

**MILUX CORPORATION BERHAD**

**(Incorporated in Malaysia)**

**(Company No. 199401027937 (313619-W))**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED  
31 MARCH 2022**

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Note	Individual		Cumulative	
		Quarter ended 31 Mar 2022 RM'000	Quarter ended 31 Mar 2021 RM'000	Period ended 31 Mar 2022 RM'000	Period ended 31 Mar 2021 RM'000
		<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	A8	15,134	20,802	15,134	20,802
Cost of sales		(11,081)	(14,858)	(11,081)	(14,858)
Gross Profit		4,053	5,944	4,053	5,944
Other operating income		292	1,107	292	1,107
Administrative expenses		(2,803)	(3,012)	(2,803)	(3,012)
Other operating expenses		(72)	(261)	(72)	(261)
Selling and distribution expenses		(1,058)	(2,123)	(1,058)	(2,123)
Profit from operations		412	1,655	412	1,655
Finance costs		(170)	(68)	(170)	(68)
<b>Profit before taxation</b>	A8, B11	242	1,587	242	1,587
Taxation	B5	(4)	1	(4)	1
<b>Profit after taxation</b>		238	1,588	238	1,588
Other Comprehensive income/(expense)		11	(220)	11	(220)
<b>Total Comprehensive income/(expense)</b>		249	1,368	249	1,368
Profit after taxation attributable to:					
Owners of the Company		238	1,589	238	1,589
Non-controlling Interest		-	(1)	-	(1)
		238	1,588	238	1,588
Total Comprehensive income attributable to:					
Owners of the Company		249	1,369	249	1,369
Non-controlling Interest		-	(1)	-	(1)
		249	1,368	249	1,368
Basic and diluted earnings per share attributable to owners of the Company (sen)	B10	0.10	2.13	0.10	2.13

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 2021.

**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>31 Mar 2022</b>	<b>31 Dec 2021</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		999	926
Right-of-use assets		3,073	1,985
Investment properties		293	296
Other investments		3,158	3,147
		<u>7,523</u>	<u>6,354</u>
<b>Current Assets</b>			
Inventories		23,816	21,178
Trade receivables	B12	13,218	15,365
Other receivables		1,604	1,430
Tax recoverable		430	456
Fixed deposits with licensed banks		9,615	8,582
Cash and bank balances		4,963	5,757
		<u>53,646</u>	<u>52,768</u>
Non-current assets held for sale		3,307	3,307
		<u>56,953</u>	<u>56,075</u>
<b>TOTAL ASSETS</b>		<u>64,476</u>	<u>62,429</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		59,067	59,067
Reserves		(16,316)	(16,565)
Total equity attributable to owners of the Company		42,751	42,502
Non-controlling Interest		-	-
Total Equity		<u>42,751</u>	<u>42,502</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	B7	2,300	1,473
		<u>2,300</u>	<u>1,473</u>
<b>Current Liabilities</b>			
Trade payables		8,124	9,305
Other payables		1,621	2,693
Provision		1,909	1,936
Loans and borrowings	B7	6,940	3,979
Lease liabilities	B7	804	509
Provision for taxation		27	32
		<u>19,425</u>	<u>18,454</u>
Total Liabilities		<u>21,725</u>	<u>19,927</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>64,476</u>	<u>62,429</u>
<b>Net Assets per share attributable to owners of the Company (RM)</b>		0.18	0.18

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 2021.

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<----- 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
<b>Unaudited</b>						
<b><u>3-months ended 31 March 2021</u></b>						
At 31 December 2020/ 1 January 2021	59,067	233	(22,533)	36,767	(33)	36,734
Profit after taxation	-	-	1,589	1,589	(1)	1,588
Other comprehensive expense	-	(220)	-	(220)	-	(220)
Total comprehensive income / (expense)	-	(220)	1,589	1,369	(1)	1,368
As at 31 March 2021	59,067	13	(20,944)	38,136	(34)	38,102
<b>Unaudited</b>						
<b><u>3-months ended 31 March 2022</u></b>						
At 31 December 2021/ 1 January 2022	59,067	109	(16,674)	42,502	-	42,502
Profit after taxation	-	-	238	238	-	238
Other comprehensive income	-	11	-	11	-	11
Total comprehensive income	-	11	238	249	-	249
As at 31 March 2022	59,067	120	(16,436)	42,751	-	42,751

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 2021.

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended 31 Mar 2022 RM'000</b>	<b>3 months ended 31 Mar 2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	242	1,587
Adjustments for :-		
<u>Depreciation</u>		
Property, plant & equipment	95	130
Right-of-use assets	233	259
Investment property	3	3
Bad Debt	-	65
Gain on disposal of Property, plant and equipment	-	(1)
Gain on disposal of asset held for sale	(230)	-
Gain on sale of investments	-	(354)
Provision for warranty	15	79
Provision for incentive	-	575
Unrealised loss/(gain) on forex	17	(46)
Reversal of impairment loss on trade receivables	(9)	(568)
Interest expenses	170	68
Interest income	(22)	(12)
Operating profit before working capital changes	514	1,785
Changes in working capital		
Inventories	(2,638)	5,290
Receivables	1,982	1,555
Payables	(2,214)	(5,127)
Cash generated from/(used in) operations	(2,356)	3,503
Interest paid	(50)	(4)
Income tax refunded	26	15
Tax paid	(9)	-
Incentives paid	-	(125)
Warranty paid	(99)	(50)
<b>Net cash generated from/(used in) operations</b>	<b>(2,488)</b>	<b>3,339</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	22	12
Net (placement)/withdrawal of fixed deposits	(22)	(39)
Proceeds from disposal of other investments	-	1,338
Proceeds from disposal of asset held for sale	230	-
Purchase of property, plant and equipment	(167)	(15)
<b>Net cash generated from/(used in) investing activities</b>	<b>63</b>	<b>1,296</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest paid	(120)	(64)
Net changes in bankers' acceptance	28	79
Drawdown of lease liabilities	1,322	-
Repayment of lease liabilities	(1,521)	(308)
<b>Net cash from/(used in) financing activities</b>	<b>(291)</b>	<b>(293)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,716)</b>	<b>4,342</b>
CASH AND CASH EQUIVALENT AT BEGINNING	12,263	4,456
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>9,547</b>	<b>8,798</b>
<b>Represented by</b>		
Fixed deposits with licensed banks	9,615	2,199
Cash and bank balances	4,963	8,306
Bank overdraft	(2,933)	-
Fixed deposits with maturity of more than 3 months	(2,098)	(1,707)
	<b>9,547</b>	<b>8,798</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 2021.

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

## 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 2021 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 2021 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 2022 as follows:

#### 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,

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 2023:

MFRS 17, *Insurance Contracts*

Amendment to MFRS 101, *Presentation of Financial Statements*

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

Amendment to MFRS 112, *Income Taxes*

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

### Notes to interim financial report

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

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. 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 for the quarter ended 31 March 2022.

#### 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: 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:

Segment Assets and Liabilities as at 31 March 2022

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	62,766	11,395	(24,693)	49,468
Tax recoverable	429	1	-	430
Deposits, cash and bank balances	10,500	4,078	-	14,578
<b>Total Assets</b>	<b>73,695</b>	<b>15,474</b>	<b>(24,693)</b>	<b>64,476</b>
<u>Liabilities</u>				
Segment Liabilities	85,043	8,749	(82,138)	11,654
Taxation	-	28	-	27
Loans and borrowings	6,940	-	-	6,940
Lease liabilities	3,104	-	-	3,104
<b>Total Liabilities</b>	<b>95,087</b>	<b>8,777</b>	<b>(82,138)</b>	<b>21,725</b>



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Notes to interim financial report

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

Results of operating segments

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM '000	RM '000	RM '000	RM '000
<u>External Revenue</u>				
Home appliances	15,134	20,802	15,134	20,802
Others	-	-	-	-
	<u>15,134</u>	<u>20,802</u>	<u>15,134</u>	<u>20,802</u>
<u>Inter-segment</u>				
Home appliances	201	675	201	675
Others	56	114	56	114
Elimination	(257)	(789)	(257)	(789)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenue</b>	<b>15,134</b>	<b>20,802</b>	<b>15,134</b>	<b>20,802</b>
<u>Segment Results</u>				
Home appliances	499	953	499	953
Others	(379)	(405)	(379)	(405)
	<u>120</u>	<u>548</u>	<u>120</u>	<u>548</u>
<u>Other Income</u>				
Home appliances	264	1,089	264	1,089
Others	6	6	6	6
	<u>270</u>	<u>1,095</u>	<u>270</u>	<u>1,095</u>
<u>Interest expense</u>				
Home appliances	(170)	(68)	(170)	(68)
Others	-	-	-	-
	<u>(170)</u>	<u>(68)</u>	<u>(170)</u>	<u>(68)</u>
<u>Interest income</u>				
Home appliances	14	12	14	12
Others	8	-	8	-
	<u>22</u>	<u>12</u>	<u>22</u>	<u>12</u>
<u>Profit/(Loss) before taxation</u>				
Home appliances	607	1,986	607	1,986
Others	(365)	(399)	(365)	(399)
	<u>242</u>	<u>1,587</u>	<u>242</u>	<u>1,587</u>

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Notes to interim financial report

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

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM '000	RM '000	RM '000	RM '000
<u>Tax expense</u>				
Home appliances	(2)	13	(2)	13
Others	(2)	(12)	(2)	(12)
	(4)	1	(4)	1
<b><u>Profit/(Loss) for the period</u></b>				
Home appliances	605	1,999	605	1,999
Others	(367)	(411)	(367)	(411)
	238	1,588	238	1,588
Fair Value gain/(loss) on Available for sale financial asset	11	(220)	11	(220)
<b>Total Comprehensive income for the period</b>	249	1,368	249	1,368

**A9. Property, plant and equipment**

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

There was no material acquisition during the Quarter under review. During the quarter under review the Group disposed of plant and equipment which was impaired previously on cessation of the manufacturing operation.

**A10. Material subsequent events**

There is no material event subsequent to the current financial quarter ended 31 March 2022 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.

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

Notes to interim financial

### A12. Contingent liabilities

The Company has extended corporate guarantees to financial institutions for banking facilities granted by them to certain of its subsidiaries which amounted to RM9.0 million as at 31 March 2022. The contingent liability of the Company for the facilities utilized by its subsidiaries as at 31 March 2022 amounted to RM7.04 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.

<u>Parties</u>	Quarter ended 31/03/2022 RM '000	Period from 01/04/2021- 31/03/2022 RM '000
Transaction with companies in which directors have interest		
Pest React Sdn Bhd	3	40
VAMC Group	7	23
Chin Huat Trading	4	4
Transaction with a connected person	25	81

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Notes to interim financial report

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

### B1. Review of Performance

#### Comparison of current quarter and preceding year corresponding quarter results

	Individual			Cumulative		
	Quarter	Quarter	Changes	Period	Period	Changes
	ended	ended		ended	ended	
31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021			
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	15,134	20,802	-27.2%	15,134	20,802	-27.2%
Gross profit	4,053	5,944	-31.8%	4,053	5,944	-31.8%
Profit/(loss) before interest and tax	412	1,655	-75.1%	412	1,655	-75.1%
Profit/(loss) before tax	242	1,587	-84.8%	242	1,587	-84.8%
Profit/(loss) after tax	238	1,588	-85.0%	238	1,588	-85.0%

Group revenue contracted by 27.2% to RM15.13 million from RM20.80 million in the same quarter last year due to lower contribution from both the Trading operation and OEM trading operation. Revenue for the OEM Trading operation contracted by 82.5% as sales for the same quarter last year was to fulfill orders placed by its OEM customers in the last quarter of 2020 prior to the cessation of manufacturing operation. Meanwhile, the Trading operation's sales contracted by 10.8% compared to the same quarter last year mainly due to lower orders from its independent dealers and chain-stores.

Gross profit margin ("GPM") for the quarter under review was lower at 26.8% compared to the 28.6% for the same quarter last year. The lower GPM for the quarter under review was due to the Trading operation's GPM contraction of 4.3 percentage points against that of the same quarter last year due to rising cost of sales. However, the OEM Trading operation recorded a 7.5 percentage points increase in GPM compared to the same quarter last year.

The Group reported lower other operating income of RM0.29 million compared to RM1.11 million in the same quarter last year. The higher other operating income in the same quarter last year was due to reversal of impairment on a trade receivable no longer required and also the recognition of gain on disposal of investment.

The Group incurred lower administrative expenses of RM2.80 million compared to RM3.01 million in the same quarter last year. The higher administrative expenses for the same quarter last year were due to payment of outgoings in relation to the disposal of a property. Meanwhile, other operating expenses decreased to RM0.072 million in the quarter under review compared to the same quarter last year due to lower loss incurred in realised and

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

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

unrealised foreign exchange transactions and the absence of write off of bad debt compared to the same quarter last year.

Selling & distribution expenses were lower at RM1.06 million compared to the same quarter last year due to lower distribution expenses in line with contraction in revenue and also lower advertising & promotion and sales incentive expenses.

Finance costs increased to RM0.17 million from RM0.07 million due to increase in lease interests arising from higher rights-of-use assets and the utilization of overdraft facilities for working capital during the quarter.

Net profit decreased by 85.0% to RM0.24 million from RM1.59 million in the same quarter last year. The lower revenue, gross profit margin and lower other operating income contributed to the drop in net profit for the quarter under review compared to the same quarter last year.

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

	Current Quarter	Immediate Preceding Quarter	Changes
	31 Mar 2022	31 Dec 2021	
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
<b>Revenue</b>	15,134	16,552	-8.6%
<b>Gross profit</b>	4,053	4,947	-18.1%
<b>Profit before interest and tax</b>	412	1,144	-64.0%
<b>Profit before tax</b>	242	1,055	-77.1%
<b>Profit after tax</b>	238	1,018	-76.6%

Group revenue for the current quarter under review contracted by 8.6% to RM15.13 million from RM16.55 million in the immediate preceding quarter due to lower sales contribution by the Trading operation which accounts for more than 90.0% of Group revenue. Compared to the immediate preceding quarter, revenue for the trading operation contracted by 9.8% due to lower orders from its independent dealers and chain stores. Meanwhile, customer orders for OEM Trading operation increased by 13.8% compared to the preceding quarter.

Gross profit contracted by 18.1% quarter-on-quarter due to an 8.6% decrease in revenue and a gross profit margin contraction of 3.1 percentage points to 26.8% from 29.9% in the immediate preceding quarter due to the higher product costs amidst intense market competition.

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## Notes to interim financial report

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

Net profit decreased by 76.6% to RM0.24 million from RM1.02 million in the preceding quarter due to lower revenue, gross profit margin and lower other operating income.

### B3. Commentary on prospect

Despite reopening of the country's economic activities, there is a noticeable slowdown in market demand during Quarter 1 of 2022. This was due to a number of reasons, including cautious spending by consumers and rising inflationary pressure. The recent weakening of the Ringgit against United States dollar will have some pressure on the Group's bottom line in the near term as a result of higher costs of sales.

In view of this, the Group will continue to manage its product range and constantly realign its marketing strategies to suit current market conditions to ensure long term sustainable growth. Efforts to improve operational efficiency and managing our cost base will continue to remain a priority in view of the new landscape post pandemic.

### 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		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM '000	RM '000	RM '000	RM '000
Current year tax expense	4	3	4	3
Prior year tax expense	-	(4)	-	(4)
Tax (credit)/expense	4	(1)	4	(1)

The effective tax rate of the Group was lower than the statutory tax rate due to unabsorbed business loss brought forward available for offsetting for certain of its subsidiaries.

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

On 2 December 2021, Malacca Securities Sdn. Bhd. (“Malacca Securities”) on behalf of the Board of Directors announced to Bursa Securities that T.H. Hin Home Tech Sdn. Bhd. (“Home Tech”), a wholly-owned subsidiary of the Company had on the same day entered into a conditional sale and purchase agreement (“SPA”) with Update Paper Sdn. Bhd. (“UPSB”) for the disposal by Home Tech of a land located at Mukim 01, Seberang Perai Tengah, Pulau Pinang and building erected thereon for a total cash consideration of RM11.0 million (“Disposal Consideration”), subject to the terms of the SPA

On 10 February 2022, Malacca Securities on behalf of the Board of Directors announced to Bursa Securities the Notice of Extraordinary General Meeting to be held on 28 February 2022 which will be conducted on a fully virtual basis at the broadcast venue via remote participation through live stream and online voting.

On 11 February 2022, Malacca Securities on behalf of the Board announced and submitted the Circular to Shareholders in relation to the Proposed Disposal.

On 28 February 2022, Malacca Securities on behalf of the Board announced to Bursa Securities that the Shareholders of the Company have approved the resolution in relation to the Proposed Disposal as set out in the Notice of Extraordinary General Meeting (“EGM”) dated 11 February 2022 at the EGM of the Company held on 28 February 2022.

On 20 May 2022, Malacca Securities on behalf of the Board announced to Bursa Securities that all Conditions Precedent of the SPA have been fulfilled on 19 May 2022 and that the SPA has become unconditional on even date.

On 8 March 2022, the Board of Directors of the Company announced to Bursa Securities that Phoenix Pentagon Sdn. Bhd. (“PPSB”) has on 8 March 2022 obtained the confirmation from its liquidator that PPSB was officially dissolved on 8 March 2022.

**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 31 March 2022 and the rates of interest charged are as follows:

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	As at 31 Mar 2022		As at 31 Dec 2021	
	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	116	409	124	434
Lease liabilities: Right-of-use asset	688	1,891	385	1,039
Bank overdraft	2,933	-	-	-
Bankers' acceptance	4,007	-	3,979	-
Total	<u>7,744</u>	<u>2,300</u>	<u>4,488</u>	<u>1,473</u>
	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
		%		%
Bank overdraft		8.07		8.07
Bankers' acceptance		4.64 - 4.94		4.88 - 5.03

**B8. Material litigation**

There is no material litigation involving the Group as at 31 March 2022.

**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.



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Notes to interim financial report

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

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM '000	RM '000	RM '000	RM '000
Profit attributable to owners of the Company	238	1,589	238	1,589
Weighted average number of ordinary shares outstanding ('000)	235,057	74,435	235,057	74,435
<b>Basic earnings per share (sen)</b>	<b>0.10</b>	<b>2.13</b>	<b>0.10</b>	<b>2.13</b>

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

	Quarter ended	Quarter ended	Period ended	Period ended
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM '000	RM '000	RM '000	RM '000
<b><i>Profit/(loss) before taxation is arrived at after charging/(crediting)</i></b>				
<u>Depreciation</u>				
-Property, plant and equipment	98	133	98	133
-Right-of-use asset	233	259	233	259
Bad debt	-	65	-	65
Bad debt recovered	-	(2)	-	(2)
(Gain)/Loss on disposal of property, plant & machinery	(230)	(1)	(230)	(1)
(Gain)/Loss on disposal of Investment	-	(354)	-	(354)
Interest expense	170	68	170	68
Interest income	(22)	(12)	(22)	(12)
<u>Reversal of impairment loss</u>				
-Trade receivables	(9)	(566)	(9)	(566)
Provision for warranty	14	79	14	79
Provision for sale incentives	-	575	-	575
Realised foreign exchange (gain)/loss	19	13	19	13
Unrealised foreign exchange (gain)/loss (net)	17	(46)	17	(46)

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**Notes to interim financial report**

**B12. Trade Receivables**

The ageing of the receivables and allowance for impairment losses as at 31 March 2022 are as follows:

	<b>As at 31-Mar-22 RM'000</b>
<b>Neither past due</b>	12,171
Past due 1 - 30 days	1,063
Past due 31 - 60 days	50
Past due 61 - 90 days	-
More than 90 days past due	<u>809</u>
	14,093
<b>Credit impaired</b>	
Past due	<u>(875)</u>
Trade receivables (net)	<u>13,218</u>

Dated: 26 May 2022