



Amlex Holdings Berhad

201801010781 (1272796-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MARCH 2020

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 2ND HALF YEAR ENDED 31 MARCH 2020

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
REVENUE	18,751	18,476	36,012	39,025
Cost of Sales	(17,438)	(15,222)	(34,330)	(31,854)
GROSS PROFIT	1,313	3,254	1,682	7,171
Other operating income	246	8	269	95
Administrative expenses	(1,703)	(2,041)	(3,594)	(3,800)
Distribution expenses	(222)	(300)	(434)	(700)
Listing expenses	-	(5)	-	(853)
Other operating expenses	(205)	(118)	(205)	(256)
OPERATING (LOSS)/ PROFIT	(571)	798	(2,282)	1,657
Finance expenses	(566)	(491)	(1,106)	(1,007)
(LOSS)/ PROFIT BEFORE TAX ("LBT"/"PBT")	(1,137)	307	(3,388)	650
Income tax expenses	1,131	(14)	1,085	(395)
(LOSS)/ PROFIT AFTER TAX	(6)	293	(2,303)	255
EARNING PER ORDINARY SHARE (Sen)				
Basic*	(0.00)	0.11	(0.86)	0.10
Diluted*	(0.00)	0.11	(0.86)	0.10

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

Note:

- (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.

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AMLEX HOLDINGS BERHAD

Company No. 201801010781 (1272796 – A)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	AS AT 31.03.2020 RM'000	AS AT 31.03.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	28,230	31,786
Right-of-use assets	3,460	-
Total Non-Current Assets	31,690	31,786
Current Assets		
Inventories	10,532	9,147
Current tax assets	461	665
Trade and other receivables	10,016	8,536
Cash and short-term deposits	2,572	2,359
Total Current Assets	23,581	20,707
TOTAL ASSETS	55,271	52,493
EQUITY AND LIABILITIES		
Equity		
Share capital	28,672	28,672
Revaluation reserve	3,883	3,883
Retained earnings	7,758	10,061
Merger deficit	(13,690)	(13,690)
Total equity	26,623	28,926

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AMLEX HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020 (CONTINUED)

	AS AT 31.03.2019 RM'000	AS AT 31.03.2019 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	7,634	6,425
Deferred tax liabilities	2,408	3,589
Total Non-Current Liabilities	10,042	10,014
Current Liabilities		
Trade and other payables	7,140	6,001
Deferred income	-	8
Current tax Liabilities	41	15
Loans and borrowings	11,425	7,529
Total Current Liabilities	18,606	13,553
TOTAL LIABILITIES	28,648	23,567
TOTAL EQUITY AND LIABILITIES	55,271	52,493
NET ASSETS PER ORDINARY SHARE (SEN) *	9.93	10.79

*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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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	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 2018	9,100	-	3,883	9,806	22,789
Issuance of shares	19,722	(13,690)	-	-	6,032
Shares issuance expenses	(150)	-	-	-	(150)
	19,572	(13,690)	-	-	5,882
Profit after tax	-	-	-	255	255
Balance as at 31 March 2019	28,672	(13,690)	3,883	10,061	28,925
Loss after tax	-	-	-	(2,303)	(2,303)
Balance as at 31 March 2020	28,672	(13,690)	3,883	7,758	26,623

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 YEAR ENDED 31 MARCH 2020

	31.03.2020	31.03.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(3,388)	650
Adjustments for		
Depreciation of property, plant and equipment	5,012	4,992
Amortisation of right-of-use assets	747	-
Loss on disposal of property, plant and equipment	-	48
Property, plant and equipment written off	57	13
Amortisation of government grant	(8)	(25)
Finance costs	1,120	1,007
Finance income	(71)	(38)
Unrealised (gain)/ loss on foreign exchange	(140)	17
Operating profit before working capital changes	3,329	6,664
Change in working capital		
Inventories	(1,385)	(3,644)
Trade and other receivables	(1,296)	211
Trade and other payables	1,086	256
Cash generated from operations	1,734	3,487
Income tax paid	(557)	(1,040)
Income tax Refund	691	185
Interest received	71	38
Interest paid	(117)	(189)
Net cash generated from operating activities	1,822	2,481
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,505)	(4,231)
Proceeds from disposal of property, plant and equipment	-	13
Acquisition of right-of-use assets	(47)	-
Change in pledged deposits	(3)	83
Net cash used in investing activities	(4,555)	(4,135)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

	31.03.2020	31.03.2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,003)	(818)
Repayment of finance lease liabilities	(1,464)	(1,007)
Net changes in bankers acceptance & revolving credit	3,320	443
Net changes in term loans	1,050	(868)
Payment of shares issuance expenses	-	(150)
Proceeds from shares issuance	-	6,032
Net cash generated from financing activities	1,903	3,632
Net (decrease)/ increase in cash and cash equivalents	(830)	1,978
Cash and cash equivalent at the beginning of the financial year	817	(1,161)
Effect of foreign exchange rate changes	9	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(4)	817
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR CONSISTS:		
Cash in hand & at bank	500	353
Short-term deposits placed with a licensed bank	2,072	2,006
Cash and short-term deposits	2,572	2,359
Pledge Deposits	(113)	(109)
Bank overdrafts	(2,463)	(1,433)
	(4)	817

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

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Interpretation that are mandatory for the current financial year:

New MFRS

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

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A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

New MFRS		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023

Amendments/Improvements to MFRSs		Effective for financial periods beginning on or after
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 June 2020 [*] / 1 January 2022 [^]
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2022/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

** Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020*

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

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.

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.

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A7. SEGMENTAL INFORMATION

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

Segments	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2020 (RM'000)	31.03.2019 (RM'000)	31.03.2020 (RM'000)	31.03.2019 (RM'000)
Manufacture of lead frames	13,341	13,757	25,035	28,616
Manufacture of other electronic packaging and interconnect components	5,410	4,719	10,977	10,409
Total	18,751	18,476	36,012	39,025

A8. CHANGES IN THE COMPOSITION OF THE GROUP

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

A9. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A10. CAPITAL COMMITMENTS

There were no material capital commitments in respect of plant and equipment as at the end of the current financial period.

A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia.

The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operate.

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A11. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

For the Group's financial statements for the financial year ending 31 March 2021, the Covid-19 outbreak and the related impacts are considered non-adjusting events in accordance with MFRS 110 Events after the Reporting Period. Consequently, there is no impact on the recognition and measurement of assets and liabilities as at 31 March 2020.

The Group unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 March 2021 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the Covid-19 will have adverse effects on the Group's sales, operations and supply chains. The Group will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

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B1. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM 18.75 million for the current six month financial period ended 31 March 2020 as compared to RM 18.48 million in the preceding corresponding financial period. The marginal increase of RM 0.27 million is mainly due to the increase in the Group's sales in other electronic packaging and interconnect components by RM 0.69 million, 14.64%. This increase is attributable to the increased demand of the global mobile devices market and thus led to the increase in demand of our components for silicon microphones.

The Group recorded a revenue of RM 36.01 million in the financial year ended 31 March 2020, as compared to RM 39.03 million in the preceding financial year ended 31 March 2019, representing a decrease of RM 3.02 million or 7.74%. 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 3.58 million, 12.51%, mainly due to the sudden drop in demand from our Integrated Circuits (IC) customers and as well as from the other business segments. This was primarily caused by the weakening of the broader global economic activities and thus led to the slowdown in the semiconductor industry. However, the Group's revenue increased by RM 1.49 million from RM 18.75 million in the current six month financial period ended 31 March 2020 as compared to RM 17.26 million in the immediate preceding six month financial period ended 30 September 2019, mainly due to the introduction of new parts for mass production that came from new projects the Group were undertaking since last financial year. As a result, loss before taxation improved to RM 1.14 million in the current six month financial period ended 31 March 2020 from RM 2.25 million in the six month financial period ended 30 September 2019.

The Group recorded a loss before taxation of RM 1.14 million for the current six month financial period ended 31 March 2020 as compared to profit before taxation of RM 0.31 million in the preceding corresponding financial period.

The Group reported a loss before taxation of RM 3.39 million in the current financial year ended 31 March 2020 as compared to profit before taxation of RM 0.650 million in the preceding financial year ended 31 March 2019.

The loss in the current financial year ended 31 March 2020 as compared to last financial year ended 31 March 2019 is primarily attributable to:

- 1) Revenue decreased by RM 3.02 million, 7.74%.
- 2) Increased in depreciation cost of 15.34%, by RM 0.77 million, arises from the capital expenditure of RM 5.53 million in the current financial year. The Group acquired a leasehold land and building at approximately RM 2.40 million for expansion purposes. RM 2.50 million capital expenditure was allocated for the additional machineries, tools and equipment to cater for the anticipated future sales.

B1. REVIEW OF PERFORMANCE (CONTINUED)

- 3) Lower revenue recorded in the current financial year as per explanation above, overhead costs remain at the same level. The costs in terms of percentage relative to the total revenue thus has elevated substantially.
- 4) Increased in research and development cost arising from projects that the group were undertaking.
- 5) Overall profit margin was affected by the unfavourable sales mix.

B2. PROSPECTS OF THE GROUP

The Group has started and is maintaining its plans and strategies to broaden its range of products, services and electroplating capabilities, increase its production capacities and enhance its products. There were no change in the business direction of the Group which may have an impact on any for the business segments of the Group.

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 proceeds from the IPO of RM 6.03 million have been fully utilized.

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.