

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE**  
**SECOND QUARTER ENDED 30 JUNE 2021**

|   | Note    | Individual Quarter |                  | Cumulative Quarter |                  |
|---|---------|--------------------|------------------|--------------------|------------------|
|   |         | 30 Jun 2021        | 30 Jun 2020      | 30 Jun 2021        | 30 Jun 2020      |
|   |         | RM'000             | RM'000           | RM'000             | RM'000           |
|   |         | <u>Unaudited</u>   | <u>Unaudited</u> | <u>Unaudited</u>   | <u>Unaudited</u> |
| Revenue   | A8      | 11,821             | 14,281           | 32,623             | 27,761           |
| Cost of sales   |         | (8,096)            | (10,957)         | (22,954)           | (21,132)         |
| Gross Profit  |         | 3,725              | 3,324            | 9,669              | 6,629            |
| Other operating income  |         | 3,236              | 56               | 4,343              | 228              |
| Administrative expenses   |         | (2,415)            | (2,252)          | (5,427)            | (4,811)          |
| Other operating expenses  |         | (675)              | (129)            | (936)              | (330)            |
| Selling and distribution expenses   |         | (1,386)            | (1,686)          | (3,509)            | (2,809)          |
| Finance costs   |         | (52)               | (35)             | (120)              | (88)             |
| <b>Profit/(Loss) before taxation</b>  | A8, B11 | 2,433              | (722)            | 4,020              | (1,181)          |
| Taxation  | B5      | (121)              | -                | (120)              | (1)              |
| <b>Profit/(Loss) after taxation</b>   |         | 2,312              | (722)            | 3,900              | (1,182)          |
| Other Comprehensive income/(expense)  |         | 86                 | 1                | (134)              | (2)              |
| <b>Total Comprehensive income/(expense)</b>   |         | 2,398              | (721)            | 3,766              | (1,184)          |
| Profit/(Loss) after taxation attributable to:   |         |                    |                  |                    |                  |
| Owners of the Company   |         | 2,314              | (722)            | 3,903              | (1,182)          |
| Non-controlling Interest  |         | (2)                | -                | (3)                | -                |
|   |         | 2,312              | (722)            | 3,900              | (1,182)          |
| Total Comprehensive income/(expense) attributable to:                                   |         |                    |                  |                    |                  |
| Owners of the Company   |         | 2,400              | (721)            | 3,769              | (1,184)          |
| Non-controlling Interest  |         | (2)                | -                | (3)                | -                |
|   |         | 2,398              | (721)            | 3,766              | (1,184)          |
| Basic and diluted earnings/(loss) per share attributable to owners of the Company (sen) | B10     | 0.98               | (1.23)           | 2.51               | (2.01)           |

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for year ended 31 December 2020.

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

|  |             | <b>UNAUDITED</b>   | <b>AUDITED</b>     |
|--|-------------|--------------------|--------------------|
|  |             | <b>AS AT</b>       | <b>AS AT</b>       |
|  |             | <b>30 Jun 2021</b> | <b>31 Dec 2020</b> |
|  | <b>Note</b> | <b>RM'000</b>      | <b>RM'000</b>      |
| <b>ASSETS</b>  |             |                    |                    |
| <b>Non-Current Assets</b>  |             |                    |                    |
| Property, plant & equipment  |             | 3,626              | 3,751              |
| Right-of-use assets  |             | 1,498              | 1,865              |
| Investment properties  |             | 303                | 309                |
| Investment in a joint venture  |             | 227                | 227                |
| Other investments  |             | 1,640              | 1,264              |
| Intangible assets  |             | -                  | 222                |
|  |             | <u>7,294</u>       | <u>7,638</u>       |
| <b>Current Assets</b>  |             |                    |                    |
| Inventories  |             | 17,392             | 18,020             |
| Trade receivables  | B12         | 13,936             | 19,821             |
| Other receivables  |             | 1,508              | 1,568              |
| Tax recoverable  |             | 457                | 467                |
| Fixed deposits with licensed banks                                     |             | 6,327              | 2,160              |
| Cash and bank balances   |             | 6,649              | 3,964              |
|  |             | <u>46,269</u>      | <u>46,000</u>      |
| Non-current assets held for sale                                       |             | -                  | 780                |
|  |             | <u>46,269</u>      | <u>46,780</u>      |
| <b>TOTAL ASSETS</b>  |             | <u>53,563</u>      | <u>54,418</u>      |
| <b>EQUITY AND LIABILITIES</b>  |             |                    |                    |
| Share capital  |             | 59,067             | 59,067             |
| Reserves   |             | (18,531)           | (22,300)           |
| Total equity attributable to owners of the Company                     |             | <u>40,536</u>      | <u>36,767</u>      |
| Non-controlling Interest   |             | (36)               | (33)               |
| Total Equity   |             | <u>40,500</u>      | <u>36,734</u>      |
| <b>Non-Current Liabilities</b>   |             |                    |                    |
| Lease liabilities  | B7          | 506                | 458                |
|  |             | <u>506</u>         | <u>458</u>         |
| <b>Current Liabilities</b>   |             |                    |                    |
| Trade payables   |             | 5,447              | 7,674              |
| Other payables   |             | 957                | 2,653              |
| Provision  |             | 2,024              | 2,236              |
| Loans and borrowings   | B7          | 3,746              | 3,861              |
| Lease liabilities  | B7          | 361                | 788                |
| Provision for taxation   |             | 22                 | 14                 |
|  |             | <u>12,557</u>      | <u>17,226</u>      |
| Total Liabilities  |             | <u>13,063</u>      | <u>17,684</u>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |             | <u>53,563</u>      | <u>54,418</u>      |
| <b>Net Assets per share attributable to owners of the Company (RM)</b> |             | 0.17               | 0.63               |

*Note: Net assets per share as at 30 June 2021 and 31 December 2020 are based on 235,056,788 shares and 58,764,197 shares outstanding respectively.*

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for the year ended 31 December 2020.

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE CUMULATIVE QUARTER ENDED 30 JUNE 2021**

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

<----- Non-Distributable ----->

|   | Share<br>Capital | Fair Value<br>Reserve | Accumulated<br>Losses | Total   | Non-<br>Controlling<br>Interest | Total   |
|---|------------------|-----------------------|-----------------------|---------|---------------------------------|---------|
|   | RM'000           | RM'000                | RM'000                | RM'000  | RM'000                          | RM'000  |
| <b>Unaudited</b>                          |                  |                       |                       |         |                                 |         |
| <b><u>6-months ended 30 June 2020</u></b> |                  |                       |                       |         |                                 |         |
| At 31 December 2019/ 1 January 2020       | 59,067           | -                     | (17,519)              | 41,548  | -                               | 41,548  |
| Loss after taxation                       | -                | -                     | (1,182)               | (1,182) | -                               | (1,182) |
| Other comprehensive expense               | -                | (2)                   | -                     | (2)     | -                               | (2)     |
| Total comprehensive expense               | -                | (2)                   | (1,182)               | (1,184) | -                               | (1,184) |
| As at 30 June 2020                        | 59,067           | (2)                   | (18,701)              | 40,364  | -                               | 40,364  |
| <b>Unaudited</b>                          |                  |                       |                       |         |                                 |         |
| <b><u>6-months ended 30 June 2021</u></b> |                  |                       |                       |         |                                 |         |
| At 31 December 2020/ 1 January 2021       | 59,067           | 233                   | (22,533)              | 36,767  | (33)                            | 36,734  |
| Profit after taxation                     | -                | -                     | 3,903                 | 3,903   | (3)                             | 3,900   |
| Other comprehensive expense               | -                | (134)                 | -                     | (134)   | -                               | (134)   |
| Total comprehensive income                | -                | (134)                 | 3,903                 | 3,769   | (3)                             | 3,766   |
| As at 30 June 2021                        | 59,067           | 99                    | (18,630)              | 40,536  | (36)                            | 40,500  |

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial report and the audited financial statements for year ended 31 December 2020.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE CUMULATIVE QUARTER ENDED 30 JUNE 2021

|   | Cumulative Quarter |                |
|---|--------------------|----------------|
|   | 30 Jun 2021        | 30 Jun 2020    |
|   | RM'000             | RM'000         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                  |                    |                |
| Profit/(Loss) before taxation                                 | 4,020              | (1,181)        |
| Adjustments for :-  |                    |                |
| <u>Depreciation</u>   |                    |                |
| Property, plant & equipment                                   | 262                | 390            |
| Right-of-use assets   | 504                | 487            |
| Investment property   | 6                  | 6              |
| Bad Debt  | 65                 | 6              |
| Gain on disposal of Property, plant and equipment             | (105)              | -              |
| Gain on disposal of asset held for sale                       | (3,070)            | -              |
| Gain on sale of investments                                   | (354)              | -              |
| Goodwill written off  | 222                | -              |
| Impairment loss on trade receivables                          | 38                 | 106            |
| Slow moving inventories written down                          | -                  | 15             |
| Provision for warranty  | 137                | 117            |
| Provision for incentive                                       | 1,694              | -              |
| Unrealised loss/(gain) on forex                               | (12)               | (39)           |
| Reversal of impairment loss on trade receivables              | (574)              | (10)           |
| Slow moving inventories written back                          | -                  | (192)          |
| Interest expenses   | 120                | 88             |
| Interest income   | (35)               | (37)           |
| Operating profit/(loss) before working capital changes        | 2,918              | (244)          |
| Changes in working capital                                    |                    |                |
| Inventories   | 627                | 962            |
| Receivables   | 6,417              | 1,045          |
| Payables  | (3,909)            | 783            |
| Cash generated from/(used in) operations                      | 6,053              | 2,546          |
| Interest paid   | (5)                | (1)            |
| Income tax refunded   | 15                 | -              |
| Income tax paid   | (117)              | (28)           |
| Incentives paid   | (1,952)            | -              |
| Warranty paid   | (94)               | (33)           |
| <b>Net cash generated from/(used in) operations</b>           | <b>3,900</b>       | <b>2,484</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                  |                    |                |
| Interest received   | 35                 | 37             |
| Net (placement)/withdrawal of fixed deposits                  | (1,407)            | 372            |
| Proceeds from disposal of investments                         | 1,338              | -              |
| Proceeds from disposal of property, plant & equipment         | 156                | -              |
| Proceeds from disposal of asset held for sale                 | 3,850              | -              |
| Purchase of other investments                                 | (1,494)            | -              |
| Purchase of property, plant and equipment                     | (132)              | (75)           |
| <b>Net cash generated from/(used in) investing activities</b> | <b>2,346</b>       | <b>334</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                  |                    |                |
| Interest paid   | (115)              | (88)           |
| Net changes in bankers' acceptance                            | (115)              | (741)          |
| Net changes in lease liabilities                              | (571)              | (491)          |
| <b>Net cash from/(used in) financing activities</b>           | <b>(801)</b>       | <b>(1,320)</b> |

|   | Cumulative Quarter |               |
|---|--------------------|---------------|
|   | 30 Jun 2021        | 30 Jun 2020   |
|   | RM'000             | RM'000        |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>5,445</b>       | <b>1,498</b>  |
| CASH AND CASH EQUIVALENT AT BEGINNING                       | 4,456              | 8,983         |
| <b>CASH AND CASH EQUIVALENTS AT END</b>                     | <b>9,901</b>       | <b>10,481</b> |
| <b>Represented by</b>                                       |                    |               |
| Fixed deposits with licensed banks                          | 6,327              | 2,640         |
| Cash and bank balances                                      | 6,649              | 9,409         |
| Fixed deposits with maturity of more than 3 months          | (3,075)            | (1,568)       |
|   | <b>9,901</b>       | <b>10,481</b> |

The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the the accompanying explanatory notes attached to the interim financial report and the audited financial statements for year ended 31 December 2020.

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**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 2020 and the accompanying notes attached to this interim financial report. 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 year ended 31 December 2020 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 2021 as follows:

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

Amendments to MFRS 9, *Financial Instruments*

Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement*

Amendments to MFRS 7, *Financial Instruments: Disclosure*

Amendments to MFRS 4, *Insurance Contracts*

Amendments to MFRS 16, *Leases*

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:

Effective for financial periods beginning on or after 1 January 2022:

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

Amendments to MFRS 3, *Business Combinations*

Amendments to MFRS 9, *Financial Instruments*

Amendments to MFRS 116, *Property, Plant and Equipment*

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

Amendments to MFRS 141, *Agriculture*

Amendments to Annual Improvements to MFRS Standards 2018-2020

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## Notes to interim financial report

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

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17, *Insurance Contracts*

Amendment to MFRS 101, Presentation of Financial Statements

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

Save as disclosed below, there were no issuances, cancellation, repurchase, resale and repayment of debts and equity securities for the period to 30 June 2021.

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**

Notes to interim financial report

**A6. Issuances, cancellation, repurchase, resale and repayment of debts and equity securities (cont'd)**

| <b>Date of Issue</b>              | <b>No. of shares issued</b> | <b>Issued and paid-up share capital</b> |
|-----------------------------------|-----------------------------|---|
|                                   |                             | <b>RM</b>                               |
| As at 31 December 2020            | 58,764,197                  | 59,066,701                              |
| Issuance pursuant to bonus issue: |                             |   |
| 23 March 2021                     | 176,292,591                 | -                                       |
| As at 30 June 2021                | <u>235,056,788</u>          | <u>59,066,701</u>                       |

**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: 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 quarter under review is as follows:



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Notes to interim financial report

**A8. Segmental information (cont'd)**

*Segment Assets and Liabilities as at 30 June 2021*

|                                  | Home appliances<br>RM '000 | Others<br>RM '000 | Elimination<br>RM '000 | Total<br>RM '000 |
|----------------------------------|----------------------------|-------------------|------------------------|------------------|
| <u>Assets</u>                    |                            |                   |                        |                  |
| Segment assets                   | 52,060                     | 10,957            | (22,887)               | 40,130           |
| Tax recoverable                  | 456                        | 1                 |                        | 457              |
| Deposits, cash and bank balances | 12,968                     | 8                 | -                      | 12,976           |
| <b>Total Assets</b>              | <b>65,484</b>              | <b>10,966</b>     | <b>(22,887)</b>        | <b>53,563</b>    |
| <u>Liabilities</u>               |                            |                   |                        |                  |
| Segment Liabilities              | 84,668                     | 4,302             | (80,542)               | 8,428            |
| Taxation                         | 20                         | 2                 |                        | 22               |
| Loans and borrowings             | 3,746                      | -                 |                        | 3,746            |
| Lease liabilities                | 867                        | -                 |                        | 867              |
| <b>Total Liabilities</b>         | <b>89,301</b>              | <b>4,304</b>      | <b>(80,542)</b>        | <b>13,063</b>    |

*Results of operating segments*

|                         | Individual Quarter   |                      | Cumulative Quarter   |                      |
|-------------------------|----------------------|----------------------|----------------------|----------------------|
|                         | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 |
| <u>External Revenue</u> |                      |                      |                      |                      |
| Home appliances         | 11,821               | 14,281               | 32,623               | 27,761               |
| Others                  | -                    | -                    | -                    | -                    |
|                         | 11,821               | 14,281               | 32,623               | 27,761               |
| <u>Inter-segment</u>    |                      |                      |                      |                      |
| Home appliances         | 67                   | 342                  | 742                  | 721                  |
| Others                  | 114                  | 131                  | 228                  | 263                  |
| Elimination             | (181)                | (473)                | (970)                | (984)                |
|                         | -                    | -                    | -                    | -                    |
| <b>Total Revenue</b>    | <b>11,821</b>        | <b>14,281</b>        | <b>32,623</b>        | <b>27,761</b>        |

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**

Notes to interim financial report

**A8. Segmental information (cont'd)**

|  | Individual Quarter   |                      | Cumulative Quarter   |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 |
| <u>Segment Results</u>   |                      |                      |                      |                      |
| Home appliances  | (427)                | (514)                | 526                  | (934)                |
| Others   | (324)                | (229)                | (729)                | (387)                |
|  | (751)                | (743)                | (203)                | (1,321)              |
| <u>Other Income</u>  |                      |                      |                      |                      |
| Home appliances  | 3,207                | 26                   | 4,296                | 179                  |
| Others   | 6                    | 6                    | 12                   | 12                   |
|  | 3,213                | 32                   | 4,308                | 191                  |
| <u>Interest expense</u>  |                      |                      |                      |                      |
| Home appliances  | (52)                 | (35)                 | (120)                | (88)                 |
| Others   | -                    | -                    | -                    | -                    |
|  | (52)                 | (35)                 | (120)                | (88)                 |
| <u>Interest income</u>   |                      |                      |                      |                      |
| Home appliances  | 23                   | 17                   | 35                   | 30                   |
| Others   | -                    | 7                    | -                    | 7                    |
|  | 23                   | 24                   | 35                   | 37                   |
| <u>Profit/(Loss) before taxation</u>                               |                      |                      |                      |                      |
| Home appliances  | 2,751                | (506)                | 4,737                | (813)                |
| Others   | (318)                | (216)                | (717)                | (368)                |
|  | 2,433                | (722)                | 4,020                | (1,181)              |
| <u>Tax expense</u>   |                      |                      |                      |                      |
| Home appliances  | (121)                | -                    | (108)                | -                    |
| Others   | -                    | -                    | (12)                 | (1)                  |
|  | (121)                | -                    | (120)                | (1)                  |
| <u>Profit/(Loss) for the period</u>                                |                      |                      |                      |                      |
| Home appliances  | 2,630                | (506)                | 4,629                | (813)                |
| Others   | (318)                | (216)                | (729)                | (369)                |
|  | 2,312                | (722)                | 3,900                | (1,182)              |
| Fair Value gain/(loss)<br>on Available for sale<br>financial asset |                      |                      |                      |                      |
|  | 86                   | 1                    | (134)                | (2)                  |
| <b>Total Comprehensive income/<br/>(expense) for the period</b>    |                      |                      |                      |                      |
|  | 2,398                | (721)                | 3,766                | (1,184)              |

## MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)

Notes to interim financial report

### A9. Valuation of property, plant and equipment

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

### A10. Material subsequent events

There is no material event subsequent to the current financial quarter ended 30 June 2021 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

There was no change in the composition of the Group during the Quarter under review.

### 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 RM9.00 million as at 30 June 2021. The contingent liabilities of the company for the facilities utilized by its subsidiaries as at 30 June 2021 amounted to RM3.85 million.

### A13. Capital commitments

There was no material capital commitment during the quarter under review.

### A14. Significant related party transactions

Save as disclosed below, there are no other significant related party transactions as at the date of this announcement.

|   | <b>Individual<br/>Quarter<br/>30 Jun 2021<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>30 Jun 2021<br/>RM'000</b> |
|---|--|--|
| Transactions with companies in which certain Directors have interest: |  |  |
| <i>Administrative expenses</i>  | 5  | 27   |
| Transaction with a connected person:                                  |  |  |
| <i>Administrative expenses</i>  | 18   | 27   |

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Notes to interim financial report

## 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 Quarter |               |                 |
|---------------------------------------|--------------------|---------------|-----------------|--------------------|---------------|-----------------|
|                                       | 30 Jun 2021        | 30 Jun 2020   |                 | 30 Jun 2021        | 30 Jun 2020   |                 |
|                                       | <u>RM'000</u>      | <u>RM'000</u> | <u>% change</u> | <u>RM'000</u>      | <u>RM'000</u> | <u>% change</u> |
| Revenue                               | 11,821             | 14,281        | -17.2%          | 32,623             | 27,761        | 17.5%           |
| Gross profit                          | 3,725              | 3,324         | 12.1%           | 9,669              | 6,629         | 45.9%           |
| Profit/(loss) before interest and tax | 2,485              | (687)         | 461.7%          | 4,140              | (1,093)       | 478.8%          |
| Profit/(loss) before tax              | 2,433              | (722)         | 437.0%          | 4,020              | (1,181)       | 440.4%          |
| Profit/(loss) after tax               | 2,312              | (722)         | 420.2%          | 3,900              | (1,182)       | 429.9%          |

Due to a rise in Covid-19 cases across the country, a nationwide Full Movement Control Order (“FMCO”) was imposed on 1 June 2021. The implementation of this FMCO has resulted in a sharp drop in sales as our trading operation does not fall under the essential economic and service sectors listed by the National Security Council (“NSC”) and hence, was not allowed to operate.

Under this challenging operating environment, the Group reported revenue of RM11.821 million for the quarter ended 30 June 2021, which was 17.2% lower than that of the preceding year corresponding quarter’s revenue of RM14.281 million. This was due to lower sales by both the trading operation and OEM operation. The FMCO imposed on 1 June 2021 has led to the revenue of the trading operation declining by 8.4%. Meanwhile, revenue for OEM operation decreased by 85.2% due to the stoppage of manufacturing activity as part of the Group’s restructuring plan carried out since last year.

Despite the drop in revenue, gross profit (“GP”) increased by 12.1% to RM3.725 million from RM3.324 million due to the trading operation recording a higher GP margin while the OEM operation returned to gross profit from a gross loss position in the preceding year corresponding quarter. GP margin was 31.5% for the quarter compared to 23.3% for the preceding year corresponding quarter.

The Group reported other operating income of RM3.236 million compared to RM0.056 million in the preceding year corresponding quarter. The increase was mainly due to recognition of gain on disposal of asset held for sale and a motor-vehicle.

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

*Comparison of current quarter and preceding year corresponding quarter results (cont'd)*

Administrative and other operating expenses rose by 7.2% and 423.3% respectively compared to the preceding year corresponding quarter. The increase in administrative expenses was mainly attributed to staff costs and higher professional fees while the increase in other operating expenses was attributed to costs incurred and goodwill written off arising from the disposal of asset held for sale.

Selling and distribution expenses meanwhile decreased by 17.8% to RM1.386 million from RM1.686 million in line with the lower revenue reported during the quarter.

Profit before tax ("PBT") and profit after tax ("PAT") for the quarter under review increased by 437.0% and 420.2% to RM2.433 million and RM2.312 million respectively from loss before tax ("LBT") and loss after tax ("LAT") of RM0.722 million due mainly to the increase in other income.

*Comparison of cumulative quarter and preceding year corresponding cumulative quarter results*

The Group reported cumulative revenue of RM32.623 million for the six months to 30 June 2021, an increase of 17.5% compared to the preceding year corresponding period. This was mainly driven by the increase in trading operation's sales which increased by 18.3% while the OEM operation's sales increased by 13.3% due to the final deliveries to customers in the first quarter from the manufacturing activity.

Gross profit for the cumulative quarter ended 30 June 2021 increased by 45.9% to RM9.669 million from RM6.629 million driven by higher revenue and GP margin. The GP margin increased by 5.7 percentage points to 29.6% from 23.9% due to sale of higher margin products by the trading operation while the OEM operation returned to gross profit from a gross loss position.

Other operating income increased to RM4.343 million from RM0.228 million. This was mainly due to recognition of gain on disposal of asset held for sale and a motor-vehicle during the current quarter in review and gain on sale of investment in the preceding quarter.

For the cumulative quarter to date, administrative and other operating expenses increased by 12.8% and 183.6% to RM5.427 million and RM0.936 million respectively. The increase in administrative expenses was attributed to staff costs and higher professional fees while the increase in other operating expenses was due to costs incurred in the disposal of asset held for sale.

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

Comparison of cumulative quarter and preceding year corresponding cumulative quarter results(cont'd)

Selling and distribution expenses at RM3.509 million were 24.9% higher than the preceding year corresponding cumulative quarter in line with higher sales.

For the cumulative quarter to date, the Group reported PBT and PAT of RM4.02 million and RM3.90 million, an increase of 440.4% and 429.9% over the preceding year corresponding cumulative quarter respectively due to higher revenue, gross profit and other operating income as mentioned above.

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

|                                       | Current Quarter | Immediate<br>Preceding Quarter | Changes  |
|---------------------------------------|-----------------|--------------------------------|----------|
|                                       | 30 Jun 2021     | 31 Mar 2021                    |          |
|                                       | <u>RM'000</u>   | <u>RM'000</u>                  | <u>%</u> |
| Revenue                               | 11,821          | 20,802                         | -43.2%   |
| Gross profit                          | 3,725           | 5,944                          | -37.3%   |
| Profit/(loss) before interest and tax | 2,485           | 1,655                          | 50.2%    |
| Profit/(loss) before tax              | 2,433           | 1,587                          | 53.3%    |
| Profit/(loss) after tax               | 2,312           | 1,588                          | 45.6%    |

The Group's revenue for the current quarter at RM11.821 million was 43.2% lower than that of the immediate preceding quarter. This was due to the impact of the FMCO which came into force on 1 June 2021 which resulted in sales for the trading operation declining by 27.4%. This was further compounded by the completion of the restructuring of the OEM operation from a manufacturing outfit to a trading outfit where zero revenue was recorded from manufacturing activity. Revenue for this OEM operation was 95.0% lower in the current quarter compared to the immediate preceding quarter.

Gross profit decreased by 37.3% quarter-on-quarter due to a 43.2% decline in revenue. However, GP margin improved by 2.9 percentage point to 31.5% from 28.6% in the immediate preceding quarter due to higher GP margin from the trading operation.

PBT and PAT of RM2.433 million and RM2.312 million respectively was 53.3% and 45.6% higher for the quarter under review due to higher other operating income recorded from gain on sales on completion of the disposal of asset held for sale and a motor vehicle.

**B3. Commentary on prospect**

The nationwide lockdown due to the ongoing COVID-19 pandemic which saw a resurgence in mid-April is set to weaken consumer sentiment further amidst growing unemployment and lesser disposal income. Given the fact that trading operations are generally dependent on consumer demand, the Group is cautious of its business growth in the short term but remains optimistic that it will be able to regain momentum towards the later part of the year once the national movement restrictions currently enforced is lifted.

To ensure long term sustainable growth, the Group will continue its effort to revamp its product range and realign marketing strategies to adapt to changing market conditions while remaining cautious to the economic impact caused by Covid-19.

The Group will continue to improve operational efficiency and maintain sufficient cash flow to ensure its sustainability in the longer term. Assets in excess of its need with the downsizing of the OEM operation may be disposed-off and proceeds thereto will be redeployed to the trading operation and e-commerce operation.

The Group is constantly looking out for construction projects which it can participate in pursuant to its proposed diversification into the property related business. However, at this juncture, the Group is taking a cautious approach in its consideration of possible projects that can be undertaken.

**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**

|                          | Individual Quarter |           | Cumulative Quarter |           |
|--------------------------|--------------------|-----------|--------------------|-----------|
|                          | 30-Jun-21          | 30-Jun-20 | 30-Jun-21          | 30-Jun-20 |
|                          | RM '000            | RM '000   | RM '000            | RM '000   |
| Current year tax expense | 5                  | -         | 8                  | 1         |
| Prior year tax expense   | -                  | -         | (4)                | -         |
| Real Property Gains Tax  | 116                | -         | 116                | -         |
| Tax (credit)/expense     | 121                | -         | 120                | 1         |

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## Notes to interim financial report

### B6. Status of corporate proposal announced by the Company

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 was completed as announced to Bursa Malaysia on 2 April 2021.

On 30 March 2021, the Board of Directors announce to Bursa Malaysia that the Company is proposing to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming Twenty-Sixth Annual General Meeting ("AGM") of the Company to be convened at a date to be notified later.

### 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 June 2021 and the rates of interest charged are as follows:

|                                      | As at 30 Jun 2021                  |                                   | As at 31 Dec 2020                  |                                   |
|--------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                                      | Short term<br>borrowing<br>RM '000 | Long term<br>borrowing<br>RM '000 | Short term<br>borrowing<br>RM '000 | Long term<br>borrowing<br>RM '000 |
| <u>Secured</u>                       |                                    |                                   |                                    |                                   |
| Lease liabilities                    | 161                                | 492                               | 240                                | 458                               |
| Lease liabilities-Right-of-use asset | 200                                | 14                                | 548                                | -                                 |
| Bank overdraft                       | -                                  | -                                 | -                                  | -                                 |
| Bankers' acceptance                  | 3,746                              | -                                 | 3,861                              | -                                 |
| Total                                | <u>4,107</u>                       | <u>506</u>                        | <u>4,649</u>                       | <u>458</u>                        |
|                                      |                                    | <u>Current Quarter</u>            |                                    | <u>Cumulative Quarter</u>         |
|                                      |                                    | %                                 |                                    | %                                 |
| Bank overdraft                       |                                    | BLR + 2.00                        |                                    | BLR + 2.00                        |
| Bankers' acceptance                  |                                    | 4.67% - 4.97%                     |                                    | 4.10 - 5.85                       |

### B8. Material litigation

There is no material litigation involving the Group as at 30 June 2021.



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

|  | Individual Quarter   |                      | Cumulative Quarter   |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 |
| Profit/(loss) attributable to owners<br>of the Company           | 2,314                | (722)                | 3,903                | (1,182)              |
| Weighted average number of ordinary<br>shares outstanding ('000) | 235,057              | 58,764               | 155,189              | 58,764               |
| <b>Basic earnings/(loss) per share (sen)</b>                     | <b>0.98</b>          | <b>(1.23)</b>        | <b>2.51</b>          | <b>(2.01)</b>        |

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**

**Notes to interim financial report**

**B11. Profit/(loss) for the period**

|   | Individual Quarter   |                      | Cumulative Quarter   |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 | 30-Jun-21<br>RM '000 | 30-Jun-20<br>RM '000 |
| <i>Profit/(loss) before taxation is arrived at after charging/(crediting)</i> |                      |                      |                      |                      |
| Slow moving inventories written down  | -                    | 15                   | -                    | 15                   |
| Slow moving inventories written back  | -                    | (192)                | -                    | (192)                |
| <u>Depreciation</u>   |                      |                      |                      |                      |
| -Property, plant and equipment  | 135                  | 196                  | 268                  | 397                  |
| -Right-of-use asset   | 245                  | 243                  | 504                  | 487                  |
| Bad debt  | -                    | 6                    | 65                   | 6                    |
| (Gain)/Loss on disposal of property, plant & machinery                        | (104)                | -                    | (105)                | -                    |
| (Gain)/Loss on Assets Held for Sale   | (3,070)              | -                    | (3,070)              | -                    |
| (Gain)/Loss on disposal of Investment   | -                    | -                    | (354)                | -                    |
| Goodwill written off  | 222                  | -                    | 222                  | -                    |
| Interest expense  | 52                   | 35                   | 120                  | 88                   |
| Interest income   | (23)                 | (24)                 | (35)                 | (37)                 |
| Impairment loss on trade receivables  | 38                   | 40                   | 38                   | 106                  |
| Reversal of Impairment loss on trade receivables                              | (8)                  | -                    | (574)                | (10)                 |
| Provision for warranty  | 58                   | 57                   | 137                  | 111                  |
| Realised foreign exchange (gain)/loss   | (12)                 | (9)                  | 1                    | (6)                  |
| Unrealised foreign exchange (gain)/loss (net)                                 | 34                   | 18                   | (12)                 | (39)                 |

**B12. Trade Receivables**

The ageing of the receivables and allowance for impairment losses provided as at 30 June 2021 are as follows:

|                            | As at<br>30-Jun-21<br>RM'000 |
|----------------------------|------------------------------|
| <b>Neither past due</b>    | 8,668                        |
| Past due 1 - 30 days       | 5,222                        |
| Past due 31 - 60 days      | 209                          |
| Past due 61 - 90 days      | -                            |
| More than 90 days past due | 873                          |
|                            | <hr/> 14,972                 |
| <b>Credit impaired</b>     |                              |
| Past due                   | (1,036)                      |
| Trade receivables (net)    | <hr/> <hr/> 13,936           |

**Dated: 26 August 2021**