

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER

ENDED

31 DECEMBER 2022

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

	Note	Individual		Cumulative	
		Quarter ended 31 Dec 2022 RM'000	Quarter ended 31 Dec 2021 RM'000	Period ended 31 Dec 2022 RM'000	Period ended 31 Dec 2021 RM'000
		<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
Revenue	A8	12,222	16,552	60,408	63,078
Cost of sales		(9,434)	(11,605)	(44,571)	(44,198)
Gross Profit		2,788	4,947	15,837	18,880
Other operating income		266	501	8,585	4,974
Administrative expenses		(3,133)	(2,886)	(12,587)	(11,235)
Other operating expenses		(223)	-	(850)	(728)
Selling and distribution expenses		(1,861)	(1,418)	(6,902)	(5,821)
Profit from operations		(2,163)	1,144	4,083	6,070
Finance costs		(114)	(89)	(574)	(306)
Profit/(loss) before taxation	A8, B11	(2,277)	1,055	3,509	5,764
Taxation	B5	357	(37)	(449)	(237)
Profit/(loss) after taxation		(1,920)	1,018	3,060	5,527
Other Comprehensive income/(expense)		(5)	336	(132)	241
Total Comprehensive income/(expense)		(1,925)	1,354	2,928	5,768
Profit/(loss) after taxation attributable to:					
Owners of the Company		(1,920)	1,018	3,060	5,530
Non-controlling Interest		-	-	-	(3)
		(1,920)	1,018	3,060	5,527
Total Comprehensive income/(expense) attributable to:					
Owners of the Company		(1,925)	1,354	2,928	5,771
Non-controlling Interest		-	-	-	(3)
		(1,925)	1,354	2,928	5,768
Basic and diluted earnings per share attributable to owners of the Company (sen)	B10	(0.82)	0.43	1.30	2.83

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

		UNAUDITED	AUDITED
		AS AT	AS AT
		31 Dec 2022	31 Dec 2021
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		1,195	926
Right-of-use assets		2,907	1,985
Investment properties		284	296
Other investments		3,015	3,147
		<u>7,401</u>	<u>6,354</u>
Current Assets			
Inventories		22,706	21,178
Trade receivables	B12	11,610	15,365
Other receivables		1,517	1,430
Tax recoverable		839	456
Fixed deposits with licensed banks		15,100	8,582
Cash and bank balances		5,756	5,757
		<u>57,528</u>	<u>52,768</u>
Non-current assets held for sale		-	3,307
		<u>57,528</u>	<u>56,075</u>
TOTAL ASSETS		<u>64,929</u>	<u>62,429</u>
EQUITY AND LIABILITIES			
Share capital		59,067	59,067
Reserves		(13,637)	(16,565)
Total equity attributable to owners of the Company		<u>45,430</u>	<u>42,502</u>
Non-controlling Interest		-	-
Total Equity		<u>45,430</u>	<u>42,502</u>
Non-Current Liabilities			
Lease liabilities	B7	2,132	1,473
		<u>2,132</u>	<u>1,473</u>
Current Liabilities			
Trade payables		8,486	9,305
Other payables		2,239	2,693
Provision		1,731	1,936
Loans and borrowings	B7	3,943	3,979
Lease liabilities	B7	901	509
Provision for taxation		67	32
		<u>17,367</u>	<u>18,454</u>
Total Liabilities		<u>19,499</u>	<u>19,927</u>
TOTAL EQUITY AND LIABILITIES		<u>64,929</u>	<u>62,429</u>
Net Assets per share attributable to owners of the Company (RM)		0.19	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
Unaudited						
<u>12-months ended 31 December 2021</u>						
At 31 December 2020/ 1 January 2021	59,067	233	(22,533)	36,767	(33)	36,734
Profit after taxation	-	-	5,530	5,530	(3)	5,527
Other comprehensive income	-	241	-	241	-	241
Total comprehensive income	-	241	5,530	5,771	(3)	5,768
Disposal of investment measured at FVTOCI	-	(365)	365	-	-	-
Transaction with owners	-	-	(36)	(36)	36	-
As at 31 December 2021	59,067	109	(16,674)	42,502	-	42,502
Unaudited						
<u>12-months ended 31 December 2022</u>						
At 31 December 2021/ 1 January 2022	59,067	109	(16,674)	42,502	-	42,502
Profit after taxation	-	-	3,060	3,060	-	3,060
Other comprehensive expense	-	(132)	-	(132)	-	(132)
Total comprehensive income / (expense)	-	(132)	3,060	2,928	-	2,928
As at 31 December 2022	59,067	(23)	(13,614)	45,430	-	45,430

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

	12 months ended 31 Dec 2022 RM'000	12 months ended 31 Dec 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	3,509	5,764
Adjustments for :-		
Dividend Income	(119)	-
<u>Depreciation</u>		
Property, plant & equipment	454	559
Right-of-use assets	978	1,016
Investment properties	13	13
Deposit written off	-	32
Fair value gain on investment	(2)	(1)
Fixed Asset written off	150	-
Gain on disposal of Property, plant and equipment	(28)	(701)
Gain on disposal of right-of-use asset	-	(104)
Gain on disposal of non-current asset held for sale	(7,922)	(3,070)
Gain on disposal of investment in a joint venture	-	(2)
Goodwill written off	-	222
Impairment loss on trade receivables	88	38
Impairment loss on property, plant & equipment	-	15
Bad debts written off	4	65
Loss on disposal of investments	-	11
Slow moving inventories written down	239	425
Provision for warranty	221	186
Provision for incentive	1,091	962
Unrealised loss/(gain) on forex	(9)	(108)
Reversal of impairment loss on trade receivables	(27)	(726)
Interest expenses	574	306
Interest income	(198)	(109)
Operating profit before working capital changes	(984)	4,793
Changes in working capital		
Inventories	(1,767)	(3,583)
Receivables	3,602	5,238
Payables	(1,198)	1,666
Cash generated from/(used in) operations	(347)	8,114
Interest paid	(123)	(13)
Income tax refunded	26	15
Tax paid	(823)	(223)
Incentives paid	(1,237)	(1,148)
Warranty paid	(346)	(301)
Net cash generated from/(used in) operations	(2,850)	6,444
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	198	109
Dividends received	119	-
Net (placement)/withdrawal of fixed deposits	(4,059)	(408)
Acquisition of subsidiary	-	(1)
Income distributed from joint-venture	-	229
Proceeds from disposal of other investments	-	1,338
Proceeds from disposal of property, plant & equipment	-	702
Proceeds from disposal of non-current assets held for sale	11,230	4,005
Proceeds from disposal of investment in Joint Venture	-	-
Purchase of other investments	-	(2,989)
Purchase of property, plant and equipment	(844)	(508)
Net cash generated from/(used in) investing activities	6,644	2,477

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

	12 months ended	12 months ended
	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(451)	(293)
Net changes in bankers' acceptance	(36)	118
Repayment of lease liabilities	(849)	(999)
Net cash from/(used in) financing activities	(1,336)	(1,174)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,458	7,747
Effect of exchange rate fluctuations on cash held	-	60
CASH AND CASH EQUIVALENT AT BEGINNING	12,263	4,456
CASH AND CASH EQUIVALENTS AT END	14,721	12,263
Represented by		
Fixed deposits with licensed banks	15,100	8,582
Cash and bank balances	5,756	5,757
Fixed deposits with maturity of more than 3 months	(6,135)	(2,076)
	14,721	12,263

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 31 December 2022.

A7. Dividends paid

No dividends were paid during the current quarter under review.

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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 31 December 2022

	Home appliances RM '000	Others RM '000	Elimination RM '000	Total RM '000
<u>Assets</u>				
Segment assets	51,516	18,577	(26,859)	43,234
Tax recoverable	836	3	-	839
Deposits, cash and bank balances	19,226	1,630	-	20,856
Total Assets	71,578	20,210	(26,859)	64,929
<u>Liabilities</u>				
Segment Liabilities	60,738	36,934	(85,216)	12,456
Tax payable	38	29	-	67
Loans and borrowings	3,943	-	-	3,943
Lease liabilities	3,033	-	-	3,033
Total Liabilities	67,752	36,963	(85,216)	19,499

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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-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM '000	RM '000	RM '000	RM '000
<u>External Revenue</u>				
Home appliances	12,222	16,552	60,408	63,078
Others	-	-	-	-
	<u>12,222</u>	<u>16,552</u>	<u>60,408</u>	<u>63,078</u>
<u>Inter-segment</u>				
Home appliances	80	312	566	1,136
Others	114	113	455	455
Elimination	(194)	(425)	(1,021)	(1,591)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	12,222	16,552	60,408	63,078
<u>Segment Results</u>				
Home appliances	(1,807)	1,645	5,400	7,470
Others	(1,179)	(271)	(2,253)	(1,234)
Elimination	738	(275)	738	(275)
	<u>(2,248)</u>	<u>1,099</u>	<u>3,885</u>	<u>5,961</u>
<u>Interest expense</u>				
Home appliances	(114)	(89)	(574)	(306)
Others	-	-	-	-
	<u>(114)</u>	<u>(89)</u>	<u>(574)</u>	<u>(306)</u>
<u>Interest income</u>				
Home appliances	76	43	159	107
Others	9	2	39	2
	<u>85</u>	<u>45</u>	<u>198</u>	<u>109</u>
<u>Profit/(Loss) before taxation</u>				
Home appliances	(1,845)	1,599	4,985	7,271
Others	(1,170)	(269)	(2,214)	(1,232)
Elimination	738	(275)	738	(275)
	<u>(2,277)</u>	<u>1,055</u>	<u>3,509</u>	<u>5,764</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-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM '000	RM '000	RM '000	RM '000
<u>Tax expense</u>				
Home appliances	360	(37)	(439)	(224)
Others	(3)	-	(10)	(13)
	<u>357</u>	<u>(37)</u>	<u>(449)</u>	<u>(237)</u>
<u>Profit/(Loss) for the period</u>				
Home appliances	(1,485)	1,562	4,546	7,047
Others	(1,173)	(269)	(2,224)	(1,245)
Elimination	738	(275)	738	(275)
	<u>(1,920)</u>	<u>1,018</u>	<u>3,060</u>	<u>5,527</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 31 December 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 RM8.96 million as at 31 December 2022. The contingent liabilities of the Company for the facilities utilized by its subsidiaries as at 31 December 2022 amounted to RM4.0 million.

A13. Capital commitments

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

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Notes to interim financial

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 31/12/2022 RM '000	Period from 01/01/2022- 31/12/2022 RM '000
Transaction with companies in which directors have interest		
Pest React Sdn Bhd	15	24
VAMC Group	7	22
Chin Huat Trading	-	4
Khairin-Nisa' & Co	-	28
Transaction with a connected person	20	85

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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 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	
31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021		
	RM'000	RM'000		RM'000	RM'000	
Revenue	12,222	16,552	-26.2%	60,408	63,078	-4.2%
Gross profit	2,788	4,947	-43.6%	15,837	18,880	-16.1%
Profit/(loss) before interest and tax	(2,163)	1,144	-289.1%	4,083	6,070	-32.7%
Profit/(loss) before tax	(2,277)	1,055	-315.8%	3,509	5,764	-39.1%
Profit/(loss) after tax	(1,920)	1,018	-288.6%	3,060	5,527	-44.6%

Group revenue at RM12.22 million was 26% lower than that of the same quarter last year ("Q4 2021") due to lower contribution from the Trading operation where revenue contracted by 29%. However, the OEM trading operation recorded revenue increase of 30%. For the financial year ended 31 December 2022 ("FYE 2022"), group revenue was 4% lower than that of financial year ended 31 December 2021 ("FYE 2021") due to lower revenue contribution by the OEM Trading operation while the Trading operation's revenue increased by a marginal 0.1% over that of FYE 2021.

Gross profit for the quarter under review contracted by 44% to RM2.79 million from RM4.95 million in Q4 2021 due to a 26% contraction in revenue. For FYE 2022, gross profit was 16% lower than that for FYE 2021 due to lower revenue and a 3.7 percentage points contraction in gross profit margin. The contraction in gross profit margin was due to higher cost of sales as the Group's imports was hit by higher supplier costs which was further exacerbated by the weakened Ringgit Malaysia vis-à-vis the United States Dollar.

Other operating income for the quarter under review was lower than that of Q4 2021. The higher other operating income in Q4 2021 was due to recognition of gain on disposal of assets. For FYE 2022, the higher other operating income was due to the recognition of gain on disposal of non-current asset held for sale.

The Group incurred higher administrative and other operating expenses of RM3.36 million compared to RM2.89 million in Q4 2021 mainly due to higher human resource related expenses and other operating costs.

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

For FYE 2022, administrative and other operating expenses were 12% higher than that for FYE 2021 due mainly to higher forex loss, human resource related costs and one-off expenses incurred in the disposal of non-current asset held for sale.

Selling & distribution expenses (“S&D”) rose 31% to RM1.86 million from RM1.42 million in Q4 2022 due to higher distribution expenses (freight and warehousing) and accrual of sales incentive payable. For FYE 2022, S&D expenses was 19% higher than that of FYE 2021 due to higher distribution expenses, travelling expenses and accrual of sales incentive payable.

Finance costs amounted to RM0.11 million in Q4 2022 compared to RM0.09 million in Q4 2021. The higher finance costs were due to higher interest incurred on right-of-use assets and higher banker acceptance commission. For FYE 2022, finance cost rose to RM0.57 million from RM0.31 million in FYE 2021. Higher banker acceptance commission due to increase in Bank Negara’s overnight policy rate and higher utilization of overdraft facility to fund working capital requirement were the main reasons for the increase.

The Group incurred a Loss after taxation (“LAT”) of RM1.92 million in Q4 2022 compared to a profit after tax (“PAT”) of RM1.02 million in Q4 2021. This was due to lower revenue and gross profit margin of its Trading operation and higher administration and selling and distribution expenses. The Group reported a lower PAT of RM3.06 million for FYE 2022 compared to RM5.53 million in FYE 2021 due to lower revenue and gross margin which was further exacerbated by higher operating costs.

B2. Comparison of current quarter with immediate preceding quarter results

	Current Quarter	Immediate	Changes
	31 Dec 2022	Preceding Quarter	
	RM'000	30 Sept 2022	
Revenue	12,222	14,454	-15.4%
Gross profit	2,788	3,860	-27.8%
Profit/(loss) before interest and tax	(2,163)	5,556	-138.9%
Profit/(loss) before tax	(2,277)	5,416	-142.0%
Profit/(loss) after tax	(1,920)	4,620	-141.6%

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Notes to interim financial

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

Group revenue for the quarter under review at RM12.22 million was 15% lower than that of the immediate preceding quarter ("Q3 2022") due to lower sales registered by the Trading operation amidst the easing of pent up demand and the softening economic outlook.

Gross profit decreased by 28% in line with the lower revenue and contraction in gross profit margin. The Group incurred a LAT of RM1.92 million for Q4 2022 compared to a PAT of RM4.62 million in Q3 2022. In Q3 2022, the Group recognized a gain on disposal of asset held for sale of RM7.69 million.

B3. Commentary on prospect

The Group remains cautious on its sales prospects going forward. Although the recent strengthening of the Ringgit Malaysia vis-a-vis the United States Dollar is a welcome relief, operating costs remain high. The still uncertain economic outlook, current interest rate up-cycle and the current high cost-of-living coupled with noticeable changes in consumer spending pattern and preferences will continue to affect demand for home appliances.

The Group has and will continue to realign its marketing strategies to suit current market conditions to ensure long term sustainable growth. We will continue to improve operational efficiency and manage our cost base to tie through this period of economic uncertainty.

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 31-Dec-22 RM '000	Quarter ended 31-Dec-21 RM '000	Period ended 31-Dec-22 RM '000	Period ended 31-Dec-21 RM '000
Current year tax expense	20	37	47	50
Prior year tax expense	1	-	3	(4)
Real Property Gains Tax	(378)	-	399	191
Tax (credit)/expense	(357)	37	449	237

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.

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**Notes to interim financial report****B6. Status of corporate proposal announced by the Company**

There were no corporate proposals announced that remained uncompleted as at the date of this announcement.

On 6 September 2022, Malacca Securities on behalf of the Board of Directors of the Company announced to Bursa Securities that the Proposed Disposal by T.H. Hin Home Tech Sdn. Bhd. of a land located at Mukim 01, Seberang Jaya Tengah, Pulau Pinang and building erected thereon to Update Paper Sdn. Bhd. has been completed on the same date following the receipt of the balance Disposal Consideration from the Purchaser.

As at 20 February 2023, the proceeds from the sale has been fully utilized as follow:

Purpose	Actual Utilisation as	
	Proposed Utilisation	at 20 February 2023
	RM'000	RM'000
(i) Repayment of bank borrowings	4,000	4,000
(ii) Working capital	5,700	5,700
(iii) Estimated expenses in relation to the Proposed Disposal	1,300	1,300
	<u>11,000</u>	<u>11,000</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.

The total Group borrowings as at 31 December 2022 and the rates of interest charged are as follows:

	As at 31 Dec 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	802	1,800	385	1,039
<u>Secured</u>				
Lease liabilities	99	332	124	434
Bankers' acceptance	3,943	-	3,979	-
Total	<u>4,844</u>	<u>2,132</u>	<u>4,488</u>	<u>1,473</u>

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**Notes to interim financial report****B7. Group borrowings and debt securities (cont'd)**

	<u>Current Quarter</u>	<u>Year 2021</u>
	<u>%</u>	<u>%</u>
Bankers' acceptance	5.80 - 6.58	4.67 - 5.03

B8. Material litigation

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

	Individual		Cumulative	
	Quarter	Quarter	Period	Period
	ended	ended	ended	ended
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to owners of the Company	(1,920)	1,018	3,060	5,530
Weighted average number of ordinary shares outstanding ('000)	235,057	235,057	235,057	195,452
Basic earnings/(loss) per share (sen)	(0.82)	0.43	1.30	2.83

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

Notes to interim financial report

B11. Profit/(loss) for the period

	Individual		Cumulative	
	Quarter ended	Quarter ended	Period ended	Period ended
	31-Dec-22 RM '000	31-Dec-21 RM '000	31-Dec-22 RM '000	31-Dec-21 RM '000
<i>Profit/(loss) before taxation is arrived at after charging/(crediting)</i>				
<u>Depreciation</u>				
-Property, plant and equipment	124	164	454	559
-Right-of-use asset	256	257	978	1,016
-Investment property	3	3	13	13
Bad debt written off	4	-	4	65
Fixed asset written off	29	-	150	-
(Gain)/Loss on disposal of property, plant & machinery	(27)	(591)	(28)	(701)
(Gain)/Loss on disposal of Assets Held for Sale	-	-	(7,922)	(3,070)
(Gain)/Loss on disposal of right-of-use assets	-	-	-	(104)
(Gain)/Loss on disposal of Investment	-	-	-	(2)
Goodwill on consolidation written off	-	-	-	223
Interest expense	114	89	574	306
Interest income	(85)	(45)	(198)	(109)
<u>Impairment loss</u>				
-Trade receivables	88	-	88	38
-Property, plant & equipment	-	15	-	15
<u>Reversal of impairment loss</u>				
-Trade receivables	(4)	(89)	(27)	(726)
Provision for warranty	53	111	221	304
Provision for sale incentives	357	-	1,091	962
Realised foreign exchange (gain)/loss	(39)	16	191	95
Slow moving inventories written down	239	286	239	425
Unrealised foreign exchange (gain)/loss (net)	(3)	(23)	(9)	(108)

MILUX CORPORATION BERHAD Registration No. 199401027937 (313619-W)**Notes to interim financial report****B12. Trade Receivables**

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

	31-Dec-22	31-Dec-21
	RM'000	RM'000
Neither past due	10,887	12,157
Past due 1 - 30 days	574	1,895
Past due 31 - 60 days	111	466
Past due 61 - 90 days	158	82
More than 90 days past due	825	1,603
	<u>12,555</u>	<u>16,203</u>
Credit impaired		
Past due	(945)	(838)
Trade receivables (net)	<u>11,610</u>	<u>15,365</u>

Dated: 27 February 2023