

## MILUX CORPORATION BERHAD (313619-W)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Individual Quarter		Cumulative Period	
		Current year	Preceding year	Current year	Preceding year
		quarter	quarter	to date	to date
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Audited
Revenue	A8	20,265	19,004	79,694	72,437
Cost of Sales		(16,320)	(16,975)	(63,643)	(59,358)
Gross Profit		3,945	2,029	16,051	13,079
Other income		43	676	880	1,093
Administration and general expenses		(2,674)	(3,623)	(11,194)	(11,319)
Selling and distribution expenses		(1,421)	(463)	(5,840)	(4,152)
Finance expenses		(128)	(71)	(504)	(238)
Share of loss of a joint venture (net of tax)		(1)	-	(6)	(3)
<b>Profit/(Loss) before tax</b>	A8	(236)	(1,452)	(613)	(1,540)
Tax Expenses	B5	(211)	(541)	(225)	(1,125)
<b>Profit/(Loss) for the period</b>	B12	(447)	(1,993)	(838)	(2,665)
Other Comprehensive Income		-	-	4	-
<b>Total Comprehensive profit/(loss) for the period</b>		(447)	(1,993)	(834)	(2,665)
Profit/(Loss) attributable to:					
Owners of the parent		(447)	(1,993)	(838)	(2,665)
Non-controlling Interest		-	-	-	-
		(447)	(1,993)	(838)	(2,665)
Total Comprehensive profit/(loss) attributable to:					
Owners of the parent		(447)	(1,993)	(834)	(2,665)
Non-controlling Interest		-	-	-	-
		(447)	(1,993)	(834)	(2,665)
Earnings/(Loss) per share attributable to owners of the parent	B10				
- Basic (sen)		(0.82)	(3.66)	(1.54)	(4.90)
- 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 2016.

**MILUX CORPORATION BERHAD (313619-W)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017**

	<b>UNAUDITED AS AT 31 Dec 2017 RM'000</b>	<b>AUDITED AS AT 31 Dec 2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	7,564	7,941
Investment Properties	348	361
Investment in a joint venture	243	249
Other Investments	49	44
Goodwill on consolidation	222	222
	<u>8,426</u>	<u>8,817</u>
<b>Current Assets</b>		
Inventories	24,054	21,675
Trade and Other Receivables	B13 21,814	21,302
Fixed deposits with licensed banks	3,288	4,137
Cash & Bank Balances	3,914	4,377
	<u>53,070</u>	<u>51,491</u>
<b>TOTAL ASSETS</b>	<u>61,496</u>	<u>60,308</u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	54,411	54,411
Reserves	(9,859)	(9,025)
Total equity attributable to the owners of the parent	44,552	45,386
Non-controlling Interest	-	-
Total Equity	<u>44,552</u>	<u>45,386</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	122	277
Long-term borrowings	B7 965	792
	<u>1,087</u>	<u>1,069</u>
<b>Current Liabilities</b>		
Trade and Other Payables	9,554	8,916
Bank Borrowings	B7 6,185	4,682
Taxation	118	255
	<u>15,857</u>	<u>13,853</u>
Total Liabilities	<u>16,944</u>	<u>14,922</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>61,496</u>	<u>60,308</u>
<b>Net Assets Per Share attributable to owners of the parent (RM)</b>	0.82	0.83

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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

<-----Attributable to owners of the parent----->  
 <----- Non-Distributable ----->

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	(Accumulated Losses)/Retained Profits RM'000	Total RM'000	Non-Controlling Interest RM'000	Total RM'000
<b>Audited</b>								
<b>12-months ended 31 December 2016</b>								
At 31 December 2015/								
1 January 2016	54,411	1,173	-	2	(7,535)	48,051	-	48,051
Loss after taxation	-	-	-	-	(2,665)	(2,665)	-	(2,665)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(2,665)	(2,665)	-	(2,665)
As at 31 December 2016	54,411	1,173	-	2	(10,200)	45,386	-	45,386
<b>Unaudited</b>								
<b>12-months ended 31 December 2017</b>								
At 31 December 2016/								
1 January 2017	54,411	1,173	-	2	(10,200)	45,386	-	45,386
Loss after taxation	-	-	-	-	(838)	(838)	-	(838)
Other comprehensive income	-	-	-	4	-	4	-	4
Total comprehensive income/ (loss) for the period	-	-	-	4	(838)	(834)	-	(834)
As at 31 December 2017	54,411	1,173	-	6	(11,038)	44,552	-	44,552

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 2016.

## MILUX CORPORATION BERHAD (313619-W)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	12 months ended 31/12/2017	12 months ended 31/12/2016
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before income tax	(613)	(1,540)
Adjustments for :-		
Allowance for slow moving inventories	425	2,006
Inventories written off	71	-
Depreciation	1,257	1,314
Property, plant & equipment written off	2	235
(Gain)/loss on disposal of property, plant and equipment	(209)	(162)
Impairment loss on receivables	460	424
Impairment loss on Goodwill on consolidation	-	560
Impairment loss on Property, plant & equipment	-	322
Provision for warranty cost	80	28
Share of loss in joint venture	6	3
Unrealised loss/(gain) on forex	603	(372)
Reversal of Impairment loss on trade receivables no longer required	(238)	(145)
Write back of allowance for slow moving inventories no longer required	(251)	(511)
Interest expenses	504	238
Interest income	(149)	(165)
Operating Profit Before Working Capital Changes	1,948	2,235
Changes in working capital		
Inventories	(2,623)	(1,072)
Receivables	(842)	(3,640)
Payables	18	830
Cash Generated From Operations	(1,499)	(1,647)
Interest paid	(224)	(10)
Tax refunded	259	73
Tax paid	(687)	(1,474)
Warranty paid	(44)	(38)
<b>Net cash from operating activities</b>	<b>(2,195)</b>	<b>(3,096)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	149	190
Investment in joint venture	-	(252)
Net (placement)/withdrawal of Fixed Deposits	880	2,138
Proceeds from disposal of property, plant & equipment	238	239
Purchase of other investment	(1)	(1)
Purchase of property, plant and equipment	(898)	(867)
<b>Net cash (used in)/from investing activities</b>	<b>368</b>	<b>1,447</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest paid	(280)	(228)
Net proceeds/(repayment) of Banker Acceptance	(172)	(7)
Proceeds from bank facilities	202	-
Net proceeds/(repayment) of hire purchase facilities	303	(295)
<b>Net cash from/(used in) financing activities</b>	<b>53</b>	<b>(530)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,774)</b>	<b>(2,179)</b>
Effect of exchange rate fluctuations on cash held	-	22
CASH AND CASH EQUIVALENT AT BEGINNING	4,100	6,257
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>2,326</b>	<b>4,100</b>
<b>Represented by</b>		
Fixed Deposits with licensed banks	3,288	4,136
Cash and bank balances	3,914	4,377
Bank overdraft	(2,681)	(1,338)
Fixed Deposits with maturity of more than 3 months	(2,195)	(3,075)
	<b>2,326</b>	<b>4,100</b>

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 2016.

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## 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 2016 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 2016 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 2017 as follows:

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

Amendments to MFRS 12, *Disclosure of Interest in Other Entities* \*;

Amendments to MFRS 107, *Disclosure Initiative*;

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

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

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 2018:

MFRS 9, *Financial Instruments*;

MFRS 15, *Revenue from Contracts with Customers and Clarifications to MFRS 15*;

Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* \*;

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

Amendments to MFRS 4, *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*;

Amendments to MFRS 128, *Investments in Associates and Joint Ventures* \*;

Amendments to MFRS 140, *Transfers of Investment Property*;

IC Interpretations 22, *Foreign Currency Transactions and Advance Consideration*.

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### A1. Basis of preparation (cont'd)

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

MFRS 16, *Leases*.

Amendments to MFRS 9, *Prepayment Features with Negative Compensations*;

Amendments to MFRS 128, *Long-term interests in Associates and Joint Ventures*.

Annual Improvements to MFRSs 2015-2017 Cycle

Effective for annual financial periods beginning on or after 1 January 2021:

MFRS 17, *Insurance Contracts*

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*

\*Annual improvements to MFRS Standards 2014-2016 Cycle.

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.

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### 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:

#### Information on reportable segments

#### Segment Assets and Liabilities as at 31 December 2017

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	66,887	8,852	(21,580)	54,159
Tax recoverable	121	14	-	135
Deferred tax asset	-	-	-	-
Deposits, cash and bank balances	6,607	595	-	7,202
<b>Total Assets</b>	<b>73,615</b>	<b>9,461</b>	<b>(21,580)</b>	<b>61,496</b>
<u>Liabilities</u>				
Segment Liabilities	94,121	2,504	(87,071)	9,554
Taxation	115	3	-	118
Deferred tax liabilities	122	-	-	122
Loan and borrowings	7,150	-	-	7,150
<b>Total Liabilities</b>	<b>101,508</b>	<b>2,507</b>	<b>(87,071)</b>	<b>16,944</b>

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## A8. Segmental information (cont'd)

	Quarter ended 31-Dec-17 RM '000	Quarter ended 31-Dec-16 RM '000	YTD ended 31-Dec-17 RM '000	YTD ended 31-Dec-16 RM '000
<u>External Revenue</u>				
Home appliances	20,265	19,004	79,694	72,437
Others	-	-	-	-
	20,265	19,004	79,694	72,437
<u>Inter-segment</u>				
Home appliances	801	1,082	3,955	5,984
Others	256	151	707	602
Elimination	(1,057)	(1,233)	(4,662)	(6,586)
	-	-	-	-
<b>Total Revenue</b>	<b>20,265</b>	<b>19,004</b>	<b>79,694</b>	<b>72,437</b>
<u>Segment Results</u>				
Home appliances	526	(1,171)	175	(605)
Others	(677)	(325)	(1,164)	(1,229)
Goodwill written off	-	(561)	-	(561)
	(151)	(2,057)	(989)	(2,395)
<u>Other Income</u>				
Home appliances	(10)	643	704	899
Others	6	(8)	27	29
	(4)	635	731	928
<u>Interest expense</u>				
Home appliances	(128)	(71)	(504)	(238)
Others	-	-	-	-
	(128)	(71)	(504)	(238)
<u>Interest income</u>				
Home appliances	39	32	133	148
Others	8	9	16	17
	47	41	149	165
<u>Profit/(loss) before taxation</u>				
Home appliances	427	(567)	508	204
Goodwill written off	-	(324)	-	(1,183)
Others	(663)	(561)	(1,121)	(561)
	(236)	(1,452)	(613)	(1,540)



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## A8. Segmental information (cont'd)

	Quarter ended 31-Dec-17 RM '000	Quarter ended 31-Dec-16 RM '000	YTD ended 31-Dec-17 RM '000	YTD ended 31-Dec-16 RM '000
<u>Tax expenses</u>				
Home appliances	(210)	(542)	(222)	(1,121)
Others	(1)	1	(3)	(4)
	(211)	(541)	(225)	(1,125)
<b>Profit/(loss) for the period</b>				
Home appliances	217	(1,109)	286	(917)
Goodwill written off	-	(323)	-	(1,187)
Others	(664)	(561)	(1,124)	(561)
	(447)	(1,993)	(838)	(2,665)
Fair Value gain/(loss) on Available for sale financial asset				
	-	-	4	-
<b>Total Comprehensive profit/(loss) for the period</b>				
	(447)	(1,993)	(834)	(2,665)

## 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 2017 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

During the quarter, the members' voluntary winding-up of Andersen's of Denmark (M) Sdn. Bhd., a 60% owned subsidiary of the Company was completed with the filing of final Borang 75 on 19 October 2017. The Company was officially dissolved on 19 January 2018.

## A12. Contingent liabilities

The Company has extended its corporate guarantees to financial institution for banking facilities granted by them to certain subsidiaries which amounted to RM12.02 million as at 31 December 2017. The contingent liabilities of the company pertaining to the facilities utilized by its subsidiaries as at 31 December 2017 amounted to RM5.96 million.

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### A13. Capital commitments

Material commitments not provided for in the financial statements as at 31 December 2017 are as follows:

	<b>As at 31 Dec 2017</b> <b>RM'000</b>
Advance for working capital to Phoenix Pentagon Sdn. Bhd.	<u>60</u>

### A14. Related party disclosures

Save as disclosed below, there is no significant transaction entered into between the Group and other related parties during the Quarter under review.

Transactions with other related parties during the Quarter ended 31 December 2017:

	<b>Quarter ended 31-Dec-17 RM '000</b>	<b>Quarter ended 31-Dec-16 RM '000</b>	<b>YTD ended 31-Dec-17 RM '000</b>	<b>YTD ended 31-Dec-16 RM '000</b>
Salaries paid to persons connected to certain directors	<u>25</u>	<u>24</u>	<u>107</u>	<u>81</u>

# MILUX CORPORATION BERHAD (313619-W)

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

### B1. Review of Performance

	Individual Quarter			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To-date	Preceding Year To-date	Changes (%)
	31-12-17	31-12-16		31-12-17	31-12-16	
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>	20,265	19,004	6.6%	79,694	72,437	10.0%
<b>Profit/(loss) before</b>						
<b>Interest and Tax</b>	(108)	(1,381)	92.2%	(109)	(1,302)	91.6%
<b>Profit/(loss) before tax</b>	(236)	(1,452)	83.7%	(613)	(1,540)	60.2%
<b>Profit/(loss) after tax</b>	(447)	(1,993)	77.6%	(838)	(2,665)	68.6%

For the quarter under review, the Group posted a higher net revenue of RM20.27 million compared to RM19.00 million in the preceding year corresponding quarter. This represents an increase of 6.6%. The increase was due to higher revenue from the trading operation where revenue was 21.3% higher at RM9.97 million compared to RM8.22 million in the preceding year corresponding quarter as a result of a wider product range carried compared to the preceding year corresponding quarter. However, revenue for the manufacturing operation dipped 4.5% to RM10.30 million from RM10.79 million in the preceding year corresponding quarter due to lower export sales which amounted to RM6.66 million compared to RM7.39 million although its local sales increased by 7.0% to RM3.64 million from RM3.40 million.

The Group's year-to-date revenue increased to RM79.69 million from RM72.44 million in the preceding corresponding period, an increase of 10.0%. The increase is mainly due to higher sales from the trading operation which increased by 18.6% from RM35.10 million in the preceding corresponding period to RM41.63 million in the current period. This is due to a wider product range carried during the year. The manufacturing operation's sales increased by 1.96% with export sales and local sales increasing by 2.40% and 1.22% respectively.

For the quarter under review, the Group recorded a Loss before tax ("LBT") of RM0.24 million. This is due to impairment of receivables and slow moving inventories of RM 0.16 million and RM 0.36 million respectively. This compares to a LBT of RM 1.45 million incurred in the preceding year corresponding quarter.

The Group recorded a LBT of RM 0.61 million for the period ended 31 December 2017 compared to LBT of RM1.54 million in the preceding year corresponding period. The LBT was

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### B1. Review of Performance (cont'd)

due to losses incurred by the investment Holding and dormant companies segment (classified as "Others" in Note A8). This segment recorded a LBT of RM1.12 million while the the Home appliances segment recorded a Profit before tax ("PBT") of RM0.51 million. For the preceding year, the Investment Holding and dormant companies segment recorded a LBT of RM1.74 million while the Home Appliances segment recorded a PBT of RM0.20 million.

### B2. Comparison with immediate preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Percentage Changes (%)
	31-12-17	30-09-17	
	RM'000	RM'000	
Revenue	20,265	18,832	7.6%
Profit/(loss) before			
Interest and Tax	(108)	171	-163.2%
Profit/(loss) before tax	(236)	41	-675.6%
Profit/(loss) after tax	(447)	(16)	-2693.8%

Group revenue increased by 7.6% to RM20.27 million in the current quarter from RM18.83 million recorded in the immediate preceding quarter. The increase was due to higher sales from the manufacturing operation which saw an increase of 21.3% with export sales and local sales increasing by 21.1% and 21.7% respectively. However, the trading operation's sales at RM9.97 million was 3.6% lower compared to the immediate preceding quarter's sales of RM10.34 million.

The Group recorded a LBT of RM0.24 million for the quarter under review compared to a PBT of RM0.04 million in the immediate preceding quarter. The LBT for the quarter under review was due to impairment of receivables and slow moving inventories of RM 0.16 million and RM 0.36 million respectively.

### B3. Commentary on prospect for the next financial year

We foresee another challenging year ahead for both our manufacturing and trading operation. The manufacturing operation is facing price pressures for its raw material and high cost of doing business in the form of wages and costs associated with compliance and business regulations. Stiff competition has kept a lid on the ability to pass the increased costs to consumers. While the trading operation is expected to benefit from the strengthening Ringgit, this may present a challenge to our manufacturing operation's export business.

Notwithstanding this, the Board and Management will continue to work on improving efficiency all round to counter the increase in costs, in particular production cost.

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### 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 31-12-17 RM '000	Quarter ended 31-12-16 RM '000	YTD ended 31-12-17 RM '000	YTD ended 31-12-16 RM '000
Current year tax expense	257	318	538	906
RPGT	-	-	(161)	15
Prior year	-	27	4	17
Deferred taxation	(46)	196	(156)	187
	<u>211</u>	<u>541</u>	<u>225</u>	<u>1,125</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

There were no corporate proposals announced that 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.

The total Group borrowings and the weighted average effective interest rate as at the 31 December 2017 are as follows:

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

	As at 31 Dec 2017			As at 31 Dec 2016		
		Short term	Long term		Short term	Long term
	WAEIR %	Borrowing RM '000	Borrowing RM '000	WAEIR %	Borrowing RM '000	Borrowing RM '000
<u>Secured</u>						
Hire-Purchase	4.84	342	965	4.48	211	793
Bank overdraft	8.71	2,681	-	8.81	1,338	-
Bankers' acceptance	6.46	2,960	-	6.50	3,132	-
Multi Currency Trade Loan	3.64	202	-		-	-
Total		<u>6,185</u>	<u>965</u>		<u>4,681</u>	<u>793</u>
<u>Denominated in</u>						
Ringgit Malaysia (RM)		5,983	965		4,681	793
United States Dollar (USD)		202	-		-	-
		<u>6,185</u>	<u>965</u>		<u>4,681</u>	<u>793</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 10<sup>th</sup> August 2016, the Board of Directors announced that the KSC in its hearing on 9 August 2016 fixed the following:

- (i) 17<sup>th</sup> August, 2016 for the filing of the Defendants' Defence;
- (ii) 1<sup>st</sup> September, 2016 for the filing of Plaintiff's Reply, if any; and
- (iii) 6<sup>th</sup> 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 schedule to be held on 6 December 2016 at SASC.

## MILUX CORPORATION BERHAD (313619-W)

### B8. Material litigation (cont'd)

#### Pansprint Consolidated Sdn. Bhd. ("Pansprint")

The SASC in its hearing on 6 December 2016 fixed 20 December 2016 for the hearing of further directions in setting the matter for trial.

On 20 December 2016, the SASC in its hearing set 25 January 2017 for the next case management.

On 25 January 2017, the SASC in its hearing fixed 28 February 2017 for the next case management and simultaneously fixed 21 March 2017 for mediation to be held at the Selangor Mediation Centre, Sultan Salahuddin Abdul Aziz Shah Courthouse, Shah Alam, Selangor Darul Ehsan.

On 21 March 2017, the SASC in its hearing fixed the next case management and continuation of mediation on 27 April 2017.

On 27 April 2017, the SASC fixed 6 June 2017 for the filing of the Common Bundle of Documents, the Bundle of Pleadings, the Agreed Facts, the Issues to be Tried and Summary of Case in the process for setting the case down for Full Trial.

On 6 June 2017, the SASC fixed 5 July 2017 for the next case management.

On 5 July 2017, the SASC fixed 26 July 2017 for the next case management.

On 26 July 2017, the SASC fixed 25 September 2017 for the next case management and 9 October 2017 and 10 October 2017 for Full Trial.

On 25 September 2017, the SASC fixed the next Case Management on 29 September 2017.

Upon the conclusion of the full trial on 10 October 2017, the SASC fixed the following dates for both parties:

1. on or before 10 November 2017 for the filing of both parties' Written Submission;
2. on or before 15 November 2017 for the filing of both parties' Reply, if any; and

The decision of the Court will be given on 23 November 2017.

On 23 November 2017, the SASC informed the plaintiff's solicitors that the decision has been adjourned to 22 December 2017 as the Notes of Evidence is still not ready to enable both parties to prepare their respective Written Submissions.

The SASC on 29 December 2017 after a full trial, found the Plaintiff, FKH Trading had failed to prove their claims on the balance of probability and hence, the Plaintiff's claim was dismissed with scale cost ("tuntutan Plaintiff ditolak dengan kos dibawah skala"). The scale cost referred therein is the cost FKH Trading has to pay Pansprint and to be calculated based on the scale amount under the Rules of Court 2012. The amount of scale cost can only be confirmed upon the receiving the sealed order from the Court.

## MILUX CORPORATION BERHAD (313619-W)

### B8. Material litigation (cont'd)

#### Pansprint Consolidated Sdn. Bhd. ("Pansprint")

On 20<sup>th</sup> February 2018, Pansprint received the sealed copy of the Judgement dated 29<sup>th</sup> December 2017 with the scale cost amounting to RM13,374.00 to be paid by the plaintiff to Pansprint.

### 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) Loss for the quarter/period (basic)

	Quarter ended 31-Dec-17 RM '000	Quarter ended 31-Dec-16 RM '000	YTD ended 31-Dec-17 RM '000	YTD ended 31-Dec-16 RM '000
Profit/(Loss) attributable to owners of the parent	(447)	(1,993)	(838)	(2,665)

#### ii) Number of ordinary shares (basic)

	Quarter ended 31-Dec-17 RM '000	Quarter ended 31-Dec-16 RM '000	YTD ended 31-Dec-17 RM '000	YTD ended 31-Dec-16 RM '000
Weighted average number of ordinary shares ('000)	54,411	54,411	54,411	54,411
<b>Basic earnings/(loss) per share (sen)</b>	<b>(0.82)</b>	<b>(3.66)</b>	<b>(1.54)</b>	<b>(4.90)</b>



## MILUX CORPORATION BERHAD (313619-W)

### B11. Disclosure of realised and un-realised retained profit/(loss)

The breakdown of (accumulated losses)/retained profits as at reporting date is as follows:

	<b>As at 31 December 2017 RM '000</b>	<b>As at 31 December 2016 RM '000</b>
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(88,848)	(90,541)
- Unrealised	(931)	(80)
	<u>(89,779)</u>	<u>(90,621)</u>
Total share of (accumulated losses)/ retained profits of jointly controlled entities		
- Realised	(9)	(3)
- Unrealised	-	-
Less: Consolidated adjustments	78,750	80,424
Total (accumulated losses)/retained profits as at December	<u>(11,038)</u>	<u>(10,200)</u>

## MILUX CORPORATION BERHAD (313619-W)

### B12. Profit/(loss) for the period

	Quarter ended 31-Dec-17 RM '000	Quarter ended 31-Dec-16 RM '000	YTD ended 31-Dec-17 RM '000	YTD ended 31-Dec-16 RM '000
Profit/(Loss) before taxation is arrived at after charging/(crediting)				
Allowance for slow moving inventories	356	2,006	425	2,006
Allowance for slow moving inventories no longer required	(235)	(202)	(251)	(511)
Depreciation	315	339	1,257	1,314
(Gain)/Loss on disposal of property, plant & machinery (net)	(10)	(167)	(209)	(162)
Interest expense	128	71	504	238
Interest income	(47)	(41)	(149)	(165)
Impairment loss on trade receivables	155	290	460	424
Impairment loss on trade receivables no longer required	(39)	(145)	(238)	(145)
Impairment loss on Property, plant & equipment	-	322	-	322
Inventories written off	71	-	71	-
Provision for warranty	(79)	(110)	80	28
Provision for potential liability	-	(324)	-	-
Property, plant & equipment written-off	1	70	2	235
Realised foreign exchange (gain)/loss (net)	(109)	(55)	(41)	246
Unrealised foreign exchange (gain)/loss (net)	128	(372)	603	(372)

### B13. Trade Receivables

The Group's trade receivables as at 31 December 2017 are as follow:

	As at	
	31-Dec-17 RM'000	31-Dec-16 RM'000
<b>Trade Receivables:</b>		
Third parties	20,760	19,472
Allowance for impairment loss	(1,107)	(890)
	<u>19,653</u>	<u>18,582</u>

## MILUX CORPORATION BERHAD (313619-W)

### B13. Trade Receivables (cont'd)

The Group typically gives the existing customers credit terms that range from 30 to 120 days.

The Group's ageing analysis of trade receivables as at 31 December 2017 are as follows:

<b>Classification</b>	<b>As at 31-Dec-17 RM'000</b>
1 - 30 days	6,843
31- 60 days	5,713
61 - 90 days	4,824
91 - 120 days	1,731
121 - 150 days	228
Over 150 days	1,421
	<hr/>
	20,760
Less: Allowance for impairment loss	(1,107)
	<hr/>
	<u>19,653</u>

**Dated: 27 February 2018**