

MILUX CORPORATION BERHAD (313619-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2016 RM'000 <u>Unaudited</u>	Preceding year quarter 30/09/2015 RM'000 <u>Unaudited</u>	Current year to date 30/09/2016 RM'000 <u>Unaudited</u>	Preceding year to date 30/09/2015 RM'000 <u>Unaudited</u>
Revenue	17,771	16,665	53,433	51,044
Cost of Sales	<u>(13,721)</u>	<u>(13,416)</u>	<u>(42,383)</u>	<u>(41,167)</u>
Gross Profit	4,050	3,249	11,050	9,877
Other income	167	641	417	1,715
Administration and general expenses	(2,264)	(2,319)	(7,696)	(7,222)
Selling and distribution expenses	(1,360)	(957)	(3,689)	(3,159)
Finance expenses	(57)	(50)	(167)	(160)
Share of profit/(loss) of a joint venture (net of tax)	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Profit/(Loss) before tax	533	564	(88)	1,051
Taxation	<u>(395)</u>	<u>(222)</u>	<u>(584)</u>	<u>(869)</u>
Profit/(Loss) for the period	138	342	(672)	182
Other Comprehensive Income	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total Comprehensive Profit/(loss) for the period	<u>140</u>	<u>342</u>	<u>(672)</u>	<u>184</u>
Profit/(Loss) attributable to:				
Owners of the parent	138	342	(672)	182
Non-controlling Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>138</u>	<u>342</u>	<u>(672)</u>	<u>182</u>
Total Comprehensive Profit/(loss) attributable to:				
Owners of the parent	140	342	(672)	184
Non-controlling Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>140</u>	<u>342</u>	<u>(672)</u>	<u>184</u>
Earnings / (Loss) per share attributable to owners of the parent				
- Basic (sen)	0.25	0.63	(1.24)	0.33
- Diluted (sen)	N/A	N/A	N/A	N/A

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for year ended 31 December 2015.

MILUX CORPORATION BERHAD (313619-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	UNAUDITED AS AT 30 Sep 2016 RM'000	AUDITED AS AT 31 Dec 2015 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	7,698	7,994
Investment Properties	365	374
Investment in a joint venture	249	-
Other Investments	44	44
Goodwill on consolidation	782	782
Deferred Tax Asset	216	187
	<u>9,354</u>	<u>9,381</u>
Current Assets		
Inventories	22,187	22,099
Trade and Other Receivables	19,733	17,529
Deposits, Cash & Bank Balances	8,632	11,470
	<u>50,552</u>	<u>51,098</u>
TOTAL ASSETS	<u>59,906</u>	<u>60,479</u>
EQUITY AND LIABILITIES		
Share Capital	54,411	54,411
Reserves	(7,032)	(6,360)
Total equity attributable to the owners of the parent	<u>47,379</u>	<u>48,051</u>
Non-controlling Interest	-	-
Total Equity	<u>47,379</u>	<u>48,051</u>
Non Current Liabilities		
Deferred tax liabilities	188	194
Long-term borrowings	98	126
	<u>286</u>	<u>320</u>
Current Liabilities		
Trade and Other Payables	8,143	8,022
Bank Borrowings	3,568	3,299
Taxation	530	787
	<u>12,241</u>	<u>12,108</u>
Total Liabilities	<u>12,527</u>	<u>12,428</u>
TOTAL EQUITY AND LIABILITIES	<u>59,906</u>	<u>60,479</u>
Net Assets Per Share attributable to owners of the parent (RM)		
	0.87	0.88

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for the year ended 31 December 2015.

MILUX CORPORATION BERHAD (313619-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	-----Attributable to owners of the parent ----->							
	<----- Non-Distributable ----->			Distributable				
	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	(Accumulated Losses)/Retained Profits	Total	Non-Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unaudited								
9-months ended 30 September 2015								
At 31 December 2014/								
1 January 2015	54,411	1,173	-	1	(7,859)	47,726	-	47,726
Loss after taxation	-	-	-	-	182	182	-	182
Other comprehensive income	-	-	-	2	-	2	-	2
Total comprehensive income/ (loss)	-	-	-	2	182	184	-	184
As at 30 September 2015	54,411	1,173	-	3	(7,677)	47,910	-	47,910
Unaudited								
9-months ended 30 September 2016								
At 31 December 2015/								
1 January 2016	54,411	1,173	-	2	(7,535)	48,051	-	48,051
Loss after taxation	-	-	-	-	(672)	(672)	-	(672)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/ (loss)	-	-	-	-	(672)	(672)	-	(672)
As at 30 September 2016	54,411	1,173	-	2	(8,207)	47,379	-	47,379

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for year ended 31 December 2015.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	9 months ended 30/09/2016	9 months ended 30/09/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	(88)	1,051
Adjustments for :-		
Amortisation of research and development expenditure	-	76
Amortisation of government grant	-	(15)
Allowance for obsolete stocks written down	-	213
Allowance for slow moving inventories no longer required	(309)	-
Impairment loss on trade receivables	134	256
Provision for potential legal liability	324	-
Depreciation	975	1,052
Property, plant and equipments written off	165	-
Impairment loss of other receivables	-	-
(Gain)/Loss on disposal of property, plant and equipments	5	-
Unrealised gain on forex	(1)	-
Unrealised loss on forex	2	-
Bad debts recovered	(126)	(108)
Waiver of debts due to shareholders	-	(60)
Provision for warranty cost	138	115
Share of (profit)/loss in joint venture	3	-
Interest expenses	167	160
Interest income	(124)	(166)
Operating Profit Before Working Capital Changes	1,265	2,574
Changes in working capital		
Inventories	220	645
Receivables	(2,341)	(2,901)
Payables	(101)	(46)
Cash Generated From Operations	(957)	272
Income tax refunded	-	147
Income tax paid	(1,466)	(357)
GST refunded	722	362
GST paid	(215)	(180)
Warranty paid	(30)	(34)
Net cash from operating activities	(1,946)	210
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	124	166
Investment in joint venture	(252)	-
Net (placement)/withdrawal of Fixed Deposits	1,632	(141)
Proceeds from disposal of property, plant & equipment	10	-
Purchase of unit trust	(1)	(1)
Purchase of property, plant and equipment	(848)	(215)
Net cash (used in)/from investing activities	665	(191)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(167)	(160)
Banker Acceptance	311	(1,496)
Proceeds from hire purchase facilities	56	-
Payment of hire purchase payable	(125)	(280)
Net cash from/(used in) financing activities	75	(1,936)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,206)	(1,917)
CASH AND CASH EQUIVALENT AT BEGINNING	5,730	6,559
CASH AND CASH EQUIVALENTS AT END	4,524	4,642
Represented by		
Cash and bank balances	4,524	4,642
	4,524	4,642

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the the accompanying explanatory notes attached to the interim Financial Statements and Annual Financial Report for year ended 31 December 2015.

Notes to interim financial report

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and the applicable disclosure provisions laid down in Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015 and the accompanying notes attached to these interim financial statements. Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries.

The significant accounting policies adopted by the Group in this Report are consistent with those adopted in the Audited Financial Statements of the Group for the financial period ended 31 December 2015 except for the adoption of the following New/Revised MFRSs and Amendments to MFRSs that became effective for annual period beginning on or after 1 January 2016 as follows:

Effective for annual financial periods beginning on or after 1 January 2016:

MFRS 14, *Regulatory Deferral Accounts*;

Amendments to MFRS 5, *Non-current Assets Held for Sales and Discontinued Operations* (Annual Improvements 2012 – 2014 Cycle);

Amendments to MFRS 7, *Financial Instruments: Disclosures* (Annual Improvements 2012 – 2014 Cycle);

Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*;

Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interest In Joint Operations*;

Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*;

Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation*;

Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*;

Amendments to MFRS 119, *Employee Benefits* (Annual Improvements 2012-2014 Cycle);

Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*;

Amendments to MFRS 134, *Interim Financial Reporting* (Annual Improvements 2012-2014 Cycle).

The initial application of the abovementioned standards, amendments and interpretations did not have material impact on this interim financial reporting.

A1. Basis of preparation (cont'd)

The Group has not adopted the following Standards and Amendments issued by the Malaysian Accounting Standards Board [“MASB”] which are not yet effective.

Effective for annual financial periods beginning on or after 1 January 2017

Amendments to MFRS 107, *Disclosure Initiative*;

Amendments to MFRS 112, *Recognition of Deferred Tax Assets for Unrealised Losses*.

Effective for annual financial periods beginning on or after 1 January 2018:

MFRS 9, *Financial Instruments*;

MFRS 15, *Revenue from Contracts with Customers*.

Effective for annual financial periods beginning on or after 1 January 2019:

MFRS 16, *Leases*

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material impact to the financial statements of the Group and the Company upon their initial application except MFRS 9 and MFRS 15.

A2. Audit qualification

The preceding year annual financial statements of the Group were not subject to any qualification by its Auditors.

A3. Seasonal or cyclical factors

The Group’s sales are generally dependent on the Malaysian economy and consumer confidence and are normally enhanced prior to festive seasons.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group in the quarterly financial statements under review.

A5. Material changes in estimates

There were no material changes in estimates in the quarterly financial statements under review.

A6. Issuances, cancellation, repurchase, resale and repayment of debts and equity securities

There were no issuances, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter under review.

A7. Dividends paid

No dividends were paid during the current quarter under review.

A8. Segmental information

The main business segments of the Group comprise the following :

Home appliances	-Manufacturer and dealer in household appliances and their related products.
Others	-Investment holding and provision of management services and rental income

Segment information in respect of the Group's business segments for the period under review is as follows:

Segment Assets and Liabilities as at 30 September 2016

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	69,512	9,495	(28,748)	50,259
Tax recoverable	734	65	-	799
Deferred tax asset	216	-	-	216
Deposits, cash and bank balances	7,980	652	-	8,632
Total Assets	78,442	10,212	(28,748)	59,906
<u>Liabilities</u>				
Segment Liabilities	92,974	2,631	(87,462)	8,143
Taxation	528	2	-	530
Deferred tax liabilities	188	-	-	188
Loan and borrowings	3,666	-	-	3,666
Total Liabilities	97,356	2,633	(87,462)	12,527

A8. Segmental information (cont'd)

Information on reportable segments

	Quarter ended 30-Sep-2016	Quarter ended 30-Sep-2015	YTD ended 30- Sep-2016	YTD ended 30- Sep-2015
	RM '000	RM '000	RM '000	RM '000
<u>External Revenue</u>				
Home appliances	17,771	16,665	53,433	51,044
Others	-	-	-	-
	17,771	16,665	53,433	51,044
<u>Inter-segment</u>				
Home appliances	1,628	1,646	4,902	8,527
Others	150	143	451	430
Elimination	(1,778)	(1,789)	(5,353)	(8,957)
	-	-	-	-
Total Revenue	17,771	16,665	53,433	51,044
<u>Segment Results</u>				
Home appliances	587	162	566	113
Others	(164)	(189)	(904)	(617)
Elimination	-	-	-	-
	423	(27)	(338)	(504)
<u>Other Income</u>				
Home appliances	132	562	256	1,466
Others	6	11	37	83
	138	573	293	1,549
<u>Interest expense</u>				
Home appliances	(57)	(50)	(167)	(160)
Others	-	-	-	-
	(57)	(50)	(167)	(160)
<u>Interest income</u>				
Home appliances	29	48	116	146
Others	-	20	8	20
	29	68	124	166
<u>Profit/(Loss) before taxation</u>				
Home appliances	691	722	771	1,565
Others	(158)	(158)	(859)	(514)
	533	564	(88)	1,051
<u>Tax expense</u>				
Home appliances	(392)	(232)	(579)	(858)
Others	(3)	10	(5)	(11)
	(395)	(222)	(584)	(869)
<u>Profit/(Loss) for the period</u>				
Home appliances	299	490	192	707
Others	(161)	(148)	(864)	(525)
	138	342	(672)	182
Fair Value gain on Available for sale financial asset	2	-	-	2
Total Comprehensive profit/(loss) for the period	140	342	(672)	184

A9. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material subsequent events

There were no material events subsequent to the current financial quarter ended 30 September 2016 up to the date of this interim financial report which is likely to substantially affect the results of the operations of the Group.

A11. Changes in the composition of the Group

On 7 September 2016, Milux Properties Sdn. Bhd. ("MPSB"), a wholly owned subsidiary of the Company had completed the subscription of the Investment Shares in the Agreed Proportions as set out in the JVSHA. With this, Phoenix Pentagon Sdn. Bhd. ("JVCO") became a 60% owned subsidiary of MPSB. The remaining 40% equity interest in JVCO is held by RGF Cabaran Sdn. Bhd..

A12. Contingent liabilities

The Company has given corporate guarantees to financial institution for banking facilities extended by them to certain subsidiaries which amounted to RM12.99 million as at 30 September 2016. The contingent liabilities of its subsidiaries pertaining to the facilities utilised as at 30 September 2016 amounted to RM 3.54 million.

A13. Capital commitments

Material commitments not provided for in the financial statements as at 30 September 2016 are as follows:

	As at 30 Sep 2016 RM'000
Advance for working capital to Phoenix Pentagon Sdn. Bhd.	<u>60</u>

A14. Related party disclosures

The Directors are of the opinion that the related party transactions described below were carried out in the ordinary course of business and has been established on negotiated terms.

Transactions with related parties during the period ended 30 September 2016 :

A14. Related party disclosures (cont'd)

	Quarter ended 30-Sep-16 RM '000	Quarter ended 30-Sep-15 RM '000	YTD ended 30-Sep-16 RM '000	YTD ended 30-Sep-15 RM '000
<u>Wages</u>				
Remuneration paid to employees connected to certain directors	<u>24</u>	<u>8</u>	<u>58</u>	<u>56</u>
<u>Rental Expense</u>				
Usaha Pimpinan Sdn. Bhd.	<u>90</u>	<u>-</u>	<u>270</u>	<u>-</u>

Save as disclosed above, there were no recurrent related party transactions of revenue or trading nature during the current financial period under review.

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITY BERHAD LISTING REQUIREMENTS

B1. Review of Performance

During the quarter under review, the Group posted a higher net revenue of RM17.77 million compared to RM16.67 million in the preceding year corresponding quarter. This represents an increase of 6.6%. Export sales increased by 21.2% to RM7.03 million from RM5.80 million. Domestic sales however decreased marginally by 1.1% to RM10.74 million from RM10.86 million.

The Group recorded a profit before tax of RM0.53 million and a profit after tax of RM 0.14 million during the quarter under review compared to a profit before tax of RM0.56 million and profit after tax of RM0.34 million in the preceding year corresponding quarter.

The Home appliances segment recorded a profit before tax of RM0.69 million while the Investment Holding and dormant companies segment (classified as "Others" in Note A8) recorded a loss before tax of RM0.16 million in the quarter under review. For the preceding year corresponding quarter, the Home appliances and Investment Holding and dormant companies segment recorded a profit before tax of RM0.72 million and a loss before tax of RM0.16 million respectively.

For the year to September 2016, the Group posted net revenue of RM53.43 million compared to RM51.04 million in the preceding year corresponding period, an increase of 4.7%.

The Group's loss before taxation was RM0.09 million for year to September 2016 compared to a profit before taxation of RM1.05 million in the preceding year corresponding period due substantially to lower Other Income received during the period under review.

B2. Comparison with immediate preceding quarter's results

Compared to the immediate preceding quarter, net revenue for the Group decreased by 7.3% to RM17.77 million from RM19.18 million due to lower domestic sales. Although export sales increased by 33.3% to RM7.03 million, domestic sales which contributed 60% of Group revenue fell by 22.8% to RM10.74 million from RM13.91 million. The decrease in domestic sales was mainly due to the current poor consumer sentiment.

The Group's profit before tax and profit after tax for the quarter under review amounted to RM0.53 million and RM0.14 million respectively compared to a loss before tax and loss after tax of RM0.28 million and RM0.32 million respectively in the immediate preceding quarter.

B3. Commentary on current year prospect

The Group expects the economic environment both locally and internationally to remain challenging. The rising cost of living as a result of the removal of certain subsidies, softening employment market and high household debt servicing will cap the upward trend in consumer spending in the domestic market. In the light of the current situation, the Group will continue to focus on building up a strong product range that is competitive and which meets market requirement while keeping a tight rein on costs.

B3. Commentary on current year prospect (cont'd)

With the difficult operating environment, the Group will endeavour to improve its performance for the remainder quarter of the current financial year 2016.

B4. Variance of actual and revenue or profit estimate

The Company has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the Group for the quarter under review.

B5. Taxation

	Quarter ended 30-09-16 RM '000	Quarter ended 30-09-15 RM '000	YTD ended 30-09-16 RM '000	YTD ended 30-09-15 RM '000
Current year tax expense	445	206	588	813
Prior year	(1)	(30)	(10)	(31)
RPGT	15	-	15	-
Deferred taxation	(64)	46	(9)	87
	<u>395</u>	<u>222</u>	<u>584</u>	<u>869</u>

The effective tax rate of the Group for the current quarter under review was higher than the Malaysian tax rate due to losses incurred by certain subsidiaries of the Group.

B6. Status of corporate proposals announced by the Company

On 16 October 2015, the Company announced to Bursa Securities that its wholly-owned subsidiary, Milux Properties Sdn. Bhd. ("MPSB"), had on 16 October 2015 entered into a joint-venture cum shareholders' agreement ("JVSHA") with RGF Cabaran Sdn. Bhd. (*formerly known as CG Global Venture Sdn. Bhd. ("RCSB")*) and the joint venture company known as Phoenix Pentagon Sdn Bhd. ("JVCO") for the purpose of participating in a joint venture to cooperate by pooling in their respective resources to jointly manage the development of all twelve (12) pieces of land measuring in area 25,832.31 square metre in Mukim Bentong, Daerah Bentong, Negeri Pahang Darul Makmur into residential property consisting of condominiums styled as "Pentagon Genting Highlands". On 20 October 2015 and 22 October 2015, the Company announced further information on this joint-venture in reply to Bursa Malaysia's Queries pertaining to the JVSHA.

On 5 November 2015, TA Securities Holdings Berhad announced on behalf of the Board of Directors of the Company that the Company proposes to undertake the Proposed Diversification of the existing business of MILUX and its subsidiaries to include project management business ("Proposed Diversification").

B6. Status of corporate proposals announced by the Company (cont'd)

On 5 February 2016, the Company announced to Bursa Securities the issuance of the Notice of Extraordinary General Meeting (“EGM”) to its shareholders on the Proposed Diversification.

On 10 February 2016, the Circular to Shareholders on the Proposed Diversification was despatched to the Shareholders.

On 15 February 2016, the Company announced to Bursa Securities that the Requisite Period to fulfil the Conditions Precedent as stipulated in the JVSHA falls due on 16 January 2016 with an automatic extension of one (1) month until 16 February 2016. The JV parties have mutually agreed to extend the time frame to fulfil the Conditions Precedent by two (2) months to 16 April 2016.

On 1 March 2016, the Board of Directors (“BOD”) announced that the resolution in relation to the Proposed Diversification tabled at the Extraordinary General Meeting (“EGM”) held on the same date was passed by the shareholders present and voting by show of hands at the said meeting.

On 20 April 2016, the BOD announced that the Requisite Period to fulfill the Conditions Precedent as stipulated in the JVSHA which falls due on 16 April 2016 pursuant to the letter of extension dated 15 February 2016 has been mutually extended to 16 May 2016 by the JV Parties.

On 16 May 2016, the BOD announced that the Requisite Period to fulfill the Conditions Precedent as stipulated in the JVSHA which falls due on 16 May 2016 pursuant to the letters of extension dated 15 February 2016 and 15 April 2016 has been mutually agreed to be extended to 15 July 2016 by the JV Parties.

On 15 July 2016, the BOD announced that the JV Parties to the JVSHA have fulfilled the Conditions Precedent as set out under Items 3.2 (i) to (vi) as stated in the announcement dated 16 October 2015. The JV Parties have mutually agreed that the subscription of the Investment Shares in the Agreed Proportions as set out under item 3.2 (vii) of the announcement dated 16 October 2015 be extended from fourteen (14) days to thirty (30) days, to be completed on or before 15 August 2016.

On 15 August 2016, the BOD announced that the JV Parties to the JVSHA have mutually agreed to extend the completion date for the subscription of the Investment Shares which expired on the same day to 15 September 2016.

On 7 September 2016, the BOD announced that the JV Parties have completed the subscription of the Investment Shares and JVCO is now a 60% owned subsidiary of MPSB.

B7. Group borrowings and debt securities

Secured bank borrowings are secured by fixed charges over the land and building owned by certain subsidiary companies and are guaranteed by the Company. The Group have not issued any debt securities.

B7. Group borrowings and debt securities (cont'd)

The total Group borrowings as at the 30 September 2016 are as follows:

	As at 30 September 2016		As at 30 September 2015	
	Short term Borrowing RM '000	Long term Borrowing RM '000	Short term Borrowing RM '000	Long term Borrowing RM '000
<u>Secured</u>				
Hire-Purchase	118	98	191	174
Bankers' acceptance	3,450	-	2,943	-
Total	<u>3,568</u>	<u>98</u>	<u>3,134</u>	<u>174</u>

B8. Material litigation

Pansprint Consolidated Sdn. Bhd. ("Pansprint")

On 26 July 2016, the Board of Directors announced that the Company's wholly-owned subsidiary, Pansprint had on 25 July 2016 been served with a Writ of Summon and Statement of Claim ("Writ of Summon") in relation to a claim filed by Fong Kah Heng Trading ("FKH Trading"). The Writ of Summon is for Pansprint to pay RM 324,495.60, interest at a rate of 5% per annum on the sum of RM 324,495.60 from the date of Writ of Summon until date of full settlement, cost of filing of Writ of Summon and any other amount deemed fit by Kuantan Session Courts.

The Kuantan Session Court has fixed the case management on 9 August 2016.

On 10th August 2016, the Board of Directors announced that the Court had on 9 August 2016 fixed the following dates:

- (i) 17th August, 2016 for the filing of the Defendants' Defence;
- (ii) 1st September, 2016 for the filing of Plaintiff's Reply, if any; and
- (iii) 6th September, 2016 for case management

On 9 November 2016, the Board of Directors announced that the case has been transferred from the Kuantan Sessions Court to the Shah Alam Sessions Court and was registered under a new suit no. BA-B52NCVC-412-11/2016 pursuant to the Kuantan Sessions Court Order dated 28 September 2016.

The Case Management has been scheduled to be held on 6 December 2016 at Shah Alam Sessions Court.

Enamel Products Sdn. Bhd. ("EPSB")

On 18 August 2016, the Board of Directors announced that the Company's wholly-owned subsidiary, EPSB had been served with a Writ of Summon and Statement of Claim ("Writ of Summon") on 17 August 2016 evening in relation to a claim file by Tenaga Nasional Berhad ("TNB"). The Writ of Summon is in respect of TNB's claim for alleged loss suffered by TNB for the period between 12 May 2008 to 29 May 2012 amounting to RM793,358.71, interest at 5% per annum from the date of judgement until date of full settlement, cost of filing of Writ

B8. Material litigation (cont'd)

of Summon and any other amount deemed fit by the Magistrate Court.

EPSB had in reply written to TNB's solicitors with a proposed settlement of the claim.

TNB via its solicitors had on 18 October 2016 replied to EPSB's letter with a settlement proposal which the Company has rejected. The Company's counter proposal to TNB on 1 November 2016 was rejected by TNB.

The Case has been fixed for mentioned on 29 November 2016.

B9. Dividends

No interim dividend has been declared for the current quarter under review.

B10. Earnings/(loss) per share

The basic earnings/(loss) per share has been calculated by dividing the Group's earnings/(loss) for the period by the weighted average number of ordinary shares in issue during the period. There is no dilutive effect on earnings/(loss) per share as the Company has no potential issues of ordinary shares.

i) Profit/(loss) for the period (basic)

	Quarter ended 30-Sep-16 RM '000	Quarter ended 30-Sep-15 RM '000	YTD ended 30-Sep-16 RM '000	YTD ended 30-Sep-15 RM '000
Profit/(Loss) attributable to owners of the parent	138	342	(672)	182

ii) Number of ordinary shares (basic)

	Quarter ended 30-Sep-16	Quarter ended 30-Sep-15	YTD ended 30-Sep-16	YTD ended 30-Sep-15
Weighted average number of ordinary shares ('000)	54,411	54,411	54,411	54,411
Basic earnings/(loss) per share (sen)	0.25	0.63	(1.24)	0.33

B11. Disclosure of realised and unrealised retained profit/(loss)

The breakdown of retained earnings as at reporting date is as follows:

	As at 30 September 2016 RM '000	As at 31 December 2015 RM '000
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(81,173)	(81,107)
-Unrealised	(589)	15
	(81,762)	(81,092)
Total share of (accumulated losses)/retained profits of jointly controlled entities		
-Realised	(3)	-
-Unrealised	-	-
Less: Consolidated adjustments	73,557	73,557
Total (accumulated losses)/retained profits as at 30 September/ 31 December	(8,208)	(7,535)

B12. Profit/(loss) for the period

	Quarter ended 30-Sep-16 RM '000	Quarter ended 30-Sep-15 RM '000	YTD ended 30-Sep-16 RM '000	YTD ended 30-Sep-15 RM '000
Profit/(Loss) before taxation is arrived at after charging/(crediting)				
Interest expense	57	50	167	160
Interest income	(29)	(68)	(124)	(166)
Unrealised foreign exchange (gain)/loss	7	(233)	-	(531)
Realised foreign exchange (gain)/loss	(52)	(205)	301	(674)
Depreciation	314	338	975	1,052
Amortisation	-	(5)	-	61
Provision for potential liability	-	-	324	-
(Gain)/Loss on disposal of property, plant & machinery	(3)	-	5	-
Property, plant & equipment written-off	10	-	165	-
Impairment loss on trade receivables	134	125	134	256
Impairment for slow moving stocks	-	123	-	213
Impairment for slow moving stocks no longer required	(32)	-	(309)	-

Dated: 24 November 2016