



# **HALEX HOLDINGS BERHAD**

(Company No. 206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

## **Interim Report For the 9-month Financial Period Ended 30 JUNE 2010**



**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Income Statement**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30/06/2010 RM'000	Preceding Year Quarter 30/06/2009 RM'000	Current Year to-Date 30/06/2010 RM'000	Preceding Year to-Date 30/06/2009 RM'000
Revenue		21,899	26,124	65,774	65,236
Less: Cost of sales		(15,880)	(18,828)	(48,411)	(46,807)
Gross profit		6,019	7,296	17,363	18,429
Other income		48	(162)	189	44
Administration and other expenses		(2,599)	(1,833)	(7,646)	(5,753)
Selling and marketing expenses		(1,759)	(2,166)	(5,788)	(6,356)
Finance costs		(117)	(80)	(332)	(298)
Profit before taxation		1,592	3,055	3,786	6,066
Less: Taxation		(342)	(436)	(997)	(1,227)
Profit after taxation		1,250	2,619	2,789	4,839
Attributable to :					
Equity holders of the Company		1,250	2,619	2,789	4,839
Earnings per share attributable to equity holders of the Company:					
Basic (sen)	B13	1.56	3.74	3.49	10.84
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.



**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Balance Sheet**

	<b>Unaudited As At 30/06/2010 RM'000</b>	<b>Audited As At 30/09/2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,930	39,752
Investment in property	90	90
Investment in quoted shares	88	88
Other investments	26	26
Intangible assets	27	27
Development costs	703	606
Prepaid lease payments	1,454	1,491
<b>Total non-current assets</b>	<b>42,318</b>	<b>42,080</b>
<b>Current assets</b>		
Inventories	24,431	24,540
Trade receivables	17,233	17,704
Other receivables and deposits	1,795	1,728
Deposits with licensed banks	6,636	981
Prepaid tax	146	132
Cash and bank balances	5,839	10,975
<b>Total current assets</b>	<b>56,080</b>	<b>56,060</b>
<b>TOTAL ASSETS</b>	<b>98,398</b>	<b>98,140</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Financed by:		
Share capital	40,000	40,000
Share premium	731	780
Revaluation reserves	1,387	1,387
Exchange reserves	320	321
Retained profits	34,499	34,110
<b>Shareholders' equity</b>	<b>76,937</b>	<b>76,598</b>
<b>Non-current liabilities</b>		
Term loans	5,120	7,194
Deferred taxation	384	384
<b>Total non-current liabilities</b>	<b>5,504</b>	<b>7,578</b>

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.



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**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Balance Sheet (cont'd)**

	<b>Unaudited As At 30/06/2010 RM'000</b>	<b>Audited As At 30/09/2009 RM'000</b>
<b>Current Liabilities</b>		
Trade payables	4,039	3,499
Other payables and accruals	3,947	3,658
Bills payable	6,297	5,004
Term loans	1,231	1,231
Bank overdraft	443	572
<b>Total current liabilities</b>	<u>15,957</u>	<u>13,964</u>
<b>Total liabilities</b>	<u>21,461</u>	<u>21,542</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>98,398</u>	<u>98,140</u>
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)	0.96	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.



**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>9-month ended 30/06/2010 RM'000</b>	<b>9-month ended 30/06/2009 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,786	6,066
Adjustments for :		
Allowance/ (write back) for diminution in value of investment in quoted shares	-	20
Allowance for doubtful debts written back- general	-	(2)
Allowance for doubtful debts	276	-
Amortisation	37	30
Bad debts (recovered) / write off	-	(2)
Depreciation	1,272	1,032
Dividend received	(2)	-
Interest expenses	324	298
Interests income	(104)	(1)
Foreign exchange adjustment	(2)	-
(Gain) / loss on disposal of fixed assets	(1)	(12)
Property, plant and equipment written off	2	-
Operating profit before working capital changes	<u>5,588</u>	<u>7,429</u>
Inventories	109	664
Receivables	129	(614)
Payables	830	(1,533)
Cash generated from operations	<u>6,656</u>	<u>5,946</u>
Bad debts recovered	-	2
Interest paid	(324)	(298)
Tax paid	(1,012)	(1,460)
<b>Net cash from operating activities</b>	<u><u>5,320</u></u>	<u><u>4,190</u></u>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development costs	(96)	(160)
Dividends received	2	-
Interest received	104	1
Investment in intangible assets	(1)	(10)
Investment in quoted shares	-	(2)
Placement of deposits with licensed banks	-	(2)
Proceeds from disposal of property, plant and equipment	2	14
Proceeds from withdrawal of fixed deposits	601	-
Purchase of property, plant and equipment	(1,454)	(2,589)
<b>Net cash used in investing activities</b>	<u><u>(842)</u></u>	<u><u>(2,748)</u></u>

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.



**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Cash Flow Statement (cont'd)**

	<b>9-month ended 30/06/2010 RM'000</b>	<b>9-month ended 30/06/2009 RM'000</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Dividends paid	(2,400)	(491)
Listing expenses paid	(49)	-
Proceeds from bank borrowings	-	2,682
Proceeds from issue of new shares	-	-
Repayment of bank borrowings	(781)	(2,885)
Repayment of finance lease and hire purchase payables	-	(50)
<b>Net cash used in financing activities</b>	<b>(3,230)</b>	<b>(744)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,248</b>	<b>698</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>10,476</b>	<b>(440)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>11,724</b>	<b>258</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Deposit with licensed bank - not pledged	6,328	73
Cash and bank balances	5,839	2,007
Bank overdraft	(443)	(1,822)
	<b>11,724</b>	<b>258</b>

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.



**Interim Report for the 9-month Financial Period Ended 30 June 2010**

**Unaudited Condensed Consolidated Statement of Changes in Equity**

	Share Capital RM'000	<----- Non-distributable -----> Revaluation Reserves RM'000	Share Premium RM'000	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)
<b>Balance as at 30/09/2009</b>	<b>40,000</b>	<b>1,387</b>	<b>780</b>	<b>321</b>	<b>34,110</b>	<b>76,598</b>
Balance as at 01/10/2009 (Audited)	40,000	1,387	780	321	34,110	76,598
Profit for the period	-	-	-	-	2,789	2,789
Dividends	-	-	-	-	(2,400)	(2,400)
Exchange difference	-	-	-	(1)	-	(1)
Listing expenses set off against Share Premium	-	-	(49)	-	-	(49)
<b>Balance as at 30/06/2010</b>	<b>40,000</b>	<b>1,387</b>	<b>731</b>	<b>320</b>	<b>34,499</b>	<b>76,937</b>

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.