



Amlex Holdings Berhad

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

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 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 HALF YEAR ENDED 30 SEPTEMBER 2023

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
REVENUE	29,549	36,739	29,549	36,739
Cost of sales	(25,489)	(29,858)	(25,489)	(29,858)
GROSS PROFIT	4,060	6,881	4,060	6,881
Other income	223	676	223	676
Administrative expenses	(2,702)	(2,729)	(2,702)	(2,729)
Marketing and distribution expenses	(262)	(335)	(262)	(335)
Other operating expenses	(51)	(124)	(51)	(124)
OPERATING PROFIT	1,268	4,369	1,268	4,369
Finance income	5	2	5	2
Finance costs	(697)	(462)	(697)	(462)
PROFIT BEFORE TAX	576	3,909	576	3,909
Income tax expenses	(131)	(979)	(131)	(979)
PROFIT AFTER TAX	445	2,930	445	2,930
EARNING PER ORDINARY SHARE (Sen)				
Basic*	0.17	1.09	0.17	1.09
Diluted*	0.17	1.09	0.17	1.09

*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 30 SEPTEMBER 2023

	AS AT 30.09.2023 RM'000	AS AT 30.09.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21,534	18,289
Right-of-use assets	17,735	18,477
Total Non-Current Assets	39,269	36,766
Current Assets		
Inventories	12,495	16,226
Current tax assets	1,759	973
Trade and other receivables	12,793	17,109
Fixed deposits with a licensed bank	898	193
Cash and bank balances	9,073	4,240
Total Current Assets	37,018	38,741
TOTAL ASSETS	76,287	75,507
EQUITY AND LIABILITIES		
Equity		
Share capital	28,672	28,672
Revaluation reserves	4,704	4,704
Retained earnings	25,340	25,855
Merger deficit	(13,690)	(13,690)
TOTAL EQUITY	45,026	45,541

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 (CONTINUED)

	AS AT 30.09.2023 RM'000	AS AT 30.09.2022 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	13,713	9,261
Deferred tax liabilities	2,459	2,596
Total Non-Current Liabilities	16,172	11,857
Current Liabilities		
Trade and other payables	6,861	10,721
Loans and borrowings	8,228	7,388
Total Current Liabilities	15,089	18,109
TOTAL LIABILITIES	31,261	29,966
TOTAL EQUITY AND LIABILITIES	76,287	75,507
NET ASSETS PER ORDINARY SHARE (SEN) *	16.79	16.99

*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 HALF YEAR ENDED 30 SEPTEMBER 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 2023	28,672	(13,690)	4,704	24,895	44,581
Profit after tax	-	-	-	445	445
Balance as at 30 September 2023	28,672	(13,690)	4,704	25,340	45,026

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 HALF YEAR ENDED 30 SEPTEMBER 2023

	30.09.2023	30.09.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	576	3,909
Adjustments for		
Depreciation of right-of-use assets	220	768
Depreciation of property, plant and equipment	2,136	1,744
Finance cost	697	461
Finance income	(5)	(1)
Net unrealised gain on foreign exchange	(158)	(270)
Loss on disposal of property, plant and equipment	-	22
Property, plant and equipment written off	51	103
Operating profit before changes in working capital	3,517	6,736
Changes in working capital		
Inventories	2,437	(2,851)
Trade and other receivables	832	343
Trade and other payables	(370)	(2,472)
Net cash generated from operations	6,416	1,756
Income tax paid	(778)	(1,642)
Income tax refunded	514	-
Interest paid	(47)	(51)
Interest received	5	1
Net cash generated from operating activities	6,110	64
Cash flows from investing activities		
Change in fixed deposits with a licensed bank	(1)	-
Placement of fixed deposits	(700)	-
Purchase of property, plant and equipment	(232)	(4,082)
Purchase of right-of-use assets	-	(215)
Proceeds from disposal of property, plant and equipment	-	56
Net cash used in investing activities	(933)	(4,241)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (CONTINUED)

	30.09.2023	30.09.2022
	RM'000	RM'000
Cash flows from financing activities		
Change in pledge deposits	(2)	(2)
Drawdown of banker acceptance	9,207	10,852
Repayment of banker acceptance	(11,265)	(11,645)
Drawdown of term loans	190	786
Repayment of term loans	(857)	(603)
Drawdown of lease liabilities	423	771
Repayment of lease liabilities	(1,003)	(1,520)
Interest paid	(650)	(410)
Net cash used in financing activities	(3,957)	(1,771)
Net increase/(decrease) in cash and cash equivalents	1,220	(5,948)
Cash and cash equivalents at the beginning of the financial period	7,317	10,056
Effect of exchange rate changes	87	132
Cash and cash equivalents at the end of the financial period	8,624	4,240
Cash and cash equivalents at the end of the financial period consists:		
Cash in hand & at bank	9,073	4,240
Bank overdrafts	(449)	-
	8,624	4,240

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 new MFRS and amendments/improvements to MFRSs for the current financial period:

New MFRS

MFRS 17	Insurance Contracts 1 January 2023
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Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRSs
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 17	Insurance Contracts
MFSR 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 128	Investment in Associates and Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFSR 138	Intangible Assets
MFRS 140	Investment Property

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The adoption of the above new MFRS and 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.

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

Amendments/Improvements to MFRSs		Effective for financial periods beginning on or after
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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	
	30.09.2023 (RM'000)	30.09.2022 (RM'000)	30.09.2023 (RM'000)	30.09.2022 (RM'000)
Manufacture of lead frames	24,010	28,538	24,010	28,538
Manufacture of other electronic packaging and interconnect components	5,539	8,201	5,539	8,201
Total	29,549	36,739	29,549	36,739

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

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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B1. REVIEW OF PERFORMANCE

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

The Group recorded revenue of RM29.55 million for the current six month ended 30 September 2023 as compared to RM36.74 million revenue in the preceding corresponding financial period, representing a decrease of 19.57% or RM7.19 million. This was primarily caused by the global 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 RM2.93 million in the preceding corresponding financial period to RM0.45 million in the current financial period ended 30 September 2023 and PAT decreased by RM2.48 million or 84.64%.

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

- i. The Group's sales manufacture of lead frames decreased by RM 4.53 million or 15.87%, and the Group's sales manufacture of other electronic packaging and interconnect components decreased by RM2.67 million or 32.46%. 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 RM2.82 million or 40.99% from RM6.88 million (GP margin: 18.73%) in the preceding corresponding period to RM4.06 million (GP margin: 13.74%) in the current financial period; and
- iii. Overall profit margin was affected by the unfavorable sales mix.

B2. PROSPECTS OF THE GROUP

We expect a challenging operating environment due to present geopolitical tensions and the recent Middle-East conflict could further dampen the recovery of the semiconductor industry in the near term. The Group continues to focus on its business strategies and operational efficiencies to strengthen its business fundamentals and to stay sustainable.

As such, we anticipate the Group's financial performance in the financial year ending 2024 to be lower compared to the previous year, given the reduced demand from customers, challenging operating conditions, and uncertain market circumstances.

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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