

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MAY 2013

The figures have not been audited

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-May-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-May-12 RM'000	CURRENT FINANCIAL YEAR 31-May-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-May-12 RM'000
Revenue	A10	75,121	214,780	464,077	641,987
Operating expenses		(261,043)	(201,627)	(631,212)	(601,819)
Other operating income		152	1,494	1,224	7,039
(Loss)/profit from operations		(185,770)	14,647	(165,911)	47,207
Finance cost		(7,867)	(5,823)	(39,334)	(23,128)
Share of profit of associated companies		-	669	-	669
(Loss)/profit before taxation	B17	(193,637)	9,493	(205,245)	24,748
Taxation	B5	(1,500)	(3,436)	(2,514)	(8,500)
(Loss)/profit for the period		(195,137)	6,057	(207,759)	16,248
Other comprehensive income:					
Foreign currency translation gain/(loss)		301	1,437	663	910
Total comprehensive (loss)/profit for the period		(194,836)	7,494	(207,096)	17,158
(Loss)/profit attributable to:					
Owners of the Parent		(195,137)	6,057	(207,760)	16,251
Non-Controlling Interest		-	-	1	(3)
Total comprehensive (loss)/income attributable to:					
Owners of the Parent		(194,836)	7,494	(207,097)	17,161
Non-Controlling Interest		-	-	1	(3)
(Loss)/earnings per share (sen)					
i) Basic	B14	(182.36)	5.66	(194.16)	15.19
i) Diluted	B14	(182.36)	5.66	(194.16)	15.19

(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 31 MAY 2013

The figures have not been audited

	NOTE	AS AT 31-May-13 RM'000	AS AT 31-May-12 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		101,896	131,662
Land use rights		6,907	8,204
Intangible assets		-	952
Associated companies		4,925	4,925
Other Investments		8,790	8,595
		122,518	154,338
Current Assets			
Inventories		5,180	8,126
Trade receivables		162,975	352,041
Amount due from customers on contracts		280,386	188,129
Other receivables, deposits and prepayments		10,203	13,514
Cash and cash equivalents		1,021	10,615
		459,765	572,425
TOTAL ASSETS		582,283	726,763
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		107,007	107,007
Share premium		3,064	3,064
(Accumulated loss)/retained profits		(69,228)	137,868
Exchange reserve		1,260	1,178
Capital reserve		238	238
		42,341	249,355
Non-Controlling interest		5	4
Total Equity		42,346	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		1,639	1,292
Trade payables		36,920	28,232
Other payables and trade accruals		35,489	10,765
Taxation		14,836	10,090
		538,443	444,969
Total Liabilities		539,937	477,404
TOTAL EQUITY AND LIABILITIES		582,283	726,763
Net assets per share (sen)		40	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 31 MAY 2013

-----Attributable to equity holders of the parent-----

GROUP	Share capital	Non- Distributable Share premium	Exchange Reserve	Capital Reserve	Distributable Retained Profit	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2012	107,007	3,064	1,178	238	137,868	249,355	4	249,359
Total comprehensive loss for the period	-	-	82	-	(207,096)	(207,014)	1	(207,013)
At 31 May 2013	107,007	3,064	1,260	238	(69,228)	42,341	5	42,346
	-	-	-	-	-	-	-	-
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	-	-	-	-	(802)	(802)	-	(802)
At 31 May 2012	107,007	3,064	1,178	238	137,868	249,355	4	249,359

MALAYSIAN AE MODELS HOLDINGS BERHAD
(Incorporated in Malaysia)

The figures have not been audited

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MAY 2013

	CURRENT FINANCIAL PERIOD 31-May-13	PRECEEDING FINANCIAL PERIOD 31-May-12
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(205,245)	24,748
Adjustment for non-cash flow :		
Non-cash items	27,651	18,538
Interest paid	39,334	23,128
Interest received	14	28
Operating profit before changes in working capital	<u>(138,246)</u>	<u>66,442</u>
Changes in working capital		
Net changes in current assets	103,066	(99,106)
Net changes in current liabilities	34,561	839
Cash used in operations	<u>(619)</u>	<u>(31,825)</u>
Taxation paid	5,760	(3,288)
Interest paid	(39,334)	(23,128)
Interest received	(14)	(28)
Net cash used in operating activities	<u>(34,207)</u>	<u>(58,269)</u>
Investing Activities		
Other investments	(195)	(4,009)
Net cash from/(used in) investing activities	<u>(195)</u>	<u>(4,009)</u>
Financing Activities		
Bank borrowings	25,528	52,731
Dividend paid	(802)	(803)
Net cash generated from financing activities	<u>24,726</u>	<u>51,928</u>
Net decrease in cash and cash equivalents	(9,676)	(10,350)
Cash and cash equivalents at beginning of year	10,615	20,949
Effect of exchange rate changes on cash and cash equivalent	82	16
Cash and cash equivalents at end of the year	<u><u>1,021</u></u>	<u><u>10,615</u></u>

(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 MFRS 134
FOR THE PERIOD ENDED 31 MAY 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 31 May 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 ended 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 2013.

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.

The appropriateness of preparing the financial statements of the Group on going concern basis is dependent upon the successful and timely formulation and implementation of a regularization plan, the successful negotiation and settlement of the Group's bank borrowings, and the continuing financial support from shareholders, creditors and lenders.

Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their estimated realizable values, and to provide further estimated liabilities that may arise, and to reclassify all non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements of the Group do not include any adjustments and classifications relating to the recorded assets and liabilities that may be necessary if the Group are unable to continue as going concern.

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 except for those disclosed in the financial statements.

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

There were no dividends paid in the current period; in respect of the financial year ended 31 May 2013.

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>31-May-13</u>	<u>31-May-12</u>	<u>31-May-13</u>	<u>31-May-12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	453,719	496,513	68,765	78,432
PRC and Indonesia (Outside Malaysia)	10,358	145,474	40,038	62,386
	<u>464,077</u>	<u>641,987</u>	<u>108,803</u>	<u>140,818</u>

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

	<u>31-May-13</u>	<u>31-May-12</u>
	<u>RM'000</u>	<u>RM'000</u>
Property, plant and equipment	101,896	131,662
Land use rights	6,907	8,204
Intangible assets	-	952
	<u>108,803</u>	<u>140,818</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 except those mentioned below.

On 20 June 2013, the Company was served with the Notice of Appointment of Receiver and Manager stating that on 19 June 2013, a Receiver and Manager has been appointed over the charged assets and undertakings of Malaysian AE Models Holdings Berhad under the terms of the Debenture dated 19th April 2012 executed between the Company and and Joint-Lead Arrangers i.e. RHB Bank Berhad (as facility agent) and Malayan Banking Berhad (as security agent). The Company has failed to service the monthly fixed repayment amounting to RM16,101,831.49 as at 31 May 2013 in respect of the Facility Agreement (Syndicated Term Loan Facility of up to RM100.0 Million). The event of default has triggered the demand from the financiers on the full outstanding amount of RM96,082,818.51 as at 31st May 2013.

the Company had on the same date, announced that MAEMODE is to be considered an Affected Listed Issuer pursuant to Practice Note 17 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") as it has triggered Paragraph 2.1 (b) of the PN17.

In addition to that, the Company had on 20 June 2013, announced the default in Payments under Practice Note 1 of the Listing Requirements of Bursa Malaysia Securities Berhad that the Company has failed to service the monthly fixed repayment amounting to RM16,101,831.49 as at 31 May 2013 in respect of the Facility Agreement (Syndicated Term Loan Facility of up to RM100.0 Million). The event of default has triggered the demand from the financiers on the full outstanding amount of RM96,082,818.51 as at 31st May 2013.

Subsequently on 5 July 2013, the Board of Directors of the Company announced that a Winding Up Order dated 2 May 2013 ("the Order") was served to Matromatic Handling Systems (M) Sdn Bhd ("MHS"), a wholly-owned subsidiary of the Company on 3 July 2013. Pursuant to the Order, the High Court of Malaya at Johor Bahru has granted an order to wind up MHS and Officer Receiver Malaysia will be appointed as liquidator of MHS. The circumstances leading to the said Order against MHS was due to default of outstanding payment of SGD 35,030.14. The details of circumstances leading to the outstanding payment of SGD 35,030.14 are MHS has defaulted the payment of SGD 35,030.14 being the balance of the repairing cost charged in relation to the Trupunch 5000 machine despite of MHS has paid two out of five installments.

On 9 July 2013, The Board of Directors of the Company announced that MHS, had on 7 July 2013, received a Notice pursuant to Section 186 of the Companies Act, 1965 of the Appointment of Receiver and Manager ("Notice"). Pursuant to the Notice, Malayan Banking Berhad ("MBB") has appointed Mr. Adam Primus Varghese Bin Abdullah of ADAMPRIMUS of C4-3A-10 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur as Receiver and Manager ("Receiver & Manager") with effect from 3 July 2013 pursuant to the powers contained in the debenture dated 19 April 2012 entered between MBB and MHS ("Debenture"). The Company has failed to service the monthly fixed repayment amounting to RM16,101,831.49 as at 31 May 2013 in respect of the Facility Agreement (Syndicated Term Loan Facility of up to RM100.0 Million). The event of default has triggered the demand from the financiers on the full outstanding amount of RM96,082,818.51 as at 31 May 2013.

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.

**MALAYSIAN AE MODELS HOLDINGS BERHAD (239808- H)
PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX B**

B1. Review of performance

For the twelve months period ended 31 May 2013, the Group recorded a turnover of RM464.1 million compared to RM641.9 million registered in the previous year's corresponding period. The Group recorded a loss before taxation of RM205.2 million for the current period as compared to profit before taxation of RM24.7 million in previous year's corresponding period. These were caused by the substantial increased in holding costs due to the delay in the installation works on certain major projects such as KLIA 2 in Kuala Lumpur & Keriangau Coal-Fired Power Plant in Indonesia, which also caused billings to be delayed. This has been further compounded by the delay in commencement of works for the Samur project in Sabah due to the delay in obtaining financing. In addition to the above, the management also made provision for doubtful debts on balances outstanding for more than a year and impairment on property, plant & equipment.

B2. Variation of results against preceding quarter

The Group achieved a lower turnover of RM75.1 Million for the current quarter as compared to RM214.8 Million for the previous year's corresponding quarter. The decrease of approximately 65 % was due to the less works being completed in the current quarter. Similarly, the Group reported a loss before taxation of RM193.6 million for the current quarter under review as compared to a profit before taxation of RM9.5 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 provision was made on long overdue balances and impairment was made on property, plant & equipment

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 especially the electronic & electrical, 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 4.1 per cent in 2013. The China economy has somewhat slowed down over the past few years and this year is expected to be the worst. With these in mind, the Board of Directors expect a much slower business growth of the Group in the immediate future.

Moreover, with the appointment of receivers & managers, this had resulted the erosion of confidence level of existing customers and potential business opportunities, suppliers and sub-contractors are reluctant to continue their support to the Group

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 31-May-13 RM'000	Cumulative Current Year To Date 31-May-13 RM'000
2,514	8,500
<u>2,514</u>	<u>8,500</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 31 May 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.

Due to market uncertainty and slower economic growth forecast, the Board of Directors through its principal adviser announced that the Company have terminated the Proposed Right Issue exercise on 3 June 2013.

B9. Group's borrowings and debt securities

The Group's total borrowings as at 31 May 2013 is as follows :-

Long Term Loan	Total RM'000
Total outstanding balances - Secured	408,480
Total outstanding balances - Unsecured	41,079
	<u>449,559</u>
Amount payable within the next 12 months	<u>(449,559)</u>
Total outstanding balances after 12 months	<u><u>-</u></u>
Short term bank borrowings	Total RM'000
<u>Secured:-</u>	
Bill payable	225,879
Bank overdrafts	57,060
Current portion of long term loan	125,541
Subtotal	<u>408,480</u>
<u>Unsecured:-</u>	RM'000
Bank overdrafts	2,322
Bill payable	38,757
Subtotal	<u>41,079</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 engaged in several material litigation as a defendant. On 2 May 2013, one of its wholly-owned subsidiary, Matromatic Handling Systems (M) Sdn Bhd received a winding-up order from the High Court.

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	As at
	31-May-13	31-May-12
	<u>RM'000</u>	<u>RM'000</u>
Total retained profits of Malaysian AE Models Holdings Berhad and its subsidiaries:		
- Realised	(61,151)	139,119
- Unrealised	349	3,334
	<u>(60,802)</u>	<u>142,453</u>
Add: Consolidation adjustments	(8,426)	(4,585)
Total Group retained profits as per consolidated accounts	<u>(69,228)</u>	<u>137,868</u>

B14. Earnings per share

	<u>Three months ended</u>		<u>Twelve months ended</u>	
	<u>31-May-13</u>	<u>31-May-12</u>	<u>31-May-13</u>	<u>31-May-12</u>
Earnings				
Earning for the purpose of basic earning per shares (RM'000)	(195,137)	6,057	(207,760)	16,251
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)	(182.36)	5.66	(194.16)	15.19
Diluted earnings per share (sen)	(182.36)	5.66	(194.16)	15.19

B15. Other Income

	As at	As at
	31-May-13	31-May-12
	<u>RM'000</u>	<u>RM'000</u>
Included in other income are the following:		
Gain on disposal fo perperty, plant and equipments	64	264
Reversal of allowance for impairment of:		
- trade receivables	-	921
- other receivables	-	-
Rental income	1,155	1,155
Interest income from others	14	28
	<u>14</u>	<u>28</u>

B16. Finance costs

	As at	As at
	31-May-13	31-May-12
	<u>RM'000</u>	<u>RM'000</u>
Included in finance costs are the following:		
- Bank overdrafts	5,962	1,462
- Revolving credits	7,954	5,232
- Bankers' acceptances	10,431	9,463
- Bank loans	9,654	2,756
- Obligation under finance leases	183	213
- Unsecured fixed rate bank loan	3,258	2,273
- Reverse factoring facility	1,456	791
- Amortisation of professional fee in respect of bank loan facility	436	436
	<u>436</u>	<u>436</u>

B17. (Loss)/profit before tax

	As at	As at
	31-May-13	31-May-12
	<u>RM'000</u>	<u>RM'000</u>
The following items have been included in arriving at (loss)/profit before tax:		
Auditors' remuneration	210	230
Director remunerations	2,032	2,044

Depreciation of property, plant and equipment	11,494	15,762
Amortisation of land use rights	95	183
Amortisation of intangible assets	952	596
Inventories written down	368	1,297
Loss on disposal of property, plant and equipment	39	329
Impairment loss on property, plant and equipment	21,157	-
Allowance for impairment of:		
- trade receivables	98,213	3,938
- other receivables	-	142
- contract due from customers	40,017	-
Impairment loss on investment securities	-	-
Net foreign exchange (gain)/loss	(663)	(4,232)
Rent of premises	1,169	1,975
Employee benefits expense:		
- wages and salaries	12,532	15,476
- social security contributions	109	135
- short term accumulating compensated benefits	-	6
- defined contribution plants	1,507	1,873
- other benefits	494	669

30-Jul-13

Datuk Dr Lim Kee Sinn

(182.36)

5.66

(194.16)

15.19