



HALEX GROUP

# **HALEX HOLDINGS BERHAD**

(Company No. 206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

## **Interim Report For the 9-months Financial Period Ended 30 September 2018**



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 30/9/2018 RM'000	(3-mths) Preceding Year Quarter 30/9/2017 RM'000	(9-mths) Current Year to-Date 30/9/2018 RM'000	(9-mths) Preceding Year to-Date 30/9/2017 RM'000
Revenue	18,725	18,552	52,435	50,684
Cost of sales	(15,086)	(14,797)	(45,085)	(43,712)
Gross profit	3,639	3,755	7,350	6,972
Other income	1,101	120	1,529	683
Net gain arising from changes in fair value of biological assets	516	330	1,416	1,032
Selling and marketing expenses	(1,482)	(1,711)	(4,568)	(5,239)
Administration expenses	(2,258)	(2,667)	(8,124)	(8,223)
Finance costs	(673)	(411)	(1,699)	(1,214)
Share of results of associate	-	(21)	-	(59)
Profit/(Loss) before taxation	843	(605)	(4,096)	(6,048)
Less: Taxation	(610)	(230)	(724)	(142)
<b>Profit/(Loss) after taxation</b>	<b>233</b>	<b>(835)</b>	<b>(4,820)</b>	<b>(6,190)</b>
<b>Other comprehensive (expenses)/income:-</b>				
Realisation of revaluation on property, plant and equipment	(13)	-	(40)	-
Foreign currency translation	(3)	1	5	1
Other comprehensive (expenses)/income for the period	(16)	1	(35)	1
<b>Total comprehensive income/(expenses) for the period</b>	<b>217</b>	<b>(834)</b>	<b>(4,855)</b>	<b>(6,189)</b>
Profit/(Loss) for the financial period attributable to :				
Owners of the Parent	233	(835)	(4,820)	(6,190)
Total comprehensive income/(expenses) attributable to :				
Owners of the Parent	217	(834)	(4,855)	(6,189)
Earnings/(Loss) per share				
Basic (sen)	0.22	(0.79)	(4.55)	(5.84)
Diluted (sen)	n/a	n/a	n/a	n/a

The unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report.



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**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**Unaudited Condensed Statements of Financial Position**

	<b>Unaudited as at 30/9/2018 RM'000</b>	<b>Audited as at 31/12/2017 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	61,498	54,889
Investment properties	5,249	5,249
Other investments	26	26
<b>Total non-current assets</b>	<b>66,773</b>	<b>60,164</b>
<b>Current assets</b>		
Inventories	19,443	17,483
Biological assets	1,996	2,134
Trade receivables	13,945	12,116
Other receivables, deposits and prepayments	19,169	5,326
Amount due from a related company	-	637
Current tax assets	1,002	1,517
Deposits with licensed banks	71	1,827
Cash and bank balances	7,835	24,242
<b>Total current assets</b>	<b>63,461</b>	<b>65,282</b>
<b>TOTAL ASSETS</b>	<b>130,234</b>	<b>125,446</b>
	<b>Unaudited as at 30/9/2018 RM'000</b>	<b>Audited as at 31/12/2017 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	54,988	54,988
Revaluation reserves	18,777	18,817
Treasury shares	(18)	(18)
	<b>73,747</b>	<b>73,787</b>
Exchange reserves	121	116
Accumulated losses	(5,211)	(431)
<b>Total equity attributable to parent</b>	<b>68,657</b>	<b>73,472</b>
<b>Non-current liabilities</b>		
Term loans	29,307	25,929
Finance lease payables	-	29
Deferred tax liabilities	3,320	3,366
<b>Total non-current liabilities</b>	<b>32,627</b>	<b>29,324</b>

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report.



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**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**Unaudited Condensed Statements of Financial Position (Cont'd)**

	<b>Unaudited as at 30/9/2018 RM'000</b>	<b>Audited as at 31/12/2017 RM'000</b>
<b>Current liabilities</b>		
Trade payables	6,513	7,892
Other payables and accruals	1,024	1,567
Term loans	2,558	2,183
Finance lease payables	-	41
Bills payable	18,110	9,176
Bank overdrafts	626	1,776
Current tax liabilities	119	15
<b>Total current liabilities</b>	<b>28,950</b>	<b>22,650</b>
<b>Total liabilities</b>	<b>61,577</b>	<b>51,974</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>130,234</b>	<b>125,446</b>
No. of ordinary shares in issue ('000)	105,973	105,973
Net assets per share attributable to equity holders of the Company (RM)	0.65	0.69

The unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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 9-months Financial Period Ended 30 September 2018**

**Unaudited Condensed Statements of Cash Flows**

	<b>9-months ended 30/9/2018 RM'000</b>	<b>9-months ended 30/9/2017 RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,096)	(6,048)
Adjustments for:-		
Allowance for impairment on receivables	40	-
Allowance for impairment on receivables written back	(765)	-
Bad debts written off	2	-
Depreciation of property, plant and equipment	661	1,840
Dividend income	-	(1)
Fair value gain on biological assets	(1,416)	(1,032)
Gain on foreign exchange - unrealised	(412)	(488)
Loss on disposal of quoted shares	-	5
Gain on investment in quoted shares - realised	-	(37)
Gain on disposal of plant and equipment	(3)	(2)
Interest expense	1,699	1,214
Interest income	(291)	(6)
Share of associate company's results	-	59
Operating loss before working capital changes	<u>(4,581)</u>	<u>(4,496)</u>
Changes in working capital:-		
Biological assets	<u>1,554</u>	<u>1,454</u>
Inventories	<u>(1,960)</u>	<u>1,682</u>
Receivables	<u>(14,312)</u>	<u>(7,454)</u>
Payables	<u>(1,510)</u>	<u>2,148</u>
	<u>(16,228)</u>	<u>(2,170)</u>
Cash for operations	<u>(20,809)</u>	<u>(6,666)</u>
Interest paid	<u>(1,699)</u>	<u>(1,214)</u>
Income tax paid	<u>(151)</u>	<u>(548)</u>
	<u>(1,850)</u>	<u>(1,762)</u>
<b>Net cash for operating activities</b>	<u>(22,659)</u>	<u>(8,428)</u>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report.



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**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**Unaudited Condensed Statements of Cash Flows (Cont'd)**

	<b>9-months ended 30/9/2018 RM'000</b>	<b>9-months ended 30/9/2017 RM'000</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Dividend received	-	1
Interest received	291	4
Proceeds from disposal of quoted shares	-	284
Proceeds from disposal of plant and equipment	31	6
Purchase of property, plant and equipment	(7,298)	(83)
Decrease in pledged fixed deposit with licensed bank	1,756	-
<b>Net cash (for)/from investing activities</b>	<b><u>(5,220)</u></b>	<b><u>212</u></b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Advance from holding company	-	18,170
Drawdown of term loan	5,440	-
Net increase of bank borrowings	8,934	4,418
Repayment of finance lease payables	(70)	(33)
Repayment of term loans	(1,687)	(10,834)
<b>Net cash from financing activities</b>	<b><u>12,617</u></b>	<b><u>11,721</u></b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,262)</b>	<b>3,505</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>5</b>	<b>1</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>22,466</b>	<b>(1,800)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u><u>7,209</u></u></b>	<b><u><u>1,706</u></u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE</b>		
Deposit with licensed bank	71	1,773
Cash and bank balances	7,835	3,751
Bank overdraft	(626)	(2,045)
	<b><u>7,280</u></b>	<b><u>3,479</u></b>
Less: Deposit pledged to licensed bank	<b><u>(71)</u></b>	<b><u>(1,773)</u></b>
	<b><u><u>7,209</u></u></b>	<b><u><u>1,706</u></u></b>

The unaudited Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report.

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**Interim Report for the 9-months Financial Period Ended 30 September 2018****Unaudited Condensed Statements 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	Treasury Shares RM'000	Accumulated loss/ Retained earnings RM'000	
As at 1/1/2018	54,988	18,817	-	116	(18)	(431)	73,472
Loss for the period	-	-	-	-	-	(4,820)	(4,820)
Other comprehensive (expenses)/income for the period							
- Realisation of revaluation on property, plant and equipment	-	(40)	-	-	-	40	-
- Foreign currency translation	-	-	-	5	-	-	5
<b>As at 30/9/2018</b>	<b>54,988</b>	<b>18,777</b>	<b>-</b>	<b>121</b>	<b>(18)</b>	<b>(5,211)</b>	<b>68,657</b>
As at 1/1/2017	53,000	20,208	1,988	106	(18)	8,504	83,788
Loss for the period	-	-	-	-	-	(6,190)	(6,190)
Other comprehensive expenses for the period							
- Foreign currency translation	-	-	-	1	-	-	1
Transition in accordance with Section 618(2) of the Companies Act 2016	1,988	-	(1,988)	-	-	-	-
<b>As at 30/9/2017</b>	<b>54,988</b>	<b>20,208</b>	<b>-</b>	<b>107</b>	<b>(18)</b>	<b>2,314</b>	<b>77,599</b>

The unaudited Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes attached to this interim financial report.



## Interim Report for the 9-months Financial Period Ended 30 September 2018

### A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

#### 1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This unaudited interim financial report should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2017. For the financial year up to 31 December 2017 and including the financial period ended 30 September 2018, the Group prepared its financial statements in accordance with the Malaysian Financial Reporting Standards (“MFRS”).

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of Halex Holdings Berhad (“Halex” or the “Company”) and its subsidiaries (the “Group”) since the financial year ended 31 December 2017.

#### 2. Significant Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 119: Plan Amendment, Curtailment of Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.





**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report for the Company's preceding annual audited financial statements for the financial year ended 31 December 2017 were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's agriculture supplies & trading and horticulture & agro-biotechnologies businesses are sensitive to prolonged extreme weather conditions.

**5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review and financial period to-date.

**6. Material Changes in Estimates**

There were no material changes in estimates of amount reported that have a material effect on the current quarter under review and financial period to-date except as disclosed in the financial statements.

**7. Details of Changes in Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities during the current quarter under review and financial period to-date.

**8. Dividend**

There were no dividends proposed or paid during the quarter under review.



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**9. Segmental Reporting**

	9-months ended 30 September 2018						
	Investment Holding	Agriculture Supplies & Trading	Consumer Products	Horticulture & Agro-biotechnologies	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External sales	-	27,423	22,157	2,855	-	-	52,435
Inter-segment sales	2,763	1,633	34	-	-	(4,430)	-
<b>Total</b>	<b>2,763</b>	<b>29,056</b>	<b>22,191</b>	<b>2,855</b>	<b>-</b>	<b>(4,430)</b>	<b>52,435</b>
<b>Results</b>							
Segment results	(88)	2,455	(4,241)	(707)	65	(172)	(2,688)
Finance costs	(1,074)	(393)	(232)	-	-	-	(1,699)
Finance income	210	59	19	3	-	-	291
(Loss)/Profit before taxation	(952)	2,121	(4,454)	(704)	65	(172)	(4,096)
Taxation	(187)	(594)	24	33	-	-	(724)
(Loss)/Profit after taxation	(1,139)	1,527	(4,430)	(671)	65	(172)	(4,820)
<b>9-months ended 30 September 2017</b>							
	Investment Holding	Agriculture Supplies & Trading	Consumer Products	Horticulture & Agro-biotechnologies	Eliminations	Consolidated	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Revenue</b>							
External sales	-	25,610	21,908	3,166	-	50,684	
Inter-segment sales	860	7,222	32	-	(8,114)	-	
<b>Total</b>	<b>860</b>	<b>32,832</b>	<b>21,940</b>	<b>3,166</b>	<b>(8,114)</b>	<b>50,684</b>	
<b>Results</b>							
Segment results	(1,736)	744	(3,103)	(709)	23	(4,781)	
Finance costs	(710)	(311)	(193)	-	-	(1,214)	
Finance income	2	(6)	7	3	-	6	
Share of results of associate	(59)	-	-	-	-	(59)	
(Loss)/Profit before taxation	(2,503)	427	(3,289)	(706)	23	(6,048)	
Taxation	(12)	(231)	-	101	-	(142)	
(Loss)/Profit after taxation	(2,515)	196	(3,289)	(605)	23	(6,190)	



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**10. Valuation of Property, Plant and Equipment**

The values of property, plant and equipment have been brought forward without amendments from the Company's previous annual audited financial statements for the financial year ended 31 December 2017.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**12. Contingent Liabilities**

The contingent liabilities are as follows:

	<b>Company</b>	
	<b>As at</b>	<b>As at</b>
	<b>30/9/2018</b>	<b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>49,850</u>	<u>45,463</u>

**13. Capital Commitments**

There were no material capital commitments entered into and not provided for by the Group during the current quarter under review.

**14. Material Events Subsequent to the End of the Interim Reporting Period**

There was no material events subsequent to the end of the interim reporting period reported.



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**15. Related Party Transactions**

The following table provides information on the transactions which have been entered into with related parties during the 9-months ended 30 September 2018 and 30 September 2017.

	Note	Transaction Value	
		30/9/2018 RM'000	30/9/2017 RM'000
Sales of raw materials:-			
Hextar Chemicals Sdn. Bhd.	#	<u>105</u>	<u>255</u>
Purchase of raw materials:-			
Hextar Chemicals Sdn. Bhd.	#	<u>5,748</u>	<u>1,664</u>

#The directors and/or major shareholders of Halex Holdings Berhad are directors and/or major shareholders of this company.

The outstanding balances arising from related party transactions as at 30 September 2018 and 31 December 2017 were as follows:-

	Outstanding balance	
	30/9/2018 RM'000	31/12/2017 RM'000
Total outstanding balances due from/(to) related parties included in:-		
Trade receivables	<u>109</u>	<u>2,143</u>
Trade payables	<u>(4,212)</u>	<u>(1,506)</u>



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**1. Review of Performance of the Group**

For the current quarter, the Group registered a total revenue of RM18.73 million, representing an increase of RM0.18 million or 1% as compared to the corresponding quarter of the preceding year. The increase was mainly contributed from the increase in revenue from the Consumer Products segment.

On the year-to-date basis, the Group registered a total revenue of RM52.44 million, representing an increase of RM1.75 million or 3.5% as compared to the corresponding financial period of the preceding year. The increase was mainly contributed from the increase in revenue from the Agriculture Supplies & Trading segment.

For the current quarter, the Group reported a profit before taxation of RM0.84 million against a loss before taxation of RM0.61 million in the corresponding quarter of the preceding year. The profit before taxation for the quarter was mainly due to reversal of impairment on receivables and bad debts recovery, amounting to RM0.77 million. In addition to the other income, the profit was also attributed to the Group's effort to reduce its operating expenses by RM0.38 million in line with its cost cutting measures.

For the cumulative financial year ended 30 September 2018, the Group recorded a loss before taxation of RM4.10 million against a loss before taxation of RM6.05 million in the corresponding financial period of the preceding year, representing a reduction of loss before taxation by RM1.95 million or 32.2%. This was mainly due to reversal of impairment on receivables and bad debts recovery and changes of fair value of biological assets.

**2. Comparisons with the Immediate Preceding Quarter's Results**

	(3 months) Current Quarter ended 30/9/2018 (RM'000)	(3 months) Preceding Quarter ended 30/6/2018 (RM'000)
Revenue	18,725	18,229
Profit/(Loss) before taxation	843	(3,343)

For the current quarter ended 30 September 2018, the Group registered revenue of RM18.73 million, representing a increase of RM0.50 million or 2.7% as compared to the immediate preceding quarter. The increase was mainly due to higher sales recorded from both Agriculture Supplies & Trading and Consumer Products segments.

During the current quarter, the Group has recorded a profit before taxation of RM0.84 million as compared to a loss before taxation of RM3.34 million in the immediate preceding quarter. The profit before taxation for the quarter was mainly due to reversal of impairment on receivables and bad debts recovery, amounting to RM0.77 million. In addition to the other income, the profit was also attributed to the Group's effort to reduce its operating expenses by RM0.38 million in line with its cost cutting measures.



## Interim Report for the 9-months Financial Period Ended 30 September 2018

### 3. Year 2018 Prospects

The Group's current business environment faces internal and external challenges such as foreign currency fluctuation, consumer sentiment, intense competition and availability of alternative substitutes.

The Board acknowledges that the key for a better financial performance is to have an optimized production capacity and efficient utilization of all resources.

The proposed acquisition as mentioned in Item 6 below will enable the Group to tap into the enlarged distribution network thus achieving the economies of scale and synergies.

### 4. Financial Forecast and Profit Guarantee

The Group has not provided any financial forecast or profit guarantee in any public document.

### 5. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/9/2018 RM'000	Preceding Year Quarter 30/9/2017 RM'000	Current Year to-Date 30/9/2018 RM'000	Preceding Year to-Date 30/9/2017 RM'000
Deferred tax	(19)	13	46	101
Income tax	(591)	(243)	(770)	(243)
	<u>(610)</u>	<u>(230)</u>	<u>(724)</u>	<u>(142)</u>

The effective tax rate for the current quarter under review for the Group is higher than the statutory rate of taxation is mainly due to the profit recorded in certain subsidiary companies.

### 6. Status of Corporate Proposal

Subsequent to the heads of agreement signed and announced on 6 December 2017, the Company had on 15 May 2018, entered into the sale of share agreement with Hextar Holdings Sdn. Bhd. for proposed acquisition of four (4) ordinary shares of United States Dollar (USD) 0.10 each (equivalent to approximately RM0.41 each, based on an exchange rate of 4.0875) in Hextar Chemicals Limited ("HCL"), representing the entire equity interest. The purchase consideration is determined based on the audited consolidated profit after taxation of HCL for the financial year ended 31 December 2017 multiplied by a price-to-earnings ("P/E") multiple of 13.75 times amounted to RM596,794,275. The Purchase Consideration will be satisfied through a combination of cash amounting to RM17,903,828 and the issuance of 714,679,564 new ordinary shares in Halex at an issue price of RM0.81 per consideration share. Application for clearance of circular to shareholders and listing of consideration shares will be submitted to Bursa Malaysia Securities Berhad in due course.



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**7. Borrowings**

The Group's borrowings as at 30 September 2018 and 31 December 2017 are as follows:

	<b>As at 30/9/2018 RM'000</b>	<b>As at 31/12/2017 RM'000</b>
<b>Short-term borrowings</b>		
Term loans	2,558	2,183
Finance lease payables	-	41
Bills payable	18,110	9,176
Bank overdrafts	626	1,776
	<u>21,294</u>	<u>13,176</u>
<b>Long-term borrowings</b>		
Term loans	29,307	25,929
Finance lease payables	-	29
	<u>29,307</u>	<u>25,958</u>
<b>Total</b>	<u><u>50,601</u></u>	<u><u>39,134</u></u>

There was no unsecured debt during the current quarter and financial year to-date.

**8. Material Litigation**

There were no material litigations involving the Group as at the date of this interim report.

**9. Earnings/(Loss) Per Share**

(a) Basic

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	<b>Individual Quarter Current Year Quarter 30/9/2018</b>	<b>Preceding Year Quarter 30/9/2017</b>	<b>Cumulative Quarter Current Year to-Date 30/9/2018</b>	<b>Preceding Year to-Date 30/9/2017</b>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	<u>233</u>	<u>(835)</u>	<u>(4,820)</u>	<u>(6,190)</u>
Weighted average number of ordinary shares in issue ('000)	<u>105,973</u>	<u>105,973</u>	<u>105,973</u>	<u>105,973</u>
Basic earnings/(loss) per share (sen)	<u><u>0.22</u></u>	<u><u>(0.79)</u></u>	<u><u>(4.55)</u></u>	<u><u>(5.84)</u></u>

(b) Diluted

The calculation of diluted earnings/(loss) per ordinary share is the same with basic earnings/(loss) per ordinary share as the Group has no dilutive potential ordinary shares.



**Interim Report for the 9-months Financial Period Ended 30 September 2018**

**10. Notes to the Statements of Profit or Loss**

The following items have been included in arriving at profit/(loss) before tax:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2018 (RM'000)	Preceding Year Quarter 30/9/2017 (RM'000)	Current Year To Date 30/9/2018 (RM'000)	Preceding Year To Date 30/9/2017 (RM'000)
Interest income	29	12	291	6
Other income including investment income	786	14	814	145
Interest expense	673	411	1,699	1,214
Depreciation and amortisation	221	599	661	1,840
Impairment of and write off of receivables	(42)	-	(42)	-
Impairment of and write off of inventories	-	-	-	-
Loss on disposal of quoted or unquoted investments or properties	-	(7)	-	(5)
Impairment of assets	-	-	-	-
Plant and equipment written off	-	-	-	-
Goodwill written off	-	-	-	-
Foreign exchange gain	240	105	252	207
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

By Order of the Board  
HALEX HOLDINGS BERHAD  
(206220 – U)

Lim Hooi Mooi  
Company Secretary  
Kuala Lumpur  
23 November 2018