



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Financial Position
As at 31 March 2019 - Unaudited

	Unaudited as at 31-03-2019 RM'000	Audited as at 31-12-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,033	36,585
Right of use assets	6,443	-
	<u>43,476</u>	<u>36,585</u>
Current assets		
Inventories	30,106	29,098
Trade receivables	11,374	13,193
Other receivables, deposits and prepayments	9,583	9,768
Deposits with licensed banks	5,625	3,262
Cash and bank balances	2,232	6,013
	<u>58,920</u>	<u>61,334</u>
TOTAL ASSETS	<u><u>102,396</u></u>	<u><u>97,919</u></u>
EQUITY AND LIABILITIES		
Share capital	40,289	40,289
Other reserves	14,811	15,043
Total equity	<u>55,100</u>	<u>55,332</u>
Non-current liabilities		
Borrowings	197	176
Lease liabilities	2,763	-
	<u>2,960</u>	<u>176</u>
Current liabilities		
Trade payables	5,297	7,492
Other payables and accruals	4,554	2,842
Borrowings	30,571	32,077
Lease liabilities	3,914	-
	<u>44,336</u>	<u>42,411</u>
Total liabilities	<u>47,296</u>	<u>42,587</u>
TOTAL EQUITY AND LIABILITIES	<u><u>102,396</u></u>	<u><u>97,919</u></u>
Net assets per share (RM)	0.18	0.18

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 2018.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 31 March 2019 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	3/31/2019 RM'000	3/31/2018 RM'000	3/31/2019 RM'000	3/31/2018 RM'000
Revenue	14,163	15,893	14,163	15,893
Cost of sales	(12,866)	(14,735)	(12,866)	(14,735)
Gross profit	1,297	1,158	1,297	1,158
Other income	1,371	1,181	1,371	1,181
Administrative expenses	(1,842)	(2,003)	(1,842)	(2,003)
Selling and marketing expenses	(370)	(350)	(370)	(350)
Operating profit	456	(14)	456	(14)
Finance costs	(610)	(577)	(610)	(577)
Loss before tax	(154)	(591)	(154)	(591)
Tax expense	-	-	-	-
Loss for the financial period	(154)	(591)	(154)	(591)
Other comprehensive income/(loss), net of tax Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	241	(656)	241	(656)
Total comprehensive income/(loss) for the financial period	87	(1,247)	87	(1,247)
Loss per share (sen)				
- Basic	(0.05)	(0.20)	(0.05)	(0.20)
- Diluted	(0.05)	(0.20)	(0.05)	(0.20)

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 2018.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 31 March 2019 - Unaudited

	Share Capital RM'000	Asset Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Warrants Reserve RM'000	Capital Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 1-1-2019	40,289	1,541	5,517	5,930	10,513	(8,458)	55,332
Adjustment on adoption of MFRS 16	-	-	-	-	-	(319)	(319)
Adjusted at 1-1-2019	40,289	1,541	5,517	5,930	10,513	(8,777)	55,013
Foreign currency translation differences	-	-	241	-	-	-	241
Loss for the year	-	-	-	-	-	(154)	(154)
Total comprehensive income for the period	-	-	241	-	-	(154)	87
As at 31-3-2019	40,289	1,541	5,758	5,930	10,513	(8,931)	55,100
As at 1-1-2018	40,289	1,541	4,933	5,930	10,513	(6,497)	56,709
Foreign currency translation differences	-	-	584	-	-	-	584
Loss for the year	-	-	-	-	-	(1,961)	(1,961)
Total comprehensive loss for the year	-	-	584	-	-	(1,961)	(1,377)
As at 31-12-2018	40,289	1,541	5,517	5,930	10,513	(8,458)	55,332

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 2018.



AE MULTI HOLDINGS BERHAD

Condensed Consolidated Statement of Cash Flows

For the financial period ended 31 March 2019 - Unaudited

	3/31/2019	3/31/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(154)	(591)
Adjustments for:		
Depreciation	1,190	1,160
Gain on disposal of property, plant and equipment	(6)	(301)
Interest expense	610	577
Interest income	(23)	(8)
Operating profit before working capital changes	1,617	837
(Increase)/Decrease in inventories	(832)	1,405
Decrease in receivables	2,069	1,155
(Decrease)/Increase in payables	(534)	2,413
Cash from operations	2,320	5,810
Interest paid	(610)	(577)
Net cash from operating activities	1,710	5,233
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	23	8
Placement of deposits with licensed banks	(2,347)	(1,075)
Proceeds from disposal of property, plant and equipment	681	664
Purchase of property, plant and equipment	(2,088)	(3,161)
Net cash used in investing activities	(3,731)	(3,564)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	(2,180)	(2,408)
Net decrease in cash and cash equivalents	(4,201)	(739)
Effects of changes in exchange rates	(65)	(613)
Cash and cash equivalents at beginning	5,436	2,534
Cash and cash equivalents at end	1,170	1,182
Represented by:		
Cash and bank balances	2,232	2,116
Bank overdrafts	(1,062)	(934)
	1,170	1,182

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 2018.



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 2018. 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 2018.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

2.1 Adoption of standards and interpretations

The Group has adopted the following standards which are effective for annual 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

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 and interpretations are not expected to have any material financial impact to the Group's financial statements for the current quarter, except as discussed below:

MFRS 16 Leases

MFRS 16 replaces the guidance in *MFRS 117 Lease*, *IC Interpretation 4 Determining whether an Arrangement contains a Lease*, *IC Interpretation 15 Operating Leases - Incentives* and *IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continue to be classified as finance or operating lease.

The Group has applied *MFRS 16* using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated losses at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported, under *MFRS 117* and related interpretations. The effect of the adoption of *MFRS 16* is as follows:

a) Impact on transition

On transition of *MFRS 16*, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in accumulated losses. The impact on transition is summarised as below:

Impact of
adopting
MFRS 16 at 1
January 2019
RM'000

Right-of-use assets	7,381
Lease liabilities	(7,700)
Accumulated losses	<u>319</u>

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average applied is 7.38%.

b) Impact for the period

In relation to those leases under *MFRS 16*, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the three months ended 31 March 2019, the Group recognised RM943,783 of depreciation charges and RM113,281 of interest expense from these leases, instead of rental expenses of RM1,142,427.

2.2 Standards issued but not yet effective

The following MFRS and Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted by the Group.

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3 Business Combinations - Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

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 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The Group does not plan to apply *MFRS 17 Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group.

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 2018 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**

	3 months ended	
	3/31/2019	3/31/2018
	RM'000	RM'000
Segment Revenue		
Printed Circuit Board (PCB)	15,208	17,041
Investment Holding	-	25
Others	-	-
Total revenue including inter-segment sales	15,208	17,066
Elimination of inter-segment sales	(1,045)	(1,173)
External sales	14,163	15,893

	3 months ended	
	3/31/2019	3/31/2018
	RM'000	RM'000
Segment Results		
Printed Circuit Board (PCB)	212	(449)
Investment Holding	(366)	(142)
Others	-	-
Elimination	(154)	(591)
Loss after tax	(154)	(591)

(ii) **Analysis by geographical segments**

	<u>Revenue</u>		<u>Non-current Assets</u>	
	3 months ended		3/31/2019	3/31/2018
	3/31/2019	3/31/2018		
	RM'000	RM'000	RM'000	RM'000
Malaysia	314	1,263	171	10,369
Thailand	13,848	14,630	43,305	35,567
	14,163	15,893	43,476	45,936

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 18 January 2019, the Company had through its Adviser and Placement Agent, M & A Securities Sdn. Bhd announced on the Proposed Private Placement of up to 29,940,400 new ordinary shares or representing up to 10% of the existing of the total number of issued shares of the Company to independent third party investor(s) to be identified at a later date ("Proposed Private Placement", pursuant to general authority which was approved by shareholders at 17th Annual General Meeting held on 22 June 2018.

On 31 January 2019, the Company had through its Advisor and Placement Agent, M & A Securities Sdn. Bhd. announced that the listing application in relation to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities"). Bursa Securities had vide its letter dated 12 February 2019 approved the listing and quotation of up to 29,940,400 new ordinary shares to be issued pursuant to the Proposed Private Placement. Please refer to the Company's announcement dated 13 February 2019 on the conditions imposed by Bursa Securities.

Save as disclosed above, there are no other significant event during the period which require disclosure.

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:

	31-03-2019
	RM'000
Contracted but not provided for:	
- Property, plant and equipment	-

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 3 months ended		Changes (Amount/ %)	Cumulative Quarter 3 months ended		Changes (Amount/ %)
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18	
	RM'000	RM'000		RM'000	RM'000	
Revenue	14,163	15,893	-1,730 / -10.89%	14,163	15,893	-1,730 / -10.89%
Loss before tax	(154)	(591)	-437 / -73.94%	(154)	(591)	-437 / -73.94%

Comparison with Previous Year Corresponding Quarter

For the current quarter ended 31 March 2019 the Group's revenue has dropped from RM15.89 million to RM14.16 million, representing a decrease of 10.89 % as compared to the preceding year corresponding quarter. This was mainly due to lower sales demand during the quarter under reviewed.

The Group posted a loss before taxation of RM0.154 million compared to the preceding year's corresponding quarter loss before taxation of RM0.591 million which was mainly due to the lower cost of goods sold. The Group also benefited from some gain in foreign exchange due to the strengthen of Thai Baht in the first quarter of the year.

2. Comparison with Preceding Quarter's Results

	Individual Quarter 3 months ended		Changes (Amount/ %)
	31-Mar-19	31-Dec-18	
	RM'000	RM'000	
Revenue	14,163	15,945	-1,782 / -11.18%
Loss before tax	(154)	(1,392)	-1,238 / -88.94%

During the current quarter under review, the Group reported total revenue of RM14.16 million, which is 11.18% lower than the immediate preceding quarter of RM15.94 million. This was mainly due to lower sales demand during the quarter.

The Group posted a loss before taxation of RM0.15 million as compared to the immediate preceding quarter's loss before taxation of RM1.39 million, mainly due to the impairment of inventories amounting of RM0.837 million and retrenchment cost of RM0.99 million.

3. Prospects

Despite a slower starts to the year the Group expects positive growth from the PCB business due to the increased in its customer base and greater emphasis on higher value added products for year 2019. The Group foresees that there will be a busy season ahead with the newly developed customers and products. However, the market situation would be very challenging from many aspects such as increasing minimum wages, copper price and tightening quality requirement from customers.

Therefore, the Group is cautiously optimistic that the performance for year 2019 will be positive and challenging.

4. Profit Forecast

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

5. Profit from Operations

	Current quarter (Unaudited) 3/31/2019 RM'000	Cumulative quarter (Unaudited) 3/31/2019 RM'000
This is derived after charging/(crediting) the following:		
Depreciation	1,190	1,190
Gain on disposal of property, plant and equipment	(6)	(6)
Interest expense	610	610
Interest income	(23)	(23)
Realised loss on foreign exchange	(1,331)	(1,331)

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		3 months ended	
	(Unaudited) 31-Mar-19 RM'000	(Unaudited) 31-Mar-18 RM'000	(Unaudited) 31-Mar-19 RM'000	(Unaudited) 31-Mar-18 RM'000
Current tax				
- Malaysian	-	-	-	-
- Foreign	-	-	-	-
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 other corporate proposal announced or not completed as at the date of this Report other than as disclosed in Part A (Note 12 A).

8. Borrowings and Debt Securities

The Group's borrowings as at 31 March 2019 are as follows:

	As at 31-3-2019			As at 31-3-2018		
	Denominated in		Total	Denominated in		Total
	RM	Thai Baht	borrowings	RM	Thai Baht	borrowings
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured short-term borrowings						
Overdraft	-	1,062	1,062	-	934	934
Factoring	-	3,552	3,552	-	2,426	2,426
Trade finance	-	20,943	20,943	-	21,560	21,560
Promissory notes	-	3,218	3,218	-	3,095	3,095
Finance lease liabilities	18	63	81	17	10	27
Short term loan	-	1,715	1,715	-	3,976	3,976
	18	30,553	30,571	17	32,001	32,018
Secured long-term borrowings						
Finance lease liabilities	68	129	197	140	13	153
	68	129	197	140	13	153
Total	86	30,682	30,768	157	32,014	32,171

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

	31-3-2019	31-3-2018
Overdraft	7.125%-7.675%	7.13% - 7.68%
Factoring	7.475%-7.75%	7.75% - 8.38%
Trade finance	5.538% - 6.275%	6.25% - 6.78%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2..8% - 3.75%	2.50% - 3.75%
Term loan	6.75%	6.75%

9. Changes in Material Litigation

The Group is not involved 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. Earnings/Loss Per Share

(i) Basic Earnings/(Loss) Per Share

The basic earnings/(loss) 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		3 months ended	
	<u>31-Mar-19</u>	<u>31-Mar-18</u>	<u>31-Mar-19</u>	<u>31-Mar-18</u>
Loss for the financial period				
Attributable to owners of the Company (RM'000)	(154)	(591)	(154)	(591)
Weighted average number of ordinary shares of in issue ('000)	299,404	299,404	299,404	299,404
Basic Loss Per Share (sen)	(0.05)	(0.20)	(0.05)	(0.20)

(ii) Diluted Loss Per Share

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

Date: 27-May-19