



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

	<b>Unaudited as at 30-09-2019 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	39,539	36,585
Right of use assets	4,336	-
	<u>43,875</u>	<u>36,585</u>
<b>Current assets</b>		
Inventories	33,307	29,098
Trade receivables	14,097	13,193
Other receivables, deposits and prepayments	6,512	9,768
Deposits with licensed banks	4,675	3,262
Cash and bank balances	8,381	6,013
	<u>66,972</u>	<u>61,334</u>
<b>TOTAL ASSETS</b>	<u><u>110,847</u></u>	<u><u>97,919</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	43,283	40,289
Other reserves	16,088	15,043
<b>Total equity</b>	<u>59,371</u>	<u>55,332</u>
<b>Non-current liabilities</b>		
Borrowings	317	176
Lease liabilities	3,056	-
	<u>3,373</u>	<u>176</u>
<b>Current liabilities</b>		
Trade payables	7,008	7,492
Other payables and accruals	8,070	2,842
Borrowings	31,971	32,077
Lease liabilities	1,054	-
	<u>48,103</u>	<u>42,411</u>
<b>Total liabilities</b>	<u>51,476</u>	<u>42,587</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>110,847</u></u>	<u><u>97,919</u></u>
<b>Net assets per share (RM)</b>	0.20	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 September 2019 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	9/30/2019 RM'000	9/30/2018 RM'000	9/30/2019 RM'000	9/30/2018 RM'000
Revenue	16,148	15,253	45,972	45,249
Cost of sales	(13,921)	(12,784)	(40,617)	(39,224)
<b>Gross profit</b>	2,227	2,469	5,355	6,025
Other income	514	490	3,083	1,934
Administrative expenses	(1,284)	(1,873)	(5,092)	(5,822)
Selling and marketing expenses	(365)	(328)	(1,127)	(979)
<b>Operating profit</b>	1,092	758	2,219	1,158
Finance costs	(1,076)	(599)	(2,335)	(1,761)
<b>Profit/(Loss) before tax</b>	16	159	(116)	(603)
Tax expense	(1)	(100)	(116)	(82)
<b>Profit/(Loss) for the financial period</b>	15	59	(232)	(685)
<b>Other comprehensive income, net of tax Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	336	1,663	1,277	552
<b>Total comprehensive income/(loss) for the financial period</b>	351	1,722	1,045	(133)
<b>Earnings/(Loss) per share (sen)</b>				
- Basic	0.00	0.02	(0.07)	(0.23)
- Diluted	0.00	0.02	(0.07)	(0.23)

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 September 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	-	-	1,448	-	-	(1,448)	-
<b>Adjusted at 1-1-2019</b>	40,289	1,541	6,965	5,930	10,513	(9,906)	55,332
Foreign currency translation differences	-	-	1,277	-	-	-	1,277
Loss for the period	-	-	-	-	-	(232)	(232)
Total comprehensive income for the period	-	-	1,277	-	-	(232)	1,045
<i>Transactions with owners:</i>							
Issuance of shares pursuant to Private placement	2,994	-	-	-	-	-	2,994
<b>As at 30-9-2019</b>	<b>43,283</b>	<b>1,541</b>	<b>8,242</b>	<b>5,930</b>	<b>10,513</b>	<b>(10,138)</b>	<b>59,371</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 September 2019 - Unaudited

	9/30/2019 RM'000	9/30/2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(116)	(603)
Adjustments for:		
Depreciation	3,729	3,479
Gain on disposal of property, plant and equipment	(1,136)	(789)
Interest expense	2,335	1,761
Interest income	(66)	(26)
Operating profit before working capital changes	4,746	3,822
(Increase)/Decrease in inventories	(2,119)	358
Decrease in receivables	2,131	370
Increase in payables	4,180	5,549
Cash from operations	8,938	10,099
Interest paid	(2,335)	(1,761)
Income tax paid	(116)	(82)
Net cash from operating activities	6,487	8,256
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	66	26
Placement of deposits with licensed banks	(1,163)	(798)
Proceeds from disposal of property, plant and equipment	4,057	2,979
Purchase of property, plant and equipment	(7,028)	(6,942)
Net cash used in investing activities	(4,068)	(4,735)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in borrowings	(2,396)	(4,162)
Proceeds from private placement	2,994	-
Net cash from/(used in) financing activities	598	(4,162)
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,017	(641)
Effects of changes in exchange rates	(934)	(857)
<b>Cash and cash equivalents at beginning</b>	5,436	2,534
<b>Cash and cash equivalents at end</b>	7,519	1,036
<b>Represented by:</b>		
Cash and bank balances	8,381	1,518
Bank overdrafts	(862)	(482)
	7,519	1,036

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

Current quarter	Cumulative quarter
30/9/2019	30/9/2019

	RM'000	RM'000
Right-of-use assets	(1,223)	4,336
Lease liabilities	2,641	(4,110)
Accumulated losses	1,418	226

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 nine months ended 30 September 2019, the Group recognised RM3,754,616 of depreciation charges and RM430,709 of interest expense from these leases, instead of rental expenses of RM3,789,074.

## 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

On 1 July 2019, the Company has issued 29,940,400 new ordinary shares pursuant to a Private Placement at an issue price of RM0.10 per Placement share.

Save as disclosed above, there were no other 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

	9 months ended	
	9/30/2019	9/30/2018
	RM'000	RM'000
<b>Segment Revenue</b>		
Printed Circuit Board (PCB)	49,458	46,149
Investment Holding	-	-
Others	150	50
Total revenue including inter-segment sales	49,608	46,199
Elimination of inter-segment sales	(3,486)	(950)
External sales	46,122	45,249

	9 months ended	
	9/30/2019	9/30/2018
	RM'000	RM'000
<b>Segment Results</b>		
Printed Circuit Board (PCB)	596	(59)
Electronic products	(6)	(12)
Investment Holding	(703)	(523)
Others	(3)	(9)
	(116)	(603)
Elimination	-	-
Loss after tax	(116)	(603)

### (ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	9 months ended		9/30/2019	9/30/2018
	9/30/2019	9/30/2018		
	RM'000	RM'000	RM'000	RM'000
Malaysia	960	3,287	91	10,033
Thailand	45,161	41,962	43,785	36,685
	45,972	45,249	43,875	46,718

## 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

i) On 7 October 2019, a wholly-owned subsidiary of the Company, AE Resources Development Sdn. Bhd. ("AER") had received and accepted the Letter of Award from Vertice Construction Sdn. Bhd., a wholly-owned subsidiary of Vertice Berhad, appointing AER as the sub-contractor of the construction of a palm oil mill with biogas plant system, polishing plant and composting plant in Sabah. The total value of the project is RM30,879,750.

ii) On 20 November, proposed placement of up to 98,803,200 new ordinary shares in AE Multi Holdings Berhad ("AEM Shares or Shares") ("Placement Shares"), representing approximately 30% of AEM's total number of issued shares ("Proposed Placement"); and

iii) Proposed diversification of the principal activities of AEM and its subsidiaries ("AEM Group" or "Group") to include the undertaking of construction, project management and related activities ("Construction Business")("Proposed Diversification")

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

## 12. Significant Event During the Period

There are no significant event during the period which requires 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>30-09-2019</b>
	<b>RM'000</b>
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			9 months ended		
	30-Sep-19 RM'000	30-Sep-18 RM'000		30-Sep-19 RM'000	30-Sep-18 RM'000	
Revenue	16,148	15,253	895 / 5.87%	45,972	45,249	723 / 1.60%
Profit/(Loss) before tax	16	159	-143 / -89.94%	(116)	(603)	-487 / -80.76%

#### Comparison with Previous Year Corresponding Quarter

For the current quarter ended 30 September 2019 the Group's revenue has increased from RM15.253 million to RM16.148 million, representing an increase of 5.87 % as compared to the preceding year corresponding quarter. This was mainly due to the increased of higher value product mix during the quarter under reviewed.

The Group posted a profit before taxation of RM0.016 million compared to the preceding year's corresponding quarter profit before taxation of RM0.159 million which was mainly due to the adjustment of RM0.396 million to the finance cost according to MFRS 16, if not for the adjustment required under MFRS 16 the Group would have posted profit before taxation of RM0.412 million.

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

As for the 9 months period ended 30 September 2019, the Group recorded a revenue of RM45.97 million, representing an increase of 1.60% as compared to the preceeding year to date revenue of RM45.24 million. The increase was mainly due to the sales of higher price product mix.

The Group also managed lower the losses before taxation of RM 0.116 million as compared to RM0.603 million in the preceding year to date.

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

	Individual Quarter		Changes (Amount/ %)
	3 months ended		
	30-Sep-19 RM'000	30-Jun-19 RM'000	
Revenue	16,148	15,661	487 / 3.11%



Profit before tax	16	22	-6 / -27.27%
-------------------	----	----	--------------

During the current quarter under review, the Group reported total revenue of RM16.14 million, which is 3.11% higher than the immediate preceding quarter of RM15.66 million. This was mainly due to sales in higher price product mix.

The Group posted a profit before taxation of RM0.016 million as compared to the immediate preceding quarter's profit before taxation of RM0.022 million. This quarter profit before taxation RM0.016 million was arrived that of after taking the adjustment of RM0.396 million to the finance cost into the consideration according to MFRS 16.

### 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. However, there are still many uncertainty from the impact of US-China trade war, global market situation and challenges from many aspect such as increasing minimum wages, competitors, fluctuations of Thai Baht and etc.

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) 9/30/2019 RM'000</b>	<b>Cumulative quarter (Unaudited) 9/30/2019 RM'000</b>
This is derived after charging/(crediting) the following:		
Depreciation	1,278	3,729
Gain on disposal of property, plant and equipment	(108)	(1,136)
Interest expense	1,076	2,335
Interest income	(30)	(66)
Realised gain on foreign exchange	(377)	(1,850)

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</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>(Unaudited) 30-Sep-19 RM'000</b>	<b>(Unaudited) 30-Sep-18 RM'000</b>	<b>(Unaudited) 30-Sep-19 RM'000</b>	<b>(Unaudited) 30-Sep-18 RM'000</b>
Current tax				
- Malaysian	-	-	-	-
- Foreign	(1)	(100)	(116)	(82)
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)

### 8. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2019 are as follows:

	As at 30-9-2019			As at 30-9-2018		
	Denominated in		Total borrowings	Denominated in		Total borrowings
	RM	Thai Baht		RM	Thai Baht	

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Secured short-term borrowings</b>						
Overdraft	-	862	862	-	482	482
Factoring	-	4,704	4,704	-	3,579	3,579
Trade finance	-	21,550	21,550	-	21,213	21,213
Promissory notes	-	3,423	3,423	-	3,195	3,195
Finance lease liabilities	29	28	57	18	14	32
Short term loan	-	1,375	1,375	-	2,110	2,110
	29	31,942	31,971	18	30,593	30,611
<b>Secured long-term borrowings</b>						
Finance lease liabilities	7	310	317	105	138	243
	7	310	317	105	138	243
<b>Total</b>	<b>36</b>	<b>32,252</b>	<b>32,288</b>	<b>123</b>	<b>30,731</b>	<b>30,854</b>

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

	30-9-2019	30-9-2018
Overdraft	6.875%-7.425%	7.13% - 7.68%
Factoring	5.8%-7.75%	8.38%-7.75%
Trade finance	6.275%-6.805%	6.28%-6.59%
Promissory notes	6.75%	6.75%
Finance lease liabilities	1.99%-3.75%	2.507% - 8.378%
Term loan	6.28%	6.78%

## 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>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>9 months ended</u>	<u>9 months ended</u>
	<u>30-Sep-19</u>	<u>30-Sep-18</u>	<u>30-Sep-19</u>	<u>30-Sep-18</u>
Profit/(Loss) for the financial period Attributable to owners of the Company (RM'000)	15	59	(232)	(685)
Weighted average number of ordinary shares of in issue ('000)	309,422	299,404	309,422	299,404
Basic (Loss)/Earnings Per Share (sen)	0.00	0.02	(0.07)	(0.23)

### (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-Nov-19