

HALEX HOLDINGS BERHAD

(Company No. 206220-U) (Incorporated in Malaysia under the Companies Act, 1965)

Interim Report For the 3-month Financial Period Ended 31 December 2009

Unaudited Condensed Consolidated Income Statement

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Current Year to-Date 31/12/2009 RM'000	Preceding Year to-Date 31/12/2008 RM'000	
Revenue		22,944	16,939	22,944	16,939	
Less: Cost of sales		(16,970)	(12,575)	(16,970)	(12,575)	
Gross profit		5,974	4,364	5,974	4,364	
Other income		55	97	55	97	
Administration and other expenses		(2,522)	(2,068)	(2,522)	(2,068)	
Selling and marketing expenses		(1,999)	(1,741)	(1,999)	(1,741)	
Finance costs		(109)	(110)	(109)	(110)	
Profit before taxation		1,399	542	1,399	542	
Less: Taxation		(362)	(44)	(362)	(44)	
Profit after taxation		1,037	498	1,037	498	
Attributable to :						
Equity holders of the Company		1,037	498	1,037	498	
Earnings per share attributable to equity holders of the Company:						
Basic (sen)	B13	1.30	4.06	1.30	4.06	
Diluted (sen		n/a	n/a	n/a	n/a	

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.

Unaudited Condensed Consolidated Balance Sheet

ASSETS Non-current assets Property, plant and equipment property 39,696 39,752 and 39,752 linvestment in property 90		Unaudited As At 31/12/2009 RM'000	Audited As At 30/09/2009 RM'000
Property, plant and equipment Investment in property 39,696 39,752 Investment in property 90 90 Investment in quoted shares 88 88 Other investments 26 26 Intangible assets 27 27 Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 24,277 24,540 Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets Capital and reserves Financed by: 54,480 56,060 Capital and reserves Financed by: 3,387 1,387 Share premium 731 780	ASSETS		
Investment in quoted shares 88 88 Other investments 26 26 Intangible assets 27 27 Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 24,277 24,540 Inventories 24,277 24,540 Trade receivables 18,892 17,724 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES 2 2 Capital and reserves 54,480 56,060 Financed by: 3 3 Share permium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves <td></td> <td></td> <td></td>			
Investment in quoted shares 88 88 Other investments 26 26 Intrangible assets 27 27 Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 8 1,478 Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES 2 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 320 321 Exchange reserves 320 321 Retained profits			
Other investments 26 26 Intangible assets 27 27 Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 24,277 24,540 Inventories 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES 54,480 56,060 Evaluation reserves 1,387 1,387 Financed by: 5hare capital 40,000 40,000 Share premium 731 780 Revaluation reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 <td></td> <td></td> <td></td>			
Intangible assets 27 27 Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 842,087 24,277 24,540 Inventories 24,277 24,540 17,040 17,028 17,724 Other receivables and deposits 1,028 17,284 17,28 17,287 981 17,28 17,287 981 17,28 17,28 132 2,419 10,975 132 2,419 10,975 132 2,419 10,975 10,975 132 2,419 10,975 10,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 40,000 50,000 <td>·</td> <td></td> <td></td>	·		
Development costs 679 606 Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 342,084 42,080 Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves 1 40,000 40,000 Share capital 40,000 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598			_
Prepaid lease payments 1,478 1,491 Total non-current assets 42,084 42,080 Current assets 324,277 24,540 Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,595 76,598 Non-current liabilities 7,194 Term loans			
Total non-current assets 42,084 42,080 Current assets Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS EQUITY AND LIABILITIES Capital and reserves Financed by: 51,387 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	·		
Current assets Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384		<u> </u>	<u> </u>
Inventories 24,277 24,540 Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Total non-current assets	42,084	42,080
Trade receivables 18,892 17,704 Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: 96,564 98,140 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Current assets		
Other receivables and deposits 1,028 1,728 Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: 31,387 7,387 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Inventories	24,277	24,540
Deposits with licensed banks 7,807 981 Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Trade receivables	18,892	17,704
Prepaid tax 57 132 Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: 40,000 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities 6,887 7,194 Deferred taxation 384 384	·	•	•
Cash and bank balances 2,419 10,975 Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: 340,000 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384			
Total current assets 54,480 56,060 TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: 300 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	•		_
TOTAL ASSETS 96,564 98,140 EQUITY AND LIABILITIES Capital and reserves Financed by: Share capital 40,000 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 <td>Cash and bank balances</td> <td></td> <td></td>	Cash and bank balances		
EQUITY AND LIABILITIES Capital and reserves Financed by:	Total current assets	54,480	56,060
Capital and reserves Financed by: 40,000 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities 5,887 7,194 Deferred taxation 384 384	TOTAL ASSETS	96,564	98,140
Financed by: 40,000 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	EQUITY AND LIABILITIES		
Financed by: 40,000 40,000 Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Capital and reserves		
Share capital 40,000 40,000 Share premium 731 780 Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities 5,887 7,194 Deferred taxation 384 384			
Revaluation reserves 1,387 1,387 Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Share capital	40,000	40,000
Exchange reserves 320 321 Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Share premium		
Retained profits 35,147 34,110 Shareholders' equity 77,585 76,598 Non-current liabilities Term loans 6,887 7,194 Deferred taxation 384 384	Revaluation reserves		
Shareholders' equity 77,585 76,598 Non-current liabilities 5 76,598 Term loans 6,887 7,194 Deferred taxation 384 384			
Non-current liabilities 6,887 7,194 Term loans 384 384	Retained profits	35,147	34,110
Term loans 6,887 7,194 Deferred taxation 384 384	Shareholders' equity	77,585	76,598
Term loans 6,887 7,194 Deferred taxation 384 384	Non-current liabilities		
Deferred taxation 384 384		6.887	7.194
Total non-current liabilities 7,271 7,578			
	Total non-current liabilities	7,271	7,578

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.

Unaudited Condensed Consolidated Balance Sheet (cont'd)

	Unaudited As At 31/12/2009 RM'000	Audited As At 30/09/2009 RM'000
Current Liabilities		
Trade payables	4,225	3,499
Other payables and accruals	3,141	3,658
Bills payable	3,111	5,004
Term loans	1,231	1,231
Bank overdraft	-	572
Total current liabilities	11,708	13,964
Total liabilities	18,979	21,542
TOTAL EQUITY AND LIABILITIES	96,564	98,140
No. of ordinary shares in issue ('000)	80,000	80,000
Par value (RM)	0.50	0.50
Net assets per share attributable to equity holders of the Company (RM)	0.97	0.96

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.

Unaudited Condensed Consolidated Cash Flow Statement

	3-month ended 31/12/2009 RM'000	3-month ended 31/12/2008 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,399	542
Adjustments for : Allowance for doubtful debts Amortisation Depreciation Dividend received Interest expenses Interests income Foreign exchange adjustment (Gain) / loss on disposal of fixed assets	271 12 408 (1) 107 (1) (2)	- 12 322 (1) 90 - - 8
Operating profit before working capital changes Inventories Receivables Payables	2,193 263 (736) 210	973 (3,695) 4,496 (1,963)
Cash generated from operations Interest paid Tax paid	1,930 (107) (309)	(189) (90) (431)
Net cash from operating activities	1,514	(710)
CASH FLOW FOR INVESTING ACTIVITIES		
Development costs Dividends received Interest received Investment in intangible assets Placement of deposits with licensed banks Proceeds from withdrawal of fixed deposits Purchase of property, plant and equipment	(71) 1 1 - - 601 (353)	- 1 - (44) (200) - (654)
Net cash used in investing activities	179	(897)

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.

Unaudited Condensed Consolidated Cash Flow Statement (cont'd)

	3-month ended 31/12/2009 RM'000	3-month ended 31/12/2008 RM'000
CASH FLOW FOR FINANCING ACTIVITIES		
Listing expenses paid Proceeds from bank borrowings Repayment of bank borrowings Repayment of finance lease and hire purchase payables	(49) - (2,201) -	2,116 (1,624) (25)
Net cash used in financing activities	(2,250)	467
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(557)	(1,140)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,476	(183)
CASH AND CASH EQUIVALENTS AT END OF YEAR	9,919	(1,323)
CASH AND CASH EQUIVALENTS COMPRISE Deposit with licensed bank - not pledged Cash and bank balances Bank overdraft	7,500 2,419 -	328 1,439 (3,090)
	9,919	(1,323)

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.

Unaudited Condensed Consolidated Statement of Changes in Equity

	Share Capital RM'000	< No Revaluation Reserves RM'000	n-distributabl Share Premium RM'000	e> Exchange Reserves RM'000	Distributable Unappropriated Profits RM'000	Total RM'000
Balance as at 01/10/2008 (Audited)	12,280	1,387	1,182	293	50,312	65,454
Issuance of capital	27,720	-	1,618	-	(21,538)	7,800
Profit for the period	-	-	-	-	6,073	6,073
Dividends	-	-	-	-	(737)	(737)
Exchange difference	-	-	-	28	-	28
Listing expenses set off against Share Premium	-	-	(2,020)	-	-	(2,020)
Balance as at 30/09/2009	40,000	1,387	780	321	34,110	76,598
Balance as at 01/10/2009 (Audited)	40,000	1,387	780	321	34,110	76,598
Profit for the period	-	-	-	-	1,037	1,037
Exchange difference				(1)		(1)
Listing expenses set off against Share Premium			(49)			(49)
Balance as at 31/12/2009	40,000	1,387	731	320	35,147	77,585

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2009 and the accompanying notes attached to this interim financial report.