

MILUX CORPORATION BERHAD (313619-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

	Individual Quarter		Cumulative Period	
	Current year	Preceding year	Current year	Preceding year
	quarter	quarter	to date	to date
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Audited
Revenue	19,004	18,846	72,437	69,890
Cost of Sales	(17,058)	(14,643)	(59,441)	(55,810)
Gross Profit	1,946	4,203	12,996	14,080
Other income	679	187	1,096	1,902
Administration and general expenses	(2,897)	(3,307)	(10,593)	(10,529)
Selling and distribution expenses	(1,108)	(486)	(4,797)	(3,645)
Finance expenses	(71)	(60)	(238)	(220)
Share of profit/(loss) of a joint venture (net of tax)	8	-	5	-
Profit/(Loss) before tax	(1,443)	537	(1,531)	1,588
Taxation	(541)	(395)	(1,125)	(1,264)
Profit/(Loss) for the period	(1,984)	142	(2,656)	324
Other Comprehensive Income	-	(1)	-	1
Total Comprehensive Profit/(loss) for the period	(1,984)	141	(2,656)	325
Profit/(Loss) attributable to:				
Owners of the parent	(1,984)	142	(2,656)	324
Non-controlling Interest	-	-	-	-
	(1,984)	142	(2,656)	324
Total Comprehensive Profit/(loss) attributable to:				
Owners of the parent	(1,984)	141	(2,656)	325
Non-controlling Interest	-	-	-	-
	(1,984)	141	(2,656)	325
Earnings / (Loss) per share attributable to owners of the parent				
- Basic (sen)	(3.65)	0.26	(4.88)	0.59
- 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 31 DECEMBER 2016

	UNAUDITED AS AT 31 Dec 2016 RM'000	AUDITED AS AT 31 Dec 2015 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	7,941	7,994
Investment Properties	361	374
Investment in a joint venture	257	-
Other Investments	44	44
Goodwill on consolidation	222	782
Deferred Tax Asset	-	187
	<u>8,825</u>	<u>9,381</u>
Current Assets		
Inventories	21,676	22,099
Trade and Other Receivables	20,631	17,529
Deposits, Cash & Bank Balances	8,513	11,470
	<u>50,820</u>	<u>51,098</u>
TOTAL ASSETS	<u>59,645</u>	<u>60,479</u>
EQUITY AND LIABILITIES		
Share Capital	54,411	54,411
Reserves	(9,016)	(6,360)
Total equity attributable to the owners of the parent	<u>45,395</u>	<u>48,051</u>
Non-controlling Interest	-	-
Total Equity	<u>45,395</u>	<u>48,051</u>
Non Current Liabilities		
Deferred tax liabilities	277	194
Long-term borrowings	793	126
	<u>1,070</u>	<u>320</u>
Current Liabilities		
Trade and Other Payables	8,244	8,022
Bank Borrowings	4,681	3,299
Taxation	255	787
	<u>13,180</u>	<u>12,108</u>
Total Liabilities	<u>14,250</u>	<u>12,428</u>
TOTAL EQUITY AND LIABILITIES	<u>59,645</u>	<u>60,479</u>
Net Assets Per Share attributable to owners of the parent (RM)		
	0.83	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 31 DECEMBER 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
Audited								
<u>12-months ended 31 December 2015</u>								
At 31 December 2014/								
1 January 2015	54,411	1,173	-	1	(7,859)	47,726	-	47,726
Profit after taxation	-	-	-	-	324	324	-	324
Other comprehensive income	-	-	-	1	-	1	-	1
Total comprehensive income/								
(loss)	-	-	-	1	324	325	-	325
As at 31 December 2015	54,411	1,173	-	2	(7,535)	48,051	-	48,051
Unaudited								
<u>12-months ended 31 December 2016</u>								
At 31 December 2015/								
1 January 2016	54,411	1,173	-	2	(7,535)	48,051	-	48,051
Loss after taxation	-	-	-	-	(2,656)	(2,656)	-	(2,656)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/								
(loss)	-	-	-	-	(2,656)	(2,656)	-	(2,656)
As at 31 December 2016	54,411	1,173	-	2	(10,191)	45,395	-	45,395

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 31 DECEMBER 2016

	12 months ended 31/12/2016	12 months ended 31/12/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(loss) before income tax	(1,531)	1,588
Adjustments for :-		
Goodwill on consolidation written off	561	-
Amortisation of research and development expenditure	-	76
Amortisation of government grant	-	(105)
Allowance for slow moving inventories and inventories written off	1,864	728
Write back of allowance for slow moving inventories no longer required	(369)	(2,322)
Impairment loss on receivables	353	175
Investment written off	-	20
Write back of Impairment loss on trade receivables no longer required	-	(105)
Depreciation	1,314	1,492
Property, plant and equipments written off	556	223
Net (Gain)/Loss on disposal of property, plant and equipments	(162)	(26)
Unrealised gain on forex	(421)	(23)
Unrealised loss on forex	70	-
Bad debts recovered	(164)	-
Waiver of debts due to shareholders	-	(60)
Provision for warranty cost	28	151
Share of (profit)/loss in joint venture	(5)	-
Interest expenses	238	220
Interest income	(165)	(215)
Operating Profit Before Working Capital Changes	2,167	1,817
Changes in working capital		
Inventories	(1,072)	(289)
Receivables	(4,045)	(3,847)
Payables	792	4,351
Cash Generated From Operations	(2,158)	2,032
Income tax refunded	32	181
Income tax paid	(1,433)	(922)
GST refunded	818	-
GST paid	(259)	-
Warranty paid	(38)	(40)
Net cash from operating activities	(3,038)	1,251
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	165	211
Investment in joint venture	(252)	-
Net (placement)/withdrawal of Fixed Deposits	1,603	(176)
Proceeds from disposal of property, plant & equipment	239	60
Purchase of unit trust	(1)	(1)
Purchase of property, plant and equipment	(1,880)	(311)
Net cash (used in)/from investing activities	(126)	(217)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(238)	(220)
Net proceeds/(Repayment) of Banker Acceptance	(7)	(1,300)
Net Proceeds/(Repayment) of hire purchase facilities	718	(360)
Net cash from/(used in) financing activities	473	(1,880)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,691)	(846)
Effect of exchange rate fluctuations in cash and cash equivalents		17
CASH AND CASH EQUIVALENT AT BEGINNING	5,730	6,559
CASH AND CASH EQUIVALENTS AT END	3,039	5,730
Represented by		
Cash and bank balances	4,377	5,730
Bank overdraft	(1,338)	
	3,039	5,730

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the the accompanying explanatory notes attached to the⁴ 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:

Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*;

MFRS 9, *Financial Instruments*;

MFRS 15, *Revenue from Contracts with Customers*;

MFRS 15, *Clarifications to MFRS 15*.

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

MFRS 16, *Leases*.

Effective for a date yet to be confirmed:

Amendments to MFRS 10 and MFRS 128, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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 31 December 2016

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	62,735	9,114	(20,941)	50,908
Tax recoverable	192	32	-	224
Deferred tax asset	-	-	-	-
Deposits, cash and bank balances	7,832	681	-	8,513
Total Assets	70,759	9,827	(20,941)	59,645
<u>Liabilities</u>				
Segment Liabilities	92,678	2,152	(86,586)	8,244
Taxation	255	-	-	255
Deferred tax liabilities	277	-	-	277
Loan and borrowings	5,474	-	-	5,474
Total Liabilities	98,684	2,152	(86,586)	14,250

A8. Segmental information (cont'd)

Information on reportable segments

	Quarter ended 31-Dec-16 RM '000	Quarter ended 31-Dec-15 RM '000	YTD ended 31-Dec-16 RM '000	YTD ended 31-Dec-15 RM '000
Home appliances	19,004	18,846	72,437	69,890
Others	-	-	-	-
External Revenue	19,004	18,846	72,437	69,890
Home appliances	1,082	1,357	5,984	9,884
Others	151	172	602	602
Elimination	(1,233)	(1,529)	(6,586)	(10,486)
Inter-segment	-	-	-	-
Total Revenue	19,004	18,846	72,437	69,890
Home appliances	(1,740)	878	(1,174)	991
Others	250	(468)	(654)	(1,085)
Goodwill written off	(561)	-	(561)	-
Elimination	-	-	-	-
Segment Results	(2,051)	410	(2,389)	(94)
Home appliances	633	164	889	1,630
Others	5	(26)	42	57
Other Income	638	138	931	1,687
Home appliances	(71)	(60)	(238)	(220)
Others	-	-	-	-
Interest expense	(71)	(60)	(238)	(220)
Home appliances	32	42	148	188
Others	9	7	17	27
Interest income	41	49	165	215
Home appliances	(1,146)	1,024	(375)	2,589
Others	264	(487)	(595)	(1,001)
Goodwill written off	(561)	-	(561)	-
Profit/(Loss) before taxation	(1,443)	537	(1,531)	1,588
Home appliances	(542)	(385)	(1,121)	(1,243)
Others	1	(10)	(4)	(21)
Tax expense	(541)	(395)	(1,125)	(1,264)
Home appliances	(1,688)	639	(1,496)	1,346
Others	265	(497)	(599)	(1,022)
Goodwill written off	(561)	-	(561)	-
Profit/(Loss) for the period	(1,984)	142	(2,656)	324
Fair Value gain/(loss) on Available for sale financial asset	-	(1)	-	1
Total Comprehensive profit/(loss) for the period	(1,984)	141	(2,656)	325

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 31 December 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 1 December 2016, as part of the streamlining exercise of the Group, the one (1) ordinary share each held by Mr. Koh Pee Seng and Dato' Mohamed Salleh Bin Bajuri, the directors of the Company respectively in Milux GreenTech Resources Sdn. Bhd. ("MGRSB") formerly known as Milux Agro Resources Sdn. Bhd. (Co. No: 989607-D), the deemed wholly-owned subsidiary of the Company has been duly transferred to the Company representing 100% equity interest in MGRSB for a total cash consideration of RM2.00. Consequent thereto, MGRSB became a wholly-owned subsidiary of the Company.

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 31 December 2016. The contingent liabilities of its subsidiaries pertaining to the facilities utilised as at 31 December 2016 amounted to RM 4.56 million.

A13. Capital commitments

Material commitments not provided for in the financial statements as at 31 December 2016 are as follows:

	As at 31 Dec 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 31 December 2016 :

A14. Related party disclosures (cont'd)

	Quarter ended 31-Dec-16 RM '000	Quarter ended 31-Dec-15 RM '000	YTD ended 31-Dec-16 RM '000	YTD ended 31-Dec-15 RM '000
<u>Wages</u>				
Remuneration paid to employees connected to certain directors	<u>24</u>	<u>6</u>	<u>81</u>	<u>62</u>
<u>Rental Expense</u>				
Usaha Pimpinan Sdn. Bhd.	<u>90</u>	<u>-</u>	<u>360</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 RM19.00 million compared to RM18.85 million in the preceding year corresponding quarter. This represents an increase of 0.8%. Domestic sales increased by 9.8% to RM11.62 million from RM10.58 million. Meanwhile, export sales decreased to RM7.39 million from RM8.26 million, a decreased of 10.5%

The Group recorded a loss before tax (“LBT”) of RM1.44 million and a loss after tax (“LAT”) of RM1.98 million during the quarter under review compared to a Profit before tax (“PBT”) of RM0.54 million and Profit after tax (“PAT”) of RM0.14 million in the preceding year corresponding quarter. The LBT was due to write off of goodwill on consolidation amounting to RM0.56 million and impairment and write off of slow moving inventories of RM1.86 million involving one of the Group’s subsidiary involved in assembly operation.

The Home appliances segment recorded a LBT of RM1.15 million while the Investment Holding and dormant companies segment (classified as “Others” in Note A8) recorded a PBT of RM0.26 million in the quarter under review. The PBT for the Investment Holding and dormant companies segment was due to the write back of impairment for contingent liability. For the preceding year corresponding quarter, the Home appliances and Investment Holding and dormant companies segment recorded a PBT of RM1.02 million and a loss before tax (“LBT”) of RM0.49 million respectively.

For the year to December 2016, the Group posted net revenue of RM72.44 million compared to RM69.89 million in the preceding year, an increase of 3.6%

The Group’s LBT was RM1.53 million for year to 31 December 2016 compared to a PBT of RM1.59 million in the preceding year due to write off of goodwill on consolidation and impairment and write off of slow moving inventories whereas there was write back of impairment of inventories which amounted to RM2.32 million in the preceding year.

B2. Comparison with immediate preceding quarter’s results

Compared to the immediate preceding quarter, net revenue for the Group increased by 6.9% to RM19.00 million from RM17.77 million due to higher domestic and export sales. Export sales increased by 5.1% to RM7.39 million while domestic sales which contributed 61% of Group revenue increased by 8.2% to RM11.62 million from RM10.74 million.

The Group’s LBT and LAT for the quarter under review amounted to RM1.44 million and RM1.98 million respectively compared to a PBT and PAT of RM0.53 million and RM0.14 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 increasingly competitive and challenging. It will continue to focus on strengthening its product range and quality making them competitive and staying in tandem with market requirements.

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

The Group endeavours to improve its performance for financial year 2017 and will continue to rationalize its overall business operation while improving its operational efficiency.

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 31-12-16 RM '000	Quarter ended 31-12-15 RM '000	YTD ended 31-12-16 RM '000	YTD ended 31-12-15 RM '000
Current year tax expense	318	695	906	1,508
Prior year	27	28	17	(3)
RPGT	-	-	15	-
Deferred taxation	196	(328)	187	(241)
	<u>541</u>	<u>395</u>	<u>1,125</u>	<u>1,264</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

With the completion of the corporate proposal on 7 September 2016 which was first announced on 16 October 2015, whereby the Company announced to Bursa Securities that its wholly-owned subsidiary, Milux Properties Sdn. Bhd., had on 16 October 2015 entered into a joint-venture cum shareholders' agreement with RGF Cabaran Sdn. Bhd. (*formerly known as CG Global Venture Sdn. Bhd.*) and the joint venture company known as Phoenix Pentagon Sdn Bhd, there were no corporate proposals announced and remained uncompleted as at the date of this announcement.

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 31 December 2016 are as follows:

	As at 31 December 2016		As at 31 December 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	211	793	161	125
Bank overdrafts	1,338	-	-	-
Bankers' acceptance	3,132	-	3,139	-
Total	<u>4,681</u>	<u>793</u>	<u>3,300</u>	<u>125</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 ("KSC") has fixed the case management on 9 August 2016.

On 10th August 2016, the Board of Directors announced that the KSC 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 KSC to the Shah Alam Sessions Court ("SASC") and was registered under a new suit no. BA-B52NCVC-412-11/2016 pursuant to the KSC Order dated 28 September 2016 and that the case management has been scheduled to be held on 6 December 2016 at SASC.

On 6 December 2016, the SASC fixed 20 December 2016 for the hearing for further directions in setting the matter for trial.

At the 20 December 2016 case management, the SASC set 25 January 2017 for the next case management.

At the 25 January 2017 case management, the SASC fixed 28 February 2017 for the next case management and simultaneously fixed 21 March 2017 for mediation to be held at the Selangor

B8. Material litigation (cont'd)

Mediation Centre, Sultan Salahuddin Abdul Aziz Shah Courthouse, Shah Alam, Selangor Darul Ehsan.

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 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 by the Butterworth Magistrate Court ("BMC").

At the 29 November 2016 case management, the BMC fixed 3 January 2017 for the next case management.

At the 3 January 2017 case management, BMC fixed 3 February 2017 for the next case management for both parties to finalise the court bundles.

At the 3 February 2017 case management, BMC fixed 4 April 2017 for hearing of the case.

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.

B10. Earnings/(loss) per share (cont'd)

	Quarter ended 31-Dec-16 RM '000	Quarter ended 31-Dec-15 RM '000	YTD ended 31-Dec-16 RM '000	YTD ended 31-Dec-15 RM '000
Profit/(Loss) attributable to owners of the parent	<u>(1,984)</u>	<u>142</u>	<u>(2,656)</u>	<u>324</u>
ii) Number of ordinary shares (basic)				
	Quarter ended 31-Dec-16	Quarter ended 31-Dec-15	YTD ended 31-Dec-16	YTD ended 31-Dec-15
Weighted average number of ordinary shares ('000)	<u>54,411</u>	<u>54,411</u>	<u>54,411</u>	<u>54,411</u>
Basic earnings/(loss) per share (sen)	<u>(3.65)</u>	<u>0.26</u>	<u>(4.88)</u>	<u>0.59</u>

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

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

	As at 31 December 2016 RM '000	As at 31 December 2015 RM '000
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(90,340)	(81,107)
- Unrealised	(101)	15
	<u>(90,441)</u>	<u>(81,092)</u>
Total (accumulated losses)/retained profits of jointly controlled entities		
- Realised	5	-
- Unrealised	-	-
Less: Consolidated adjustments	<u>80,245</u>	<u>73,557</u>
Total (accumulated losses)/retained profits as at 30 September/31 December	<u>(10,191)</u>	<u>(7,535)</u>

B12. Profit/(loss) for the period

	Quarter ended	Quarter ended	YTD ended	YTD ended
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) before taxation is arrived at after charging/(crediting)				
Interest expense	71	60	238	220
Interest income	(41)	(49)	(165)	(215)
Unrealised foreign exchange (gain)/loss (net)	(351)	508	(351)	(23)
Realised foreign exchange (gain)/loss (net)	(75)	(596)	226	(1,270)
Depreciation	339	440	1,314	1,492
Amortisation	-	15	-	76
Provision for potential liability written back	(324)	-	-	-
(Gain)/Loss on disposal of property, plant & machinery (net)	(167)	(26)	(162)	(26)
Property, plant & equipment written- off	391	223	556	223
Impairment loss on trade receivables	219	(85)	353	171
Impairment for slow moving inventories and inventories written off	1,864	516	1,864	729
Impairment for slow moving inventories no longer required	(60)	(2,322)	(369)	(2,322)
Goodwill on consolidation written off	561	-	561	-

Dated: 24 February 2017