

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 30 SEPTEMBER 2020

	Notes	Individual Quarter		Cumulative Quarter	
		Current year 30 Sep 2020 RM'000	Preceding year corresponding quarter 30 Sep 2019 RM'000	Current period ended 30 Sep 2020 RM'000	Preceding year corresponding period ended 30 Sep 2019 RM'000
		<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	A8	23,575	15,006	51,336	46,559
Cost of sales		(17,718)	(12,300)	(38,850)	(37,220)
Gross Profit		5,857	2,706	12,486	9,339
Other operating income		282	78	510	382
Administrative expenses		(2,854)	(2,464)	(7,665)	(7,793)
Other operating expenses		(72)	(221)	(402)	(477)
Selling and distribution expenses		(2,291)	(1,569)	(5,100)	(4,318)
Finance costs		(65)	(104)	(153)	(342)
Share of profit/(loss) of a joint venture		(1)	-	(1)	(1)
Profit/(loss) before taxation	A8, B11	856	(1,574)	(325)	(3,210)
Taxation	B5	(1)	66	(2)	127
Profit/(loss) after taxation		855	(1,508)	(327)	(3,083)
Other Comprehensive Income/(expense)		(116)	-	(118)	1
Total Comprehensive Income/(expense) for the period		739	(1,508)	(445)	(3,082)
Profit/(loss) after taxation attributable to:					
Owners of the Company		887	(1,508)	(295)	(3,083)
Non-controlling Interest		(32)	-	(32)	-
		855	(1,508)	(327)	(3,083)
Total Comprehensive income/(expense) attributable to:					
Owners of the Company		771	(1,508)	(413)	(3,082)
Non-controlling Interest		(32)	-	(32)	-
		739	(1,508)	(445)	(3,082)
Basic and diluted earnings/(loss) per share attributable to owners of the Company (sen)	B10	1.51	(2.77)	(0.50)	(5.67)

The unaudited Condensed Consolidated Statements 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 2019.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		UNAUDITED	AUDITED
		AS AT	AS AT
		30 Sep 2020	31 Dec 2019
	Notes	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		4,550	4,898
Right-of-use assets		2,228	2,861
Investment properties		312	322
Investment in a joint venture		237	238
Other investments		913	46
Intangible assets		222	222
Other receivables		125	125
		<u>8,587</u>	<u>8,712</u>
Current Assets			
Inventories		21,319	18,681
Trade receivables	B12	18,658	14,485
Other receivables		670	928
Tax recoverable		469	440
Fixed deposits with licensed banks		2,150	3,004
Cash and bank balances		5,205	8,446
		<u>48,471</u>	<u>45,984</u>
TOTAL ASSETS		<u>57,058</u>	<u>54,696</u>
EQUITY AND LIABILITIES			
Share capital		59,067	59,067
Reserves		(17,932)	(17,519)
Total equity attributable to owners of the Company		41,135	41,548
Non-controlling Interest		(32)	-
Total Equity		<u>41,103</u>	<u>41,548</u>
Non-Current Liabilities			
Lease liabilities	B7	274	798
		<u>274</u>	<u>798</u>
Current Liabilities			
Trade payables		7,440	5,107
Other payables		2,595	1,614
Provision		1,068	403
Loans and borrowings	B7	3,680	4,235
Lease liabilities	B7	895	990
Provision for taxation		3	1
		<u>15,681</u>	<u>12,350</u>
Total Liabilities		<u>15,955</u>	<u>13,148</u>
TOTAL EQUITY AND LIABILITIES		<u>57,058</u>	<u>54,696</u>
Net Assets per share attributable to owners of the Company (RM)			
		0.70	0.71

The Net Assets per share as at 30 September 2020 was arrived at based on the number of Issued shares of 58,764,197.

The unaudited Condensed Consolidated Statements 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 2019.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

	Share Capital	Fair Value Reserve	Accumulated Losses	Total	Non-Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unaudited						
<u>9-months ended 30 September 2019</u>						
At 31 December 2018/						
1 January 2019	55,584	-	(13,088)	42,496	-	42,496
Loss after taxation	-	-	(3,083)	(3,083)	-	(3,083)
Other comprehensive income	-	1	-	1	-	1
Total comprehensive income/(expense)	-	1	(3,083)	(3,082)	-	(3,082)
As at 30 September 2019	55,584	1	(16,171)	39,414	-	39,414
Unaudited						
<u>9-months ended 30 September 2020</u>						
At 31 December 2019/						
1 January 2020	59,067	-	(17,519)	41,548	-	41,548
Loss after taxation	-	-	(295)	(295)	(32)	(327)
Other comprehensive expense	-	(118)	-	(118)	-	(118)
Total comprehensive expense	-	(118)	(295)	(413)	(32)	(445)
As at 30 September 2020	59,067	(118)	(17,814)	41,135	(32)	41,103

The unaudited Condensed Consolidated Statements 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 2019.

	9 months ended 30 Sep 2020 RM'000	9 months ended 30 Sep 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(325)	(3,210)
Adjustments for :-		
<u>Depreciation</u>		
Property, plant & equipment	586	831
Right-of-use asset	726	-
Investment property	10	-
Bad Debt written off	6	-
Bad Debt recovered	(18)	-
Impairment loss on trade receivables	106	222
Slow moving inventories written down	14	-
Provision for warranty	208	152
Share of loss from joint venture	1	-
Unrealised loss/(gain) on forex	(19)	(82)
Reversal of impairment loss on trade receivables	(205)	(78)
Slow moving inventories written back	(238)	-
Interest expenses	153	342
Interest income	(53)	(60)
Operating profit/(loss) before working capital changes	952	(1,883)
Changes in working capital		
Decrease/(increase) in inventories	(2,416)	(360)
Decrease/(increase) in receivables	(3,803)	2,985
(Decrease)/increase in payables	3,864	(823)
Cash generated from/(used in) operations	(1,403)	(81)
Interest paid	(1)	(127)
Income tax refunded	-	377
Income tax paid	(28)	(160)
Warranty paid	(73)	(100)
Net cash generated from/(used in) operations	(1,505)	(91)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	53	60
Net (placement)/withdrawal of fixed deposits	272	(57)
Purchase of quoted shares	(984)	-
Purchase of unit trust	(1)	(1)
Purchase of property, plant and equipment	(185)	(808)
Net cash generated from/(used in) investing activities	(845)	(806)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(152)	(215)
Net changes in bankers' acceptance	(28)	128
Repayment of finance lease liabilities	(71)	-
Repayment of lease liabilities	(695)	(413)
Net cash from/(used in) financing activities	(946)	(500)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,296)	(1,397)
Effect of exchange rate fluctuations on cash held	-	-
CASH AND CASH EQUIVALENT AT BEGINNING	8,983	5,984
CASH AND CASH EQUIVALENTS AT END	5,687	4,587
Represented by		
Fixed deposits with licensed banks	2,150	3,358
Cash and bank balances	5,205	3,985
Bank overdraft	-	(444)
Fixed deposits with maturity of more than 3 months	(1,668)	(2,312)
	5,687	4,587

The unaudited Condensed Consolidated Statements 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 2019.

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 2019 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 2019 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 2020 as follows:

Effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 2, *Share-Based Payments*

Amendments to MFRS 3, *Business Combinations*

Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*

Amendments to MFRS 7, *Financial Instruments: Disclosure*

Amendments to MFRS 9, *Financial Instruments*

Amendments to MFRS 14, *Regulatory Deferral Accounts*

Amendments to MFRS 101, *Presentation of Financial Statements*

Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*

Amendments to MFRS 134, *Interim Financial Reporting*

Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*

Amendments to MFRS 138, *Intangible Assets*

Amendments to Interpretation 12, *Service Concession Arrangements*

Amendments to Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*

Amendments to Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

Amendments to Interpretation 22, *Foreign Currency Transactions and Advance Consideration*

Amendments to Interpretation 132, *Intangible Assets - Web Site Cost*

Annual Improvements to MFRS Standards 2015-2017 Cycle

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued but not yet effective and have not been applied by the Group:

A1. Basis of preparation (cont'd)

Effective for annual financial periods beginning on or after 1 January 2021:
MFRS 17, *Insurance Contracts*

Effective date to be determined by Malaysian Accounting Standards Board
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.

A2. Auditors' Report on Preceding Annual Financial Statements

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 consumer confidence which is influenced by the state of the Malaysian and Global economies. For the domestic market, sales 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.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)
Notes to interim financial report

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 30 September 2020

	Home appliances	Others	Elimination	Total
	RM '000	RM '000	RM '000	RM '000
<u>Assets</u>				
Segment assets	61,598	11,958	(24,322)	49,234
Tax recoverable	456	13	-	469
Deposits, cash and bank balances	7,336	19	-	7,355
Total Assets	69,390	11,990	(24,322)	57,058
<u>Liabilities</u>				
Segment Liabilities	89,105	4,101	(82,102)	11,104
Taxation	-	3	-	3
Loans and borrowings	3,680	-	-	3,680
Lease liabilities	1,168	-	-	1,168
Total Liabilities	93,953	4,104	(82,102)	15,955

A8. Segmental information (cont'd)

	Quarter ended 30-Sep-20 RM '000	Quarter ended 30-Sep-19 RM '000	Period ended 30-Sep-20 RM '000	Period ended 30-Sep-19 RM '000
<u>External Revenue</u>				
Home appliances	23,575	15,006	51,336	46,559
Others	-	-	-	-
	23,575	15,006	51,336	46,559
<u>Inter-segment</u>				
Home appliances	432	682	1,153	1,983
Others	132	132	395	395
Elimination	(564)	(814)	(1,548)	(2,378)
	-	-	-	-
Total Revenue	23,575	15,006	51,336	46,559
<u>Segment Results</u>				
Home appliances	1,032	(1,381)	98	(2,461)
Others	(393)	(167)	(780)	(789)
	639	(1,548)	(682)	(3,250)
<u>Other Income</u>				
Home appliances	260	50	439	304
Others	6	6	18	18
	266	56	457	322
<u>Interest expense</u>				
Home appliances	(65)	(104)	(153)	(342)
Others	-	-	-	-
	(65)	(104)	(153)	(342)
<u>Interest income</u>				
Home appliances	15	18	45	56
Others	1	4	8	4
	16	22	53	60
<u>Profit/(loss) before taxation</u>				
Home appliances	1,242	(1,417)	429	(2,443)
Others	(386)	(157)	(754)	(767)
	856	(1,574)	(325)	(3,210)

A8. Segmental information (cont'd)

	Quarter ended 30-Sep-20 RM '000	Quarter ended 30-Sep-19 RM '000	Period ended 30-Sep-20 RM '000	Period ended 30-Sep-19 RM '000
<u>Tax expense</u>				
Home appliances	-	67	-	129
Others	(1)	(1)	(2)	(2)
	(1)	66	(2)	127
<u>Profit/(loss) for the period</u>				
Home appliances	1,242	(1,350)	429	(2,314)
Others	(387)	(158)	(756)	(769)
	855	(1,508)	(327)	(3,083)
Fair Value gain/(loss) on Available for sale financial asset				
	(116)	-	(118)	1
Total Comprehensive income/ (expense) for the period	739	(1,508)	(445)	(3,082)

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

With the resurgence of COVID-19 domestically and globally since the end of the reporting quarter, the government re-imposed CMCO (Conditional Movement Control Order) in all states except Perlis, Kelantan and Pahang until 6 December 2020. As there is no certainty as to when this pandemic will end, the Board is not able to estimate the potential impact on the Group at this moment.

Save for the above, there is no material event subsequent to the current financial quarter ended 30 September 2020 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 under review, Milux Greentech Resources Sdn Bhd ("MGRSB") issued and allotted 98 new ordinary shares fully paid in the capital of the Company for cash at an issue price of RM1.00 per ordinary share to the following allottees:

A11. Changes in the composition of the Group (cont'd)

<u>Name of Allotees</u>	<u>No. of Shares</u>
Milux Corporation Berhad	49
Nazreen Yahya Aman	45
Heng Shwu Lih	4
Total	98

With the allotment, MGRSB became a 51% owned subsidiary of the Company.

On 21 August 2020, the Board of Directors announced to Bursa Malaysia that Phoenix Pentagon Sdn. Bhd., an indirect 60%-owned subsidiary of the Company has commenced members' voluntary winding-up ("Winding-Up") pursuant to Section 439(1) of the Companies Act 2016. This Winding-Up will not have any material effect on the consolidated earnings and net assets of the Company for the financial year ending 31 December 2020.

A12. Contingent liabilities

The Company has extended its corporate guarantees to financial institutions for banking facilities granted by them to certain subsidiaries which amounted to RM9.04 million as at 30 September 2020. The facilities utilised by its subsidiaries as at 30 September 2020 amounted to RM3.82 million.

A13. Capital commitments

There were no material capital commitments during the quarter under review.

A14. Significant related party transactions

There are no significant related party transactions as at the date of this announcement.

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

B1. Review of Performance

Comparison of current quarter and preceding year corresponding quarter results

	Individual Quarter			Cumulative Period		
	Current Year	Preceding Year	Changes	Current	Preceding	Changes
	Quarter	Corresponding		Period to	Year Period to	
	30-Sep-20	Quarter	30-Sep-19	30-Sep-20	30-Sep-19	
<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	
Revenue	23,575	15,006	57.1%	51,336	46,559	10.3%
Profit/(loss) before interest and tax	921	(1,470)	162.7%	(172)	(2,868)	94.0%
Profit/(loss) before tax	856	(1,574)	154.4%	(325)	(3,210)	89.9%
Profit/(loss) after tax	855	(1,508)	156.7%	(327)	(3,083)	89.4%

Group revenue at RM23.575 million was 57.1% higher than that of the preceding year corresponding quarter revenue of RM15.006 million. The higher revenue for the Quarter under review compared to the preceding year corresponding quarter was due mainly to higher sales achieved by both the trading and manufacturing operations.

Manufacturing operation revenue increased by 5.5% to RM5.440 million from RM5.156 million in the preceding year corresponding quarter. This was due to 37.8% increase in export sales to RM2.515 million from RM1.825 million. However, local OEM sales decreased by 12.2% to RM2.925 million from RM3.331 million.

Trading operation revenue increased by 84.1% to RM18.135 million from RM9.850 million in the preceding year corresponding quarter. The increase in sales was due to the pent up demand upon the relaxation of the CMCO to Recovery Movement Control Order ("RMCO") during the Quarter.

Revenue for the period to 30 September 2020 at RM51.336 million was 10.3% higher than the RM46.559 million registered for the period ended 30 September 2019.

B1. Review of Performance (cont'd)

For the quarter under review, the increase in revenue by 57.1% enabled the Group to record a profit before taxation ("PBT") of RM0.856 million compared to loss before taxation ("LBT") of RM1.574 million in the preceding year corresponding quarter.

Profit after taxation ("PAT") amounted to RM0.855 million compared to a loss after taxation ("LAT") of RM1.508 million in the preceding year corresponding quarter.

LAT for the period to 30 September 2020 amounted to RM0.327 million compared to LAT of RM3.083 million in the preceding year corresponding period.

B2. Comparison of current quarter with the immediate preceding quarter results

	Current Quarter	Immediate Preceding Quarter	Changes
	30-Sep-20	30-Jun-20	
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	23,575	14,281	65.1%
Profit/(loss) before interest and tax	921	(687)	234.1%
Profit/(loss) before tax	856	(722)	218.6%
Profit/(loss) after tax	855	(722)	218.4%

Group revenue at RM23.575 million was 65.1% higher than that of the immediate preceding quarter revenue of RM14.281 million. The higher revenue for the quarter under review compared to the immediate preceding quarter was due to higher sales achieved by the trading and manufacturing operation,

Trading operation revenue increased to RM18.135 million during the quarter from RM12.638 million in the immediate preceding quarter, an increase of 43.5%.

Manufacturing operation revenue increased by 231.1% to RM5.440 million from RM1.643 million in the immediate preceding quarter due to higher export and local OEM sales.

The Group recorded PBT of RM0.856 million for the quarter under review compared to a LBT of RM0.722 million in the immediate preceding quarter due to the 65.1% increase in revenue during the quarter.

B2. Comparison of current quarter with immediate preceding quarter (cont'd).

For the quarter under review, the Group registered a PAT of RM0.855 million compared to a LAT of RM0.722 million in the immediate preceding quarter.

B3. Commentary on prospect

While the Group's performance has improved in the Quarter under review, it remain to be seen whether such momentum can be sustained going into the fourth Quarter given the implementation of CMCO in all states except Perlis, Kelantan and Pahang until 6 December 2020. The CMCO implementation due to the resurgence of Covid-19 cases and the expiry of loan moratorium on 30 September 2020 have adversely affected the retail businesses of our customers. This resurgence of cases is threatening the path to recovery and has raised concerns over the survival of businesses and consumers' willingness to spend.

As we are now in uncharted territory with little certainty as to when the pandemic will end, the Group will adopt a cautious approach in terms of management and approach.

B4. Variance of 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-Sep-20 RM '000	Quarter ended 30-Sep-19 RM '000	Period ended 30-Sep-20 RM '000	Period ended 30-Sep-19 RM '000
Current year tax expense	1	1	2	2
Prior year	-	(67)	-	(67)
Deferred taxation	-	-	-	(62)
Tax (credit)/expense	<u>1</u>	<u>(66)</u>	<u>2</u>	<u>(127)</u>

B6. Status of corporate proposal announced by the Company

On 21 August 2020, AmInvestment Bank Berhad announced on behalf of the Board of Directors to Bursa Malaysia that the Company proposes to undertake the proposed diversification of the existing core business of the Group to include provision of support services for the oil and gas industry and Property Related Businesses which include property development, property management and construction business (collectively referred to as "Proposed Diversification").

On 21 August 2020, the Board of Directors announced to Bursa Malaysia that the Company intends to seek the approval of its shareholders at an Extraordinary General Meeting ("EGM") to be convened for recurrent related party transactions of a revenue or trading nature ("Proposed New Shareholders' Mandate") and that the Circular containing information on the Proposed New Shareholders' Mandate will be issued to the shareholders of the Company in due course.

Subsequent to the end of the quarter under review, the Board of Directors had on 13 October 2020 and 14 October 2020 announced to Bursa Malaysia the issue of the Notice of EGM and Circular to Shareholders on the Proposed Diversification and Proposed New Shareholders Mandate respectively.

On 4 November 2020, the Board of Directors announced to Bursa Malaysia that all resolutions as set out in the Notice of EGM of the Company dated 14 October 2020 were duly passed by the shareholders of the Company at the EGM held on the same day.

On 10 September 2020, the Board of Directors announced to Bursa Malaysia that Enamel Products Sdn. Bhd. ("Enamel"), a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement ("SPA") with Euro Chemo Pharma Sdn. Bhd. for the disposal of leasehold land held under Hakmilik Sementara No. H.S.(D) 42102, No. PT 1457, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring 4046.724 square metres together with industrial building erected thereon for a total sale consideration of RM3,850,000.00.

This disposal is still pending completion.

On 17 September 2020, the Board of Directors announced to Bursa Malaysia that the Company and PetroFac had mutually agreed to terminate the MOU entered into by both parties on 22 June 2020 to jointly participate in the tendering for the job as a Comprehensive Operations, Repairs and Maintenance Contractor of RGT2 for Petronas.

On 17 September 2020, the Board of Directors announced to Bursa Malaysia that the Company has entered into a MOU with Petrofac EPS Sdn. Bhd. ("Petrofac EPS") to jointly participate in tendering for the operations and maintenance projects and training services in Malaysia as may be identified and agreed in writing from time to time.

There is no further development on the MOU as at the date of this report.

B7. Group borrowings and debt securities

Secured bank borrowings are secured by fixed charges over the land and building owned by a subsidiary company and is guaranteed by the Company. The Group has not issued any debt securities.

The total Group borrowings as at the 30 September 2020 and the rates of interest charged are as follows:

	As at 30 Sept 2020		As at 31 Dec 2019	
	Short term	Long term	Short term	Long term
	borrowing	borrowing	borrowing	borrowing
	RM '000	RM '000	RM '000	RM '000
<u>Secured</u>				
Lease liabilities	248	185	253	250
Lease liabilities-Right-of-use asset	647	89	737	548
Bank overdraft	-	-	527	-
Bankers' acceptance	3,680	-	3,708	-
Total	4,575	274	5,225	798

Rates of interest charged:

	<u>Period ended 30 Sept 2020</u>	<u>Year ended 31 Dec 2019</u>
	%	%
Bank overdraft	BLR + 2.00	BLR + 2.00
Bankers' acceptance	4.99 - 5.85	6.38 - 6.49

B8. Material litigation

There is no material litigation involving the Group as at 30 September 2020.

B9. Dividends

No interim dividend has been proposed 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 profit/loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding. There is no dilutive effect on earnings/loss per share as the Company does not have outstanding warrant and option which may dilute its basic earnings/loss per ordinary share.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)
Notes to interim financial report

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

	Quarter ended 30-Sep-20 RM '000	Quarter ended 30-Sep-19 RM '000	Period ended 30-Sep-20 RM '000	Period ended 30-Sep-19 RM '000
Profit/(loss) attributable to owners of the Company	887	(1,508)	(295)	(3,083)
Weighted average number of ordinary shares outstanding ('000)	58,764	54,411	58,764	54,411
Basic earnings/(loss) per share (sen)	1.51	(2.77)	(0.50)	(5.67)

B11. Profit/(loss) for the period

	Quarter ended 30-Sep-20 RM '000	Quarter ended 30-Sep-19 RM '000	Period ended 30-Sep-20 RM '000	Period ended 30-Sep-19 RM '000
Profit/(loss) before taxation is arrived at after charging/(crediting)				
Allowance for slow moving inventories	-	-	14	-
Allowance for slow moving inventories no longer required	(46)	-	(238)	
<u>Depreciation</u>				
-Property, plant and equipment	199	268	596	831
-Right-Of-Use asset	239		726	
Bad debt written off	-		6	
Bad debt recovered	(8)		(18)	
Interest expense	65	104	153	342
Interest income	(16)	(22)	(53)	(60)
Impairment loss on trade receivables	-	175	106	222
Impairment loss on trade receivables no longer required	(201)	(29)	(205)	(78)
Provision for warranty	97	45	208	152
Realised foreign exchange (gain)/loss	(62)	(8)	(68)	40
Unrealised foreign exchange (gain)/loss	20	(1)	(19)	(82)

B12. Trade Receivables

The ageing of the receivables and allowance for impairment losses provided as at 30 September 2020 are as follows:

	As at 30-Sep-20 RM'000
Neither past due	17,391
Past due 1 - 30 days	1,333
Past due 31 - 60 days	25
Past due 61 - 90 days	-
More than 90 days past due	<u>2,035</u>
	20,784
Credit impaired	
Past due	<u>(2,126)</u>
Trade receivables (net)	<u><u>18,658</u></u>

Dated: 27 November 2020