



## **Amlex Holdings Berhad**

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

# **FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 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.

# AMLEX HOLDINGS BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<b>REVENUE</b>	44,035	27,608	44,035	27,608
Cost of Sales	(32,427)	(23,379)	(32,427)	(23,379)
<b>GROSS PROFIT</b>	<b>11,608</b>	<b>4,229</b>	<b>11,608</b>	<b>4,229</b>
Other Income	283	61	283	61
Administrative expenses	(2,251)	(1,689)	(2,251)	(1,689)
Distribution expenses	(348)	(298)	(348)	(298)
Other expenses	(352)	-	(352)	-
<b>OPERATING PROFIT</b>	<b>8,940</b>	<b>2,303</b>	<b>8,940</b>	<b>2,303</b>
Finance expenses	(478)	(514)	(478)	(514)
<b>PROFIT BEFORE TAX</b>	<b>8,462</b>	<b>1,789</b>	<b>8,462</b>	<b>1,789</b>
Income tax expense	(1,934)	(961)	(1,934)	(961)
<b>PROFIT AFTER TAX</b>	<b>6,528</b>	<b>828</b>	<b>6,528</b>	<b>828</b>
<b>PROFIT PER ORDINARY SHARE (Sen)</b>				
Basic*	2.43	0.31	2.43	0.31
Diluted*	2.43	0.31	2.43	0.31

Note:

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

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.

# AMLEX HOLDINGS BERHAD

Registration No. 201801010781 (1272796 – A)

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	AS AT 30.09.2021 RM'000	AS AT 30.09.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,479	14,940
Right-of-use assets	16,483	15,150
<b>Total non-current assets</b>	<b>31,962</b>	<b>30,090</b>
<b>Current Assets</b>		
Inventories	13,040	12,090
Current tax assets	-	647
Trade and other receivables	17,831	14,548
Fixed deposits with a licensed bank	189	186
Cash and short-term deposits	7,920	2,972
<b>Total current assets</b>	<b>38,980</b>	<b>30,443</b>
<b>TOTAL ASSETS</b>	<b>70,942</b>	<b>60,533</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	28,672	28,672
Revaluation Reserves	4,705	3,883
Retained Earnings	17,130	8,586
Merger Deficit	(13,690)	(13,690)
<b>Total Equity</b>	<b>36,817</b>	<b>27,451</b>

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 (CONTINUED)

	AS AT 30.09.2021 RM'000	AS AT 30.09.2020 RM'000
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Loans and borrowings	6,740	6,898
Deferred income	-	150
Deferred Tax Liabilities	2,891	2,408
<b>Total Non-Current Liabilities</b>	<b>9,631</b>	<b>9,456</b>
<b>Current Liabilities</b>		
Trade and other payables	12,918	10,652
Current tax liabilities	723	1,002
Deferred income	-	-
Loans and borrowings	10,853	11,972
<b>Total Current Liabilities</b>	<b>24,494</b>	<b>23,626</b>
<b>TOTAL LIABILITIES</b>	<b>34,125</b>	<b>33,082</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>70,942</b>	<b>60,533</b>
<b>NET ASSETS PER ORDINARY SHARE (SEN) *</b>	<b>13.73</b>	<b>10.24</b>

Note:

\*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 YEAR ENDED 30 SEPTEMBER 2021

	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
<b>Balance as at 1 April 2021</b>	28,672	(13,690)	4,705	11,138	30,825
Profit after tax	-	-	-	6,528	6,528
<b>Transactions with owners</b>					
Dividend paid on shares	-	-	-	(536)	(536)
<b>Balance as at 30 September 2021</b>	<b>28,672</b>	<b>(13,690)</b>	<b>4,705</b>	<b>17,130</b>	<b>36,817</b>

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 YEAR ENDED 30 SEPTEMBER 2021

	30.09.2021	30.09.2020
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,462	1,789
Adjustments for		
Amortisation of government grant	(63)	-
Depreciation of right-of-use assets	577	590
Depreciation of property, plant and equipment	2,032	2,357
Interest expense	479	514
Interest income	(3)	(19)
Net unrealised (gain)/loss on foreign exchange	(74)	161
Property, plant and equipment written off	241	(13)
Operating profit before changes in working capital	11,651	5,379
Changes in working capital		
Inventories	(318)	(1,558)
Receivables	(2,149)	(4,807)
Payables	1,898	4,578
Net cash generated from operations	11,082	3,592
Income tax paid	(1,184)	(1,147)
Income tax refunded	201	-
Interest paid	(104)	(105)
Interest received	3	19
<b>Net cash generated from operating activities</b>	<b>9,998</b>	<b>2,359</b>
<b>Cash flows from investing activities</b>		
Change in fixed deposits with a licensed bank	-	(1)
Proceeds from government grants related to assets	-	150
Purchase of property, plant and equipment	(1,646)	(1,175)
Purchase of right-of-use assets	(214)	(19)
<b>Net cash used in investing activities</b>	<b>(1,860)</b>	<b>(1,045)</b>

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	30.09.2021	30.09.2020
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Change in pledge deposits	(1)	(1)
Dividend paid	(536)	-
Interest paid	(375)	(409)
Repayment of finance lease liabilities	(2,081)	(671)
Net changes in bankers' acceptance	(1,492)	173
Net drawdown of term loans	895	1,139
<b>Net cash (used in) / from financing activities</b>	<u>(3,590)</u>	<u>231</u>
<b>Net increase in cash and cash equivalents</b>	4,548	1,545
Cash and cash equivalents at the beginning of the financial period*	1,732	(74)
Effect of foreign exchange rate changes	90	9
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>6,370</u></u>	<u><u>1,480</u></u>
Cash and cash equivalents at the end of the financial period consists:		
Cash in hand & at bank	7,920	2,972
Bank overdrafts	(1,550)	(1,492)
	<u><u>6,370</u></u>	<u><u>1,480</u></u>

Note:

\* Cash and cash equivalent at the beginning of the financial period - 1st April 2021

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 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 4	Insurance Contracts	1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
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 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial instruments: Presentation	1 January 2023 <sup>#</sup>

**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 6 months ended	
	30.09.2021 (RM'000)	30.09.2020 (RM'000)	30.09.2021 (RM'000)	30.09.2020 (RM'000)
Manufacture of lead frames	31,935	19,548	31,935	19,548
Manufacture of other electronic packaging and interconnect components	12,100	8,060	12,100	8,060
<b>Total</b>	<b>44,035</b>	<b>27,608</b>	<b>44,035</b>	<b>27,608</b>

#### 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

The World Health Organisation had declared the Coronavirus Disease 2019 ("COVID-19") a pandemic on 11 March 2020. Subsequently, the Government of Malaysia issued a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") from 18 March until 3 May 2020, followed by Conditional MCO from 4 May to 9 June 2020, and Recovery MCO from 10 June to 31 December 2020 and 1 January 2021 to 31 March 2021 in efforts to curb and contain the spread of COVID-19. On 1 June 2021, the Government of Malaysia announced the implementation of the Phase 1 Full Movement Control Order ("FMCO") nationwide from 1 June 2021 to 28 June 2021 in response to the third wave of COVID-19 pandemic in the country.

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

On 15 June 2021, the Government of Malaysia announced the introduction of the National Recovery Plan (“NRP”) which contains a four-phased exit strategy to transition out of the COVID-19 crisis. The strategy of the NRP is based on three headline indicators: i) average number of daily new cases; ii) utilisation of intensive care unit beds; and iii) percentage of the eligible population fully vaccinated. From 7 August 2021 onwards, the number of new COVID-19 cases with serious symptoms were used to indicate whether a state was ready to move up to Phases 2 and 3. Asymptomatic cases were no longer counted. Thanks to the Government of Malaysia continuous efforts, the country’s vaccination program has managed to bring the COVID-19 pandemic under control and helped allow the Government to lift the FMCO and move into the NRP including allowing inter-state and some international travels to resume

The Group has performed assessment 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 was no material adverse effect on the financial statements for the financial period ended 30 September 2021.

Given the fluidity of the situation, the Group will continue monitor the impact of COVID-19 pandemic 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 1<sup>st</sup> half financial period ended 30 September 2021, the Group recorded revenue of RM44.04 million or 59.50% as compared to RM27.61 million revenue in the preceding period ended 30 September 2020. The increase in revenue 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 RM6.53 million or 686.75% compared to a PAT of RM0.83 million during the preceding period ended 30 September 2020.

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

- i. The Group's sales manufacture of lead frames increased by RM 12.38 million or 63.37%, and the Group's sales manufacture of other electronic packaging and interconnect components increased by RM4.04 million or 50.12%. 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 RM7.37 million or 174.48% from RM4.22 million (GP margin: 15.32%) in the preceding corresponding period to RM11.60 million (GP margin: 26.36%) 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 MCO, Conditional MCO, Recovery MCO and FMCO imposed by the Government of Malaysia 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 period ended 30 September 2021. However, the Group anticipates that our industry outlook will remain uncertain and challenging for the coming financial year.

The Group has commenced its plans and strategies to broaden its range of products, services and electroplating capabilities as well as increase its production capacities. There were no change in the business direction of the Group which may have an impact on any 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 at the date of this report.

**B6. DIVIDEND PAID**

On 2 August 2021, the Company proposed a single tier interim dividend of RM0.002 per share for the financial year ending 31 March 2022 and paid on 30 August 2021.

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