



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

	<b>Unaudited as at 30-09-2020 RM'000</b>	<b>Audited as at 31-12-2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	44,758	46,865
Right of use assets	7,068	3,336
	<u>51,826</u>	<u>50,201</u>
<b>Current assets</b>		
Inventories	33,707	32,651
Trade receivables	16,845	13,648
Other receivables, deposits and prepayments	10,614	1,933
Deposits with licensed banks	4,014	4,194
Cash and bank balances	2,475	8,623
	<u>67,655</u>	<u>61,049</u>
<b>TOTAL ASSETS</b>	<u>119,481</u>	<u>111,250</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	69,142	59,726
Other reserves	(4,416)	30
<b>Total equity</b>	<u>64,726</u>	<u>59,756</u>
<b>Non-current liabilities</b>		
Borrowings	520	-
Lease liabilities	3,996	893
	<u>4,516</u>	<u>893</u>
<b>Current liabilities</b>		
Trade payables	8,078	5,923
Other payables and accruals	4,013	6,708
Borrowings	35,238	35,162
Lease liabilities	2,900	2,798
Provision for taxation	10	10
	<u>50,239</u>	<u>50,601</u>
<b>Total liabilities</b>	<u>54,755</u>	<u>50,601</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>119,481</u>	<u>111,250</u>
<b>Net assets per share (RM)</b>	0.15	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 September 2020 - Unaudited

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Revenue	19,373	16,148	50,766	45,972
Cost of sales	(17,870)	(13,921)	(46,429)	(40,617)
<b>Gross profit</b>	1,503	2,227	4,337	5,355
Other income	467	514	934	3,083
Administrative expenses	(1,547)	(1,284)	(4,956)	(5,092)
Selling and marketing expenses	(298)	(365)	(869)	(1,127)
<b>Operating (loss)/profit</b>	125	1,092	(554)	2,219
Finance costs	(625)	(1,076)	(2,191)	(2,335)
<b>(Loss)/Profit before tax</b>	(500)	16	(2,745)	(116)
Tax expense	-	(1)	-	(116)
<b>(Loss)/Profit for the financial period</b>	(500)	15	(2,745)	(232)
<b>Other comprehensive (loss)/income, net of tax Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operation	(2,006)	336	(1,701)	1,277
<b>Total comprehensive (loss)/income for the financial period</b>	(2,506)	351	(4,446)	1,045
<b>Earnings/(Loss) per share (sen)</b>				
- Basic	(0.14)	0.00	(0.76)	(0.07)
- Diluted	(0.14)	0.00	(0.76)	(0.07)

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 September 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
<b>As at 1-1-2020</b>	59,726	1,541	-	-	9,175	(10,686)	59,756
<i>Transaction with owners:</i>							
Shares issued pursuant to private placement	9,416	-	-	-	-	-	9,416
<b>Total transactions with owners</b>	9,416	-	-	-	-	-	9,416
Loss for the period	-	-	-	-	-	(2,745)	(2,745)
Other comprehensive loss for the period	-	-	-	-	(1,701)	-	(1,701)
<b>As at 30-9-2020</b>	<b>69,142</b>	<b>1,541</b>	<b>-</b>	<b>-</b>	<b>7,474</b>	<b>(13,431)</b>	<b>64,726</b>
<b>As at 1-1-2019</b>	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)
<b>Adjusted at 1-1-2019</b>	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)	-	-	-
<b>Total transactions with owners</b>	19,437	-	(10,513)	(5,930)	-	-	2,994
Loss for the year	-	-	-	-	-	(870)	(870)
Other comprehensive income for the year	-	-	-	-	3,658	-	3,658
<b>As at 31-12-2019</b>	<b>59,726</b>	<b>1,541</b>	<b>-</b>	<b>-</b>	<b>9,175</b>	<b>(10,686)</b>	<b>59,756</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 2019.



# AE MULTI HOLDINGS BERHAD

## Condensed Consolidated Statement of Cash Flows

For the financial period ended 30 September 2020 - Unaudited

	30/09/2020 RM'000	30/09/2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(2,745)	(116)
Adjustments for:		
Depreciation of property, plant and equipment	4,726	3,729
Depreciation of right-of-use assets	4,429	-
Gain on disposal of property, plant and equipment	(662)	(1,136)
Interest expense	2,191	2,335
Interest income	(16)	(66)
Unrealised loss on foreign exchange	943	-
Operating profit before working capital changes	8,866	4,746
Increase in inventories	(2,490)	(2,119)
(Increase)/Decrease in receivables	(13,436)	2,131
(Decrease)/Increase in payables	(200)	4,180
Cash (used in)/from operations	(7,260)	8,938
Interest paid	(2,191)	(2,335)
Income tax paid	-	(116)
Net cash (used in)/from operating activities	(9,451)	6,487
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	16	66
Placement of deposits with licensed banks	-	(1,163)
Proceeds from disposal of property, plant and equipment	4,413	4,057
Purchase of property, plant and equipment	(8,371)	(7,028)
Net cash used in investing activities	(3,942)	(4,068)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in borrowings	1,706	(2,396)
Net change in lease liabilities	(4,962)	-
Proceeds from private placement	9,416	2,994
Net cash from financing activities	6,160	598
<b>Net (decrease)/increase in cash and cash equivalents</b>	(7,233)	3,017
Effects of changes in exchange rates	674	(934)
<b>Cash and cash equivalents at beginning</b>	8,048	5,436
<b>Cash and cash equivalents at end</b>	1,489	7,519
<b>Represented by:</b>		
Cash and bank balances	2,475	8,381
Bank overdrafts	(986)	(862)
	1,489	7,519

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.

## 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*  
*Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 2*

###### **Effective for financial periods beginning on or after 1 January 2022**

*Amendments to MFRS 3 Business Combinations*  
*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 for financial periods beginning on or after 1 January 2023**

*Amendments to MFRS 17 Insurance Contracts*  
*Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

###### **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* and *Amendments to MFRS 17 Insurance Contracts* that are effective for annual periods beginning on or after 1 January 2021 and 1 January 2023 respectively as they are 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.



## 11. Subsequent Events

On 22 October 2020, the Company had announced that Bursa Securities had, vide its letter dated 21 October 2020, approved the listing and quotation of up to 85,629,000 new ordinary shares to a Private Placement.

On 30 October 2020, a wholly-owned subsidiary of the Company, AE Multi Industries Sdn. Bhd. had entered into the a Collaboration Agreement with Ripcol Engineering Sdn. Bhd. to serve as a turnkey solutions provider for companies that intend to venture into the glove manufacturing business.

On 11 November 2020, the Company had announced that it has fixed the issue price for the placement of 85,629,000 new ordinary shares at RM0.1417 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.

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 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>30-09-2020</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 3 months ended		Changes (Amount/ %)	Cumulative Quarter 9 months ended		Changes (Amount/ %)
	30-Sep-20 RM'000	30-Sep-19 RM'000		30-Sep-20 RM'000	30-Sep-19 RM'000	
	Revenue	19,373	16,148	3,225 / 19.97%	50,766	45,972
(Loss)/Profit before tax	(500)	16	-516 / -3,225%	(2,745)	(116)	-2,629 / 2,266.38%

**Comparison with Previous Year Corresponding Quarter**

For the current quarter ended 30 September 2020 the Group's revenue has increased from RM16.15 million to RM19.37 million, representing an increase of 19.97 % as compared to the preceding year corresponding quarter. This was mainly due to an increase of sales order due to the Covid-19 Pandemic that led to unprecedented increase in demand of electrical and electronics products in the market as most of the organisation, school and university are doing work and teaching via online from home.

The Group posted a loss before taxation of RM0.50 million compared to the preceding year's corresponding quarter profit before taxation of RM0.016 million which was mainly due to the increase of cost of goods sold due to sales of lower price product mix during the quarter under reviewed.

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

As for the 9 months period ended 30 September 2020, the Group recorded a revenue of RM50.77 million, representing an increase of 10.43% as compared to the preceding year to date revenue of RM45.97 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 has 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. In addition, the Group's strategy to slash prices on several products also contributed to an increase in sales especially gaining additional new customers.

However, the Group has increased the loss before taxation of RM2.745 million as compared to RM0.12 million in the preceding year to date mainly due to the losses incurred from previous quarter where business operations and supply chain were disrupted as countries worldwide had instituted either a full or partial lockdown.

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

	Individual Quarter 3 months ended		Changes (Amount/ %)
	30-Sep-20 RM'000	30-Jun-20 RM'000	
Revenue	19,373	13,751	5,622 / 40.88%
Loss before tax	(500)	(1,641)	1,141 / 69.53%

During the current quarter under review, the Group reported total revenue of RM19.37 million, which is 40.88% higher than the immediate preceding quarter of RM13.75 million. This was mainly due to the peak of Covid-19 pandemic affected the production in last quarter but the Group managed to restore to normalcy coupled with the increase of sales order during the quarter under reviewed.

The Group posted a loss before taxation of RM0.50 million as compared to the immediate preceding quarter of RM1.64 million, mainly due to increase in sales order for the current quarter under reviewed.

**3. Prospects**

Despite some signs of recovery in the global economy particularly on electrical and electronics sector, the Group is cautiously optimistic about its existing as well as new business which it intends to venture in the middle of the pandemic affected environment.

**4. Profit Forecast**

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



## 5. Profit from Operations

	<b>Current quarter (Unaudited) 30/09/2020 RM'000</b>	<b>Cumulative quarter (Unaudited) 30/09/2020 RM'000</b>
This is derived after charging/(crediting) the following:		
Depreciation of property, plant and equipment	1,584	4,726
Depreciation of right of use assets	1,093	4,429
Gain on disposal of property, plant and equipment	(629)	(662)
Interest expense	625	2,191
Interest income	(2)	(16)
Realised loss/(gain) on foreign exchange	201	(1,129)
Unrealised (gain)/loss on foreign exchange	(1)	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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>(Unaudited) 30-Sep-20 RM'000</b>	<b>(Unaudited) 30-Sep-19 RM'000</b>	<b>(Unaudited) 30-Sep-20 RM'000</b>	<b>(Unaudited) 30-Sep-19 RM'000</b>
Current tax				
- Malaysian	-	-	-	-
- Foreign	-	(1)	-	(116)
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 September 2020 are as follows:

	<b>As at 30-9-2020</b>			<b>As at 30-9-2019</b>		
	<b>Denominated in RM RM'000</b>	<b>Thai Baht RM'000</b>	<b>Total borrowings RM'000</b>	<b>Denominated in RM RM'000</b>	<b>Thai Baht RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured short-term borrowings</b>						
Overdraft	-	986	986	-	862	862
Factoring	-	5,507	5,507	-	4,704	4,704
Trade finance	-	24,883	24,883	-	21,550	21,550
Promissory notes	-	3,290	3,290	-	3,423	3,423
Finance lease liabilities	38	38	76	29	28	57
Short term loan	-	496	496	-	1,375	1,375
	38	35,200	35,238	29	31,942	31,971
<b>Secured long-term borrowings</b>						
Finance lease liabilities	221	299	520	7	310	317
	221	299	520	7	310	317
<b>Total</b>	<b>259</b>	<b>35,499</b>	<b>35,758</b>	<b>36</b>	<b>32,252</b>	<b>32,288</b>

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

	<b>30-9-2020</b>	<b>30-9-2019</b>
Overdraft	6.875%-7.425%	6.875%-7.425%
Factoring	5.8%-7.75%	5.8%-7.75%
Trade finance	6.275%-6.78%	6.275%-6.805%
Promissory notes	6.75%	6.75%
Finance lease liabilities	2.45%-3.75%	1.99%-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>9 months ended</u>	<u>9 months ended</u>
	<u>30-Sep-20</u>	<u>30-Sep-19</u>	<u>30-Sep-20</u>	<u>30-Sep-19</u>
(Loss)/Profit for the financial period Attributable to owners of the Company (RM'000)	<u>(500)</u>	<u>15</u>	<u>(2,745)</u>	<u>(232)</u>
Weighted average number of ordinary shares of in issue ('000)	<u>363,334</u>	<u>309,422</u>	<u>363,334</u>	<u>309,422</u>
Basic Loss Per Share (sen)	<u>(0.14)</u>	<u>0.00</u>	<u>(0.76)</u>	<u>(0.07)</u>

### (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: 20 November 2020