



Amlex Holdings Berhad

Registration No. 201801010781 (1272796-A)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MARCH 2021

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.

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND HALF YEAR ENDED 31 MARCH 2021

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.03.2021 RM'000	31.03.2020 RM'000	30.03.2021 RM'000	31.03.2020 RM'000
REVENUE	33,931	18,751	59,079	36,012
Cost of Sales	(27,155)	(17,438)	(48,074)	(34,330)
GROSS PROFIT	6,776	1,313	11,005	1,682
Other Income	532	215	593	238
Administrative expenses	(2,495)	(1,703)	(4,184)	(3,594)
Distribution expenses	(297)	(222)	(594)	(434)
Other expenses	(332)	(174)	(332)	(174)
OPERATING PROFIT/ (LOSS)	4,184	(571)	6,488	(2,282)
Finance expenses	(443)	(566)	(956)	(1,106)
PROFIT/ (LOSS) BEFORE TAX	3,741	(1,137)	5,532	(3,388)
Income tax (expense)/income	(1,189)	1,131	(2,151)	1,085
PROFIT/ (LOSS) AFTER TAX	2,552	(6)	3,381	(2,303)
OTHER COMPREHENSIVE INCOME	821	-	821	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)	3,373	(6)	4,202	(2,303)
PROFIT/ (LOSS) PER ORDINARY SHARE (Sen)				
Basic*	0.95	(0.00)	1.26	(0.86)
Diluted*	0.95	(0.00)	1.26	(0.86)

*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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	AS AT 31.03.2021 RM'000	AS AT 31.03.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,456	15,967
Right-of-use assets	15,703	15,723
Total non-current assets	31,159	31,690
Current Assets		
Inventories	12,722	10,532
Current tax assets	269	461
Trade and other receivables	15,629	10,016
Fixed deposits with a licensed bank	188	184
Cash and short-term deposits	2,756	2,851
Total current assets	31,564	24,044
TOTAL ASSETS	62,723	55,734
EQUITY AND LIABILITIES		
Equity		
Share Capital	28,672	28,672
Revaluation Reserves	4,704	3,883
Retained Earnings	11,139	7,758
Merger Deficit	(13,690)	(13,690)
Total Equity	30,825	26,623

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONTINUED)

	AS AT 31.03.2021 RM'000	AS AT 31.03.2020 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	7,594	7,634
Deferred Tax Liabilities	2,933	2,408
Total Non-Current Liabilities	10,527	10,042
Current Liabilities		
Trade and other payables	10,950	7,140
Current tax liabilities	-	41
Deferred income	63	-
Loans and borrowings	10,358	11,888
Total Current Liabilities	21,371	19,069
TOTAL LIABILITIES	31,898	29,111
TOTAL EQUITY AND LIABILITIES	62,723	55,734
NET ASSETS PER ORDINARY SHARE (SEN) *	11.50	9.93

*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 2021

	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 2019	28,672	(13,690)	3,883	10,061	28,926
Loss after tax	-	-	-	(2,303)	(2,303)
Balance as at 31 March 2020	28,672	(13,690)	3,883	7,758	26,623
Profit after tax	-	-	-	3,381	3,381
Other comprehensive income	-	-	821	-	821
Total comprehensive income	-	-	821	3,381	4,202
Balance as at 31 March 2021	28,672	(13,690)	4,704	11,139	30,825

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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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2021

	31.03.2021	31.03.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	5,532	(3,388)
Adjustments for		
Amortisation of government grant	(88)	(8)
Depreciation of right-of-use assets	1,158	1,079
Depreciation of property, plant and equipment	4,487	4,680
Interest expense	956	1,106
Interest income	(24)	(71)
Net unrealised loss/(gain) on foreign exchange	81	(131)
Property, plant and equipment written off	21	57
Operating profit before changes in working capital	12,123	3,324
Changes in working capital		
Inventories	(2,190)	(1,385)
Receivables	(5,729)	(1,306)
Payables	3,846	1,086
Net cash generated from operations	8,050	1,719
Income tax paid	(1,735)	(557)
Income tax refunded	-	691
Interest paid	(208)	(249)
Interest received	24	71
Net cash generated from operating activities	6,131	1,675
Cash flows from investing activities		
Change in fixed deposits with a licensed bank	(2)	(2)
Government grant received	150	-
Purchase of property, plant and equipment	(3,568)	(2,109)
Purchase of right-of-use assets	(19)	(2,442)
Net cash used in investing activities	(3,439)	(4,553)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

	31.03.2021	31.03.2020
	RM'000	RM'000
Cash flows from financing activities		
Change in pledge deposits	(3)	(3)
Interest paid	(748)	(856)
Drawdown of term loans	1,500	2,061
Repayment of finance lease liabilities	(1,329)	(1,464)
Net changes in bankers' acceptance	38	3,320
Repayment of term loans	(344)	(1,011)
Net cash (used in) / from financing activities	<u>(886)</u>	<u>2,047</u>
Net increase/ (decrease) in cash and cash equivalents	1,806	(831)
Cash and cash equivalents at the beginning of the financial year	(74)	748
Effect of foreign exchange rate changes	-	9
Cash and cash equivalents at the end of the financial year	<u><u>1,732</u></u>	<u><u>(74)</u></u>
Cash and cash equivalents at the end of the financial year consists:		
Cash in hand & at bank	2,756	2,851
Bank overdrafts	<u>(1,024)</u>	<u>(2,925)</u>
	<u><u>1,732</u></u>	<u><u>(74)</u></u>

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 Amlex 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 2021 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 amendments/improvements to MFRSs for the current financial period:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board (“MASB”) on 5 June 2020.

The adoption of the above amendments/improvements to MFRSs 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.

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 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
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 [#]

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments/Improvements to MFRSs		Effective for financial periods beginning on or after
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#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

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.

A7. SEGMENTAL INFORMATION

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

Segments	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2021 (RM'000)	31.03.2020 (RM'000)	31.03.2021 (RM'000)	31.03.2020 (RM'000)
Manufacture of lead frames	21,078	13,401	38,884	25,035
Manufacture of other electronic packaging and interconnect components	12,853	5,350	20,195	10,977
Total	33,931	18,751	59,079	36,012

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 EVENT DURING THE END OF THE PERIOD UNDER REVIEW

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 operates.

A11. SIGNIFICANT EVENT DURING THE END OF THE PERIOD UNDER REVIEW (CONTINUED)

The Group has performed assessments on the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 March 2021.

Given the fluidity of the situation, the Group will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

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B1. REVIEW OF PERFORMANCE

Current 6-month period vs. immediate preceding year corresponding 6-month period

For the 2nd half financial year ended 31 March 2021, the Group recorded revenue of RM33.93 million as compared to RM18.75 million revenue in the preceding year 31 March 2020. 80% increase was primarily attributed to the sustained robust demand from our customers despite the Covid-19 pandemic. The strong growth has also translated into the Group's Profit After Tax ("PAT") amounting to RM2.55 million compared to a Loss After Tax ("LAT") of RM0.006 million during the preceding year 31 March 2020, PAT increased by RM2.56 million.

The improvement in the PAT were mainly due to the following:

- i. The Group's sales in the manufacture of lead frames increased by RM 7.67 million or 57.28%, and the Group's sales in the manufacture of other electronic packaging and interconnect components increased by RM 7.50 million or 140.24%. The increase in revenue is mainly attributable to higher sales volume as a result of increase in customers' demand;
- ii. The group's gross profit ("GP") increased by RM5.46 million or 416% from RM1.33 million (GP margin: 7.0%) in the preceding corresponding period to RM6.77 million (GP margin: 19.9%) in the current financial period; and
- iii. Economies of scale due to expanded volume of production as a result of increase in revenue as per explanation above.

B2. PROSPECTS OF THE GROUP

The COVID-19 pandemic has adversely affected both local and global economies. The Movement Control Order ("MCO"), Conditional MCO and Recovery MCO imposed by the Malaysian government to reduce the rate of spreading of the COVID-19 virus pandemic have not adversely impacted the Group's financial and operational performance for the financial year ended 31 March 2021. The Group anticipates that our industries outlook will remain uncertain and challenging for the coming financial year.

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. MATERIAL LITIGATION

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

B6. DIVIDEND PROPOSED

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

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