



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 2013



Interim Report for the 9-month Financial Period Ended 30 June 2013

Unaudited Condensed Consolidated Statement of Comprehensive Income

| | Note | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|---|------|--|--|--|--|
| | | Current Year Quarter 30/6/2013 RM'000 | Preceding Year Quarter 30/6/2012 RM'000 | Current Year to-Date 30/6/2013 RM'000 | Preceding Year to-Date 30/6/2012 RM'000 |
| Revenue | 9 | 24,529 | 27,457 | 71,340 | 77,845 |
| Less: Cost of sales | | (18,284) | (20,755) | (54,009) | (58,804) |
| Gross profit | | 6,245 | 6,702 | 17,331 | 19,041 |
| Other income | | 87 | 88 | 285 | 287 |
| Administration and other expenses | | (2,762) | (2,614) | (7,759) | (7,720) |
| Selling and marketing expenses | | (2,058) | (2,638) | (6,377) | (6,993) |
| Finance costs | | (99) | (143) | (289) | (353) |
| Profit before taxation | 9 | 1,413 | 1,395 | 3,191 | 4,262 |
| Less: Taxation | | (351) | (89) | (785) | (840) |
| Profit after taxation | 9 | 1,062 | 1,306 | 2,406 | 3,422 |
| Other comprehensive income for the period | | - | 9,066 | - | 9,066 |
| Total comprehensive income for the period | | 1,062 | 10,372 | 2,406 | 12,488 |
| Attributable to : | | | | | |
| Equity holders of the Company | | 1,062 | 1,306 | 2,406 | 3,422 |
| Earnings per share attributable to equity holders of the Company: | | | | | |
| Basic (sen) | B12 | 1.06 | 1.63 | 2.41 | 4.28 |
| 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 2012 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 2013

Unaudited Condensed Consolidated Statement of Financial Position

| | Unaudited As At 30/6/2013 RM'000 | Restated As At 30/09/2012 RM'000 | Restated As At 10/01/2011 RM'000 |
|--------------------------------------|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 49,300 | 50,007 | 50,469 |
| Investment in property | 290 | 290 | 290 |
| Investment in quoted shares | 116 | 102 | 101 |
| Other investments | 26 | 26 | 26 |
| Intangible assets | 47 | 44 | 27 |
| Development costs | 667 | 728 | 809 |
| Total non-current assets | 50,446 | 51,197 | 51,722 |
| Current assets | | | |
| Inventories | 19,816 | 21,930 | 28,661 |
| Trade receivables | 16,780 | 16,469 | 17,329 |
| Other receivables and deposits | 1,196 | 2,906 | 915 |
| Deposits with licensed banks | 11,243 | 10,376 | 8,138 |
| Prepaid tax | 319 | 451 | 441 |
| Cash and bank balances | 8,120 | 4,171 | 3,875 |
| Total current assets | 57,474 | 56,303 | 59,359 |
| TOTAL ASSETS | 107,920 | 107,500 | 111,081 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Financed by: | | | |
| Share capital | 50,000 | 50,000 | 40,000 |
| Share premium | - | - | 731 |
| Retained profits | 39,428 | 40,081 | 47,267 |
| Shareholders' equity | 89,428 | 90,081 | 87,998 |
| Non-current liabilities | | | |
| Term loans | 1,363 | 2,290 | 3,527 |
| Deferred taxation | 393 | 393 | 402 |
| Total non-current liabilities | 1,756 | 2,683 | 3,929 |

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying notes attached to this interim financial report.



HALEX HOLDINGS BERHAD (206220-U)
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Interim Report for the 9-month Financial Period Ended 30 June 2013

Unaudited Condensed Consolidated Balance Sheet (cont'd)

| | Unaudited As At 30/6/2013 RM'000 | Restated As At 30/09/2012 RM'000 | Restated As At 10/01/2011 RM'000 |
|---|---|---|---|
| Current Liabilities | | | |
| Trade payables | 6,179 | 3,388 | 5,687 |
| Other payables and accruals | 4,285 | 4,185 | 4,319 |
| Finance lease and hire purchase payables | 68 | 80 | - |
| Bills payable | 4,973 | 5,097 | 6,224 |
| Term loans | 1,231 | 1,231 | 1,231 |
| Provision for taxation | - | 147 | 378 |
| Bank overdraft | - | 608 | 1,315 |
| Total current liabilities | <u>16,736</u> | <u>14,736</u> | <u>19,154</u> |
| Total liabilities | <u>18,492</u> | <u>17,419</u> | <u>23,083</u> |
| TOTAL EQUITY AND LIABILITIES | <u>107,920</u> | <u>107,500</u> | <u>111,081</u> |
| No. of ordinary shares in issue ('000) | 100,000 | 100,000 | 80,000 |
| Par value (RM) | 0.50 | 0.50 | 0.50 |
| Net assets per share attributable to equity holders of the Company (RM) | 0.89 | 0.90 | 1.10 |

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 30 September 2012 and the accompanying notes attached to this interim financial report.



Interim Report for the 9-month Financial Period Ended 30 June 2013

Unaudited Condensed Consolidated Cash Flow Statement

| | 9-months ended 30/6/2013 RM'000 | 9-months ended 30/6/2012 RM'000 |
|--|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,191 | 4,262 |
| Adjustments for : | | |
| Allowance/ (write back) for diminution in value of investment in quoted shares | (13) | - |
| Allowance for doubtful debts | - | 22 |
| Allowance for doubtful debts written back | (30) | (30) |
| Amortisation | 61 | 61 |
| Bad debts write off | 18 | - |
| Depreciation | 1,117 | 1,276 |
| Dividend received | (2) | (2) |
| Interest expenses | 272 | 343 |
| Interests income | (214) | (150) |
| Foreign exchange adjustment | - | 3 |
| (Gain) / loss on disposal of fixed assets | (20) | 5 |
| Property, plant and equipment written off | 11 | - |
| Operating profit before working capital changes | <u>4,391</u> | <u>5,790</u> |
| Inventories | 2,114 | 3,054 |
| Receivables | 1,411 | (1,756) |
| Payables | 1,624 | (879) |
| Cash generated from operations | <u>9,540</u> | <u>6,209</u> |
| Interest paid | (272) | (343) |
| Tax refund | 93 | 139 |
| Tax paid | (892) | (1,188) |
| Net cash from operating activities | <u>8,469</u> | <u>4,817</u> |
| CASH FLOW FOR INVESTING ACTIVITIES | | |
| Dividends received | 2 | 2 |
| Interest received | 214 | 150 |
| Investment in intangible assets | (4) | (17) |
| Placement of deposits with licensed banks | (1) | (1) |
| Proceeds from disposal of property, plant and equipment | 370 | 13 |
| Purchase of property, plant and equipment | (771) | (1,347) |
| Net cash generated / (used) in investing activities | <u>(190)</u> | <u>(1,200)</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 2012 and the accompanying notes attached to this interim financial report.



Interim Report for the 9-month Financial Period Ended 30 June 2013

Unaudited Condensed Consolidated Cash Flow Statement (cont'd)

| | 9-months ended 30/6/2013 RM'000 | 9-months ended 30/6/2012 RM'000 |
|---|--|--|
| CASH FLOW FOR FINANCING ACTIVITIES | | |
| Dividends paid | (3,000) | (2,800) |
| Share issuance expenses | (60) | - |
| Proceeds from bank borrowings | 1,142 | 1,709 |
| Repayment of bank borrowings | (927) | (927) |
| Repayment of finance lease and hire purchase payables | (12) | - |
| Net cash used in financing activities | <u>(2,857)</u> | <u>(2,018)</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 5,422 | 1,599 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 12,370 | 9,178 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>17,792</u> | <u>10,777</u> |
| CASH AND CASH EQUIVALENTS COMPRISE | | |
| Deposit with licensed bank - not pledged | 9,672 | 5,756 |
| Cash and bank balances | 8,120 | 5,021 |
| Bank overdraft | - | - |
| | <u>17,792</u> | <u>10,777</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 2012 and the accompanying notes attached to this interim financial report.

**HALEX HOLDINGS BERHAD** (206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

Interim Report for the 9-month Financial Period Ended 30 June 2013**Unaudited Condensed Consolidated Statement of Changes in Equity**

| | Share Capital RM'000 | Revaluation Reserves RM'000 | Share Premium RM'000 | Exchange Reserves RM'000 | Unappropriated Profits RM'000 | Distributable Unappropriated Profits RM'000 | Total RM'000 |
|---|----------------------------|-----------------------------------|----------------------------|--------------------------------|-------------------------------------|--|-----------------|
| As at 01/10/2011, as previously stated | 40,000 | 1,387 | 731 | 320 | - | 37,084 | 79,522 |
| Effect of transition to MFRS | | | | | | | |
| - Surplus on revaluation of land and buildings | - | 8,276 | - | - | - | - | 8,276 |
| - Surplus on revaluation of investment properties | - | 200 | - | - | - | - | 200 |
| - Reclassification | - | (9,863) | - | (320) | 10,183 | - | - |
| As at 01/10/2011, as restated | 40,000 | - | 731 | - | 10,183 | 37,084 | 87,998 |
| Total comprehensive income for the period | - | - | - | - | - | 3,422 | 3,422 |
| Dividends | | | | | | (2,800) | (2,800) |
| As at 30/6/2012, as restated | 40,000 | - | 731 | - | 10,183 | 37,706 | 88,620 |
| As at 01/10/2012, as previously stated | 50,000 | 9,863 | - | 345 | - | 29,873 | 90,081 |
| Effect of transition to MFRS | | | | | | | |
| - Reclassification | - | (9,863) | - | (345) | 10,208 | - | - |
| As at 01/10/2012, as restated | 50,000 | - | - | - | 10,208 | 29,873 | 90,081 |
| Share issuance expenses | | | | | | (59) | (59) |
| Total comprehensive income for the period | - | - | - | - | - | 2,406 | 2,406 |
| Dividends | | | | | | (3,000) | (3,000) |
| As at 30/6/2013 | 50,000 | - | - | - | 10,208 | 29,220 | 89,428 |

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 2012 and the accompanying notes attached to this interim financial report.