



Amlex Holdings Berhad

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

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 MARCH 2023

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 2023

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
REVENUE	30,272	41,402	67,011	85,437
Cost of sales	(26,387)	(31,671)	(56,245)	(64,098)
GROSS PROFIT	3,885	9,731	10,766	21,339
Other (loss)/income	(273)	318	403	601
Administrative expenses	(3,303)	(2,606)	(6,032)	(4,857)
Marketing and distribution expenses	(285)	(351)	(620)	(699)
Other operating expenses	(69)	(53)	(193)	(405)
OPERATING (LOSS)/PROFIT	(45)	7,039	4,324	15,979
Finance income	5	4	7	7
Finance costs	(474)	(425)	(936)	(906)
(LOSS)/PROFIT BEFORE TAX	(514)	6,618	3,395	15,080
Income tax benefits/(expenses)	626	(824)	(353)	(2,758)
PROFIT AFTER TAX	112	5,794	3,042	12,322
EARNING PER ORDINARY SHARE (Sen)				
Basic*	0.04	2.16	1.13	4.60
Diluted*	0.04	2.16	1.13	4.60

*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 2023

	AS AT 31.03.2023 RM'000	AS AT 31.03.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	22,696	20,988
Right-of-use assets	17,955	12,654
Total Non-Current Assets	40,651	33,642
Current Assets		
Inventories	14,932	13,375
Current tax assets	1,728	310
Trade and other receivables	13,269	17,175
Fixed deposits with a licensed bank	195	191
Cash and bank balances	8,027	11,593
Total Current Assets	38,151	42,644
TOTAL ASSETS	78,802	76,286
EQUITY AND LIABILITIES		
Equity		
Share capital	28,672	28,672
Revaluation reserves	4,704	4,704
Retained earnings	24,894	22,924
Merger deficit	(13,690)	(13,690)
TOTAL EQUITY	44,580	42,610

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023 (CONTINUED)

	AS AT 31.03.2023 RM'000	AS AT 31.03.2022 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	14,130	8,659
Deferred tax liabilities	2,561	2,596
Total Non-Current Liabilities	16,691	11,255
Current Liabilities		
Trade and other payables	7,166	13,054
Loans and borrowings	10,365	9,367
Total Current Liabilities	17,531	22,421
TOTAL LIABILITIES	34,222	33,676
TOTAL EQUITY AND LIABILITIES	78,802	76,286
NET ASSETS PER ORDINARY SHARE (SEN) *	16.63	15.89

*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 2023

	SHARE CAPITAL RM'000	MERGER DEFICIT RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
Balance as at 1 April 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
Profit after tax	-	-	-	3,042	3,042
Transaction with owners					
Dividends paid on shares	-	-	-	(1,072)	(1,072)
Balance as at 31 March 2023	28,672	(13,690)	4,704	24,894	44,580

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 THE YEAR ENDED 31 MARCH 2023

	31.03.2023	31.03.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,395	15,080
Adjustments for		
Amortisation of government grant income	-	(413)
Depreciation of right-of-use assets	362	346
Depreciation of property, plant and equipment	4,736	4,758
Finance cost	936	906
Finance income	(7)	(7)
Net unrealised gain on foreign exchange	(27)	(41)
Loss on disposal of property, plant and equipment	21	98
Property, plant and equipment written off	147	95
Operating profit before changes in working capital	9,563	20,822
Changes in working capital		
Inventories	(1,557)	(655)
Trade and other receivables	3,866	(1,582)
Trade and other payables	(5,826)	2,132
Net cash generated from operations	6,046	20,717
Income tax paid	(2,072)	(3,337)
Income tax refunded	266	202
Interest paid	(104)	(199)
Interest received	7	7
Net cash generated from operating activities	4,143	17,390
Cash flows from investing activities		
Change in fixed deposits with a licensed bank	-	(1)
Proceeds from government grants related to assets	-	350
Purchase of property, plant and equipment	(2,533)	(4,333)
Purchase of right-of-use assets	(563)	-
Proceeds from disposal of property, plant and equipment	57	196
Net cash used in investing activities	(3,039)	(3,788)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

	31.03.2023	31.03.2022
	RM'000	RM'000
Cash flows from financing activities		
Change in pledge deposits	(4)	(2)
Drawdown of banker acceptance	22,128	28,718
Repayment of banker acceptance	(21,830)	(30,325)
Drawdown of term loans	7,019	-
Repayment of term loans	(1,437)	(1,153)
Net changes in lease liabilities	(7,819)	(1,323)
Interest paid	(832)	(707)
Dividend paid	(1,072)	(536)
Net cash used in financing activities	(3,847)	(5,328)
Net (decrease)/increase in cash and cash equivalents	(2,743)	8,274
Cash and cash equivalents at the beginning of the financial year	10,055	1,732
Effect of exchange rate changes	5	49
Cash and cash equivalents at the end of the financial year	7,317	10,055
Cash and cash equivalents at the end of the financial year consists:		
Cash in hand & at bank	8,027	11,593
Bank overdrafts	(710)	(1,538)
	7,317	10,055

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 2023 and its accompanying explanatory notes attached to this interim half yearly report.

A2. CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following amendments/improvements to MFRSs for the current financial period:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRSs
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture

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.

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A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group has 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 2023 [#]
MFRS 3	Business Combinations	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 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023 / 1 January 2023 [#] / 1 January 2024
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 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 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

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	
	31.03.2023 (RM'000)	31.03.2022 (RM'000)	31.03.2023 (RM'000)	31.03.2022 (RM'000)
Manufacture of lead frames	25,161	30,377	53,699	62,312
Manufacture of other electronic packaging and interconnect components	5,111	11,025	13,312	23,125
Total	30,272	41,402	67,011	85,437

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 COMMITMENT

As at 31 March 2023, there were no capital commitments other than those stated below:

	(RM'000)
Approved and contracted for	
- Machine	<u>958</u>

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B1. REVIEW OF PERFORMANCE

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

The Group recorded revenue of RM30.27 million for the current six month ended 31 March 2023 as compared to RM41.40 million revenue in the preceding corresponding financial period, representing a decrease of 26.88% or RM11.13 million. This was primarily caused by the macroeconomics headwinds, including weak consumer sentiment and thus led to the slowdown in the semiconductor industry. As a result, the Group's Profit After Tax ("PAT") shrank from RM5.79 million in the preceding corresponding financial period to RM0.11 million in the current financial period ended 31 March 2023 and PAT decreased by RM5.68 million or 98.10%.

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

- i. The Group's sales manufacture of lead frames decreased by RM 5.22 million or 17.17%, and the Group's sales manufacture of other electronic packaging and interconnect components decreased by RM5.91 million or 53.64%. The decrease in revenue is mainly attributable to lower sales volume as a result of decrease in customers' demand;
- ii. The group's gross profit ("GP") decreased by RM5.85 million or 60.08% from RM9.73 million (GP margin: 23.50%) in the preceding corresponding period to RM3.88 million (GP margin: 12.83%) in the current financial period; and
- iii. Overall profit margin was affected by the unfavorable sales mix.

B2. PROSPECTS OF THE GROUP

The semiconductor industry continues to experience challenging macroeconomic and geopolitical issues resulting in supply chain disruption, uncertain end demand, manpower shortages and rising inflation. The Group has taken measures and shall continue to strive to emphasise on better cost management, improve operational efficiencies and scale up automation initiatives across our operations in order to minimize any potential exposures or disruptions arising from these challenges.

As such, the Group anticipates that our industries outlook will remain uncertain and challenging for year 2023.

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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