



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Financial Position
As at 30 June 2020 - Unaudited

	Unaudited as at 30-06-2020 RM'000	Audited as at 31-12-2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,291	46,865
Right of use assets	5,943	3,336
	<u>54,234</u>	<u>50,201</u>
Current assets		
Inventories	34,229	32,651
Trade receivables	13,713	13,648
Other receivables, deposits and prepayments	5,753	1,933
Deposits with licensed banks	4,230	4,194
Cash and bank balances	4,212	8,623
	<u>62,137</u>	<u>61,049</u>
TOTAL ASSETS	<u><u>116,371</u></u>	<u><u>111,250</u></u>
EQUITY AND LIABILITIES		
Share capital	65,456	59,726
Other reserves	(1,910)	30
Total equity	<u>63,546</u>	<u>59,756</u>
Non-current liabilities		
Borrowings	320	-
Lease liabilities	2,729	893
	<u>3,049</u>	<u>893</u>
Current liabilities		
Trade payables	6,362	5,923
Other payables and accruals	6,743	6,708
Borrowings	33,710	35,162
Lease liabilities	2,951	2,798
Provision for taxation	10	10
	<u>49,776</u>	<u>50,601</u>
Total liabilities	<u>52,825</u>	<u>50,601</u>
TOTAL EQUITY AND LIABILITIES	<u><u>116,371</u></u>	<u><u>111,250</u></u>
Net assets per share (RM)	0.16	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 2019.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Comprehensive Income
For the financial period ended 30 June 2020 - Unaudited

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	13,751	15,661	31,393	29,824
Cost of sales	(13,373)	(13,830)	(28,559)	(26,696)
Gross profit	378	1,831	2,834	3,128
Other income	224	1,198	467	2,569
Administrative expenses	(1,316)	(1,966)	(3,409)	(3,808)
Selling and marketing expenses	(263)	(392)	(571)	(762)
Operating (loss)/profit	(977)	671	(679)	1,127
Finance costs	(664)	(649)	(1,566)	(1,259)
(Loss)/Profit before tax	(1,641)	22	(2,245)	(132)
Tax expense	-	(115)	-	(115)
Loss for the financial period	(1,641)	(93)	(2,245)	(247)
Other comprehensive income, net of tax				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	1,940	700	305	941
Total comprehensive (loss)/income for the financial period	299	607	(1,940)	694
Earnings/(Loss) per share (sen)				
- Basic	(0.49)	(0.03)	(0.67)	(0.08)
- Diluted	(0.49)	(0.03)	(0.67)	(0.08)

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 2019.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Changes in Equity
For the financial period ended 30 June 2020 - Unaudited

	Share Capital RM'000	Asset Revaluation Reserve RM'000	Capital Reserve RM'000	Warrants Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 1-1-2020	59,726	1,541	-	-	9,175	(10,686)	59,756
<i>Transaction with owners:</i>							
Shares issued pursuant to private placement	5,730	-	-	-	-	-	5,730
Total transactions with owners	5,730	-	-	-	-	-	5,730
Loss for the period	-	-	-	-	-	(2,245)	(2,245)
Other comprehensive income for the period	-	-	-	-	305	-	305
As at 30-6-2020	65,456	1,541	-	-	9,480	(12,931)	63,546
As at 1-1-2019	40,289	1,541	10,513	5,930	5,517	(8,458)	55,332
Adjustment on initial application of MFRS 16	-	-	-	-	-	(1,358)	(1,358)
Adjusted at 1-1-2019	40,289	1,541	10,513	5,930	5,517	(9,816)	53,974
<i>Transactions with owners:</i>							
Shares issued pursuant to private placement	2,994	-	-	-	-	-	2,994
Transfer in accordance with Section 618 of Companies Act 2016	16,443	-	(10,513)	(5,930)	-	-	-
Total transactions with owners	19,437	-	(10,513)	(5,930)	-	-	2,994
Loss for the year	-	-	-	-	-	(870)	(870)
Other comprehensive income for the year	-	-	-	-	3,658	-	3,658
As at 31-12-2019	59,726	1,541	-	-	9,175	(10,686)	59,756

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 2019.



AE MULTI HOLDINGS BERHAD
Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 June 2020 - Unaudited

	30/06/2020	30/06/2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,245)	(132)
Adjustments for:		
Depreciation of property, plant and equipment	3,142	2,451
Depreciation of right-of-use assets	3,336	138
Gain on disposal of property, plant and equipment	(33)	(1,028)
Interest expense	1,566	1,259
Interest income	(14)	(36)
Unrealised loss on foreign exchange	944	-
Operating profit before working capital changes	6,696	2,652
Increase in inventories	(1,258)	(1,227)
(Increase)/Decrease in receivables	(4,829)	2,439
Increase/(Decrease) in payables	385	(1,349)
Cash from operations	994	2,515
Interest paid	(1,566)	(1,259)
Income tax paid	-	(115)
Net cash (used in)/from operating activities	(572)	1,141
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	14	36
Placement of deposits with licensed banks	-	(2,154)
Proceeds from disposal of property, plant and equipment	1,870	3,867
Purchase of property, plant and equipment	(5,963)	(4,548)
Net cash used in investing activities	(4,079)	(2,799)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in borrowings	(1,756)	(1,258)
Net change in lease liabilities	(3,947)	-
Proceeds from private placement	5,730	-
Net cash from/(used in) financing activities	27	(1,258)
Net decrease in cash and cash equivalents	(4,624)	(2,916)
Effects of changes in exchange rates	(178)	(614)
Cash and cash equivalents at beginning	8,048	5,436
Cash and cash equivalents at end	3,246	1,906
Represented by:		
Cash and bank balances	4,212	3,088
Bank overdrafts	(966)	(1,182)
	3,246	1,906

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 2019.



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 2019. 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 2019.

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 2019, 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 2020.

Amendment to References to the Conceptual Framework in MFRS Standards

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

Amendments to MFRS 16 Leases - Covid-19 Related Concessions

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.

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 2021

MFRS 17 Insurance Contracts

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendments to MFRS 1, MFRS 9 and MFRS 141 Annual Improvements to MFRS Standards 2018-2020 Business Combinations

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 2019 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 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

	6 months ended	
	30/06/2020	30/06/2019
	RM'000	RM'000
Segment Revenue		
Printed Circuit Board (PCB)	30,897	32,028
Investment Holding	-	-
Others	2,587	-
Total revenue including inter-segment sales	33,484	32,028
Elimination of inter-segment sales	(2,091)	(2,204)
External sales	31,393	29,824

	6 months ended	
	30/06/2020	30/06/2019
	RM'000	RM'000
Segment Results		
Printed Circuit Board (PCB)	(1,520)	281
Investment Holding	(701)	(514)
Others	(24)	(14)
	(2,245)	(247)
Elimination	-	-
Loss after tax	(2,245)	(247)

(ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>	
	6 months ended		30/06/2020	30/06/2019
	30/06/2020	30/06/2019		
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,981	2,813	194	151
Thailand	28,412	27,011	54,040	43,110
	31,393	29,824	54,234	43,261

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

On 5 August 2020, the Company had announced that it has completed the issuance of 38,803,200 new ordinary share pursuant to a Private Placement at an issue price of RM0.0950 per Placement share.

Save as disclosed above, there is no other subsequent event during the period which requires disclosure.

12. Significant Event During the Period

On 3 June 2020, the Company had announced that it has issued 60,000,000 new ordinary share pursuant to a Private Placement at an issue price of RM0.0955 per Placement share.

On 10 June 2020, a wholly-owned subsidiary of the Company, AE Multi Industries Sdn. Bhd. had entered into the Heads of Agreement with Palm Pro Engineering Sdn. Bhd. to carry on the milling and processing of oil palm fresh fruit bunches and trading of crude palm oil and palm kernel via establishing and forming a company under the Companies Act 2016.

Save as disclosed above, 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:

	30-06-2020
	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		Changes (Amount/ %)	Cumulative Quarter		Changes (Amount/ %)
	3 months ended			6 months ended		
	30-Jun-20 RM'000	30-Jun-19 RM'000		30-Jun-20 RM'000	30-Jun-19 RM'000	
Revenue	13,751	15,661	-1,910 / -12.20%	31,393	29,824	1,569 / 5.26%
(Loss)/Profit before tax	(1,641)	22	-1,663 / -7,559.09%	(2,245)	(132)	-2,113 / 1,600.76%

Comparison with Previous Year Corresponding Quarter

For the current quarter ended 30 June 2020 the Group's revenue has decreased from RM15.66 million to RM13.75 million, representing an decrease of 12.20 % as compared to the preceding year corresponding quarter. This was mainly due to Covid-19 pandemic, there is lower sales demand during the quarter under reviewed.

The Group posted a loss before taxation of RM1.64 million compared to the preceding year's corresponding quarter profit before taxation of RM0.022 million which was mainly due to the adjustment of RM0.242 million to the finance cost according to MFRS 16, if not for the adjustment required under MFRS 16 the Group would have posted loss before taxation of RM1.40 million.

Comparison with Previous Year Corresponding Quarter Financial Year to Date

As for the 6 months period ended 30 June 2020, the Group recorded a revenue of RM31.39 million, representing an increase of 5.26% as compared to the preceeding year to date revenue of RM29.82 million. The increase was mainly due to increase in revenue of the new project under AE Resources Development Sdn Bhd ("AERD"), a wholly-owned subsidiary of the Company with a revenue of RM2.58 million which is contributed an 8.2% of Group's revenue. The nature of business is related to design and construction of palm oil mill with biogas plant system, polishing plant and composting plant in Sabah.

However, the Group has increased the loss before taxation of RM2.25 million as compared to RM0.13 million in the preceeding year to date.

2. Comparison with Preceding Quarter's Results

	Individual Quarter 3 months ended		Changes (Amount/ %)
	30-Jun-20 RM'000	31-Mar-20 RM'000	
Revenue	13,751	17,642	-3,891 / -22.06%
Loss before tax	(1,641)	(604)	-1,037 / 171.69%

During the current quarter under review, the Group reported total revenue of RM13.75 million, which is 22.06% lower than the immediate preceding quarter of RM17.64 million. This was mainly due to Covid-19 pandemic, there is lower sales demand during the quarter under reviewed.

The Group posted a loss before taxation of RM1.64 million as compared to the immediate preceding quarter of RM0.60 million. This quarter loss before taxation of RM1.64 million was arrived that of after taking the adjustment of RM0.242 million to the finance cost into the consideration according to MFRS 16.

3. Prospects

The Group expects positive growth from the new business venture and remain stable for the current printed circuit board business which is affected by the Covid-19 pandemic.

Therefore, the Group is cautiously optimistic that the performance for year 2020 will be positive but challenging.

4. Profit Forecast

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

5. Profit from Operations

	Current quarter (Unaudited) 30/06/2020 RM'000	Cumulative quarter (Unaudited) 30/06/2020 RM'000
This is derived after charging/(crediting) the following:		
Depreciation of property, plant and equipment	1,603	3,142
Depreciation of right of use assets	1,171	3,336
Gain on disposal of property, plant and equipment	(4)	(33)
Interest expense	664	1,566
Interest income	(8)	(14)
Realised gain on foreign exchange	(318)	(1,330)
Unrealised loss on foreign exchange	13	944

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		6 months ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian	-	-	-	-
- Foreign	-	(115)	-	(115)
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 30 June 2020 are as follows:

	As at 30-6-2020			As at 30-6-2019		
	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	-	966	966	-	1,182	1,182
Factoring	-	3,121	3,121	-	4,665	4,665
Trade finance	-	25,319	25,319	-	22,160	22,160
Promissory notes	-	3,468	3,468	-	3,363	3,363
Finance lease liabilities	-	69	69	39	66	105
Short term loan	-	767	767	-	1,573	1,573
	-	33,710	33,710	39	33,009	33,048
Secured long-term borrowings						
Finance lease liabilities	-	320	320	29	118	147
	-	320	320	29	118	147
Total	-	34,030	34,030	68	33,127	33,195

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

	30-6-2020	30-6-2019
Overdraft	6.875%-7.425%	7.125% - 7.675%
Factoring	5.8%-7.75%	7.475% - 7.75%
Trade finance	6.275%-6.78%	5.538% - 6.275%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2.55%-3.75%	2.8% - 3.75%
Term loan	6.28%	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>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30-Jun-20</u>	<u>30-Jun-19</u>	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Loss for the financial period Attributable to owners of the Company (RM'000)	(1,641)	(93)	(2,245)	(247)
Weighted average number of ordinary shares of in issue ('000)	336,986	299,404	336,986	299,404
Basic Loss Per Share (sen)	(0.49)	(0.03)	(0.67)	(0.08)

(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: 25 August 2020