



# AE MULTI HOLDINGS BERHAD

## Condensed Consolidated Statement of Financial Position

As at 30 September 2016 - Unaudited

	Unaudited as at 30-9-2016 RM'000	Audited as at 31-12-2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,112	26,520
<b>Current assets</b>		
Inventories	27,617	18,948
Trade receivables	11,061	7,948
Other receivables, deposits and prepayments	14,554	10,297
Deposits with licensed banks	2,684	3,002
Cash and bank balances	3,871	780
	<u>59,787</u>	<u>40,975</u>
<b>TOTAL ASSETS</b>	<u>90,899</u>	<u>67,495</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	26,928	23,690
Share premium	7,385	7,385
Other reserves	17,719	9,190
<b>Total equity</b>	<u>52,032</u>	<u>40,265</u>
<b>Non-current liabilities</b>		
Borrowings	302	25
<b>Current liabilities</b>		
Trade payables	3,897	6,587
Other payables and accruals	5,337	1,185
Borrowings	29,187	19,433
Current tax liabilities	144	-
	<u>38,565</u>	<u>27,205</u>
<b>Total liabilities</b>	<u>38,867</u>	<u>27,230</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>90,899</u>	<u>67,495</u>
<b>Net assets per share (RM)</b>	0.19	0.17

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2015.



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the financial period ended 30 September 2016 - Unaudited**

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	13,499	11,229	37,368	30,920
Cost of sales	(10,587)	(9,086)	(29,322)	(24,984)
<b>Gross profit</b>	2,912	2,143	8,046	5,936
Other income	481	387	2,417	491
Administrative expenses	(1,268)	(830)	(3,432)	(2,502)
Selling and marketing expenses	(299)	(294)	(976)	(935)
<b>Operating profit</b>	1,826	1,406	6,055	2,990
Finance costs	(1,695)	(914)	(5,019)	(2,889)
<b>(Loss)/Profit before tax</b>	131	492	1,036	101
Tax expense	(104)	-	(192)	-
<b>(Loss)/Profit for the period</b>	27	492	844	101
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Item that will be reclassified subsequently</b>				
<b>to profit or loss</b>				
Foreign currency translation differences for foreign operation	1,588	(909)	6,583	(2,166)
<b>Total comprehensive income/(loss) for the period</b>	1,615	(417)	7,427	(2,065)
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	0.01	0.51	0.34	0.11
- Diluted	0.00	0.01	0.00	0.00

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2015.



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the financial period ended 30 September 2016 - Unaudited**

|----- Attributable to Owners of the Parent -----|

|----- Non-distributable -----|

	Non-distributable									
	Share Capital				Foreign Currency		ESOS Reserve		Accumulated Losses	Total Equity
	Share Capital	Share Premium	Asset Revaluation Reserve	Translation Reserve	Warrants Reserve	Capital Reserve	ESOS Reserve	Accumulated Losses	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1-1-2016</b>	23,690	7,385	1,541	(2,770)	5,930	10,513	-	(6,024)	40,265	
Other comprehensive loss:										
Foreign currency translation differences	-	-	-	6,583	-	-	-	-	6,583	
Profit for the period	-	-	-	-	-	-	-	844	844	
Total comprehensive income for the period	-	-	-	6,583	-	-	-	844	7,427	
<i>Transactions with owners:</i>										
Share options exercised	3,238	-	-	-	-	-	-	-	3,238	
Share-based-payment transactions	-	-	-	-	-	-	1,102	-	1,102	
Total transactions with owners	3,238	-	-	-	-	-	1,102	-	4,340	
<b>As at 30-9-2016</b>	<b>26,928</b>	<b>7,385</b>	<b>1,541</b>	<b>3,813</b>	<b>5,930</b>	<b>10,513</b>	<b>1,102</b>	<b>(5,180)</b>	<b>52,032</b>	
<b>As at 01-01-2015</b>	18,223	6,787	1,541	(432)	5,930	10,513	-	(3,006)	39,556	
Other comprehensive loss:										
Foreign currency translation differences	-	-	-	(2,166)	-	-	-	-	(2,166)	
Profit for the period	-	-	-	-	-	-	-	101	101	
Total comprehensive income for the period	-	-	-	(2,166)	-	-	-	101	(2,065)	
<b>As at 30-9-2015</b>	<b>18,223</b>	<b>6,787</b>	<b>1,541</b>	<b>(2,598)</b>	<b>5,930</b>	<b>10,513</b>	<b>-</b>	<b>(2,905)</b>	<b>37,491</b>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2015.



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 September 2016 - Unaudited**

	<b>9/30/2016</b>	<b>9/30/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,036	101
Adjustments for:		
Bad debts	27	-
Depreciation	2,370	1,742
Gain on disposal of property, plant and equipment	(224)	(378)
Interest expense	5,019	2,889
Interest income	(31)	(48)
Equity settled share-based payment transactions	1,102	-
Operating profit before working capital changes	9,299	4,306
Increase in inventories	(1,089)	(2,391)
Increase in receivables	(4,177)	(5,382)
(Decrease)/Increase in payables	(1,432)	994
Cash from/(used in) operation	2,601	(2,473)
Interest paid	(5,019)	(2,889)
Income tax paid	(53)	2
Net cash used in operating activities	(2,471)	(5,360)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	31	48
Withdrawal of deposits with licensed banks	1,284	8,576
Proceeds from disposal of property, plant and equipment	5,570	1,672
Purchase of property, plant and equipment	(5,701)	(4,501)
Net cash from investing activities	1,184	5,795
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in borrowings	1,511	(2,129)
Proceeds from exercise of ESOS	3,238	-
Net cash from/(used in) investing activities	4,749	(2,129)
<b>Net cash from/(used in) cash and cash equivalents</b>	3,462	(1,694)
Effects of changes in exchange rates	(829)	(156)
<b>Cash and cash equivalents at beginning</b>	182	3,186
<b>Cash and cash equivalents at end</b>	2,815	1,336
<b>Represented by:</b>		
Cash and bank balances	3,871	1,336
Bank overdrafts	(1,056)	-
	2,815	1,336

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2015.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

### Part A - Explanatory Notes Pursuant To MFRS 134

#### 1. Basis of Preparation

The condensed consolidated interim financial statements ("Report") have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to this Report 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 financial year ended 31 December 2015.

#### 2. Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2015, except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2016.

##### 2.1 Adoption of New and Amendments/Improvements to MFRS

The Group has adopted the following standards with a date of initial application of 1 January 2016.

*MFRS 14 Regulatory Deferral Accounts*

*Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception*

*Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

*Amendments to MFRS 101 Disclosure Initiative*

*Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation*

*Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants*

*Amendments to MFRS 127 Equity Method in Separate Financial Statements*

*Annual Improvements to MFRS 2012–2014 Cycle*

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

##### 2.2 Standards issued but not yet effective

At the date of authorisation of this condensed consolidated interim financial statements, the following standards were issued but not yet effective and have not been adopted by the Group:

###### **Effective for financial periods beginning on or after 1 January 2017**

*Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives*

*Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

###### **Effective for financial periods beginning on or after 1 January 2018**

*MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)*

*MFRS 15 Revenue from Contracts with Customers*

*Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures*

###### **Effective for financial periods beginning on or after 1 January 2019**

*MFRS 6 Leases*

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption except as mentioned below:

###### ***MFRS 15 Revenue From Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Int 13 *Customer Loyalty Programmes*, IC Int 15 *Agreements for Construction of Real Estate*, IC Int 18 *Transfers of Assets from Customers* and IC Int 131 *Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

## 2.2 Standards issued but not yet effective (cont'd)

The adoption of *MFRS 15* will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting *MFRS 15*.

### *MFRS 16 Leases*

*MFRS 16* replaces the guidance in *MFRS 117 Leases*, *IC Int 4 Determining whether an Arrangement contains a Lease*, *IC Int 115 Operating Leases – Incentives* and *IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of *MFRS 16*.

## 3. Audit Report of Preceding Annual Financial Statements

The auditors' report of the Group's most recent annual audited financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

## 4. Seasonal or Cyclical Factors

The Group normally sees higher demand from their customers in the second half of the financial year to cater for the year end holiday seasons.

## 5. Unusual Items

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

## 6. Material Changes in Estimates of Amount Reported

There were no changes in estimates of amount reported in prior financial year that have a material effect on current financial period.

## 7. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

During the current reporting period the Company has increased its issued and paid up share capital from RM23,689,345 to RM26,927,745 by the issuance of 32,689,345 new ordinary shares of RM0.10 each pursuant the Company's ESOS.

## 8. Dividends Paid

No dividend was paid during the current financial period under review.

## 9. Segmental Information

### (i) Analysis by business segments

	9 months ended	
	9/30/2016	9/30/2015
	RM'000	RM'000
<b>Segment Revenue</b>		
Printed Circuit Board (PCB)	37,246	34,762
Electronic Products	43	-
Investment Holding	79	75
Total revenue including inter-segment sales	37,418	34,837
Elimination of inter-segment sales	(50)	(3,917)
External sales	37,368	30,920

## 9. Segmental Information (cont'd)

### (i) Analysis by business segments (cont'd)

	9 months ended	
	9/30/2016	9/30/2015
	RM'000	RM'000
<b>Segment Results</b>		
Printed Circuit Board (PCB)	2,368	375
Electronic Products	(1)	(16)
Investment Holding	(1,331)	(258)
	<u>1,036</u>	<u>101</u>
Elimination	-	-
Profit before tax	<u>1,036</u>	<u>101</u>

### (ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	9 months ended			
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,803	9,900	11,007	958
Thailand	35,565	21,020	20,105	12,202
	<u>37,368</u>	<u>30,920</u>	<u>31,112</u>	<u>13,160</u>

## 10. Valuation of Property, Plant and Equipment

The valuation of the Group's landed properties was updated by an independent professional firm of valuers, Messrs CH Williams Talhar & Wong Sdn. Bhd. and World Valuation Co., Ltd. in January and December 2011 respectively.

## 11. Subsequent Events

On 27 October 2016, the Group incorporated a wholly-owned subsidiary by the name AE Resources Energy Sdn. Bhd. with a paid up capital of RM2. AE Resources Energy Sdn. Bhd. is incorporated to carry out the business in renewable energy.

Other than the abovementioned, there are no other material events subsequent to the end of the reporting period which require disclosure.

## 12. Contingent Liabilities and Contingent Assets

There were no contingent assets or contingent liabilities since the end of the last annual reporting period.

## 13. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period under review other than the acquisition of a new wholly-owned subsidiary, AE Resources Development Sdn Bhd, at a cash consideration of RM2. The subsidiary remains dormant as at the end of the reporting period.

## 14. Capital Commitments

The Group's capital commitment as at the end of the current reporting period is as follows:

	30-9-2016
	RM'000
Contracted but not provided for:	
- Property, plant and equipment	<u><u>-</u></u>

**Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad**

**1. Performance Review**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	RM'000	RM'000	RM'000	RM'000
Revenue	13,499	11,229	37,368	30,920
(Loss)/Profit before tax	131	492	1,036	101

**Comparison with Previous Year Corresponding Quarter**

For the current quarter ended 30 September 2016, the Group's revenue has increased from RM11.299 million to RM13.499 million, representing an increase of 20.22% as compared to the preceding year corresponding quarter. This was mainly due to the increase in customer's order during the quarter.

The Group posted a profit before taxation of RM0.131 million as compared to the preceding year's corresponding quarter profit before tax of RM0.492 million. The marginal drop in the profit was mainly due to the provision of RM0.551 million for ESOS exercised in the previous quarter.

**Comparison with Previous Year Corresponding Financial to Date**

As for the 6 months period ended 30 September 2016, the Group's revenue has increased from RM30.920 million to RM37.368 million, representing an increase of 20.85% as compared to the preceding year corresponding quarter. This was mainly due to the increase in sales of value added PCB which is low in volume but higher in selling price

The Group posted a profit before taxation of RM1.03 million as compared to the preceding year's corresponding quarter profit before tax of RM0.101 million.

**2. Comparison with Preceding Quarter's Results**

	<u>Individual Quarter</u>	
	3 months ended	
	(Unaudited)	(Unaudited)
	30-Sep-16	30-Jun-16
	RM'000	RM'000
Revenue	13,499	12,317
(Loss)/Profit before tax	131	(356)

During the current quarter under review, the Group reported total revenue of RM13.49 million, which was 3.93% higher than the immediate preceding quarter of RM12.37 million.

The Group posted a profit before taxation of RM0.131 million as compared to the immediate preceding quarter loss before taxation of RM0.356 million. This was mainly due to the success of increasing the sales of value added PCB.

**3. Prospects**

The Group achieved a good revenue growth despite the challenges and competition in the PCB market and aims for continuous and sustainable growth in revenue and profit in the foreseeable future.

**4. Profit Forecast**

This section is not applicable as no profit forecast was published.

**5. Profit from Operations**

	<u>Current quarter</u>	<u>Cumulative</u>
	(Unaudited)	quarter
	9/30/2016	(Unaudited)
	RM'000	9/30/2016
	RM'000	RM'000
This is derived after charging/(crediting) the following:		
Bad debt	27	27
Bad debt recovered	-	(1,126)
Depreciation	748	2,370
Equity settled share-based payment transactions	551	1,102
Loss/(Gain) on disposal of property, plant and equipment	(52)	(224)
Interest expense	1,695	5,019



Interest income	(12)	(31)
Realised loss/(gain) on foreign exchange	(185)	(410)
Rental expenses	120	360
Rental income	(195)	(520)

Other than the above items, there were no gain or loss on disposal of quoted or unquoted investments, provisions for and write off of receivables and inventories, gain or loss on derivatives as well as other exceptional items.

## 6. Tax Expense

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	RM'000	RM'000	RM'000	RM'000
Current tax	(104)	-	(192)	-
Deferred tax	-	-	-	-

The effective tax rate of the Group is lower than the Malaysian statutory tax rate of 24% due to the availability of tax credits which can be set off against the chargeable income of the local subsidiary.

## 7. Status of Corporate Proposals and Status of Utilisation of Proceeds Raised

### A) Update on Employee's Share Option Scheme (ESOS) as at 30 September 2016

The Company had obtained its shareholders approval for the establishment of ESOS of up to 30% of the total issued and paid up capital for the eligible employees and directors and its subsidiaries at the EGM dated 6 November 2015.

The details of the shares that had been granted and exercised under the ESOS as at 30 September 2016 is as follow:

ESOS Option Grant Date	Expiry Date	Exercise Price	No of Share Granted	No of Share Exercised and Listed
15 April 2016	14 April 2021	RM0.10	35,534,000	32,384,000

### B) Utilisation of Proceeds Raised

On 3 December 2016, the Company completed the listing quotation for 29,867,000 ordinary shares of RM0.10 each in AEM on the main market of Bursa Malaysia Securities Berhad.

	Proposed Utilisation RM	Actual Utilisation RM	Expected Time for Utilisation RM
Repayment of bank borrowings	3,000.00	3,000.00	Within 12 months
Upgrade machinery	1,940.00	1,940.00	Within 18 months
Working Capital	1,693.00	1,668.00	Within 12 months
Expenses in relation to the Private Placement	<u>200.00</u>	<u>225.00</u>	Within 1 months
	6,833.00	6,833.00	

C) A corporate proposal was announced on 16 June 2016 an agreement between AEM and JMT Kelantan Baru Sdn Bhd for the a proposed collaboration for a renewable energy project and both parties has announced the agreement on 29 July and 14 October 2016 and further extending the time to execute the Definitive Agreement until 28 January 2017.

## 8. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2016 are as follows:

	<u>Denominated in</u>		<u>Total borrowings</u> RM'000
	RM RM'000	Thai Baht RM'000	
<b>Secured short-term borrowings</b>			
Overdraft	-	1,056	1,056
Factoring	-	2,536	2,536
Trade finance	-	22,565	22,565
Promissory notes	-	2,983	2,983
Finance lease liabilities	27	20	47
	<u>27</u>	<u>29,160</u>	<u>29,187</u>

<b>Secured long-term borrowings</b>			
Finance lease liabilities	230	72	302
<b>Total borrowings</b>	<b>257</b>	<b>29,232</b>	<b>29,489</b>

## 9. Changes in Material Litigation

The Group is not engaged in any material litigation as at the date of this report.

## 10. Dividend Payable

No dividend has been proposed for the current quarter.

## 11. Loss Per Share

### (i) Basic (Loss)/Earnings Per Share

The basic loss/earnings per share has been calculated based on the Group's loss/profit after tax attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial period.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>30-Sep-16</u>	<u>30-Sep-15</u>	<u>30-Sep-16</u>	<u>30-Sep-15</u>
(Loss)/Profit After Tax				
Attributable to owners of the Company (RM'000)	27	492	844	101
Weighted average number of ordinary shares	247,055	95,820	247,055	95,820
Basic (Loss)/Earnings Per Share (sen)	0.011	0.513	0.342	0.105

### (ii) Diluted (Loss)/Earnings Per Share

The diluted loss/earnings per share for the current quarter and cumulative period to date are computed as below:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30-Jun-16</u>	<u>30-Jun-15</u>	<u>30-Jun-16</u>	<u>30-Jun-15</u>
(Loss)/Profit After Tax				
Attributable to owners of the Company (RM'000)	27	492	844	101
Weighted average number of ordinary shares of RM0.10 each in issue - basic ('000)	247,055	95,820	247,055	95,820
Effect of share-based payment transaction	731	-	731	-
Weighted average number of ordinary shares of RM0.10 each in issue - diluted ('000)	247,786	95,820	247,786	95,820
Diluted (Loss)/Earnings Per Share (sen)	0.000	0.01	0.003	0.001

## 12. Realised and Unrealised Accumulated Losses

	<u>As at</u>	<u>Audited</u>
	<u>30-Sep-16</u>	<u>As at</u>
	<u>RM'000</u>	<u>31-12-2015</u>
		<u>RM'000</u>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(18,408)	(19,452)
- Unrealised	-	-
	(18,408)	(19,452)
Add: Consolidation adjustments	13,228	13,428
Total accumulated losses of the Group	(5,180)	(6,024)

Date: 25 November 2016