



HALEX GROUP

HALEX HOLDINGS BERHAD

(Company No. 206220-U)

(Incorporated in Malaysia under the Companies Act, 1965)

Interim Report For the 12-months Financial Period Ended 31 December 2018



Interim Report for the 12-months Financial Period Ended 31 December 2018

Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mths) Current Year Quarter 31/12/2018 RM'000	(3-mths) Preceding Year Quarter 31/12/2017 RM'000	(12-mths) Current Year to-Date 31/12/2018 RM'000	(12-mths) Preceding Year to-Date 31/12/2017 RM'000
Revenue	15,713	18,355	68,148	69,039
Cost of sales	(14,757)	(17,250)	(59,842)	(60,962)
Gross profit	956	1,105	8,306	8,077
Other income	46	7,904	1,275	8,587
Net (loss)/gain arising from changes in fair value of biological assets	(1,304)	1,109	112	2,141
Selling and marketing expenses	(1,490)	(1,533)	(6,058)	(6,772)
Administrative and other expenses	(4,477)	(14,044)	(12,301)	(22,267)
Finance costs	(582)	(210)	(2,281)	(1,424)
Share of results of associate	-	(5)	-	(64)
Loss before taxation	(6,851)	(5,674)	(10,947)	(11,722)
Less: Taxation	536	(30)	(188)	(172)
Loss after taxation	(6,315)	(5,704)	(11,135)	(11,894)
Other comprehensive income/(expenses):-				
Revaluation of property, plant and equipment	-	1,664	-	1,664
Realisation of revaluation on property, plant and equipment	40	-	-	-
Foreign currency translation	(16)	8	(11)	9
Other comprehensive income/(expenses) for the financial year	24	1,672	(11)	1,673
Total comprehensive expenses for the financial year	(6,291)	(4,032)	(11,146)	(10,221)
Loss for the financial year attributable to : Owners of the Parent	(6,315)	(5,704)	(11,135)	(11,894)
Total comprehensive expenses attributable to : Owners of the Parent	(6,291)	(4,032)	(11,146)	(10,221)
Loss per share				
Basic (sen)	(5.96)	(5.38)	(10.51)	(11.22)
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.



HALEX HOLDINGS BERHAD (206220-U)
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HALEX GROUP

Interim Report for the 12-months Financial Period Ended 31 December 2018

Unaudited Condensed Statements of Financial Position

	Unaudited as at 31/12/2018 RM'000	Audited as at 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,617	54,890
Investment properties	4,134	5,249
Other investments	26	26
Total non-current assets	63,777	60,165
Current assets		
Inventories	18,200	17,483
Biological assets	-	2,134
Trade receivables	10,971	12,116
Other receivables, deposits and prepayments	20,835	5,325
Amount due from a related company	-	637
Current tax assets	792	1,517
Deposits with licensed banks	71	1,827
Cash and bank balances	6,161	24,242
Total current assets	57,030	65,281
Asset classified as held-for-sales	1,600	-
TOTAL ASSETS	122,407	125,446
	Unaudited as at 31/12/2018 RM'000	Audited as at 31/12/2017 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	54,988	54,988
Revaluation reserves	16,391	18,817
Treasury shares	(18)	(18)
	71,361	73,787
Exchange reserves	104	115
Accumulated losses	(9,342)	(430)
Total equity attributable to parent	62,123	73,472
Non-current liabilities		
Term loans	28,688	25,929
Finance lease payables	-	29
Deferred tax liabilities	2,948	3,366
Total non-current liabilities	31,636	29,324

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 12-months Financial Period Ended 31 December 2018

Unaudited Condensed Statements of Financial Position (Cont'd)

	Unaudited as at 31/12/2018 RM'000	Audited as at 31/12/2017 RM'000
Current liabilities		
Trade payables	3,525	7,892
Other payables and accruals	2,910	1,567
Provisions	1,394	-
Amount owing to related parties	5,504	-
Term loans	2,544	2,183
Finance lease payables	-	41
Bills payable	12,145	9,176
Bank overdrafts	626	1,776
Current tax liabilities	-	15
Total current liabilities	28,648	22,650
Total liabilities	60,284	51,974
TOTAL EQUITY AND LIABILITIES	122,407	125,446
No. of ordinary shares in issue ('000)	105,973	105,973
Net assets per share attributable to equity holders of the Company (RM)	0.59	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.



HALEX HOLDINGS BERHAD (206220-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Interim Report for the 12-months Financial Period Ended 31 December 2018

Unaudited Condensed Statements of Cash Flows

	12-months ended 31/12/2018 RM'000	12-months ended 31/12/2017 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before taxation	(10,947)	(11,722)
Adjustments for:-		
Allowance for impairment on receivables	263	435
Allowance for impairment on plant and equipment	-	4,795
Allowance for impairment on receivables written back	(765)	(85)
Bad debts written off	2	231
Biological assets written off	1,779	160
Depreciation of property, plant and equipment	943	2,264
Deposit written off	-	3,830
Dividend income	-	(1)
Fair value gain on investment property	-	(195)
Fair value gain on biological assets	(112)	(2,141)
Fair value loss on revaluation of property	-	223
Gain on disposal of investment in quoted securities	-	(32)
Loss/(Gain) on disposal of property, plant and equipment	62	(24)
Gain on disposal of an associate	-	(7,533)
Gain on foreign exchange - unrealised	(112)	(606)
Interest expense	2,281	1,424
Interest income	(314)	(76)
Intangible assets written off	-	123
Impairment and write off of inventories	637	1,090
Plant and equipment written off	-	814
Share of associate company's results	-	64
Operating loss before working capital changes	<u>(6,283)</u>	<u>(6,962)</u>
Changes in working capital:-		
Biological assets	467	2,316
Inventories	(1,354)	64
Receivables	(13,866)	(544)
Payables	(1,518)	(3,700)
Related party	6,141	(637)
	<u>(10,130)</u>	<u>(2,501)</u>
Cash for operations	(16,413)	(9,463)
Interest paid	(2,281)	(1,424)
Income tax paid	(98)	(1,302)
	<u>(2,379)</u>	<u>(2,726)</u>
Net cash for operating activities	<u>(18,792)</u>	<u>(12,189)</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.



HALEX HOLDINGS BERHAD (206220-U)
(Incorporated in Malaysia under the Companies Act, 1965)

Interim Report for the 12-months Financial Period Ended 31 December 2018

Unaudited Condensed Statements of Cash Flows (Cont'd)

	12-months ended 31/12/2018 RM'000	12-months ended 31/12/2017 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Dividend received	-	1
Interest received	314	76
Proceeds from disposal of property, plant and equipment	1,081	93
Proceeds from disposal of an associate	-	15,500
Proceeds from disposal of investment in quoted shares	-	284
Purchase of property, plant and equipment	(7,298)	(98)
Decrease in pledged fixed deposit with licensed bank	1,757	-
Placement of deposits with licensed banks	-	(56)
Net cash (for)/from investing activities	<u>(4,146)</u>	<u>15,800</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of term loan	5,440	24,800
Net increase of bank borrowings	2,969	6,813
Repayment of finance lease payables	(70)	(105)
Repayment of term loans	(2,321)	(10,862)
Net cash from financing activities	<u>6,018</u>	<u>20,646</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(16,920)	24,257
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(11)	9
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	22,466	(1,800)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>5,535</u>	<u>22,466</u>
CASH AND CASH EQUIVALENTS COMPRISE		
Deposit with licensed bank	71	1,827
Cash and bank balances	6,161	24,242
Bank overdraft	(626)	(1,776)
	<u>5,606</u>	<u>24,293</u>
Less: Deposit pledged to licensed bank	(71)	(1,827)
	<u>5,535</u>	<u>22,466</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.

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

(Incorporated in Malaysia under the Companies Act, 1965)

HALEX GROUP

Interim Report for the 12-months Financial Period Ended 31 December 2018**Unaudited Condensed Statements of Changes in Equity**

	<----- Non-distributable ----->				<----- Distributable ----->		
	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	Total RM'000
As at 1/1/2018	54,988	18,817	-	115	(18)	(430)	73,472
Loss after taxation for the financial year	-	-	-	-	-	(11,135)	(11,135)
Other comprehensive income/(expenses) for the financial year:							
- Foreign currency translation	-	-	-	(11)	-	-	(11)
Realisation of revaluation surplus	-	(2,426)	-	-	-	2,223	(203)
As at 31/12/2018	54,988	16,391	-	104	(18)	(9,342)	62,123
As at 1/1/2017	53,000	20,208	1,988	106	(18)	8,504	83,788
Prior year adjustments	-	(3,055)	-	-	-	2,906	(149)
Restated balance at 1/1/2017	53,000	17,153	1,988	106	(18)	11,410	83,639
Loss after taxation for the financial year	-	-	-	-	-	(11,894)	(11,894)
Realisation of revaluation surplus	-	-	-	-	-	54	54
Other comprehensive income/(expenses) for the financial year:							
- Foreign currency translation	-	-	-	9	-	-	9
- Revaluation of property, plant and equipment	-	1,718	-	-	-	-	1,718
- Realisation of revaluation surplus	-	(54)	-	-	-	-	(54)
Transfer to share capital upon implementation of the Companies Act 2016	1,988	-	(1,988)	-	-	-	-
As at 31/12/2017	54,988	18,817	-	115	(18)	(430)	73,472

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 12-months Financial Period Ended 31 December 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 year ended 31 December 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 12-months Financial Period Ended 31 December 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 12-months Financial Period Ended 31 December 2018

9. Segmental Reporting

	12-months ended 31 December 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
Revenue							
External sales	-	34,895	29,254	3,999	-	-	68,148
Inter-segment sales	5,493	1,929	39	-	-	(7,461)	-
Total	5,493	36,824	29,293	3,999	-	(7,461)	68,148
Results							
Segment results	(3,176)	2,233	(7,583)	(3,058)	56	2,751	(8,980)
Finance costs	(1,506)	(505)	(270)	-	-	-	(2,281)
Finance income	210	73	28	3	-	-	314
(Loss)/Profit before taxation	(4,472)	1,598	(7,825)	(3,055)	56	2,751	(10,947)
Taxation	(75)	(444)	45	512	-	(226)	(188)
(Loss)/Profit after taxation	(4,547)	1,154	(7,780)	(2,543)	56	2,525	(11,135)
12-months ended 31 December 2017							
	Investment Holding	Agriculture Supplies & Trading	Consumer Products	Horticulture & Agro-biotechnologies	Eliminations	Consolidated	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue							
External sales	-	36,586	28,310	4,143	-	69,039	
Inter-segment sales	1,780	10,492	37	-	(12,309)	-	
Total	1,780	47,078	28,347	4,143	(12,309)	69,039	
Results							
Segment results	(8,603)	(449)	(12,164)	(1,873)	12,779	(10,310)	
Finance costs	(710)	(440)	(274)	-	-	(1,424)	
Finance income	5	56	12	3	-	76	
Share of results of associate	(64)	-	-	-	-	(64)	
(Loss)/Profit before taxation	(9,372)	(833)	(12,426)	(1,870)	12,779	(11,722)	
Taxation	(46)	(298)	1,543	80	(1,451)	(172)	
(Loss)/Profit after taxation	(9,418)	(1,131)	(10,883)	(1,790)	11,328	(11,894)	



Interim Report for the 12-months Financial Period Ended 31 December 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:

	Company	
	As at	As at
	31/12/2018	31/12/2017
	RM'000	RM'000
Guarantees given to financial institutions for facilities granted to subsidiaries	<u>57,953</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 12-months Financial Period Ended 31 December 2018

15. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the 12-months ended 31 December 2018 and 31 December 2017.

	Note	Transaction Value	
		31/12/2018 RM'000	31/12/2017 RM'000
Sales of raw materials:-			
Hextar Chemicals Sdn. Bhd.	#	<u>157</u>	<u>2,583</u>
Purchase of raw materials:-			
Hextar Chemicals Sdn. Bhd.	#	6,357	3,166
Purchase of R&D services:-			
Hextar R&D International Sdn. Bhd.	#	<u>240</u>	<u>-</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 31 December 2018 and 31 December 2017 were as follows:-

	Outstanding balance	
	31/12/2018 RM'000	31/12/2017 RM'000
Total outstanding balances due from/(to) related parties included in:-		
Trade receivables	<u>161</u>	<u>2,143</u>
Trade payables	<u>(4,665)</u>	<u>(1,506)</u>



Interim Report for the 12-months Financial Period Ended 31 December 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 RM15.71 million, representing a decrease of RM2.65 million or 14.4% as compared to the corresponding quarter of the preceding year. The decrease was mainly due to decrease in revenue from the Agriculture Supplies & Trading segment.

On the year-to-date basis, the Group registered a total revenue of RM68.15 million, representing a decrease of RM0.89 million or 1.3% as compared to the corresponding financial year of the preceding year. The decrease was mainly due to decrease in revenue from the Agriculture Supplies & Trading segment.

For the current quarter, the Group reported a loss before taxation of RM6.85 million against a loss before taxation of RM5.67 million in the corresponding quarter of the preceding year. The loss before taxation for the quarter was mainly due to the impairment of receivables of RM0.22 million, write-off of inventories and biological assets amounted to RM2.37 million and expenses relating to consolidation of operations amounted to RM1.57 million.

For the cumulative financial year ended 31 December 2018, the Group recorded a loss before taxation of RM10.94 million against a loss before taxation of RM11.72 million in the corresponding financial year of the preceding year, representing a reduction of loss before taxation by RM0.78 million or 6.7%. Included herewith the cumulative loss before taxation, impairment of receivables of RM0.26 million, write-off of inventories and biological assets amounted to RM2.37 million and expenses relating to consolidation of operations amounted to RM1.57 million.

2. Comparisons with the Immediate Preceding Quarter's Results

	(3 months) Current Quarter ended 31/12/2018 (RM'000)	(3 months) Preceding Quarter ended 30/9/2018 (RM'000)
Revenue	15,713	18,725
(Loss)/Profit before taxation	(6,851)	843

For the current quarter ended 31 December 2018, the Group registered revenue of RM15.71 million, representing a decrease of RM3.02 million or 16.1% as compared to the immediate preceding quarter. The decrease was mainly due to lower sales recorded from both Agriculture Supplies & Trading and Consumer Products segments.

During the current quarter, the Group has recorded a loss before taxation of RM6.85 million as compared to a profit before taxation of RM0.84 million in the immediate preceding quarter. The loss before taxation for the quarter was mainly due to the impairment of receivables of RM0.22 million, write-off of inventories and biological assets amounted to RM2.37 million and expenses relating to consolidation of operations amounted to RM1.57 million.



Interim Report for the 12-months Financial Period Ended 31 December 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 31/12/2018 RM'000	Preceding Year Quarter 31/12/2017 RM'000	Current Year to-Date 31/12/2018 RM'000	Preceding Year to-Date 31/12/2017 RM'000
Deferred tax	623	770	669	871
Income tax	(87)	(52)	(857)	(295)
	<u>536</u>	<u>718</u>	<u>(188)</u>	<u>576</u>

The biological assets written-off from the Groups' Horticulture & Agro-biotechnologies segment lead to the realization of deferred taxation liabilities during the financial year. Despite the overall loss for the current quarter and cumulative quarters reported by the Group, the Group has taken a prudent position by providing the tax for the profitable core business segment, Agriculture Supplies & Trading in respect of the current quarter and cumulative quarters.

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 was submitted to Bursa Malaysia Securities Berhad ("BURSA") on 17 January 2019. Bursa had on 21 February 2019 given the clearance subject to the comments to be incorporated in the circular prior to the issuance.



Interim Report for the 12-months Financial Period Ended 31 December 2018

7. Borrowings

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

	As at 31/12/2018 RM'000	As at 31/12/2017 RM'000
Short-term borrowings		
Term loans	2,544	2,183
Finance lease payables	-	41
Bills payable	12,145	9,176
Bank overdrafts	626	1,776
	<u>15,315</u>	<u>13,176</u>
Long-term borrowings		
Term loans	28,688	25,929
Finance lease payables	-	29
	<u>28,688</u>	<u>25,958</u>
Total	<u><u>44,003</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. Loss Per Share

(a) Basic

The basic loss per share is calculated by dividing the 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.

	Individual Quarter Current Year Quarter 31/12/2018	Preceding Year Quarter 31/12/2017	Cumulative Quarter Current Year to-Date 31/12/2018	Preceding Year to-Date 31/12/2017
Loss attributable to equity holders of the Company (RM'000)	<u>(6,315)</u>	<u>(5,704)</u>	<u>(11,135)</u>	<u>(11,894)</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 loss per share (sen)	<u><u>(5.96)</u></u>	<u><u>(5.38)</u></u>	<u><u>(10.51)</u></u>	<u><u>(11.22)</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 12-months Financial Period Ended 31 December 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 31/12/2018 (RM'000)	Preceding Year Quarter 31/12/2017 (RM'000)	Current Year To Date 31/12/2018 (RM'000)	Preceding Year To Date 31/12/2017 (RM'000)
Interest income	(23)	(70)	(314)	(76)
Interest expense	582	210	2,281	1,424
Depreciation and amortisation	282	424	943	2,264
Impairment and write off of receivables	223	666	265	666
Impairment of and write off of inventories	586	1,090	637	1,090
Loss/(Gain) on disposal of quoted or unquoted investments or properties	65	(7,555)	62	(7,589)
Impairment of assets	-	4,795	-	4,795
Plant and equipment written off	-	814	-	814
Foreign exchange loss/(gain)	300	(118)	(112)	(606)
Reversal of impairment losses on receivables	-	(85)	(765)	(85)
Biological assets written off	1,779	160	1,779	160
Deposit written off	-	3,830	-	3,830
Dividend income	-	(1)	-	(1)
Fair value gain on investment property	-	(195)	-	(195)
Fair value loss/(gain) on biological assets	1,304	(1,109)	(112)	(2,141)
Fair value loss on revaluation of property	-	223	-	223
Intangible assets written off	-	-	-	123
Exceptional items	-	-	-	-

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

Lim Hooi Mooi
Company Secretary
Kuala Lumpur
25 February 2019