



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Financial Position
As at 31 March 2018 - Unaudited

	Unaudited as at 31-3-2018 RM'000	Audited as at 31-12-2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,061	34,407
Investment property	9,875	9,927
	<u>45,936</u>	<u>44,334</u>
Current assets		
Inventories	25,973	27,393
Trade receivables	13,303	12,061
Other receivables, deposits and prepayments	6,486	8,904
Deposits with licensed banks	4,519	3,447
Cash and bank balances	2,116	3,111
	<u>52,397</u>	<u>54,916</u>
TOTAL ASSETS	<u>98,333</u>	<u>99,250</u>
EQUITY AND LIABILITIES		
Share capital	40,289	40,289
Other reserves	15,173	16,420
Total equity	<u>55,462</u>	<u>56,709</u>
Non-current liabilities		
Borrowings	153	116
Current liabilities		
Trade payables	7,081	6,803
Other payables and accruals	3,619	1,499
Borrowings	32,018	34,123
Tax payables	-	-
	<u>42,718</u>	<u>42,425</u>
Total liabilities	<u>42,871</u>	<u>42,541</u>
TOTAL EQUITY AND LIABILITIES	<u>98,333</u>	<u>99,250</u>
Net assets per share (RM)	0.19	0.19

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 2017.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 March 2018 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	3/31/2018 RM'000	3/31/2017 RM'000	3/31/2018 RM'000	3/31/2017 RM'000
Revenue	15,893	14,947	15,893	14,947
Cost of sales	(14,735)	(12,255)	(14,735)	(12,255)
Gross profit	1,158	2,692	1,158	2,692
Other income	1,181	424	1,181	424
Administrative expenses	(883)	(871)	(883)	(871)
Selling and marketing expenses	(350)	(302)	(350)	(302)
Operating profit	1,106	1,943	1,106	1,943
Finance costs	(1,697)	(1,869)	(1,697)	(1,869)
(Loss)/Profit before tax	(591)	74	(591)	74
Tax expense	-	(31)	-	(31)
(Loss)/Profit for the financial period	(591)	43	(591)	43
Other comprehensive (loss)/income, net of tax Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	(656)	56	(656)	56
Total comprehensive (loss)/income for the financial period	(1,247)	99	(1,247)	99
(Loss)/Earnings per share (sen)				
- Basic	(0.20)	0.02	(0.20)	0.02
- Diluted	-	-	-	-

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 2017.



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 March 2018 - Unaudited

	----- Non-distributable -----								Total Equity RM'000
	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	
As at 1-1-2018	40,289	-	1,541	4,933	5,930	10,513	-	(6,497)	56,709
Foreign currency translation differences	-	-	-	(656)	-	-	-	-	(656)
Loss for the period	-	-	-	-	-	-	-	(591)	(591)
Total comprehensive loss for the period	-	-	-	(656)	-	-	-	(591)	(1,247)
As at 31-3-2018	40,289	-	1,541	4,277	5,930	10,513	-	(7,088)	55,462
As at 1-1-2016	27,137	8,984	1,541	5,512	5,930	10,513	51	(5,210)	54,458
Foreign currency translation differences	-	-	-	(579)	-	-	-	-	(579)
Profit for the year	-	-	-	-	-	-	-	(1,287)	(1,287)
Total comprehensive income for the year	-	-	-	(579)	-	-	-	(1,287)	(1,866)
<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	(363)	-	-	-	-	-	-	-	(363)
Total transactions with owners	4,168	-	-	-	-	-	(51)	-	4,117
Transfer in accordance with Section 618(2) of the Companies Act 2016 to no-par value regime ⁽¹⁾	8,984	(8,984)	-	-	-	-	-	-	-
As at 31-12-2016	40,289	-	1,541	4,933	5,930	10,513	-	(6,497)	56,709

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

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 2017.



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Cash Flows

For the financial period ended 31 March 2018 - Unaudited

	3/31/2018	3/31/2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(591)	74
Adjustments for:		
Depreciation	1,160	946
Gain on disposal of property, plant and equipment	(301)	(117)
Interest expense	1,697	1,869
Interest income	(8)	(6)
Operating profit before working capital changes	1,957	2,766
Decrease/(Increase) in inventories	1,405	(1,920)
Decrease in receivables	1,155	6,589
Increase in payables	2,413	1,681
Cash from operations	6,930	9,116
Interest paid	(1,697)	(1,869)
Income tax paid	-	(1)
Net cash from operating activities	5,233	7,246
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	8	6
Placement of deposits with licensed banks	(1,075)	659
Proceeds from disposal of property, plant and equipment	664	1,085
Purchase of property, plant and equipment	(3,161)	(7,704)
Net cash used in investing activities	(3,564)	(5,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	(2,408)	906
Net increase in cash and cash equivalents	(739)	2,198
Effects of changes in exchange rates	(613)	(776)
Cash and cash equivalents at beginning	2,534	860
Cash and cash equivalents at end	1,182	2,282
Represented by:		
Cash and bank balances	2,116	3,360
Bank overdrafts	(934)	(1,078)
	1,182	2,282

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 2017.



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 2017. 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 2017.

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 2017, except for the adoption of Amendments to MFRS effective as of 1 January 2018.

2.1 Adoption of Amendments to MFRS

The Group has adopted the following standards with a date of initial application of 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 Share-based Payment: 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: Transfers of Investment Property

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRS 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in other Entities)

The initial application of the anobe standards did not have any material impact to the consolidated financial statements of the Group except as mentioned below:

MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Three principal classifications categories for financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There were no material impact on the Group's financial assets upon initial application of the new classification and measurement requirements.

MFRS 9 also replaces the incurred loss model in respect of impairment assessment of MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances are measured on either a 12-month ECL or a Lifetime ECL.

There were no material impact on the Group's consolidated financial statements upon application of the forward-looking ECL model.

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.

There was no material impact on the Group's consolidated financial statements upon application of MFRS 15.

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 2019

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits: Plan Amendments, Curtailment or Settlement

Amendments to MFRS 128 Investments in Associates and Joint Venture: Long-term Interests in

Associates and Joint Ventures

IC Interpretation 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycle

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

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.

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 2017 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 season.

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period under review.

8. Dividends Paid

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

9. Segmental Information

(i) Analysis by business segments

	3 months ended	
	3/31/2018	3/31/2017
	RM'000	RM'000
Segment Revenue		
Printed Circuit Board (PCB)	17,041	15,890
Electronic Products	-	10
Investment Holding	25	25
Total revenue including inter-segment sales	17,066	15,925
Elimination of inter-segment sales	(1,173)	(978)
External sales	15,893	14,947

	3 months ended	
	3/31/2018	3/31/2017
	RM'000	RM'000
Segment Results		
Printed Circuit Board (PCB)	(449)	144
Electronic Products	-	(3)
Investment Holding	(142)	(67)
	<u>(591)</u>	<u>74</u>
Elimination	-	-
(Loss)/Profit before tax	<u>(591)</u>	<u>74</u>

(ii) **Analysis by geographical segments**

	<u>Revenue</u>		<u>Non-current Assets</u>	
	3 months ended		3/31/2018	3/31/2017
	3/31/2018	3/31/2017		
RM'000	RM'000			
Malaysia	1,263	1,117	10,369	10,666
Thailand	14,630	13,830	35,567	28,324
	<u>15,893</u>	<u>14,947</u>	<u>45,936</u>	<u>38,990</u>

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 is no capital commitment as at the end of the current reporting period is as follows:

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

	<u>Individual Quarter</u>		<u>Changes</u> (Amount/ %)	<u>Cumulative Quarter</u>		<u>Changes</u> (Amount/ %)
	3 months ended			3 months ended		
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
	RM'000	RM'000		RM'000	RM'000	
Revenue	15,893	14,947	946 / 6.33%	15,893	14,947	946 / 6.33%
(Loss)/Profit before tax	(591)	74	-665 / -898.65%	(591)	74	-665 / -898.65%

Comparison with Previous Year Corresponding Quarter

For the current quarter ended 31 March 2018 the Group's revenue has increased from RM15.89 million to RM14.94 million, representing a increased of 6.33% as compared to the preceding year corresponding quarter. This was mainly due to higher sales demand during the quarter under review.

The Group posted a loss before taxation of RM0.591 million compared to the preceding year's corresponding quarter profit before taxation of RM0.074 million which was mainly due to the impairment of inventories amounting of RM0.654 million during the quarter under review. The Group would have obtained slight profit of RM0.063 million if not take in the impairment amounting of RM0.654 million.

2. Comparison with Preceding Quarter's Results

	<u>Individual Quarter</u> 3 months ended		Changes (Amount/ %)
	31-Mar-18 RM'000	31-Dec-17 RM'000	
Revenue	15,893	13,495	2,398 / 17.77%
Loss before tax	(591)	(1,457)	-866 / -59.44%

During the current quarter under review, the Group reported total revenue of RM15.89 million, which is 17.77% higher than the immediate preceding quarter of RM13.49 million. This was mainly due to higher sales demand during the quarter.

The Group posted a loss before taxation of RM0.591 million as compared to the immediate preceding quarter's loss before taxation of RM1.457 million, mainly due to the impairment of inventories amounting of RM0.654 million for the quarter under review and RM0.967 million in the immediate preceding quarter.

3. Prospects

The Group obtained positive growth from the PCB business due to the increase in its customers base and greater emphasis on higher value added products. The year 2018 has started with momentum and the Group foresees that there will be a busy season ahead with the newly develop customers and products. However, the market situation would be very challenging from many aspect such as increasing minimum wages, copper price and thightened quality requirement from customers.

Therefore, the Group is cautiously optimistic that the performance for year 2018 will be positive and challenging.

4. Profit Forecast

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

5. Profit from Operations

	<u>Current quarter</u> (Unaudited) 3/31/2018 RM'000	<u>Cumulative quarter</u> (Unaudited) 3/31/2018 RM'000
This is derived after charging/(crediting) the following:		
Depreciation	1,160	1,160
Gain on disposal of property, plant and equipment	(301)	(301)
Interest expense	1,697	1,697
Interest income	(8)	(8)
Realised gain on foreign exchange	(707)	(707)

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> 3 months ended		<u>Cumulative Quarter</u> 3 months ended	
	(Unaudited) 31-Mar-18 RM'000	(Unaudited) 31-Mar-17 RM'000	(Unaudited) 31-Mar-18 RM'000	(Unaudited) 31-Mar-17 RM'000
Current tax				
- Foreign	-	(31)	-	(31)
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 31 March 2018 are as follows:

	As at 31-3-2018		As at 31-3-2017	
	Denominated in	Total	Denominated in	Total

	RM RM'000	Thai Baht RM'000	borrowings RM'000	RM RM'000	Thai Baht RM'000	borrowings RM'000
Secured short-term borrowings						
Overdraft	-	934	934	-	1,078	1,078
Factoring	-	2,426	2,426	-	2,322	2,322
Trade finance	-	21,560	21,560	-	27,608	27,608
Promissory notes	-	3,095	3,095	-	3,223	3,223
Finance lease liabilities	17	10	27	77	33	110
Short term loan	-	3,976	3,976	-	-	-
	17	32,001	32,018	77	34,264	34,341
Secured long-term borrowings						
Finance lease liabilities	140	13	153	148	23	171
	140	13	153	148	23	171
Total	157	32,014	32,171	225	34,287	34,512

- 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 plant expansion, replacement and upgrading of aging machine.
- b) Lower 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:
- | | 31-3-2018 | 31-3-2017 |
|---------------------------|---------------|---------------|
| Overdraft | 7.13% - 7.68% | 7.00% - 8.00% |
| Factoring | 8.38% - 7.75% | 7.25% - 8.38% |
| Promissory notes | 6.75% | 7.00% - 9.00% |
| Finance lease liabilities | 2.50%-3.75% | 2.55%-2.65% |
| Trust receipts | 6.25%-6.78% | 4.12%-4.79% |
| Short term loan | 6.775 | 4.79%-6.88% |

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>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>31-Mar-18</u>	<u>31-Mar-17</u>
(Loss)/Profit for the financial period Attributable to owners of the Company (RM'000)	(591)	43	(591)	43
Weighted average number of ordinary shares of in issue ('000)	299,404	271,367	299,404	271,367
Basic (Loss)/Earnings Per Share (sen)	(0.20)	0.02	(0.20)	0.02

(ii) Diluted (Loss)/Earnings Per Share

Diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because the conversion have an anti-dilutive effect.

Date: 28-May-18