

**MILUX CORPORATION BERHAD**  
(Incorporated in Malaysia)  
(Company No. 199401027937 (313619-W))

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER**

**ENDED**

**30 SEPTEMBER 2022**

**MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	Note	Individual		Cumulative	
		Quarter ended 30 Sep 2022 RM'000	Quarter ended 30 Sep 2021 RM'000	Period ended 30 Sep 2022 RM'000	Period ended 30 Sep 2021 RM'000
		<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	A8	14,454	13,903	48,186	46,526
Cost of sales		(10,594)	(9,639)	(35,137)	(32,593)
Gross Profit		3,860	4,264	13,049	13,933
Other operating income		7,856	130	8,319	4,473
Administrative expenses		(3,774)	(2,589)	(9,454)	(8,016)
Other operating expenses		(293)	(125)	(627)	(1,061)
Selling and distribution expenses		(2,093)	(894)	(5,041)	(4,403)
Profit from operations		5,556	786	6,246	4,926
Finance costs		(140)	(97)	(460)	(217)
<b>Profit before taxation</b>	A8, B11	5,416	689	5,786	4,709
Taxation	B5	(796)	(80)	(806)	(200)
<b>Profit after taxation</b>		4,620	609	4,980	4,509
Other Comprehensive income/(expense)		(40)	39	(127)	(95)
<b>Total Comprehensive income/(expense)</b>		4,580	648	4,853	4,414
Profit after taxation attributable to:					
Owners of the Company		4,620	609	4,980	4,512
Non-controlling Interest		-	-	-	(3)
		4,620	609	4,980	4,509
Total Comprehensive income attributable to:					
Owners of the Company		4,580	648	4,853	4,417
Non-controlling Interest		-	-	-	(3)
		4,580	648	4,853	4,414
Basic and diluted earnings per share attributable to owners of the Company (sen)	B10	1.97	0.26	2.12	2.48

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>30 Sep 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		1,269	926
Right-of-use assets		3,162	1,985
Investment properties		287	296
Other investments		3,020	3,147
		<u>7,738</u>	<u>6,354</u>
<b>Current Assets</b>			
Inventories		23,820	21,178
Trade receivables	B12	14,040	15,365
Other receivables		1,827	1,430
Tax recoverable		440	456
Fixed deposits with licensed banks		11,129	8,582
Cash and bank balances		7,944	5,757
		<u>59,200</u>	<u>52,768</u>
Non-current assets held for sale		-	3,307
		<u>59,200</u>	<u>56,075</u>
<b>TOTAL ASSETS</b>		<u>66,938</u>	<u>62,429</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		59,067	59,067
Reserves		(11,712)	(16,565)
Total equity attributable to owners of the Company		<u>47,355</u>	<u>42,502</u>
Non-controlling Interest		-	-
Total Equity		<u>47,355</u>	<u>42,502</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	B7	2,363	1,473
		<u>2,363</u>	<u>1,473</u>
<b>Current Liabilities</b>			
Trade payables		7,719	9,305
Other payables		2,304	2,693
Provision		1,390	1,936
Loans and borrowings	B7	4,866	3,979
Lease liabilities	B7	893	509
Provision for taxation		48	32
		<u>17,220</u>	<u>18,454</u>
Total Liabilities		<u>19,583</u>	<u>19,927</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>66,938</u>	<u>62,429</u>
<b>Net Assets per share attributable to owners of the Company (RM)</b>		0.20	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>9-months ended 30 September 2021</u></b>						
At 31 December 2020/ 1 January 2021	59,067	233	(22,533)	36,767	(33)	36,734
Profit after taxation	-	-	4,512	4,512	(3)	4,509
Other comprehensive expense	-	(95)	-	(95)	-	(95)
Total comprehensive income / (expense)	-	(95)	4,512	4,417	(3)	4,414
Transaction with owners	-	-	-	-	36	36
As at 30 September 2021	59,067	138	(18,021)	41,184	-	41,184
<b>Unaudited</b>						
<b><u>9-months ended 30 September 2022</u></b>						
At 31 December 2021/ 1 January 2022	59,067	109	(16,674)	42,502	-	42,502
Profit after taxation	-	-	4,980	4,980	-	4,980
Other comprehensive expense	-	(127)	-	(127)	-	(127)
Total comprehensive income / (expense)	-	(127)	4,980	4,853	-	4,853
As at 30 September 2022	59,067	(18)	(11,694)	47,355	-	47,355

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**

	9 months ended 30 Sep 2022 RM'000	9 months ended 30 Sep 2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before taxation	5,786	4,709
Adjustments for :-		
<u>Depreciation</u>		
Property, plant & equipment	330	395
Right-of-use assets	722	758
Investment properties	10	10
Bad Debt	-	65
Dividend income	(73)	-
Fair value gain on investment	(1)	-
Fixed Asset written off	121	-
Gain on disposal of Property, plant and equipment	-	(110)
Gain on disposal of asset held for sale	(7,922)	(3,070)
Gain on sale of investments	-	(354)
Goodwill written off	-	266
Impairment loss on trade receivables	-	38
Provision for warranty	168	193
Provision for incentive	734	1,736
Unrealised loss/(gain) on forex	(12)	(85)
Reversal of impairment loss on trade receivables	(23)	(637)
Slow moving inventories written back	-	(139)
Interest expenses	460	217
Interest income	(113)	(64)
Operating profit before working capital changes	187	3,928
Changes in working capital		
Inventories	(2,642)	1,131
Receivables	951	4,777
Payables	(1,901)	(3,561)
Cash generated from/(used in) operations	(3,405)	6,275
Interest paid	(115)	(5)
Income tax refunded	26	15
Tax paid	(800)	(207)
Incentives paid	(1,234)	(1,952)
Warranty paid	(277)	(147)
<b>Net cash generated from/(used in) operations</b>	<b>(5,805)</b>	<b>3,979</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	113	64
Dividends received	73	-
Net (placement)/withdrawal of fixed deposits	(4,033)	(1,412)
Acquisition of subsidiary	-	(12)
Investment in joint-venture	-	(2)
Proceeds from disposal of other investments	-	1,338
Proceeds from disposal of property, plant & equipment	-	161
Proceeds from disposal of asset held for sale	11,230	3,850
Proceeds from disposal of investment in Joint Venture	-	230
Purchase of other investments	-	(1,493)
Purchase of unit trust	-	(1)
Purchase of property, plant and equipment	(794)	(218)
<b>Net cash generated from/(used in) investing activities</b>	<b>6,589</b>	<b>2,505</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest paid	(345)	(212)
Net changes in bankers' acceptance	(29)	54
Repayment of Finance lease liabilities	(100)	(228)
Drawdown of lease liabilities	1,900	-
Repayment of lease liabilities	(2,425)	(569)
<b>Net cash from/(used in) financing activities</b>	<b>(999)</b>	<b>(955)</b>

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

	9 months ended 30 Sep 2022 RM'000	9 months ended 30 Sep 2021 RM'000
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(215)</b>	<b>5,529</b>
CASH AND CASH EQUIVALENT AT BEGINNING	12,263	4,456
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>12,048</b>	<b>9,985</b>
<b>Represented by</b>		
Fixed deposits with licensed banks	11,129	6,346
Cash and bank balances	7,944	6,719
Bank overdraft	(916)	-
Fixed deposits with maturity of more than 3 months	(6,109)	(3,080)
	<b>12,048</b>	<b>9,985</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.

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# 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*

Amendment to MFRS 16, *Lease Liability in a Sale and Leaseback*

## 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 30 September 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 dormant companies.

Segment information in respect of the Group's business segments for the quarter under review is as follows:

Segment Assets and Liabilities as at 30 September 2022

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	61,306	13,870	(27,751)	47,425
Tax recoverable	438	2		440
Deposits, cash and bank balances	17,452	1,621	-	19,073
<b>Total Assets</b>	<b>79,196</b>	<b>15,493</b>	<b>(27,751)</b>	<b>66,938</b>
<u>Liabilities</u>				
Segment Liabilities	87,140	9,458	(85,185)	11,413
Taxation	19	29	-	48
Loans and borrowings	4,866	-	-	4,866
Lease liabilities	3,256	-	-	3,256
<b>Total Liabilities</b>	<b>95,281</b>	<b>9,487</b>	<b>(85,185)</b>	<b>19,583</b>

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

Notes to interim financial report

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

Results of operating segments

	Individual		Cumulative	
	Quarter ended 30-Sep-22 RM '000	Quarter ended 30-Sep-21 RM '000	Period ended 30-Sep-22 RM '000	Period ended 30-Sep-21 RM '000
<u>External Revenue</u>				
Home appliances	14,454	13,903	48,186	46,526
Others	-	-	-	-
	<u>14,454</u>	<u>13,903</u>	<u>48,186</u>	<u>46,526</u>
<u>Inter-segment</u>				
Home appliances	(9)	82	486	824
Others	113	114	341	342
Elimination	(104)	(196)	(827)	(1,166)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenue</b>	<b>14,454</b>	<b>13,903</b>	<b>48,186</b>	<b>46,526</b>
<u>Segment Results</u>				
Home appliances	(1,968)	910	(980)	1,436
Others	(332)	(254)	(1,092)	(983)
	<u>(2,300)</u>	<u>656</u>	<u>(2,072)</u>	<u>453</u>
<u>Other Income</u>				
Home appliances	7,787	93	8,188	4,389
Others	6	8	18	20
	<u>7,793</u>	<u>101</u>	<u>8,206</u>	<u>4,409</u>
<u>Interest expense</u>				
Home appliances	(140)	(97)	(460)	217
Others	-	-	-	-
	<u>(140)</u>	<u>(97)</u>	<u>(460)</u>	<u>217</u>
<u>Interest income</u>				
Home appliances	57	29	83	64
Others	6	-	30	-
	<u>63</u>	<u>29</u>	<u>113</u>	<u>64</u>
<u>Profit/(Loss) before taxation</u>				
Home appliances	5,736	935	6,830	5,672
Others	(320)	(246)	(1,044)	(963)
	<u>5,416</u>	<u>689</u>	<u>5,786</u>	<u>4,709</u>

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

Notes to interim financial report

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

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM '000	RM '000	RM '000	RM '000
<u>Tax expense</u>				
Home appliances	(793)	(79)	(799)	(187)
Others	(3)	(1)	(7)	(13)
	<u>(796)</u>	<u>(80)</u>	<u>(806)</u>	<u>(200)</u>
<b><u>Profit/(Loss) for the period</u></b>				
Home appliances	4,943	856	6,031	5,485
Others	(323)	(247)	(1,051)	(976)
	<u>4,620</u>	<u>609</u>	<u>4,980</u>	<u>4,509</u>
Fair Value gain/(loss) on Available for sale financial asset	(40)	39	(127)	(95)
<b>Total Comprehensive income for the period</b>	<u>4,580</u>	<u>648</u>	<u>4,853</u>	<u>4,414</u>

**A9. Property, plant and equipment**

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

**A10. Material subsequent events**

There is no material event subsequent to the current financial quarter ended 30 September 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.

**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 30 September 2022. The contingent liabilities of the Company for the facilities utilized by its subsidiaries as at 30 September 2022 amounted to RM4.97 million.

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

Notes to interim financial

### 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 30/09/2022 RM '000	Period from 01/10/2021- 30/09/2022 RM '000
Transaction with companies in which directors have interest		
Pest React Sdn Bhd	3	29
VAMC Group	3	16
Chin Huat Trading	-	4
Khairin-Nisa' & Co	-	28
Transaction with a connected person	20	84

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

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 current cumulative period with preceding year corresponding quarter and preceding year corresponding cumulative period results

	Individual			Cumulative		
	Quarter	Quarter	Changes	Period	Period	Changes
	ended	ended		ended	ended	
30 Sep 2022	30 Sep 2021		30 Sep 2022	30 Sep 2021		
	RM'000	RM'000		RM'000	RM'000	
Revenue	14,454	13,903	4.0%	48,186	46,526	3.6%
Gross profit	3,860	4,264	-9.5%	13,049	13,933	-6.3%
Profit before interest and tax	5,556	786	606.9%	6,246	4,926	26.8%
Profit before tax	5,416	689	686.1%	5,786	4,709	22.9%
Profit after tax	4,620	609	658.6%	4,980	4,509	10.4%

Group revenue at RM14.45 million was 4.0% higher than that of the same quarter last year as both the Trading division and OEM trading division recorded revenue increases. For the 9-months period to September 2022, revenue increased by 3.6% to RM48.19 million from RM46.53 million for the same period last year.

Gross profit for the quarter under review contracted by 9.5% to RM3.86 million from RM4.26 million in the same quarter last year despite revenue increasing by 4.0%. This was due to a four (4) percentage points contraction in gross profit margin over the same quarter last year. Gross profit for the 9-months period to September 2022 decreased by 6.3% compared to the same period last year due to a 2.8 percentage points contraction in gross profit margin. The contraction in gross margin was due to higher input costs amidst the weakening Ringgit Malaysia vis-à-vis the United States Dollar.

Other operating income for the quarter rose to RM7.86 million compared to RM0.13 million in the same quarter last year. The higher other operating income was due substantially to the recognition of gain on disposal of asset held for sale amounting to RM7.69 million. For the 9-months period to September 2022, other operating income amounted to RM8.32 million compared to RM4.47 million in the same period last year.

The Group incurred higher administrative and other operating expenses of RM4.07 million compared to RM2.71 million in the same quarter last year mainly due to incidental expenses related to the disposal of asset held for sale and higher staff costs. For the 9-months period to September 2022, administrative and other operating expenses were 11.0% higher than that for the same period last year.

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## Notes to interim financial report

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

#### Comparison of current quarter and current cumulative period with preceding year corresponding quarter and preceding year corresponding cumulative period results

Selling & distribution expenses (“S&D”) rose 134.0% to RM2.1 million from RM0.9 million in the same quarter last year due to higher advertising & promotion expenses, distribution expenses and accrual of sales incentive payable. For the 9-months period to September 2022, S&D expenses was 14.5% higher than the same period last year.

Finance costs increased to RM0.14 million from RM0.10 million in the same quarter last year due to rising interest rate and utilization of overdraft facility to fund working capital requirement. For the 9-months to September 2022, finance costs increased to RM0.46 million from RM0.22 million for the same period last year.

Profit after taxation (“PAT”) increased to RM4.62 million from RM0.61 million in the same quarter last year due to the recognition of gain on disposal of asset held for sale. For the 9-months period to September 2022, PAT increased to RM4.98 million compared to RM4.51 million in the same period last year.

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

	Current Quarter	Immediate Preceding Quarter	Changes
	30 Sep 2022	30 Jun 2022	
	RM'000	RM'000	%
Revenue	14,454	18,598	-22.3%
Gross profit	3,860	5,136	-24.8%
Profit before interest and tax	5,556	278	1898.6%
Profit before tax	5,416	128	4131.3%
Profit after tax	4,620	122	3686.9%

Group revenue for the current quarter at RM14.45 million was 22.3% lower than that of the immediate preceding quarter as both divisions registered lower sales due to the softening economic outlook and as pent-up demand eases. The tightening monetary conditions and inflationary pressure experienced lately has also weigh in on consumer demand.

Gross profit decreased by 24.8% in line with the lower revenue. However, profit after tax increased by 3,686.9% due to the higher other operating income as the Group recognized a gain on disposal of asset held for sale of RM7.69 million in the current quarter under review.

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

### Notes to interim financial report

#### B3. Commentary on prospect

The Group remains cautious on its sales prospects for the remainder quarter of the current financial year. The elevated input costs as a result of the depreciation of the Malaysian Ringgit and current interest rate up-cycle have led to reduce consumer spending power as reflected in the Group's third quarter revenue.

With multiple headwinds ahead, the Group will continue to 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 the current landscape. In view of the high input costs, implementing price hikes are inevitable. However, the Group is cognizance of the fact that while price hikes is needed to protect gross margin, this could dampen sales volume further. Close monitoring is being 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		Cumulative	
	Quarter ended 30-Sep-22 RM '000	Quarter ended 30-Sep-21 RM '000	Period ended 30-Sep-22 RM '000	Period ended 30-Sep-21 RM '000
Current year tax expense	17	5	27	13
Prior year tax expense	2	-	2	(4)
Real Property Gains Tax	777	75	777	191
Tax (credit)/expense	796	80	806	200

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. ("UPS B") 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.

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### Notes to interim financial report

#### B6. Status of corporate proposal announced by the Company (cont'd)

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 of Directors of the Company announced to Bursa Securities that the Conditions Precedent of the SPA have been fulfilled on 19 May 2022 and the SPA has become unconditional on 19 May 2022.

On 6 September 2022, Malacca Securities on behalf of the Board of Directors of the Company announced to Bursa Securities that the Proposed Disposal has been completed on 6 September 2022 following the receipt of the balance Disposal Consideration from the Purchaser.

As at 20 November 2022, the status of utilisation of the proceed is as follows:

Purpose	Proposed Utilisation	Actual Utilisation as
		at 20 November 2022
	RM'000	RM'000
(i) Repayment of bank borrowings	4,000	2,707
(ii) Working capital	5,700	3,915
(iii) Estimated expenses in relation to the Proposed Disposal	1,300	1,300
	<u>11,000</u>	<u>7,922</u>

#### B7. Group borrowings and debt securities

Secured bank borrowings are secured by a charge on Fixed Deposit placed by a subsidiary to the Bank amounting to Ringgit Malaysia Six million (RM6,000,000.00) (together with interest earned and/or to be earned thereon) and is guaranteed by the Company. The Group has not issued any debt securities.



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

The total Group borrowings as at the 30 September 2022 and the rates of interest charged are as follows:

	As at 30 Sep 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>Unsecured</u>				
Lease liabilities: Right-of-use asset	793	2,005	385	1,039
<u>Secured</u>				
Lease liabilities	100	358	124	434
Bank overdraft	916	-	-	-
Bankers' acceptance	3,950	-	3,979	-
Total	<u>5,759</u>	<u>2,363</u>	<u>4,488</u>	<u>1,473</u>
	<u>Current Quarter</u>		<u>Year 2021</u>	
		%		%
Bank overdraft		8.07 - 8.57		-
Bankers' acceptance		5.32 - 5.81		4.67 - 5.03

**B8. Material litigation**

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

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to owners of the Company	4,620	609	4,980	4,512
Weighted average number of ordinary shares outstanding ('000)	235,057	235,057	235,057	182,104
<b>Basic earnings/(loss) per share (sen)</b>	<b>1.97</b>	<b>0.26</b>	<b>2.12</b>	<b>2.48</b>

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

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM '000	RM '000	RM '000	RM '000
<i>Profit/(loss) before taxation is arrived at after charging/(crediting)</i>				
Slow moving inventories written back	-	(139)	-	(139)
<u>Depreciation</u>				
-Property, plant and equipment	126	133	330	395
-Right-of-use asset	255	254	722	758
-Investment property	3	4	10	10
Fixed asset written off	121	-	121	-
(Gain)/Loss on disposal of property, plant & machinery	(1)	(5)	(1)	(110)
(Gain)/Loss on disposal of Assets Held for Sale	(7,692)	-	(7,922)	(3,070)
(Gain)/Loss on disposal of Investment		-	-	(354)
Goodwill written off		44	-	266
Interest expense	140	97	460	217
Interest income	(63)	(29)	(113)	(64)
<u>Impairment loss</u>				
-Trade receivables	-	-	-	38
<u>Reversal of impairment loss</u>				
-Trade receivables	(6)	(63)	(23)	(637)
Provision for warranty	69	56	168	193
Provision for sale incentives	386	42	734	1,737
Realised foreign exchange (gain)/loss	84	78	230	79
Unrealised foreign exchange (gain)/loss (net)	2	(73)	(12)	(85)

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The ageing of the receivables and allowance for impairment losses as at 30 September 2022 are as follows:

	<b>30-Sep-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Neither past due</b>	12,753	12,157
Past due 1 - 30 days	1,317	1,895
Past due 31 - 60 days	35	466
Past due 61 - 90 days	14	82
More than 90 days past due	782	1,603
	<u>14,901</u>	<u>16,203</u>
<b>Credit impaired</b>		
Past due	(861)	(838)
Trade receivables (net)	<u>14,040</u>	<u>15,365</u>

**Dated: 30 November 2022**