



Amlex Holdings Berhad

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

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MARCH 2022

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 2022

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
REVENUE	41,402	37,646	85,437	65,254
Cost of sales	(31,671)	(30,655)	(64,098)	(54,034)
GROSS PROFIT	9,731	6,991	21,339	11,220
Other income	321	501	601	543
Administrative expenses	(2,606)	(2,495)	(4,857)	(4,184)
Distribution expenses	(351)	(296)	(699)	(594)
Other expenses	(53)	(522)	(405)	(522)
OPERATING PROFIT	7,042	4,179	15,979	6,463
Investing income	4	5	7	24
Finance expenses	(428)	(442)	(906)	(956)
PROFIT BEFORE TAX	6,618	3,742	15,080	5,531
Income tax expense	(824)	(1,190)	(2,758)	(2,151)
PROFIT AFTER TAX	5,794	2,552	12,322	3,380
OTHER COMPREHENSIVE INCOME	-	821	-	821
TOTAL COMPREHENSIVE INCOME	5,794	3,373	12,322	4,201
EARNING PER ORDINARY SHARE (Sen)				
Basic*	2.16	0.95	4.60	1.26
Diluted*	2.16	0.95	4.60	1.26

*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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	AS AT 31.03.2022 RM'000	AS AT 31.03.2021 RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, plant and equipment	15,887	15,455
Right-of-use assets	17,754	15,703
Total Non-Current Assets	33,641	31,158
Current Assets		
Inventories	13,375	12,722
Current tax assets	310	269
Trade and other receivables	17,175	15,629
Fixed deposits with a licensed bank	191	188
Cash and short-term deposits	11,593	2,756
Total Current Assets	42,644	31,564
TOTAL ASSETS	76,285	62,722
<u>EQUITY AND LIABILITIES</u>		
Equity		
Share capital	28,672	28,672
Revaluation reserves	4,704	4,704
Retained earnings	22,924	11,138
Merger deficit	(13,690)	(13,690)
TOTAL EQUITY	42,610	30,824

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)

	AS AT 31.03.2022 RM'000	AS AT 31.03.2021 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	8,659	7,594
Deferred tax liabilities	2,596	2,933
Total Non-Current Liabilities	11,255	10,527
Current Liabilities		
Trade and other payables	13,054	10,950
Deferred income	-	63
Loans and borrowings	9,366	10,358
Total Current Liabilities	22,420	21,371
TOTAL LIABILITIES	33,675	31,898
TOTAL EQUITY AND LIABILITIES	76,285	62,722
NET ASSETS PER ORDINARY SHARE (SEN) *	15.89	11.50

*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 2022

	SHARE CAPITAL	MERGER DEFICIT	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31 March 2020	28,672	(13,690)	3,883	7,758	26,623
Profit after tax	-	-	-	3,380	3,380
Other comprehensive income	-	-	821	-	821
Total comprehensive income	-	-	821	3,380	4,201
Balance as at 31 March 2021	28,672	(13,690)	4,704	11,138	30,824
Profit after tax	-	-	-	12,322	12,322
Transaction with owners					
Dividends paid on shares	-	-	-	(536)	(536)
Balance as at 31 March 2022	28,672	(13,690)	4,704	22,924	42,610

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 2022

	31.03.2022	31.03.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,080	5,531
Adjustments for		
Amortisation of government grant	(413)	(88)
Depreciation of right-of-use assets	1,272	1,158
Depreciation of property, plant and equipment	3,832	4,488
Interest expense	906	956
Interest income	(7)	(24)
Net unrealised (gain)/loss on foreign exchange	(41)	93
Loss on disposal of property, plant and equipment	56	-
Loss on disposal of right-of-use assets	42	-
Property, plant and equipment written off	95	21
Operating profit before changes in working capital	20,822	12,135
Changes in working capital		
Inventories	(653)	(2,190)
Receivables	(1,582)	(5,729)
Payables	2,132	3,846
Net cash generated from operations	20,719	8,062
Income tax paid	(3,337)	(1,735)
Income tax refunded	202	-
Interest paid	(199)	(208)
Interest received	7	24
Net cash generated from operating activities	17,392	6,143
Cash flows from investing activities		
Change in fixed deposits with a licensed bank	(1)	(2)
Government grant received	350	150
Purchase of property, plant and equipment	(3,940)	(3,568)
Purchase of right-of-use assets	(394)	(19)
Proceeds from disposal of property, plant and equipment	174	-
Proceeds from disposal of right of use	22	-
Net cash used in investing activities	(3,789)	(3,439)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2022 (CONTINUED)

	31.03.2022	31.03.2021
	RM'000	RM'000
Cash flows from financing activities		
Change in pledge deposits	(2)	(3)
Interest paid	(708)	(748)
Drawdown of term loans	-	1,500
Repayment of lease liabilities	(1,323)	(1,329)
Net changes in bankers' acceptance	(1,607)	38
Repayment of term loans	(1,153)	(344)
Dividend paid	(536)	-
Net cash used in financing activities	(5,329)	(886)
Net increase in cash and cash equivalents	8,274	1,818
Cash and cash equivalents at the beginning of the financial year	1,732	(74)
Effect of foreign exchange rate changes	49	(12)
Cash and cash equivalents at the end of the financial year	10,055	1,732
Cash and cash equivalents at the end of the financial year consists:		
Cash in hand & at bank	11,593	2,756
Bank overdrafts	(1,538)	(1,024)
	10,055	1,732

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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A.	EXPLANATORY NOTES TO THE UNAUDITED 2 ND HALF YEARLY FINANCIAL REPORTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022
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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 2022 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 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendment to MFRS 16 Leases issued by the Malaysian Accounting Standards Board (“MASB”) on 6 April 2021.

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 MFRSs	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	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 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 112	Income Taxes	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 MFRSs 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: -

	Individual 6 months ended		Cumulative 12 months ended	
Segments	31.03.2022 (RM'000)	31.03.2021 (RM'000)	31.03.2022 (RM'000)	31.03.2021 (RM'000)
Manufacture of lead frames	30,377	23,480	62,312	43,028
Manufacture of other electronic packaging and interconnect components	11,025	14,165	23,125	22,225
Total	41,402	37,646	85,437	65,254

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 under review.

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.

A11. CAPITAL COMMITMENTS

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

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B.	ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP LISTING REQUIREMENTS
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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 2022, the Group recorded revenue of RM41.40 million as compared to RM37.65 million revenue in the preceding year ended 31 March 2021. 9.96% or RM3.75 million increase was primarily attributed to the sustained robust demand from our customers despite the Covid-19 pandemic. The increase of revenue has also translated into the Group's Profit After Tax ("PAT") amounting to RM5.79 million compared to a PAT of RM2.55 million during the preceding year ended 31 March 2021, PAT increased by RM3.24 million or 127.06%.

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

- i. The group's gross profit ("GP") increased by RM2.74 million or 39.20% from RM6.99 million (GP margin: 18.57%) in the preceding corresponding period to RM9.73 million (GP margin: 23.50%) in the current financial period; and
- ii. 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. However, it has not adversely impacted the Group's financial and operational performance for the financial year ended 31 March 2022. Notwithstanding the foregoing, due to the lingering global pandemic, the conflict in Europe, the tension between the world super powers and component shortages arising from supply chain disruptions, 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 was 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

The Company proposed a single tier final dividend of RM0.004 per share in respect of the financial year ended 31 March 2022 which subject to shareholders' approval in the coming Annual General Meeting.

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