged a police report in respect of misappropriation of cash and gold with an estimated amount of RM533,437.41 by an employee of ACG (“**Losses**”). ACG had on 21 January 2022 agreed and accepted the sum of RM473,311.04 as full and final settlement of the claim from the insurance company in respect of the Losses.

**4. CORPORATE PROPOSAL**

There was no corporate proposal announced as at the date of this report.

**5. MATERIAL LITIGATION**

**Commencement of a Civil Suit**

During the FYE 31 December 2021, the Company (“**Plaintiff**”) was involved in an ongoing civil suit since the FYE 31 December 2020 at the Kuala Lumpur High Court against Kua Kee Khoo (“**1st Defendant**”), TTT Bullion Sdn Bhd (“**2nd Defendant**”), Cheang Kok Keet (“**3rd Defendant**”), Ho Kat Ann (“**4th Defendant**”), Leow Chee Wai (“**5th Defendant**”) and Leow Chee Lip (“**6th Defendant**”).



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**5. MATERIAL LITIGATION (continued)**

**Commencement of a Civil Suit (continued)**

The reliefs sought by the Company in said civil suit is seeking the following reliefs against the 1st to 6th Defendants: -

- a declaration that the 1st Defendant had acted in breach of his fiduciary and other duties to the Plaintiff;
- declaration that the 1st Defendant had acted in breach of Section 221 of the Companies Act 2016 or otherwise in failing to disclose to the Plaintiff of his personal interest in the 2nd Defendant;
- a declaration that the 1st Defendant had acted in breach of Section 213 of the Companies Act 2016 or otherwise in failing to exercise his powers for a proper purpose and in good faith in the best interest of the Plaintiff;
- a declaration that the 3rd, 4th, 5th and 6th Defendants had acted as individual co-conspirators and/or joint tortfeasors together with the 1st Defendant;
- an account be ordered to the profit made by each of the Defendants in respect of the business of the 2nd or otherwise resulting from their breach of duties or conspired acts and an order that such profits, as assessed by the Court, be paid by the said Defendants to the Plaintiff;
- damages suffered by the Plaintiff as the result of the breach of duties by the 1st Defendant assisted by the 3rd, 4th, 5th and 6th Defendants;
- an injunction to restrain all the Defendants or acting by their directors, officers, servants, agents or any of them from doing the following acts:-
  - (i) using, divulging, disclosing and/or dealing in any manner whatsoever to which the 1st Defendant had unfettered access to the confidential information of the Plaintiff including information of a confidential, trade secret and/or proprietary character and developed by the Plaintiff, either alone or with others and pertaining to the Plaintiff's trade and Plaintiff's Business including information relating to the Plaintiff's products, customers, suppliers, pricing methods, historical, current and projected financial information, marketing information, technical data and know-how, confidential evaluations of technical and business information in the public domain ("Confidential Information");
  - (ii) soliciting, canvassing, taking and/or soliciting orders for gold bullion and/or other precious metals from any customers of the Plaintiff or person with whom the Plaintiff had a dealing or otherwise dealing with any such customer or person for the sale of products and/or services which are the same as the Plaintiff's products and/or services;
- an order that the Defendants do forthwith cause to deliver up all the copies of the customers list and any confidential information and/or trade secrets of the Plaintiff, which are in the possession, power or custody of the Defendants, the use or disclosure of which would offend against the foregoing injunction or any of them;
- aggravated damages;
- exemplary damages;
- interest on all sums adjudged to be payable to the Plaintiff at such rate and for such period as this Honourable Court deems fit and proper to grant;
- cost; and
- any further and other relief, which this Honourable Court deems fit and proper to be granted.

On 19 January 2022, the Company announced that the High Court has vacated the trial dates of the above matter on 14 February 2022 to 18 February 2022 pending the outcome of the Company's appeal to the Court of Appeal against the striking out of 4th to 6th Defendants as parties to the main suit.

The trial dates fixed for the main suit on 5 September 2022 to 8 September 2022 are maintained. The High Court has also fixed new case management date for the main suit on 17 February 2022 for parties to update the High Court on the status of the aforesaid striking out appeals.



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**5. MATERIAL LITIGATION (continued)**

**Commencement of a Civil Suit (continued)**

On 8 February 2022, the Company announced that the Court of Appeal has fixed Civil Appeals No. W-02(IM)(NCC)-1640-09/2021 & W-02(IM)(NCC)-1642-09/2021 for hearing on 10 May 2022. The Court has also fixed the two appeals for case management on 26 April 2022 for parties to update the Court on the filing of the parties' respective Written Submissions.

On 17 February 2022, the Company announced that the High Court has fixed the above matter for further case management on 11 May 2022 pending the outcome of the Company's appeals at the Court of Appeal. Directions for the filing of the parties' respective witness statements for the above matter will also be given at the upcoming case management on 11 May 2022.

On 5 April 2022, the Company announced that the hearing of the motion for extension of time filed in respect of Court of Appeal, which has dismissed the motion with costs of RM5,000.00 to the Defendants.

**6. DIVIDEND**

The following dividend have been paid for the FYE 31 December 2021:

	<b>AUDITED FOR THE FYE 31.12.2021 RM'000</b>	<b>AUDITED FOR THE FYE 31.12.2020 RM'000</b>
In respect of the of the FYE 31 December 2021:		
- First interim dividend of 0.99 sen per ordinary share, paid on 27 May 2021	2,970	-

**7. EARNINGS PER SHARE ("EPS")**

**(a) Basic EPS**

	<b>AUDITED FOR THE FYE 31.12.2021 RM'000</b>	<b>AUDITED FOR THE FYE 31.12.2020 RM'000</b>
Profit attributable to owners of the Company	153	4,053
Weighted average number of ordinary shares at end of period ('000)	300,033	300,033
<b>Basic EPS (sen)</b>	<b>0.05</b>	<b>1.35</b>

**(b) Diluted EPS**

The diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive potential ordinary shares outstanding at the end of the reporting period.