



Amlex Holdings Berhad

201801010781 (1272796 – A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2019

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY AMLEX HOLDINGS BERHAD (“AMLEX” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATIONS.

AMLEX HOLDINGS BERHAD

Company No. 201801010781 (1272796 – A)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
REVENUE	17,261	20,548	17,261	20,548
Cost of Sales	(16,893)	(16,632)	(16,893)	(16,632)
GROSS PROFIT	368	3,916	368	3,916
Other operating Income	23	87	23	87
Administrative expenses	(1,891)	(1,759)	(1,891)	(1,759)
Distribution expenses	(212)	(401)	(212)	(401)
Listing expenses	-	(847)	-	(847)
Other operating expenses	-	(137)	-	(137)
OPERATING (LOSS)/ PROFIT	(1,712)	859	(1,712)	859
Finance Expenses	(540)	(516)	(540)	(516)
(LOSS)/ PROFIT BEFORE TAX	(2,252)	343	(2,252)	343
Income Tax Expenses	(46)	(381)	(46)	(381)
LOSS AFTER TAX	<u>(2,298)</u>	<u>(38)</u>	<u>(2,298)</u>	<u>(38)</u>
LOSS PER ORDINARY SHARE (Sen)				
Basic*	<u>(0.86)</u>	<u>(0.01)</u>	<u>(0.86)</u>	<u>(0.01)</u>
Diluted*	<u>(0.86)</u>	<u>(0.01)</u>	<u>(0.86)</u>	<u>(0.01)</u>

*Based on a total number of 268,113,100 ordinary shares

Notes:

- (1) The Unaudited Condensed Consolidated Financial Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the half yearly financial statements.
- (2) For the 6 months financial period ended 30 September 2018, the Group has included a one-off listing expense of approximately RM0.85 million. Excluding the effect of this one-off expense, the PBT and Profit After Tax ("PAT") for the period would be RM1.19 million and RM0.81 million respectively. This translates to an Earning Per Share ("EPS") of 0.30 sen for the period.

AMLEX HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	AS AT 30.09.2019 RM'000	AS AT 30.09.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,940	31,481
Total non-current assets	33,940	31,481
Current Assets		
Inventories	8,904	8,450
Current tax assets	693	630
Trade and other receivables	11,153	12,011
Cash and short-term deposits	2,415	6,060
Total current assets	23,165	27,151
TOTAL ASSETS	57,105	58,632
EQUITY AND LIABILITIES		
Equity		
Share Capital	28,672	28,673
Revaluation Reserve	3,883	3,883
Retained Earnings	7,763	9,768
Merger Deficit	(13,690)	(13,690)
Total Equity	26,628	28,634

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019 (CONTINUED)

	AS AT 30.09.2019 RM'000	AS AT 30.09.2018 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	8,087	6,635
Deferred Tax Liabilities	3,589	3,833
Total Non-Current Liabilities	11,676	10,468
Current Liabilities		
Trade and other payables	8,219	8,066
Deferred income	-	20
Current tax liabilities	18	-
Loans and borrowings	10,564	11,444
Total Current Liabilities	18,801	19,530
TOTAL LIABILITIES	30,477	29,998
TOTAL EQUITY AND LIABILITIES	57,105	58,632
NET ASSETS PER ORDINARY SHARE (SEN) *	9.93	10.68

*Based on a total number of 268,113,100 ordinary shares

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the half yearly financial statements.

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AMLEX HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF YEARLY ENDED 30 SEPTEMBER 2019

	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
Balance as at 31 March 19	28,672	(13,690)	3,883	10,061	28,926
Issuance of shares	-	-	-	-	-
Merger deficit	-	-	-	-	-
Loss after tax	-	-	-	(2,298)	(2,298)
Balance as at 30 September 2019	28,672	(13,690)	3,883	7,763	26,628

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the half yearly financial statements.

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AMLEX HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEARLY ENDED 30 SEPTEMBER 2019

	6 months ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(2,298)	343
Adjustments for		
Depreciation of property, plant and equipment	2,789	2,344
Amortisation of government grant	(8)	(13)
Finance costs	540	516
Finance income	(36)	(3)
Operating profit before working capital changes	987	3,187
Change in working capital		
Inventories	243	(2,947)
Trade and other receivables	(2,618)	(3,268)
Trade and other payables	2,218	2,342
Cash generated from/ (used in) operations	830	(686)
Income tax paid	(395)	(598)
Income tax Refund	370	21
Interest received	36	3
Interest paid	(153)	(126)
Net cash generated from/ (used in) operating activities	688	(1,386)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,943)	(2,221)
Change in pledged deposits	(2)	(3)
Net cash used in investing activities	(1,945)	(2,224)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEARLY ENDED 30 SEPTEMBER 2019 (CONTINUED)

	6 months ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(387)	(390)
Net changes in finance lease liabilities	(691)	(449)
Net changes in bankers acceptance and revolving credit	832	3,208
Net changes in term loans	(476)	(423)
Proceeds from issuance of shares, net of listing expenses	-	-
- Ordinary shares	-	5,883
Net cash (used in)/ generated from financing activities	<u>(722)</u>	<u>7,829</u>
Net (decrease)/ increase in cash and cash equivalents	(1,979)	4,219
Cash and cash equivalent at the beginning of the financial period*	<u>817</u>	<u>(1,160)</u>
Cash and cash equivalents at the end of the financial period	<u>(1,162)</u>	<u>3,059</u>
Cash and cash equivalents at the end of the financial period consists:		
Cash in hand & at bank	2,303	5,865
Bank overdrafts	(3,465)	(2,806)
	<u>(1,162)</u>	<u>3,059</u>

* Cash and cash equivalent at the beginning of the financial period- 1st April 2019

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the half yearly financial statements.

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A1. BASIS OF PREPARATION

The Interim financial statements of AHB and its subsidiaries (the “Group”) are unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting and Paragraph 6.12 of the Leap Market’s Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the latest audited Financial Statements of the Group for the year ended 31 March 2019 and its accompanying explanatory notes attached to this interim half yearly report.

A2. CHANGES IN ACCOUNTING POLICIES

At the date of authorisation of the unaudited financial statements, the accounting policies adopted are consistent with those disclosed in the latest set of audited financial statement as at 31 March 2019, except other than disclosed below which were effective for period beginning on or after 1 January 2018. The adoption of the below amendments/ improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies:-

MFRS 9 <i>Financial Instruments</i>	Effective : 1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	Effective : 1 January 2018

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A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The adoption of the below amendments/ improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies:-

Amendments to MFRS 1 <i>First-time adoption of MFRSs</i>	Effective : 1 January 2018
Amendments to MFRS 2 <i>Share-based Payment</i>	Effective : 1 January 2018
Amendments to MFRS 4 <i>Insurance Contracts</i>	Effective : 1 January 2018
Amendments to MFRS 128 <i>Investment in Associates and Joint Ventures</i>	Effective : 1 January 2018
Amendments to MFRS 140 <i>Investment Property</i>	Effective : 1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	Effective : 1 January 2018

The following standards were issued but not yet effective and have not been early adopted by the Group.

Amendments/ Improvements to MFRSs	
MFRS 16 (New) <i>Leases</i>	Effective : 1 January 2019
MFRS 17 (New) <i>Insurance Contracts</i>	Effective : 1 January 2021
MFRS 1 <i>First-time adoption of MFRSs</i>	Effective : 1 January 2021#
MFRS 2 <i>Share-based Payment</i>	Effective : 1 January 2020*
MFRS 3 <i>Business Combinations</i>	Effective : 1 January 2019/ 1 January 2020*/ 1 January 2021#
MFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Effective : 1 January 2021#
MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	Effective : 1 January 2020*
MFRS 7 <i>Financial Instruments: Disclosures</i>	Effective : 1 January 2021#
MFRS 9 <i>Financial Instruments</i>	Effective : 1 January 2019/ 1 January 2021#
MFRS 10 <i>Consolidated Financial Statements</i>	Deferred

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The following standards were issued but not yet effective and have not been early adopted by the Group.

MFRS 11 <i>Joint Arrangements</i>	Effective : 1 January 2019
MFRS 14 <i>Regulatory Deferral Accounts</i>	Effective : 1 January 2020*
MFRS 15 <i>Revenue from Contracts with Customers</i>	Effective : 1 January 2021#
MFRS 101 <i>Presentation of Financial Statements</i>	Effective : 1 January 2020*/ 1 January 2021#
MFRS 107 <i>Statements of Cash Flows</i>	Effective : 1 January 2021*
MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Error</i>	Effective : 1 January 2020*
MFRS 112 <i>Income Taxes</i>	Effective : 1 January 2019
MFRS 116 <i>Property, Plant and Equipment</i>	Effective : 1 January 2021*
MFRS 119 <i>Employee Benefits</i>	Effective : 1 January 2019/ 1 January 2021#
MFRS 123 <i>Borrowing Costs</i>	Effective : 1 January 2019
MFRS 128 <i>Investments in Associates and Joint Ventures</i>	Effective : 1 January 2019 / Deferred/ 1 January 2021#
MFRS 132 <i>Financial instruments: Presentation</i>	Effective : 1 January 2021#
MFRS 134 <i>Interim Financial Reporting</i>	Effective : 1 January 2020*
MFRS 136 <i>Impairment of Assets</i>	Effective : 1 January 2021#
MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Effective : 1 January 2020*/ 1 January 2021#
MFRS 138 <i>Intangible Assets</i>	Effective : 1 January 2020*/ 1 January 2021#
MFRS 140 <i>Investment Property</i>	Effective : 1 January 2021#

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A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The following standards were issued but not yet effective and have not been early adopted by the Group.

New IN Int	
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	Effective : 1 January 2019
Amendments to IC Int	
IC Interpretation 12 <i>Service Concession Arrangements</i>	Effective : 1 January 2020*
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity</i>	Effective : 1 January 2020*
IC Interpretation 20 <i>Stripping Costs in the production Phase of a Surface Mine</i>	Effective : 1 January 2020*
IC Interpretation 22 <i>Foreign Currency Transaction and Advance Consideration</i>	Effective : 1 January 2020*
IC Interpretation 132 <i>Intangible Assets- Website Costs</i>	Effective : 1 January 2020*

*Amendments to References to the Conceptual Framework in MFRS Standards

Amendments as to the consequence of effective of MFRS 17 Insurance Contract

A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not affected by seasonal or cyclical factors for the current period under review.

A4. UNUSUAL ITEMS

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current period under review.

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A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates in the current financial period.

A6. 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.

A7. SEGMENTAL INFORMATION

The Group's revenue based on its activities is presented as follows:-

Segments	Individual 6 months ended		Cumulative 12 months ended	
	30.09.19 (RM'000)	30.09.18 (RM'000)	30.09.19 (RM'000)	30.09.18 (RM'000)
Manufacture of lead frames	11,694	14,858	11,694	14,858
Manufacture of other electronic packaging and interconnect components	5,567	5,690	5,567	5,690
Total	17,261	20,548	17,261	20,548

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD UNDER REVIEW

There were no material events subsequent to the end of the current financial period.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period.

A10. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this financial report.

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A11. CAPITAL COMMITMENTS

On 28 March 2019, the Subsidiary Company entered into a conditional sale and purchase agreement with a third party to acquire a leasehold land and building for a total cash consideration of RM 2,290,000. The transaction was completed on 25 June 2019.

B.	ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LISTING REQUIREMENTS
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B1. REVIEW OF PERFORMANCE

Current Period vs Immediate Preceding Period

The Group recorded a revenue of RM 17.26 million for the 1st half-year end of the interim financial period ended 30 September 2019, as compared to reported revenue of RM20.55 million during the same period in the preceding year, representing a decrease of RM 3.29 million or 16%. This is mainly due to decrease in the Group's sales in the manufacture of lead frames.

The Group's sales in the manufacture of lead frames decreased by RM 3.16 million, 21.29% mainly due to the sudden drop in demand from our Integrated Circuits (IC) customers and as well as from the other business segments also. This was primarily caused by the weakening of the broader global economic activities and thus led to the slowdown in the semiconductor industry.

The Group recorded a loss before taxation ("LBT") of RM 2.25 million for the 1st half-year end of the interim financial period ended 30 September 2019 as compared to profit before taxation ("PBT") of RM 0.343 million during the same period in the preceding year, PBT decreased by RM 2.59 million.

The decrease in PBT of RM 2.59 million is primarily attributable to:

- 1) Declined in revenue, by RM 3.29 million, representing a variance of 16%, while the overhead costs remain the same. The costs in terms of percentage relative to the total revenue thus has elevated substantially.
- 2) Higher depreciation expenditure due to the installation of additional machinery, tools and equipment to cater to the anticipated future sales.
- 3) Increased in research and development cost due to the introduction of new projects.
- 4) Increased in material usage arising from the research and development projects that the group were undertaking.
- 5) Steep increased in precious metal prices for the 1st half-year end of the interim financial period ended 30 September 2019 as compared to the same period in the preceding year.
- 6) Overall profit margin was affected by the unfavourable sales mix.
- 7) Declined in revenue, by RM 3.29 million, representing a variance of 16%, while the overhead costs remain the same. The costs in terms of percentage relative to the total revenue thus has elevated substantially.
- 8) Additional headcount and increased in staff costs which the group have brought in to support our future projects.

B2. PROSPECTS OF THE GROUP

The Group is maintaining its plans and strategies to broaden its range of products, services and electroplating capabilities, increase its production capacity, enhance its products and diversifying the customer base. There were no change in the business direction.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B4. CORPORATE PROPOSALS

There were no corporate proposals during the current period under review.

B5. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds from the LEAP listing placement of RM 6.03 million is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation * RM'000	Balance/ Deviation RM'000	Estimated timeframe for utilisation upon Listing
R&D	800	800	-	12 months
Capital Expenditure	3,200	3,197	3	12 months
General Working Capital	1,033	1,033	-	3 months
Listing Expenses	1,000	**1,003	(3)	1 months
Total	6,033	6,033	-	

Notes:

*Utilisation as at 30 September 2019

** Out of RM 1.003 million listing expense, RM 0.15 million had been offset against share capital of AHB

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B6. MATERIAL LITIGATION

The Directors do not have any knowledge of any proceedings pending or threatened against the Group as the date of this report.

B7. DIVIDEND PROPOSED

There were no dividends proposed by the Board of Directors of the Company for the current period under review.