



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2018 - Unaudited**

	<b>Unaudited as at 30-6-2018 RM'000</b>	<b>Audited as at 31-12-2017 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	35,397	34,407
Investment property	-	9,927
	<u>35,397</u>	<u>44,334</u>
<b>Current assets</b>		
Inventories	27,382	27,393
Trade receivables	12,407	12,061
Other receivables, deposits and prepayments	7,422	8,904
Deposits with licensed banks	4,464	3,447
Cash and bank balances	1,558	3,111
	<u>53,233</u>	<u>54,916</u>
Non-current assets held for sale	9,823	-
	<u>63,056</u>	<u>54,916</u>
<b>TOTAL ASSETS</b>	<u><u>98,453</u></u>	<u><u>99,250</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,289	40,289
Other reserves	14,565	16,420
<b>Total equity</b>	<u>54,854</u>	<u>56,709</u>
<b>Non-current liabilities</b>		
Borrowings	243	116
<b>Current liabilities</b>		
Trade payables	7,681	6,803
Other payables and accruals	5,387	1,499
Borrowings	30,288	34,123
	<u>43,356</u>	<u>42,425</u>
<b>Total liabilities</b>	<u>43,599</u>	<u>42,541</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>98,453</u></u>	<u><u>99,250</u></u>
<b>Net assets per share (RM)</b>	0.18	0.21

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 30 June 2018 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-06-18 RM'000	30-06-17 RM'000	30-06-18 RM'000	30-06-17 RM'000
Revenue	14,103	18,574	29,996	33,521
Cost of sales	(11,705)	(16,493)	(26,440)	(28,748)
<b>Gross profit</b>	2,398	2,081	3,556	4,773
Other income	263	1,208	1,444	1,632
Administrative expenses	(930)	(838)	(1,813)	(1,709)
Selling and marketing expenses	(301)	(406)	(651)	(708)
<b>Operating profit</b>	1,430	2,045	2,536	3,988
Finance costs	(1,601)	(1,876)	(3,298)	(3,745)
<b>(Loss)/Profit before tax</b>	(171)	169	(762)	243
Tax expense	18	(31)	18	(173)
<b>(Loss)/Profit for the financial period</b>	(153)	138	(744)	70
<b>Other comprehensive loss, net of tax Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	(455)	(424)	(1,111)	(368)
<b>Total comprehensive loss for the financial period</b>	(608)	(286)	(1,855)	(298)
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.05)	0.05	(0.25)	0.03
- Diluted	(0.05)	0.05	(0.25)	0.03

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 30 June 2018 - Unaudited**

	----- Non-distributable -----								
	Share	Share	Asset	Foreign	Warrants	Capital	ESOS	Accumulated	Total
	Capital	Premium	Revaluation	Currency	Reserve	Reserve	Reserve	Losses	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1-1-2018</b>	40,289	-	1,541	4,933	5,930	10,513	-	(6,497)	56,709
Foreign currency translation differences	-	-	-	(1,111)	-	-	-	-	(1,111)
Loss for the period	-	-	-	-	-	-	-	(744)	(744)
Total comprehensive loss for the period	-	-	-	(1,111)	-	-	-	(744)	(1,855)
<b>As at 30-6-2018</b>	<b>40,289</b>	<b>-</b>	<b>1,541</b>	<b>3,822</b>	<b>5,930</b>	<b>10,513</b>	<b>-</b>	<b>(7,241)</b>	<b>54,854</b>
<b>As at 1-1-2016</b>	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 <sup>(1)</sup>	8,984	(8,984)	-	-	-	-	-	-	-
<b>As at 31-12-2016</b>	<b>40,289</b>	<b>-</b>	<b>1,541</b>	<b>4,933</b>	<b>5,930</b>	<b>10,513</b>	<b>-</b>	<b>(6,497)</b>	<b>56,709</b>

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

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 30 June 2018 - Unaudited

	<b>30-06-18</b>	<b>30-06-17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(762)	243
Adjustments for:		
Depreciation	2,349	1,973
Gain on disposal of property, plant and equipment	(346)	(784)
Interest expense	3,297	3,745
Interest income	(19)	(19)
Operating profit before working capital changes	4,519	5,158
(Increase)/Decrease in inventories	(342)	619
Decrease/(Increase) in receivables	887	(1,488)
Increase in payables	4,915	4,208
Cash from operations	9,979	8,497
Interest paid	(3,298)	(3,745)
Income tax paid	18	(1)
Net cash from operating activities	6,699	4,751
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	19	19
Placement of deposits with licensed banks	(1,075)	(1,116)
Proceeds from disposal of property, plant and equipment	1,192	1,836
Purchase of property, plant and equipment	(4,542)	(11,797)
Net cash used in investing activities	(4,406)	(11,058)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in borrowings	(3,586)	2,480
Payment of share issuance expenses	-	(374)
Proceeds from private placement	-	4,380
Proceeds from exercise of ESOS	-	100
Net cash (used in)/from financing activities	(3,586)	6,586
<b>Net increase in cash and cash equivalents</b>	<b>(1,293)</b>	<b>279</b>
Effects of changes in exchange rates	(521)	(627)
<b>Cash and cash equivalents at beginning</b>	<b>2,534</b>	<b>860</b>
<b>Cash and cash equivalents at end</b>	<b>720</b>	<b>512</b>
<b>Represented by:</b>		
Cash and bank balances	1,558	1,590
Bank overdrafts	(837)	(1,078)
	<b>721</b>	<b>512</b>

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 above 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 classification 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 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**

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**

	<b>6 months ended</b>	
	<b>30-06-18</b>	<b>30-06-17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Printed Circuit Board (PCB)	30,896	33,521
Electronic Products	-	23
Investment Holding	50	50
Total revenue including inter-segment sales	30,946	33,594
Elimination of inter-segment sales	(950)	(73)
External sales	29,996	33,521

	<b>6 months ended</b>	
	<b>30-06-18</b>	<b>30-06-17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Results</b>		
Printed Circuit Board (PCB)	(417)	375
Electronic Products	(7)	1
Investment Holding	(329)	(133)
Others	(9)	-
	(762)	243
Elimination	-	-
(Loss)/Profit before tax	(762)	243

**(ii) Analysis by geographical segments**

Revenue

Non-current Assets

	6 months ended			
	30-06-18	30-06-17	30-06-18	30-06-17
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,434	281	403	10,591
Thailand	28,562	33,240	34,994	30,879
	29,996	33,521	35,397	41,470

#### 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. Significant Event During the Period

On 6 June 2018, AE Corporation (M) Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement ("SPA") with Jyoto Works (M) Sendirian Berhad to dispose of its land and building for a total consideration of RM10 million upon the terms and conditions as contained in the SPA ("Proposed Disposal"). The Proposed Disposal is expected to be completed by November 2018.

#### 13. Contingent Liabilities and Contingent Assets

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

#### 14. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period under review.

#### 15. Capital Commitments

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

	<u>30-6-2018</u> <u>RM'000</u>
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

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

	Individual Quarter		Changes (Amount/ %)	Cumulative Quarter		Changes (Amount/ %)
	3 months ended			6 months ended		
	30-Jun-18 RM'000	30-Jun-17 RM'000		30-Jun-18 RM'000	30-Jun-17 RM'000	
Revenue	14,103	18,574	-4,471 / -24.07%	29,996	33,521	3,525 / -10.52%
(Loss)/Profit before tax	(171)	169	-340 / -201.18%	(762)	243	-1,005 / -413.58%

##### Comparison with Previous Year Corresponding Quarter

For the current quarter ended 30 June 2018, the Group's revenue has dropped from RM18.57 million to RM14.10 million, representing a decrease of 24.07 % as compared to the preceding year corresponding quarter. This significant dropped in sales was mainly due to the import tariff imposed by United States (US) and our major customers already move their production back to US.

The Group posted a loss before taxation of RM0.171 million compared to the preceding year's corresponding quarter profit before taxation of RM0.169 million.

#### Comparison with Corresponding Financial Period To Date in Previous Year

For the current period ended 30 June 2018, the Group's revenue has dropped from RM33.52 million to RM29.99 million, representing a decrease of 10.52% as compared to the preceding year corresponding period. The dropped in sales was mainly due to the import tariff imposed by US.

The Group posted a loss before taxation of RM0.762 as compared to the preceding year's corresponding period profit before taxation of RM0.243 million which was mainly due to the impairment of inventories amounting of RM0.654 million in its subsidiary in the first quarter of the year.

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

	<u>Individual Quarter</u> 3 months ended		Changes (Amount/ %)
	<b>30-Jun-18</b> RM'000	<b>31-Mar-18</b> RM'000	
Revenue	14,103	15,893	-11.26 / 11.26%
Loss before tax	(171)	(591)	-420 / -71.07%

During the current quarter under review, the Group reported total revenue of RM15.893 million, which is 11.26% higher than the immediate preceding quarter of RM14.103 million. This was mainly due the higher sales of lower price product mix couple with the imposition of US Tariff.

The Group posted a loss before taxation of RM0.171 million as compared to the immediate preceding quarter's loss before taxation of RM0.591 million, mainly due to the impairment of inventories amounting of RM0.654 million.in the first quarter of the year.

#### 3. Prospects

The Group remained cautiously optimistic with the performance in year 2018 despite the global market uncertainty and US tariff policies.

#### 4. Profit Forecast

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

#### 5. Profit from Operations

	<u>Current quarter</u> (Unaudited) <b>30-06-18</b> RM'000	<u>Cumulative</u> quarter (Unaudited) <b>30-06-18</b> RM'000
This is derived after charging/(crediting) the following:		
Depreciation	1,189	2,349
Gain on disposal of property, plant and equipment	(45)	(346)
Interest expense	1,601	3,298
Interest income	(11)	(19)
Realised gain on foreign exchange	(92)	(799)

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> 6 months ended	
	(Unaudited) <b>30-Jun-18</b> RM'000	(Unaudited) <b>30-Jun-17</b> RM'000	(Unaudited) <b>30-Jun-18</b> RM'000	(Unaudited) <b>30-Jun-17</b> RM'000
Current tax				
- Malaysian	18	-	18	-
- Foreign	-	(31)	-	(173)
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 30-6-2018			As at 30-6-2017		
	Denominated in RM RM'000	Thai Baht RM'000	Total borrowings RM'000	Denominated in RM RM'000	Thai Baht RM'000	Total borrowings RM'000
<b>Secured short-term borrowings</b>						
Overdraft	-	837	837	-	1,078	1,078
Factoring	-	4,196	4,196	-	3,337	3,337
Trade finance	-	19,931	19,931	-	24,625	24,625
Promissory notes	-	3,057	3,057	-	3,165	3,165
Finance lease liabilities	35	23	58	33	6	39
Term loan	-	2,209	2,209	-	386	386
	35	30,253	30,288	33	32,597	32,630
<b>Secured long-term borrowings</b>						
Finance lease liabilities	105	138	243	175	32	207
Term loan	-	-	-	-	2,658	2,658
	105	138	243	175	2,690	2,865
<b>Total</b>	<b>140</b>	<b>30,391</b>	<b>30,531</b>	<b>208</b>	<b>35,287</b>	<b>35,495</b>

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

	30-6-2018	30-6-2017
Overdraft	7.13% - 7.68%	7.13% - 7.68%
Factoring	8.38% - 7.75%	7.75% - 8.38%
Trade finance	6.28% - 6.59%	6.20% - 6.28%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2.507% - 8.375%	2.55% - 3.75%
Term loan	6.78%	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> 3 months ended		<u>Cumulative Quarter</u> 6 months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
(Loss)/Profit for the financial period Attributable to owners of the Company (RM'000)	(153)	138	(744)	70
Weighted average number of ordinary shares of in issue ('000)	299,404	276,752	299,404	271,367
Basic (Loss)/Earnings Per Share (sen)	(0.05)	0.05	(0.25)	0.03

### (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:

