

HALEX GROUP

HALEX HOLDINGS BERHAD

(Company No. 206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

**Interim Report
For the 3-months Financial Period Ended
31 March 2016**



Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Statement of Comprehensive Income

	<u>INDIVIDUAL</u> <u>QUARTER</u> (3 mths) Current Year Quarter 31/03/2016 RM'000	<u>CUMULATIVE</u> <u>QUARTER</u> (3 mths) Current Year to-Date 31/03/2016 RM'000
Revenue	17,277	17,277
Less: Cost of sales	(13,196)	(13,196)
Gross profit	<u>4,081</u>	<u>4,081</u>
Other income	74	74
Fair value gain on biological assets	348	348
Fair value gain on agriculture produce harvested	671	671
Administration and other expenses	(3,525)	(3,525)
Selling and marketing expenses	(1,830)	(1,830)
Finance costs	(360)	(360)
Share of results of associate	(24)	(24)
Loss before taxation	<u>(565)</u>	<u>(565)</u>
Less: Taxation	(51)	(51)
Loss after taxation	<u><u>(616)</u></u>	<u><u>(616)</u></u>
Other comprehensive loss		
Foreign currency translation	(9)	(9)
Net surplus arising from revaluation of properties	-	-
Other comprehensive loss for the period	<u>(9)</u>	<u>(9)</u>
Total comprehensive loss for the period	<u><u>(625)</u></u>	<u><u>(625)</u></u>
Loss attributable to :		
Equity holders of the Company	<u><u>(616)</u></u>	<u><u>(616)</u></u>
Total comprehensive loss attributable to :		
Equity holders of the Company	<u><u>(625)</u></u>	<u><u>(625)</u></u>
Loss per share attributable to equity holders of the Company:		
Basic (sen)	(0.58)	(0.58)
Diluted (sen)	n/a	n/a

The Company changed its financial year end from 30 September to 31 December. The last set of audited financial statements were for 15 months ended 31 December 2015. As such there is no comparative figures for the current quarter for the three months ended 31 March 2016 and year-to-date for the period ended 31 March 2016. The income statement for the corresponding 1st quarter for the financial period ended 31 December 2014 however is attached for reference.

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



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Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Statement of Financial Position

	Unaudited As At 31/03/2016 RM'000	Restated Audited As At 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	86,773	87,276
Investment in associate	21,870	21,894
Investment properties	5,054	5,054
Investment in quoted shares	246	203
Other investments	26	26
Intangible assets	123	123
Biological assets	2,842	2,494
Development costs	445	465
Total non-current assets	<u>117,379</u>	<u>117,535</u>
Current assets		
Inventories	23,742	25,787
Trade receivables	12,696	11,965
Other receivables, deposits and prepayments	8,274	6,295
Deposits with licensed bank	1,716	1,715
Tax recoverable	905	666
Cash and bank balances	759	1,989
Total current assets	<u>48,092</u>	<u>48,417</u>
TOTAL ASSETS	<u>165,471</u>	<u>165,952</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Financed by:		
Share capital	53,000	53,000
Share premium	1,988	1,988
Treasury shares	(18)	(18)
Revaluation reserves	20,246	20,246
Exchange reserves	107	116
Retained profits	48,786	49,402
Shareholders' equity	<u>124,109</u>	<u>124,734</u>
Non-current liabilities		
Finance lease and hire purchase payables	92	105
Term loan	9,958	10,375
Deferred taxation	10,102	10,051
Total non-current liabilities	<u>20,152</u>	<u>20,531</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



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Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Statement of Financial Position

	Unaudited As At 31/03/2016 RM'000	Restated Audited As At 31/12/2015 RM'000
Current Liabilities		
Trade payables	12,686	8,349
Other payables and accruals	2,127	2,858
Finance lease and hire purchase payables	53	56
Bills payable	2,133	3,836
Term loan	2,143	2,143
Tax payable	92	141
Bank overdraft	1,976	3,304
Total current liabilities	<u>21,210</u>	<u>20,687</u>
Total liabilities	<u>41,362</u>	<u>41,218</u>
TOTAL EQUITY AND LIABILITIES	<u>165,471</u>	<u>165,952</u>
No. of ordinary shares in issue ('000)	105,973	105,973
Par value (RM)	0.50	0.50
Net assets per share attributable to equity holders of the Company (RM)	1.17	1.18

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



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HALEX HOLDINGS BERHAD (206220-U)

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Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Cash Flow Statement

	3-months ended 31/03/2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Loss before taxation	(565)
Adjustments for :	
Allowance for impairment on receivables	45
Unrealised gain in value of investment in quoted shares	(43)
Amortisation of development cost	20
Amortisation of property, plant & Equipment	9
Depreciation	560
Dividend income	(1)
Fair value gain on biological assets	(348)
Interest expenses	360
Interests income	(7)
Loss on foreign exchange - unrealised	70
Plant & equipment written off	17
Share of results of associated company	24
Operating loss before working capital changes	141
Inventories	2,045
Receivables	(2,754)
Payables	3,536
Cash generated from operations	2,968
Interest paid	(360)
Tax paid	(290)
Net cash from operating activities	<u>2,318</u>
CASH FLOW USED IN INVESTING ACTIVITIES	
Dividend received	1
Interest received	7
Purchase of plant and equipment	(83)
Net cash used in investing activities	<u>(75)</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



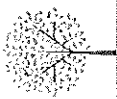
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Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Cash Flow Statement (cont'd)

	3-months ended 31/03/2016 RM'000
CASH FLOW USED IN FINANCING ACTIVITIES	
Repayment of bill payables	(1,703)
Repayment of bank borrowings	(417)
Repayment of finance lease and hire purchase payables	(16)
Net cash used in financing activities	<u>(2,136)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	107
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(1,315)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>(1,217)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE	
Deposit with licensed bank	1,716
Cash and bank balances	759
Bank overdraft	(1,976)
	<u>499</u>
Less: Deposits pledged to licensed bank	<u>(1,716)</u>
	<u><u>(1,217)</u></u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 March 2016

Unaudited Condensed Consolidated Statement of Changes in Equity

	Non-distributable				Distributable			Total RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Share Premium RM'000	Exchange Reserves RM'000	Retained Profits RM'000	Treasury Shares RM'000		
As at 01/10/2014 (Restated)	53,000	7,667	1,988	29	50,757	(18)	113,423	
Loss for the period	-	-	-	-	(1,058)	-	(1,058)	
Other comprehensive income for the year	-	-	-	87	-	-	87	
- Foreign currency translation	-	-	-	-	-	-	-	
- Revaluation of property, plant and equipment	-	12,579	-	-	-	-	12,579	
As at 31/12/2015	53,000	20,246	1,988	116	49,699	(18)	125,031	
As at 1/1/2016	53,000	20,246	1,988	116	49,699	(18)	125,031	
Prior year adjustment	-	-	-	-	(297)	-	(297)	
As at 1/1/2016 (Restated)	53,000	20,246	1,988	116	49,402	(18)	124,734	
Loss for the period	-	-	-	-	(616)	-	(616)	
Other comprehensive loss for the period	-	-	-	(9)	-	-	(9)	
- Foreign currency translation	-	-	-	(9)	-	-	(9)	
As at 31/3/2016	53,000	20,246	1,988	107	48,786	(18)	124,109	

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2015 and the accompanying notes attached to this interim financial report.



Interim Report for the 3-months Financial Period Ended 31 December 2014

Unaudited Condensed Consolidated Statement of Comprehensive Income

	<u>INDIVIDUAL</u> <u>QUARTER</u> (3 mths) Current Year Quarter 31/12/2014 RM'000	<u>CUMULATIVE</u> <u>QUARTER</u> (3 mths) Current Year to-Date 31/12/2014 RM'000
Revenue	28,023	28,023
Less: Cost of sales	(21,879)	(21,879)
Gross profit	<u>6,144</u>	<u>6,144</u>
Other income	66	66
Fair value gain on biological assets	-	-
Fair value gain on agriculture produce harvested	-	-
Administration and other expenses	(2,636)	(2,636)
Selling and marketing expenses	(2,287)	(2,287)
Finance costs	(369)	(369)
Share of results of associate	(21)	(21)
(Loss)/ Profit before taxation	<u>897</u>	<u>897</u>
Less: Taxation	(377)	(377)
(Loss)/ Profit after taxation	<u><u>520</u></u>	<u><u>520</u></u>
Other comprehensive (loss)/ income		
Foreign currency translation	2	2
Net surplus arising from revaluation of properties	-	-
Other comprehensive (loss)/ income for the period	<u>2</u>	<u>2</u>
Total comprehensive (loss)/ income for the period	<u><u>522</u></u>	<u><u>522</u></u>
(Loss)/ Profit attributable to :		
Equity holders of the Company	<u><u>520</u></u>	<u><u>520</u></u>
Total comprehensive (loss)/income attributable to :		
Equity holders of the Company	<u><u>522</u></u>	<u><u>522</u></u>
(Loss)/ Profit per share attributable to equity holders of the Company:		
Basic (sen)	0.49	0.49
Diluted (sen)	n/a	n/a