



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2019 - Unaudited**

	<b>Unaudited as at 30-06-2019 RM'000</b>	<b>Audited as at 31-12-2018 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,702	36,585
Right of use assets	5,559	-
	<u>43,261</u>	<u>36,585</u>
<b>Current assets</b>		
Inventories	31,840	29,098
Trade receivables	13,544	13,193
Other receivables, deposits and prepayments	8,029	9,768
Deposits with licensed banks	5,602	3,262
Cash and bank balances	3,088	6,013
	<u>62,103</u>	<u>61,334</u>
<b>TOTAL ASSETS</b>	<u>105,364</u>	<u>97,919</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	40,289	40,289
Other reserves	15,737	15,043
<b>Total equity</b>	<u>56,026</u>	<u>55,332</u>
<b>Non-current liabilities</b>		
Borrowings	147	176
Lease liabilities	3,618	-
	<u>3,765</u>	<u>176</u>
<b>Current liabilities</b>		
Trade payables	5,650	7,492
Other payables and accruals	3,742	2,842
Borrowings	33,048	32,077
Lease liabilities	3,133	-
	<u>45,573</u>	<u>42,411</u>
<b>Total liabilities</b>	<u>49,338</u>	<u>42,587</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>105,364</u>	<u>97,919</u>
<b>Net assets per share (RM)</b>	0.19	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 30 June 2019 - Unaudited**

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30-06-19	30-06-18	30-06-19	30-06-18
	RM'000	RM'000	RM'000	RM'000
Revenue	15,661	14,103	29,824	29,996
Cost of sales	(13,830)	(11,705)	(26,696)	(26,440)
<b>Gross profit</b>	1,831	2,398	3,128	3,556
Other income	1,198	263	2,569	1,444
Administrative expenses	(1,966)	(1,946)	(3,808)	(3,949)
Selling and marketing expenses	(392)	(301)	(762)	(651)
<b>Operating profit</b>	671	414	1,127	400
Finance costs	(649)	(585)	(1,259)	(1,162)
<b>Profit/(Loss) before tax</b>	22	(171)	(132)	(762)
Tax (expense)/income	(115)	18	(115)	18
<b>Loss for the financial period</b>	(93)	(153)	(247)	(744)
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	700	(455)	941	(1,111)
<b>Total comprehensive loss for the financial period</b>	607	(608)	694	(1,855)
<b>Loss per share (sen)</b>				
- Basic	(0.03)	(0.05)	(0.08)	(0.25)
- Diluted	(0.03)	(0.05)	(0.08)	(0.25)

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 30 June 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
<b>As at 1-1-2019</b>	40,289	1,541	5,517	5,930	10,513	(8,458)	55,332
Adjustment on adoption of MFRS 16	-	-	1,055	-	-	(1,055)	-
<b>Adjusted at 1-1-2019</b>	40,289	1,541	6,572	5,930	10,513	(9,513)	55,332
Foreign currency translation differences	-	-	941	-	-	-	941
Loss for the period	-	-	-	-	-	(247)	(247)
Total comprehensive income for the period	-	-	941	-	-	(247)	694
<b>As at 30-6-2019</b>	<b>40,289</b>	<b>1,541</b>	<b>7,513</b>	<b>5,930</b>	<b>10,513</b>	<b>(9,760)</b>	<b>56,026</b>
<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	-	-	584	-	-	-	584
Loss for the year	-	-	-	-	-	(1,961)	(1,961)
Total comprehensive loss for the year	-	-	584	-	-	(1,961)	(1,377)
<b>As at 31-12-2018</b>	<b>40,289</b>	<b>1,541</b>	<b>5,517</b>	<b>5,930</b>	<b>10,513</b>	<b>(8,458)</b>	<b>55,332</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 2018.



**AE MULTI HOLDINGS BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**For the financial period ended 30 June 2019 - Unaudited**

	<b>30-06-19</b>	<b>30-06-18</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(132)	(762)
Adjustments for:		
Amortisation of right-of-use assets	138	-
Depreciation	2,451	2,349
Gain on disposal of property, plant and equipment	(1,028)	(346)
Interest expense	1,259	1,162
Interest income	(36)	(19)
Operating profit before working capital changes	2,652	2,384
Increase in inventories	(1,227)	(342)
Decrease in receivables	2,439	887
(Decrease)/Increase in payables	(1,349)	4,915
Cash from operations	2,515	7,844
Interest paid	(1,259)	(1,162)
Income tax refunded	-	18
Income tax paid	(115)	-
Net cash from operating activities	1,141	6,700
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	36	19
Placement of deposits with licensed banks	(2,154)	(1,075)
Proceeds from disposal of property, plant and equipment	3,867	1,192
Purchase of property, plant and equipment	(4,548)	(4,542)
Net cash used in investing activities	(2,799)	(4,406)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in borrowings	(1,258)	(3,586)
<b>Net decrease in cash and cash equivalents</b>	(2,916)	(1,292)
Effects of changes in exchange rates	(614)	(521)
<b>Cash and cash equivalents at beginning</b>	5,436	2,534
<b>Cash and cash equivalents at end</b>	1,906	721
<b>Represented by:</b>		
Cash and bank balances	3,088	1,558
Bank overdrafts	(1,182)	(837)
	1,906	721

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 Transaction 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	
	Current quarter	Cumulative quarter
	30/6/2019	30/6/2019
	RM'000	RM'000
Right-of-use assets	1,414	8,795
Lease liabilities	(85)	(7,785)
Accumulated losses	691	1,010

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 six months ended 30 June 2019, the Group recognised RM325,598 of depreciation charges and RM268,003 of interest expense from these leases, instead of rental expenses of RM338,738..

## 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 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

	6 months ended	
	30-06-19	30-06-18
	RM'000	RM'000
<b>Segment Revenue</b>		
Printed Circuit Board (PCB)	32,028	30,896
Investment Holding	-	-
Others	-	50
Total revenue including inter-segment sales	32,028	30,946
Elimination of inter-segment sales	(2,204)	(950)
External sales	29,824	29,996

	6 months ended	
	30-06-19	30-06-18
	RM'000	RM'000
<b>Segment Results</b>		
Printed Circuit Board (PCB)	281	(399)
Electronic products	(3)	(7)
Investment Holding	(514)	(329)
Others	(11)	(9)
	(247)	(744)
Elimination	-	-
Loss after tax	(247)	(744)

### (ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	6 months ended		30-06-19	30-06-18
	30-06-19	30-06-18		
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,813	1,434	151	403
Thailand	27,011	28,562	43,110	34,994
	29,824	29,996	43,261	35,397

## 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:

	<b>30-06-2019</b>
	<b>RM'000</b>
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 6 months ended		Changes (Amount/ %)
	30-Jun-19	30-Jun-18		30-Jun-19	30-Jun-18	
	RM'000	RM'000		RM'000	RM'000	
Revenue	15,661	14,103	1,558 / 11.05%	29,824	29,996	-172 / -0.57%
Profit/(Loss) before tax	22	(171)	193 / 112.87%	(132)	(762)	630 / -82.68%

#### Comparison with Previous Year Corresponding Quarter

For the current quarter ended 30 June 2019 the Group's revenue has increased from RM14.10 million to RM15.66 million, representing an increase of 11.05 % as compared to the preceding year's corresponding quarter. This was mainly due to the increase in sales order due to the US-China trade war that some multi national companies have moved their production from China to Thailand.

The Group posted a profit before taxation of RM0.022 million compared to the preceding year's corresponding quarter loss before taxation of RM0.171 million which was mainly due to the gain in foreign exchange due to the strengthen of Thai Baht during the quarter under reviewed.

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

As for the 6 months period ended 30 June 2019, the Group recorded a revenue of RM29.82 million, representing a dropped of 0.57% as compared to the preceding year to date revenue of RM29.99 million. The decreased was mainly due to the sales of lower price product mix.

However, the Group managed to lower the losses before taxation of RM0.132 million as compared to RM0.762 million in the preceding year to date.

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

	Individual Quarter 3 months ended		Changes (Amount/ %)
	30-Jun-19	31-Mar-19	
	RM'000	RM'000	
Revenue	15,661	14,163	1,498 / 10.58%
Profit/(Loss) before tax	22	(154)	176 / -114.29%

During the current quarter under review, the Group reported total revenue of RM15.66 million, which is 10.58% higher than the immediate preceding quarter of RM14.16 million. This was mainly due to the increased of sales order for the quarter under reviewed.

The Group posted a profit before taxation of RM0.22 million as compared to the immediate preceding quarter's loss before taxation of RM0.15 million, mainly due to the gain in foreign exchange because of the strengthening of Thai Baht.



### 3. Prospects

The Group expects positive growth from the PCB business due to the increased in its customers based 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 develop customers and products.

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

	<b>Current quarter (Unaudited) 30-06-19 RM'000</b>	<b>Cumulative quarter (Unaudited) 30-06-19 RM'000</b>
This is derived after charging/(crediting) the following:		
Depreciation	1,261	2,451
Gain on disposal of property, plant and equipment	(1,022)	(1,028)
Interest expense	649	1,259
Interest income	(13)	(36)
Realised gain on foreign exchange	(142)	(1,473)

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)/Income

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 6 months ended</b>	
	<b>(Unaudited) 30-Jun-19 RM'000</b>	<b>(Unaudited) 30-Jun-18 RM'000</b>	<b>(Unaudited) 30-Jun-19 RM'000</b>	<b>(Unaudited) 30-Jun-18 RM'000</b>
Current tax				
- Malaysian	-	-	-	-
- Foreign	(115)	18	(115)	18
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 30 June 2019 are as follows:

	As at 30-6-2019			As at 30-6-2018		
	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	-	1,182	1,182	-	837	837
Factoring	-	4,665	4,665	-	4,196	4,196
Trade finance	-	22,160	22,160	-	19,931	19,931
Promissory notes	-	3,363	3,363	-	3,057	3,057
Finance lease liabilities	39	66	105	35	23	58
Short term loan	-	1,573	1,573	-	2,209	2,209
	39	33,009	33,048	35	30,253	30,288
<b>Secured long-term borrowings</b>						
Finance lease liabilities	29	118	147	105	138	243
	29	118	147	105	138	243
<b>Total</b>	<b>68</b>	<b>33,127</b>	<b>33,195</b>	140	30,391	30,531

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

	<b>30-6-2019</b>	30-6-2018
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		6 months ended	
	<u>30-Jun-19</u>	<u>30-Jun-18</u>	<u>30-Jun-19</u>	<u>30-Jun-18</u>
Loss for the financial period Attributable to owners of the Company (RM'000)	(93)	(153)	(247)	(744)
Weighted average number of ordinary shares of in issue ('000)	299,404	299,404	299,404	299,404
Basic Loss Per Share (sen)	(0.03)	(0.05)	(0.08)	(0.25)

### (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: 26th August 2019