



# **HALEX HOLDINGS BERHAD**

(Company No. 206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

## **Interim Report For the 12-month Financial Period Ended 30 SEPTEMBER 2010**



**Interim Report for the 12-month Financial Period Ended 30 September 2010**

**Unaudited Condensed Consolidated Income Statement**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30/09/2010 RM'000	Preceding Year Quarter 30/09/2009 RM'000	Current Year to-Date 30/09/2010 RM'000	Preceding Year to-Date 30/09/2009 RM'000
Revenue		23,886	23,345	89,660	88,580
Less: Cost of sales		(18,536)	(17,338)	(66,947)	(64,145)
Gross profit		5,350	6,007	22,713	24,435
Other income		92	261	281	305
Administration and other expenses		(2,441)	(2,661)	(10,088)	(8,414)
Selling and marketing expenses		(1,892)	(2,027)	(7,679)	(8,382)
Finance costs		(177)	(116)	(509)	(414)
Profit before taxation		932	1,464	4,718	7,530
Less: Taxation		(343)	(230)	(1,340)	(1,457)
Profit after taxation		589	1,234	3,378	6,073
Attributable to :					
Equity holders of the Company		589	1,234	3,378	6,073
Earnings per share attributable to equity holders of the Company:					
Basic (sen)	B13	0.74	1.70	4.22	11.74
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 12-month Financial Period Ended 30 September 2010**

**Unaudited Condensed Consolidated Balance Sheet**

	<b>Unaudited As At 30/09/2010 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	39,959	39,752
Investment in property	90	90
Investment in quoted shares	93	88
Other investments	26	26
Intangible assets	27	27
Development costs	716	606
Prepaid lease payments	1,441	1,491
<b>Total non-current assets</b>	<b>42,352</b>	<b>42,080</b>
<b>Current assets</b>		
Inventories	23,750	24,540
Trade receivables	16,651	17,704
Other receivables and deposits	1,801	1,728
Deposits with licensed banks	10,696	981
Prepaid tax	92	132
Cash and bank balances	3,987	10,975
<b>Total current assets</b>	<b>56,977</b>	<b>56,060</b>
<b>TOTAL ASSETS</b>	<b>99,329</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	315	321
Retained profits	35,088	34,110
<b>Shareholders' equity</b>	<b>77,521</b>	<b>76,598</b>
<b>Non-current liabilities</b>		
Term loans	4,760	7,194
Deferred taxation	384	384
<b>Total non-current liabilities</b>	<b>5,144</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 12-month Financial Period Ended 30 September 2010**

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

	<b>Unaudited As At 30/09/2010 RM'000</b>	<b>Audited As At 30/09/2009 RM'000</b>
<b>Current Liabilities</b>		
Trade payables	3,999	3,499
Other payables and accruals	3,663	3,658
Bills payable	6,907	5,004
Term loans	1,231	1,231
Bank overdraft	864	572
<b>Total current liabilities</b>	<u>16,664</u>	<u>13,964</u>
<b>Total liabilities</b>	<u>21,808</u>	<u>21,542</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>99,329</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)	0.97	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.



**Interim Report for the 12-month Financial Period Ended 30 September 2010**

**Unaudited Condensed Consolidated Cash Flow Statement**

	<b>12-month ended 30/09/2010 RM'000</b>	<b>12-month ended 30/09/2009 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,718	7,530
Adjustments for :		
Allowance/ (write back) for diminution in value of investment in quoted shares	(24)	(6)
Allowance for doubtful debts written back- general	129	(6)
Allowance for doubtful debts	-	29
Amortisation	49	49
Bad debts write off	100	12
Bad debts recovered	-	(2)
Depreciation	1,874	1,486
Dividend received	(2)	(4)
Interest expenses	497	414
Interests income	(164)	(34)
Foreign exchange adjustment	(6)	28
(Gain) / Loss on disposal of investment	(4)	(1)
(Gain) / loss on disposal of fixed assets	1	(12)
Property, plant and equipment written off	82	21
Operating profit before working capital changes	<u>7,250</u>	<u>9,504</u>
Inventories	789	2,136
Receivables	753	2,535
Payables	506	(2,309)
Cash generated from operations	<u>9,298</u>	<u>11,866</u>
Interest paid	(497)	(414)
Tax paid	(1,301)	(1,506)
<b>Net cash from operating activities</b>	<u><u>7,500</u></u>	<u><u>9,946</u></u>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Development costs	(109)	(204)
Dividends received	2	4
Interest received	164	34
Investment in intangible assets	-	(10)
Investment in quoted shares	-	(2)
Placement of deposits with licensed banks	(7)	(30)
Proceeds from disposal of property, plant and equipment	48	13
Proceeds from disposal of quoted shares	23	1
Proceeds from withdrawal of fixed deposits	601	-
Purchase of property, plant and equipment	(2,213)	(3,035)
<b>Net cash used in investing activities</b>	<u><u>(1,491)</u></u>	<u><u>(3,229)</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 12-month Financial Period Ended 30 September 2010**

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

	<b>12-month ended 30/09/2010 RM'000</b>	<b>12-month ended 30/09/2009 RM'000</b>
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>		
Dividends paid	(2,400)	(737)
Listing expenses paid	(49)	(2,020)
Proceeds from bank borrowings	199	452
Proceeds from issue of new shares	-	7,800
Repayment of bank borrowings	(730)	(1,246)
Repayment of finance lease and hire purchase payables	-	(50)
<b>Net cash used in financing activities</b>	<b>(2,980)</b>	<b>4,199</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,029</b>	<b>10,916</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>13,505</b>	<b>10,476</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Deposit with licensed bank - not pledged	10,382	73
Cash and bank balances	3,987	10,975
Bank overdraft	(864)	(572)
	<b>13,505</b>	<b>10,476</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 12-month Financial Period Ended 30 September 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	-	-	-	-	3,378	3,378
Dividends	-	-	-	-	(2,400)	(2,400)
Exchange difference	-	-	-	(6)	-	(6)
Listing expenses set off against Share Premium	-	-	(49)	-	-	(49)
<b>Balance as at 30/09/2010</b>	<b>40,000</b>	<b>1,387</b>	<b>731</b>	<b>315</b>	<b>35,088</b>	<b>77,521</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.