



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Financial Position

As at 30 September 2017 - Unaudited

	Unaudited as at 30-9-2017 RM'000	Audited as at 31-12-2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,826	22,353
Investment property	9,978	10,134
	<u>43,804</u>	<u>32,487</u>
Current assets		
Inventories	27,764	29,756
Trade receivables	17,230	11,723
Other receivables, deposits and prepayments	12,780	17,530
Deposits with licensed banks	4,625	3,478
Cash and bank balances	1,721	2,041
	<u>64,120</u>	<u>64,528</u>
TOTAL ASSETS	<u>107,924</u>	<u>97,015</u>
EQUITY AND LIABILITIES		
Share capital ⁽¹⁾	40,278	27,137
Share premium ⁽¹⁾	-	8,984
Other reserves	18,275	18,337
Total equity	<u>58,553</u>	<u>54,458</u>
Non-current liabilities		
Borrowings	2,837	200
Current liabilities		
Trade payables	8,388	6,249
Other payables and accruals	5,739	3,512
Borrowings	32,407	32,595
Tax payables	-	1
	<u>46,534</u>	<u>42,357</u>
Total liabilities	<u>49,371</u>	<u>42,557</u>
TOTAL EQUITY AND LIABILITIES	<u>107,924</u>	<u>97,015</u>
Net assets per share (RM)	0.20	0.20

Note:

(1)

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM8,983,920 for purposes as set out in Sections 618 (3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 2016.



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Comprehensive Income

For the financial period ended 30 September 2017 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30/9/2017 RM'000	30/9/2016 RM'000	30/9/2017 RM'000	30/9/2016 RM'000
Revenue	15,129	13,499	48,650	37,368
Cost of sales	(12,469)	(10,587)	(41,217)	(29,322)
Gross profit	2,660	2,912	7,433	8,046
Other income	521	481	2,153	2,417
Administrative expenses	(799)	(1,268)	(2,508)	(3,432)
Selling and marketing expenses	(385)	(299)	(1,093)	(976)
Operating profit	1,997	1,826	5,985	6,055
Finance costs	(1,773)	(1,695)	(5,518)	(5,019)
Profit before tax	224	131	467	1,036
Tax expense	(31)	(104)	(127)	(192)
Profit for the period	193	27	340	844
Other comprehensive (loss)/income, net of tax Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	(407)	1,588	(351)	6,583
Total comprehensive (loss)/income for the period	(214)	1,615	(11)	7,427
Earnings per share (sen)				
- Basic	0.07	0.01	0.12	0.34
- Diluted	0.07	0.01	0.13	0.36

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 2016.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 September 2017 - Unaudited

	----- Non-distributable -----								
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Warrants Reserve RM'000	Capital Reserve RM'000	ESOS Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 1-1-2017	27,137	8,984	1,541	5,512	5,930	10,513	51	(5,210)	54,458
Foreign currency translation differences	-	-	-	(351)	-	-	-	-	(351)
Profit for the period	-	-	-	-	-	-	-	340	340
Total comprehensive loss for the period	-	-	-	(351)	-	-	-	340	(11)
<i>Transactions with owners:</i>									
Issuance of shares pursuant to:									
- Private placement	4,380	-	-	-	-	-	-	-	4,380
- Share options exercised	151	-	-	-	-	-	(51)	-	100
Share issuance expenses	(374)	-	-	-	-	-	-	-	(374)
Total transactions with owners	4,157	-	-	-	-	-	(51)	-	4,106
Transfer in accordance with Section 618(2) of the Companies Act 2016 to no-par value regime	8,984	(8,984)	-	-	-	-	-	-	-
As at 30-9-2017	40,278	-	1,541	5,161	5,930	10,513	-	(4,870)	58,553
As at 1-1-2016	23,690	7,385	1,541	(2,770)	5,930	10,513	-	(6,024)	40,265
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	1,672	-	-	-	-	-	-	-	1,672
Share-based-payment transactions	-	-	-	-	-	-	551	-	551
Total transactions with owners	1,672	-	-	-	-	-	551	-	2,223
As at 30-6-2016	25,362	7,385	1,541	3,813	5,930	10,513	551	(5,180)	49,915

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 2016.



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Cash Flows

For the financial period ended 30 September 2017 - Unaudited

	30/9/2017	30/9/2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	467	1,036
Adjustments for:		
Bad debts	-	27
Depreciation	3,048	2,370
Gain on disposal of property, plant and equipment	(834)	(224)
Interest expense	5,518	5,019
Interest income	(27)	(31)
Equity settled share-based payment transactions	-	1,102
Operating profit before working capital changes	8,172	9,299
Decrease/(Increase) in inventories	2,330	(1,089)
Increase in receivables	(669)	(4,177)
Increase/(Decrease) in payables	4,311	(1,432)
Cash from operations	14,144	2,601
Interest paid	(5,518)	(5,019)
Income tax paid	(128)	(53)
Net cash from/(used in) operating activities	8,498	(2,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	27	31
(Placement)/Withdrawal of deposits with licensed banks	(1,122)	1,284
Proceeds from disposal of property, plant and equipment	2,786	5,570
Purchase of property, plant and equipment	(16,119)	(5,701)
Net cash (used in)/from investing activities	(14,428)	1,184
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	2,137	1,511
Payment of share issuance expenses	(374)	-
Proceeds from private placement	4,380	-
Proceeds from exercise of ESOS	100	3,238
Net cash from investing activities	6,243	4,749
Net increase in cash and cash equivalents	313	3,462
Effects of changes in exchange rates	(602)	(829)
Cash and cash equivalents at beginning	860	182
Cash and cash equivalents at end	571	2,815
Represented by:		
Cash and bank balances	1,721	3,871
Bank overdrafts	(1,150)	(1,056)
	571	2,815

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 2016.



AE MULTI HOLDINGS BERHAD

(Company No. 539777-D)

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 Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. 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 2016.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of this Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2016, except for the adoption of Amendments to MFRS effective as of 1 January 2017.

2.1 Adoption of Amendments to MFRS

The Group has adopted the following standards with a date of initial application of 1 January 2017.

Amendments to MFRS 12 Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)
Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives
Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

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 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures
Amendments to MFRS 140 Investment Property: Transfer of Investment Property
Annual Improvements to MFRS 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)
IC Int 22 Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

MFRS 16 Leases

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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:

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

MFRS 9 Financial Instruments

MFRS 9 replaces *MFRS 139 Financial Instruments: Recognition and Measurement* and all previous version of *MFRS 9*. This new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of *MFRS 9*, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of *MFRS 9*, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group’s investment in unquoted shares, if any, will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting MFRS 9.

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.

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 2016 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:

- (i) On 26 May 2017, the Company has issued 27,036,700 new ordinary shares pursuant to Private Placemenet at an issue price of RM0.162 per Placement Share; and
- (ii) On 7 June 2017, the Company has issued 1,000,000 new ordinary shares pursuant to ESOS at exercise price of RM0.10 each.

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	
	30/9/2017	30/9/2016
	RM'000	RM'000
Segment Revenue		
Printed Circuit Board (PCB)	51,867	37,246
Electronic Products	35	93
Investment Holding	75	79
Total revenue including inter-segment sales	<u>51,977</u>	<u>37,418</u>

Elimination of inter-segment sales	(3,327)	(50)
External sales	48,650	37,368
	<hr/>	
	9 months ended	
	30/9/2017	30/9/2016
	RM'000	RM'000
Segment Results		
Printed Circuit Board (PCB)	625	2,368
Electronic Products	2	(1)
Investment Holding	(160)	(1,331)
	<hr/>	<hr/>
	467	1,036
Elimination	-	-
Profit before tax	<hr/>	<hr/>
	467	1,036

(ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	9 months ended		30/9/2017	30/9/2016
	30/9/2017	30/9/2016		
	RM'000	RM'000	RM'000	RM'000
Malaysia	3,936	1,803	10,515	11,007
Thailand	44,714	35,565	33,289	20,105
	<hr/>	<hr/>	<hr/>	<hr/>
	48,650	37,368	43,804	31,112

10. Valuation of Property, Plant and Equipment

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

11. Subsequent Events

There are no 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.

14. Capital Commitments

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

	30-9-2017
	RM'000
Contracted but not provided for:	
- Property, plant and equipment	<hr/>
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Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

1. Performance Review

Comparison with the corresponding quarter and financial period in the previous financial year

	Individual Quarter		Changes (Amount/ %)	Cumulative Quarter		Changes (Amount/ %)
	3 months ended			9 months ended		
	30-Sep-17	30-Sep-16		30-Sep-17	30-Sep-16	
	RM'000	RM'000	RM'000	RM'000		
Revenue	15,129	13,499	1630 / 12.07%	48,650	37,368	11,282 / 30.19%
Profit before tax	224	131	93 / 70.99%	467	1,036	-569 / -54.92%

Comparison with Previous Year Corresponding Quarter

For the current quarter ended 30 September 2017, the Group's revenue has increased from RM13.499 million to RM15.129 million, representing an increase of 12.07% as compared to the preceding year corresponding quarter. This was mainly due to the increase in sales price and order.

The Group posted a profit before tax of RM0.224 million as compared to the preceding year's corresponding quarter profit before taxation of RM0.131 million which was mainly attributable to corporate exercise expenses incurred during the preceding year corresponding quarter.

Comparison with Corresponding Financial Period To Date in Previous Year

For the current period ended 30 September 2017, the Group's revenue has increased from RM37.368 million to RM48.650 million, representing an increase of 30.19% as compared to the preceding year corresponding period. This was mainly due to the increase in sales order and price.

However, the Group posted a profit before taxation of RM0.467 million as compared to the preceding year's corresponding period profit before taxation RM1.036 million due to the escalating global copper price which was directly affect our main raw material price copper clad laminate.

2. Comparison with Preceding Quarter's Results

	Individual Quarter 3 months ended		Changes (Amount/ %)
	30-Sep-17 RM'000	30-Jun-17 RM'000	
Revenue	15,129	18,574	3445 / 18.54%
Profit before tax	224	169	55 / 32.54%

During the current quarter under review, the Group reported total revenue of RM15,129 million, which is 18.54% lower than the immediate preceding quarter of RM18.574 million. This was mainly due to the Group decrease in customers order.

In contrast with the revenue, the Group posted a profit before tax of RM0.224 million as compared to the immediate preceding quarter's of profit before taxation of RM0.169, mainly due to the sales of different product mix that is higher in profit margin.

3. Prospects

Notwithstanding the unforeseen circumstances to the contrary, the Group is optimistic with the performance in year 2018 due to the positive result obtained throughout the year.

4. Profit Forecast

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

5. Profit from Operations

	Current quarter (Unaudited) 30/9/2017 RM'000	Cumulative quarter (Unaudited) 30/9/2017 RM'000
This is derived after charging/(crediting) the following:		
Depreciation	1,075	3,048
Gain on disposal of property, plant and equipment	(50)	(834)
Interest expense	1,773	5,518
Interest income	(8)	(27)
Realised gain on foreign exchange	(293)	(783)

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	(Unaudited) 30-Sep-17 RM'000	(Unaudited) 30-Sep-16 RM'000	(Unaudited) 30-Sep-17 RM'000	(Unaudited) 30-Sep-16 RM'000
Current tax				
- Foreign	(31)	(104)	(127)	(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 and a lower tax rate enjoyed by our Thailand subsidiary.

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

There was no corporate proposal announced or not completed as at the date of this Report.

8. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2017 are as follows:

	As at 30-9-2017			As at 30-9-2016		
	Denominated in		Total borrowings	Denominated in		Total borrowings
	RM RM'000	Thai Baht RM'000		RM RM'000	Thai Baht RM'000	
Secured short-term borrowings						
Overdraft	-	1,150	1,150	-	1,056	1,056
Factoring	-	3,265	3,265	-	2,536	2,536
Trade finance	-	24,580	24,580	-	22,565	22,565
Promissory notes	-	3,167	3,167	-	2,983	2,983
Finance lease liabilities	58	3	61	27	20	47
Term loan	-	184	184	-	-	-
	58	32,349	32,407	27	29,160	29,187
Secured long-term borrowings						
Finance lease liabilities	133	26	159	230	72	302
Term loan	-	2,678	2,678	-	-	-
	133	2,704	2,837	230	72	302
Total	191	35,053	35,244	257	29,232	29,489

a) Our Thailand subsidiary has drawdown a term loan of THB27,917,450 or equivalent to approximately RM3.6 million for the purpose of new factory building and machineries expenses.

b) Higher trade financing facilities were drawdown for the purchase of raw materials by our Thailand subsidiary.

c) The average effective interest rates of the Group's borrowings are as follows:

	30/9/2017	30-9-2016
Overdraft	7.13% - 7.68%	7.375%-7.675%
Factoring	8.38% -7.75%	8.00% -8.375%
Trade finance	6.20% - 6.28%	4.664% -6.275%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2.55%-3.75%	2.5% - 3.75%
Term loan	6.28%	-

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 and financial period under review.

11. Loss/Earnings Per Share

(i) Basic Earnings Per Share

The basic 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>	
	3 months ended		9 months ended	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
Profit After Tax				
Attributable to owners of the Company (RM'000)	193	27	340	844

Weighted average number of ordinary shares of

in issue ('000)	276,752	247,055	276,752	247,055
Basic Earnings Per Share (sen)	0.07	0.01	0.12	0.34

(ii) Diluted 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> 3 months ended		<u>Cumulative Quarter</u> 9 months ended	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
Profit After Tax				
Attributable to owners of the Company (RM'000)	193	27	340	844
Weighted average number of ordinary shares	276,752	247,055	276,752	247,055
Effect of share-based payment transaction	-	731	-	731
Effect of warrants	*-	*-	*-	*-
Weighted average number of ordinary shares of in issue - diluted ('000)	276,752	236,893	271,367	236,893
Diluted Earnings Per Share (sen)	0.07	0.01	0.13	0.36

* The effect of the warrants have not been computed as they are anti-dilutive in nature.

12. Realised and Unrealised Accumulated Losses

	<u>As at</u> <u>30-Sep-17</u> <u>RM'000</u>	<u>Audited</u> <u>As at</u> <u>31-12-2016</u> <u>RM'000</u>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(18,065)	(18,405)
- Unrealised	-	-
	(18,065)	(18,405)
Add: Consolidation adjustments	13,195	13,195
Total accumulated losses of the Group	<u>(4,870)</u>	<u>(5,210)</u>

Date: 27 November 2017