



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

	Unaudited as at 31-12-2019 RM'000	Audited as at 31-12-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,802	36,585
Right of use assets	3,398	-
	<u>50,200</u>	<u>36,585</u>
Current assets		
Inventories	32,651	29,098
Trade receivables	13,787	13,193
Other receivables, deposits and prepayments	1,881	9,768
Deposits with licensed banks	4,194	3,262
Cash and bank balances	8,623	6,013
	<u>61,136</u>	<u>61,334</u>
TOTAL ASSETS	<u>111,336</u>	<u>97,919</u>
EQUITY AND LIABILITIES		
Share capital	43,283	40,289
Other reserves	16,494	15,043
Total equity	<u>59,777</u>	<u>55,332</u>
Non-current liabilities		
Borrowings	317	176
Lease liabilities	576	-
	<u>893</u>	<u>176</u>
Current liabilities		
Trade payables	5,512	7,492
Other payables and accruals	7,177	2,842
Borrowings	35,300	32,077
Lease liabilities	2,661	-
Provision for taxation	16	-
	<u>50,666</u>	<u>42,411</u>
Total liabilities	<u>51,559</u>	<u>42,587</u>
TOTAL EQUITY AND LIABILITIES	<u>111,336</u>	<u>97,919</u>
Net assets per share (RM)	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 31 December 2019 - Unaudited

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	17,158	15,944	63,130	61,193
Cost of sales	(14,651)	(12,625)	(55,268)	(51,849)
Gross profit	2,507	3,319	7,862	9,344
Other income	67	(223)	3,150	1,711
Administrative expenses	(1,714)	(3,154)	(6,806)	(8,976)
Selling and marketing expenses	(487)	(404)	(1,614)	(1,383)
Operating profit/(loss)	373	(462)	2,592	696
Finance costs	(747)	(862)	(3,082)	(2,623)
Loss before tax	(374)	(1,324)	(490)	(1,927)
Tax expense	(245)	48	(361)	(34)
Loss for the financial period	(619)	(1,276)	(851)	(1,961)
Other comprehensive income, net of tax				
Item that will be reclassified subsequently				
to profit or loss				
Foreign currency translation differences for foreign operation	2,484	32	3,761	584
Total comprehensive income/(loss) for the financial period	1,865	(1,244)	2,910	(1,377)
Earnings/(Loss) per share (sen)				
- Basic	(0.20)	(0.43)	(0.27)	(0.65)
- Diluted	(0.20)	(0.43)	(0.27)	(0.65)

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 December 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	-	-	-	-	-	(4)	(4)
Adjusted at 1-1-2019	40,289	1,541	5,517	5,930	10,513	(8,462)	55,328
Foreign currency translation differences	-	-	3,761	-	-	(1,455)	2,306
Loss for the period	-	-	-	-	-	(851)	(851)
Total comprehensive income for the period	-	-	3,761	-	-	(2,306)	1,455
<i>Transactions with owners:</i>							
Expiry of warrant	-	-	-	(5,930)	-	5,930	-
Issuance of shares pursuant to Private placement	2,994	-	-	-	-	-	2,994
As at 31-12-2019	43,283	1,541	9,278	-	10,513	(4,838)	59,777
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 December 2019 - Unaudited

	12/31/2019 RM'000	12/31/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(490)	(1,927)
Adjustments for:		
Depreciation	5,139	4,669
Gain on disposal of property, plant and equipment	(1,176)	(803)
Gain on disposal of investment property	-	(177)
Impairment loss on receivables	94	-
Interest expense	3,082	2,623
Interest income	(79)	(37)
Inventories written down	102	239
Unrealised (gain)/loss on foreign exchange	(943)	945
Operating profit before working capital changes	5,729	5,532
Increase in inventories	(1,456)	(1,945)
Decrease/(Increase) in receivables	7,069	(1,997)
Increase in payables	2,726	2,033
Cash from operations	14,068	3,623
Interest paid	(3,082)	(2,623)
Income tax paid	(344)	(34)
Net cash from operating activities	10,642	966
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	79	37
Placement of deposits with licensed banks	(670)	-
Proceeds from disposal of property, plant and equipment	4,127	3,432
Proceeds from disposal of non-current asset held for sale	-	10,000
Purchase of property, plant and equipment	(15,444)	(7,982)
Net cash (used in)/from investing activities	(11,908)	5,487
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	969	(2,065)
Proceeds from private placement	2,994	-
Net cash from/(used in) financing activities	3,963	(2,065)
Net increase in cash and cash equivalents	2,697	4,388
Effects of changes in exchange rates	(85)	(1,486)
Cash and cash equivalents at beginning	5,436	2,534
Cash and cash equivalents at end	8,048	5,436
Represented by:		
Cash and bank balances	8,623	6,013
Bank overdrafts	(575)	(577)
	8,048	5,436

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
31/12/2019	31/12/2019

	RM'000	RM'000
Right-of-use assets	(938)	3,398
Lease liabilities	873	(3,237)
Accumulated losses	(65)	161

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 financial year ended 31 December 2019, the Group recognised RM4,972,460 of depreciation charges and RM538,632 of interest expense from these leases, instead of rental expenses of RM5,016,123.

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

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform

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 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 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"), had been approved by Bursa Securities, vide its letter dated 16 December 2019.

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

	12 months ended	
	12/31/2019	12/31/2018
	RM'000	RM'000
Segment Revenue		
Printed Circuit Board (PCB)	68,027	66,478
Investment Holding	300	600
Others	-	-
Total revenue including inter-segment sales	68,327	67,078
Elimination of inter-segment sales	(5,197)	(5,885)
External sales	63,130	61,193

	12 months ended	
	12/31/2019	12/31/2018
	RM'000	RM'000
Segment Results		
Printed Circuit Board (PCB)	491	(1,929)
Investment Holding	(882)	(17)
Others	(58)	(15)
	(449)	(1,961)
Elimination	(41)	-
Loss after tax	(490)	(1,961)

(ii) Analysis by geographical segments

	Revenue		Non-current Assets	
	12 months ended		12/31/2019	12/31/2018
	12/31/2019	12/31/2018		
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,247	6,460	80	190
Thailand	61,883	54,733	49,989	36,395
	63,130	61,193	50,200	36,585

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 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.

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:

	31-12-2019
	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 12 months ended		Changes (Amount/ %)
	31-Dec-19 RM'000	31-Dec-18 RM'000		31-Dec-19 RM'000	31-Dec-18 RM'000	
	Revenue	17,158		15,944	1,214 / 7.61%	
Loss before tax	(374)	(1,324)	950 / -71.75%	(490)	(1,927)	1,437 / -74.57%

Comparison with Previous Year Corresponding Quarter

For the current quarter ended 31 December 2019 the Group's revenue has increased from RM15.944 million to RM17.158 million, representing an increase of 7.61 % 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 loss before taxation of RM0.374 million compared to the preceding year's corresponding quarter of RM1.324 million which was mainly due to the adjustment of RM0.495 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 RM0.121 million.

Comparison with Previous Year Corresponding Quarter Financial Year to Date

As for the 12 months period ended 31 December 2019, the Group recorded a revenue of RM63.13 million, representing an increase of 3.17% as compared to the preceeding year to date revenue of RM61.193 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 0.490 million as compared to RM1.927 million in the preceding year to date.

2. Comparison with Preceding Quarter's Results

	Individual Quarter 3 months ended		Changes (Amount/ %)
	31-Dec-19 RM'000	30-Sep-19 RM'000	
Revenue	17,158	16,148	1,010 / 6.25%
(Loss)/Profit before tax	(374)	16	-390 / -2,437.50%

During the current quarter under review, the Group reported total revenue of RM17.158 million, which is 6.25% higher than the

immediate preceding quarter of RM16.148 million. This was mainly due to sales in higher price product mix.

The Group posted a loss before taxation of RM0.374 million as compared to the immediate preceding quarter's profit before taxation of RM0.016 million. This quarter loss before taxation RM0.374 million was arrived at after taking into consideration adjustment of RM0.495 million to the finance cost 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 2020. However, there are still many uncertainty from the recent epidemic of Coronavirus disease which may affect the global market supply chain. In additions, there is also situation and challenges from other aspect such as increasing minimum wages, competitors, fluctuations of Thai Baht and etc.

Therefore, the Group is cautiously optimistic that the performance for year 2020 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) 12/31/2019 RM'000	Cumulative quarter (Unaudited) 12/31/2019 RM'000
This is derived after charging/(crediting) the following:		
Depreciation	1,410	5,139
Gain on disposal of property, plant and equipment	(40)	(1,176)
Impairment on receivables	94	94
Interest expense	747	3,082
Interest income	(13)	(79)
Inventories written down	102	102
Realised loss/(gain) on foreign exchange	960	(890)
Unrealised gain on foreign exchange	(943)	(943)

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	(Unaudited) 31-Dec-19 RM'000	(Unaudited) 31-Dec-18 RM'000	(Unaudited) 31-Dec-19 RM'000	(Audited) 31-Dec-18 RM'000
Current tax				
- Malaysian	-	-	-	-
- Foreign	(245)	48	(361)	(34)
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.

8. Borrowings and Debt Securities

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

	As at 30-12-2019			As at 30-12-2018		
	Denominated in		Total borrowings	Denominated in		Total borrowings
	RM RM'000	Thai Baht RM'000		RM RM'000	Thai Baht RM'000	

Secured short-term borrowings					
Overdraft	-	575	575	-	577
Factoring	-	4,843	4,843	-	3,801
Trade finance	-	25,158	25,158	-	13,661
Promissory notes	-	3,437	3,437	-	3,197
Finance lease liabilities	-	137	137	71	70
Short term loan	-	1,150	1,150	-	10,700
	-	35,300	35,300	71	32,006
Secured long-term borrowings					
Finance lease liabilities	-	317	317	34	142
	-	317	317	34	142
Total	-	35,617	35,617	105	32,148
					32,253

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

	31-12-2019	31-12-2018
Overdraft	6.875%-7.425%	7.125% - 7.675%
Factoring	5.8%-7.75%	7.75% - 8.38%
Trade finance	6.275%-6.805%	6.275%-6.775%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2.55%-3.75%	2.55% - 3.75%
Term loan	6.28%	6.28%

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>12 months ended</u>	<u>12 months ended</u>
	<u>31-Dec-19</u>	<u>31-Dec-18</u>	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Loss for the financial period				
Attributable to owners of the Company (RM'000)	(619)	(1,276)	(851)	(1,961)
Weighted average number of ordinary shares of in issue ('000)	314,498	299,404	314,498	299,404
Basic (Loss)/Earnings Per Share (sen)	(0.20)	(0.43)	(0.27)	(0.65)

(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: 28 February 2020