

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2013

The figures have not been audited

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER 28-Feb-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 29-Feb-12 RM'000	CURRENT PERIOD 28-Feb-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 29-Feb-12 RM'000
Revenue	A9	121,541	112,885	388,956	429,973
Operating expenses		(114,809)	(103,034)	(370,169)	(398,233)
Other operating income	B15	364	664	1,072	1,301
Profit from operations		7,096	10,515	19,859	33,041
Finance cost	B16	(12,742)	(6,500)	(23,600)	(16,803)
Share of profit of associated companies		-	-	-	-
(Loss)/Profit before taxation	B17	(5,646)	4,015	(3,741)	16,238
Taxation	B5	327	(1,431)	(1,014)	(5,890)
(Loss)/Profit for the period		(5,319)	2,584	(4,755)	10,348
Other comprehensive income:					
Foreign currency translation (loss)/gain		85	(2,219)	362	(98)
Total comprehensive (loss)/profit for the period		(5,234)	365	(4,393)	10,250
Profit attributable to:					
Owners of the Parent		(5,318)	2,584	(4,754)	10,348
Non-Controlling Interest		(1)	-	(1)	-
Total comprehensive income attributable to:					
Owners of the Parent		(5,233)	365	(4,392)	10,250
Non-Controlling Interest		(1)	-	(1.43)	-
Earnings per share (sen)					
i) Basic	B14	(4.97)	2.41	(4.44)	9.67
i) Diluted	B14	(4.97)	2.41	(4.44)	9.67

(The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2013

The figures have not been audited

	NOTE	UNAUDITED AS AT END OF CURRENT FINANCIAL QUARTER 28-Feb-13 RM'000	AUDITED AS AT FINANCIAL YEAR END 31-May-12 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		121,896	131,662
Land use rights		7,268	8,204
Intangible assets		918	952
Associated companies		4,925	4,925
Other Investments		8,595	8,595
		143,602	154,338
Current Assets			
Inventories		5,180	8,126
Trade receivables		282,975	352,041
Amount due from customers on contracts		320,386	188,129
Other receivables, deposits and prepayments		12,903	13,513
Cash and cash equivalents		3,304	10,615
		624,748	572,424
TOTAL ASSETS		768,350	726,762
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital		107,007	107,007
Share premium		3,064	3,064
Retained profits		132,309	137,868
Exchange reserve		1,540	1,178
Capital reserve		238	238
		244,158	249,355
Non-Controlling interest		5	4
Total Equity		244,163	249,359
Non Current Liabilities			
Long term loans	B9	-	27,844
Lease creditors		-	1,597
Deferred taxation		1,494	2,994
		1,494	32,435
Current Liabilities			
Short term bank borrowings	B9	449,559	394,590
Lease creditors		1,729	1,292
Trade payables		42,336	28,232
Other payables and trade accruals		15,733	10,764
Taxation		13,336	10,090
		522,693	444,968
Total Liabilities		524,187	477,403
TOTAL EQUITY AND LIABILITIES		768,350	726,762
Net assets per share (sen)		228	233

(The Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2013

GROUP	-----Attributable to equity holders of the parent-----							Total Equity RM'000
	-----Non- Distributable -----			Capital Reserve RM'000	Distributable Retained Profit RM'000	Total RM'000	Minority Interest RM'000	
	Share capital RM'000	Share Premium RM'000	Exchange Reserve RM'000					
At 1 June 2011	107,007	3,064	268	238	122,419	232,996	7	233,003
Total comprehensive income for the period	-	-	910	-	16,251	17,161	(3)	17,158
Dividend	-	-	-	-	(803)	(803)	-	(803)
At 31 May 2012	107,007	3,064	1,178	238	137,867	249,354	4	249,358
At 1 June 2012	107,007	3,064	1,178	238	137,867	249,354	4	249,358
Total comprehensive income for the period	-	-	362	-	(4,755)	(4,393)	1	(4,392)
Dividend	-	-	-	-	(803)	(803)	-	(803)
At 28 February 2013	107,007	3,064	1,540	238	132,309	244,158	5	244,163

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2013

	CURRENT FINANCIAL PERIOD 28-Feb-13	CURRENT FINANCIAL PERIOD 29-Feb-12
	RM'000	RM'000
Cash flows from operating activities		
Net profit before taxation	(3,741)	16,238
Adjustment for non-cash flow :		
Non-cash items	9,245	10,632
Interest paid	23,600	16,803
Interest received	(13)	(20)
Operating profit before changes in working capital	29,091	43,653
Changes in working capital		
Net changes in current assets	(59,635)	(150,111)
Net changes in current liabilities	19,349	77,194
Cash used in operations	(11,195)	(29,264)
Taxation paid	818	(1,629)
Interest paid	(23,600)	(16,803)
Interest received	13	20
Net cash used in operating activities	(33,964)	(47,676)
Investing Activities		
Other investments	1,491	(4,480)
Net cash used in investing activities	1,491	(4,480)
Financing Activities		
Bank borrowings	25,965	47,960
Dividend paid	(803)	(802)
Net cash generated from financing activities	25,162	47,158
Net decrease in cash and cash equivalents	(7,311)	(4,998)
Cash and cash equivalents at beginning of year	10,615	20,949
Cash and cash equivalents at end of the year	3,304	15,951

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

MALAYSIAN AE MODELS HOLDINGS BERHAD (239808- H)
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE PERIOD ENDED 28 FEBRUARY 2013

A1. Corporate information

Malaysian AE Models Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

A2. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 28 February 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statement also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statement in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statement for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 May 2012. MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

These explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 May 2012.

A3. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 May 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statement for the year ended 31 May 2012.

A4. Qualification of audit report of the preceding annual financial statements

The audit report of the Group's most recent annual financial statements was not subject to any audit qualification.

A5. Seasonality or cyclicity of interim operations

The Group's business operations are not generally affected by any seasonal or cyclical factors.

A6. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A7. Changes in accounting estimates

There were no changes in estimates of amounts reported that have a material effect in the current quarter.

A8. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debts for the current financial year-to-date .

A9. Dividends paid

First and final dividend of 1% less income tax of 25% amounting to RM802,600 in respect of the financial year ended 31 May 2012 was paid.

A10. Segmental reporting

The Group operates principally within the automation industry which are principally carried out in Malaysia, People's Republic of China ("PRC") and Indonesia. Accordingly, information by operating segments on the Group's operations are required by MFRS 8 is not presented.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>28-Feb-13</u>	<u>29-Feb-12</u>	<u>28-Feb-13</u>	<u>29-Feb-12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	334,755	369,508	68,886	83,104
PRC and Indonesia (Outside Malaysia)	54,201	60,465	61,196	61,086
	<u>388,956</u>	<u>429,973</u>	<u>130,082</u>	<u>144,190</u>

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	<u>28-Feb-13</u>	<u>29-Feb-12</u>
	<u>RM'000</u>	<u>RM'000</u>
Property, plant and equipment	121,896	134,515
Land use rights	7,268	8,161
Intangible assets	918	1,514
	<u>130,082</u>	<u>144,190</u>

A11. Valuation of property, plant and equipment

There were no material changes in the valuation on property, plant and equipment since the last annual financial statements.

A12. Subsequent events

There are no subsequent material events after the financial year.

A13. Changes in the composition of the Group

There are no changes to the composition of the Group during the current quarter of the financial year.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX B

B1. Review of performance

For the nine months period ended 28 February 2013, the Group recorded a turnover of RM 388.96 million compared to RM429.97 million registered in the previous year's corresponding period. The Group recorded a loss before taxation of RM 3.74 million for the current period as compared to profit before taxation of RM 16.24 million in previous year's corresponding period. This was caused by the substantial increased in holding costs of approximately 6.8 Million due to the delay in the installation works on certain major projects such as KLIA 2, which also caused the billings to be delayed.

B2. Variation of results against preceding quarter

The Group achieved a higher turnover of RM121.54 Million for the current quarter as compared to RM112.88 Million for the previous year's corresponding quarter. The slight increase of approximately 7.6% was due to the more works being completed in the current quarter. However, the Group reported a loss before taxation of RM 5.65 million for the current quarter under review as compared to a profit before taxation of RM4.01 million in the previous year's corresponding quarter. The operating loss for the current quarter was brought about mainly by substantial increase in holding costs, higher cost of goods sold and higher amortization costs of certain deferred expenses.

B3. Commentary of prospect

Malaysia Economy Outlook 2013 pointed that consumer confidence is still holding up and is expected to continue holding up going forward. However, business conditions and confidence in the manufacturing sector, however, have deteriorated somewhat and could deteriorate further. The fact that domestic demand remains resilient despite negative developments overseas and it is forecast that the Malaysian economy is expected to grow about 5.4 per cent in 2013. With this in mind, the Board of Directors expect a slower business growth of the Group in the immediate future.

B4. Profit forecast / Profit guarantee

The Group has not provided any profit forecast or profit guarantee.

B5. Taxation

Taxation comprises :

Taxation for the current period

Current Year Quarter Ended 28-Feb-13 <u>RM'000</u>	Cumulative Current Year To Date 28-Feb-13 <u>RM'000</u>
(327)	1,014
<u>(327)</u>	<u>1,014</u>

B6. Profit/Loss on sale of unquoted investments and / or properties

There were no sales of unquoted investment and /or properties during the current financial quarter.

B7. Purchase or disposal of quoted securities

(a) There was no purchase of quoted securities for the current quarter under review.

(b) Investment in quoted securities as at 28 February 2013

	<u>RM</u>
(i) At costs	3,400
(ii) At carrying value/book value	360
(iii) At Market value	440

B8. Status of corporate proposals

On 2 March 2012, the Board of Directors through its Principal Adviser announced that the Company proposes to undertake the

following:-

(i) a renounceable two-call rights issue of up to 53,503,434 new ordinary shares of RM 1.00 each in the Company ("Rights Share(s)") together with up to 53,503,434 free detachable warrants ("Warrant(s)") at an issue price of RM 1.00 per Rights Share, on the basis of one (1) Rights Share with one (1) free Warrant for every two (2) existing ordinary shares of RM 1.00 each held in the Company ("MAE Share(s)" or "Share(s)") at an entitlement date to be determined later, of which the first call of RM 0.50 will be payable in cash on application and the second call of RM 0.50 is to be capitalized from the Company's reserves ("Proposed Rights Issue"); and

(ii) an exemption for Aemnic Corporation (M) Sdn Bhd, Datuk Dr Lim Kee Sinn and persons acting in concert with them, under Practice Note 9, Paragraph 16.1 of the Malaysian Code on Take-Overs and Mergers, 2010 from the obligation to undertake a mandatory general offer for all the remaining MAE Shares not already owned by them pursuant to their subscription of the Rights Shares in relation to the Proposed Rights Issue ("Proposed Exemption").

As announced on 19 December 2012, Bursa Malaysia Securities Berhad had approved for the extension of time of up to six (6) months until 14 June 2013 to complete the Proposed Right Issue.

B9. Group's borrowings and debt securities

The Group's total borrowings as at 28 February 2013 is as follows :-

Long Term Loan	Total RM'000
Total outstanding balances - Secured	408,479
Total outstanding balances - Unsecured	41,080
	<u>449,559</u>
Amount payable within the next 12 months	(449,559)
Total outstanding balances after 12 months	<u><u>0</u></u>
Short term bank borrowings	Total RM'000
<u>Secured:-</u>	
Bill payable	225,869
Bank overdrafts	57,060
Current portion of long term loan	126,561
Subtotal	<u>409,490</u>
<u>Unsecured:-</u>	RM'000
Bank overdrafts	1,312
Bill payable	38,757
Current portion of long term loan	-
Subtotal	<u>40,069</u>
Grand total	<u><u>449,559</u></u>
Bank borrowings denominated in Chinese, Yuan Renminbi ("RMB")	<u><u>31,124</u></u>

B10. Off balance sheet financial instruments

During the financial year-to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

B11. Changes in material litigation

The Group did not engage in other material litigation, either as a plaintiff or defendant.

B12. Proposed dividends

The Board of Directors did not propose/declare any dividend for the current reporting quarter.

B13. Supplementary information disclosed pursuant to Bursa Malaysia Securities Bhd Listing Requirements

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

Realised and unrealised profit or losses	As at 28-Feb-13 <u>RM'000</u>	As at 31-May-12 <u>RM'000</u>
Total retained profits of Malaysian AE Models Holdings Berhad and its subsidiaries:		
- Realised	140,386	139,119
- Unrealised	349	3,335
	<u>140,735</u>	<u>142,454</u>
Add: Consolidation adjustments	(8,426)	(4,586)
Total Group retained profits as per consolidated accounts	<u><u>132,309</u></u>	<u><u>137,868</u></u>

B14. Earnings per share

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>28-Feb-13</u>	<u>29-Feb-12</u>	<u>28-Feb-13</u>	<u>29-Feb-12</u>
Earnings				
Earning for the purpose of basic earning per shares (RM'000)	(5,319)	2,584	(4,755)	10,348
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings share ('000)	107,007	107,007	107,007	107,007
Weighted average number of ordinary shares for the purpose of diluted earnings share ('000)	107,007	107,007	107,007	107,007
Basic earnings per share (sen)	<u>(4.97)</u>	<u>2.41</u>	<u>(4.44)</u>	<u>9.67</u>
Diluted earnings per share (sen)	<u>(4.97)</u>	<u>2.41</u>	<u>(4.44)</u>	<u>9.67</u>

B15. Other Income

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT QUARTER	PRECEDING YEAR QUARTER	CURRENT PERIOD	PRECEDING YEAR PERIOD
	<u>28-Feb-13</u>	<u>29-Feb-12</u>	<u>28-Feb-13</u>	<u>29-Feb-12</u>
	RM'000	RM'000	RM'000	RM'000
Included in other income are the following:-				
Gain on disposal of property, plant and equipment	47	-	64	-
Rental income	289	289	866	866
Interest income from others	-	7	14	21

B16. Finance costs

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT QUARTER	PRECEDING YEAR	CURRENT PERIOD	PRECEDING YEAR

	28-Feb-13	QUARTER 29-Feb-12	28-Feb-13	PERIOD 29-Feb-12
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Bank overdrafts	1,235	366	2,692	1,099
- Revolving credits	2,985	1,678	5,173	3,923
- Bankers' acceptances	3,862	2,714	7,655	7,097
- Bank loans	3,488	689	4,163	2,067
- Obligation under finance leases	32	57	97	171
- Unsecured fixed rate bank loan	815	677	2,483	1,489
- Reverse factoring facility	325	319	1,337	957
	<u>12,742</u>	<u>6,500</u>	<u>23,600</u>	<u>16,803</u>

B17. Profit/(Loss) before tax

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT QUARTER	PRECEDING YEAR QUARTER	CURRENT PERIOD	PRECEDING YEAR PERIOD
	28-Feb-13	29-Feb-12	28-Feb-13	29-Feb-12
	RM'000	RM'000	RM'000	RM'000

The following items have been included in arriving at profit/(loss) before tax:

Auditors' remuneration	60	59	118	178
Depreciation of property, plant and equipment	2,249	3,950	9,245	11,851
Amortisation of land use rights	24	46	71	139
Loss on disposal of property, plant and equipment	-	-	39	65
Net foreign exchange (gain) / loss	52	(1,000)	1,733	(2,998)
Rent of premises	282	525	887	1,576
Employee benefits expense:			-	
- wages and salaries	3,058	4,030	9,474	12,090
- social security contributions	-	34	56	102
- short term accumulating compensated benefits	-	1	-	3
- defined contribution plants	350	461	1,157	1,383
- other benefits	110	193	374	579

30-Apr-13

Datuk Dr Lim Kee Sinn