MILUX CORPORATION BERHAD (313619-W)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Individual Quarter		Cumulative Quarter	
	Note	Current Year Quarter 31 Aug 2011 RM'000	Preceding Year Corresponding Quarter 31 Aug 2010 RM'000	Current Year-To-Date 31 Aug 2011 RM'000	Preceding Year Corresponding Period 31 Aug 2010 RM'000
Continuing Operations:					
Revenue		19,065	24,698	79,843	88,857
Cost Of Sales		(15,379)	(28,328)	(63,365)	(77,117)
Gross Profit		3,686	(3,630)	16,478	11,740
Administration and general expenses		(6,017)	(6,381)	(16,429)	(16,951)
Selling and distribution Expenses		(263)	(3,512)	(3,553)	(6,406)
Other Income		12,435	(54)	13,647	784
Profit / (Loss) from operations		9,841	(13,577)	10,143	(10,833)
Finance costs		(291)	(498)	(1,995)	(1,853)
Profit/(Loss) before taxation from continuing operation		9,550	(14,075)	8,148	(12,686)
Taxation		(341)	368	(991)	(494)
Profit/(Loss) from continuing operation, net of tax		9,209	(13,707)	7,157	(13,180)
Discontinued operations & product:-					
Profit/(Loss) from discontinued operations and product	15	(12,598)	-	(12,598)	-
Profit/(Loss) net of tax		(3,389)	(13,707)	(5,441)	(13,180)
Other comprehensive income		32	(67)	-	(58)
Total comprehensive income for the period		(3,357)	(13,774)	(5,441)	(13,238)
Profit attributable to:					
Owners of the parent		(3,389)	(13,707)	(5,441)	(13,180)
Non-controlling Interests		-	-	-	-
		(3,389)	(13,707)	(5,441)	(13,180)
Total comprehensive income attributable to:					
Owners of the parent		(3,357)	(13,774)	(5,441)	(13,238)
Non-controlling Interests		-	-	-	-
		(3,357)	(13,774)	(5,441)	(13,238)
Earnings / (Loss) per share attributable to owners of the parent					
- Basic, profit/(loss) from continuing operations (sen)		19.76	(29.87)	15.35	(28.73)
- Basic, profit/(loss) from discontinued operations and product (sen)		(27.03)	-	(27.03)	-
- Basic, profit/(loss) for the period (sen)		(7.27)	(29.87)	(11.67)	(28.73)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 August 2010.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2011
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31 AUG 2011 RM '000	AUDITED AS AT 31 AUG 2010 RM '000 (Restated)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment		28,996	22,016
Other Investments		103	105
Intangible Assets		831	1,319
Goodwill on consolidation		1,542	5,189
		31,472	28,629
Current Assets			
Assets held for sale		796	8,916
Inventories		25,488	36,973
Trade and Other Receivables		19,362	25,897
Deposits With Licensed Banks		4,655	7,888
Cash & cash equivalents		3,084	2,249
Assets of disposal group classified as held for sale		4,655	-
		58,040	81,923
TOTAL ASSETS		89,512	110,552
EQUITY AND LIABILITIES			
Share Capital		46,615	46,615
Reserves	15	14,292	15,023
Total equity attributable to the owners of the parent		60,907	61,638
Non-controlling interest		-	-
Total Equity		60,907	61,638
Non Current Liabilities			
Deferred tax liabilities		871	825
Government grant		425	489
Long term borrowings		4,109	6,392
		5,405	7,706
Current Liabilities			
Trade and Other Payables		5,946	9,943
Bank Borrowings		15,061	31,252
Income tax liabilities		680	13
Liabilities directly associated with disposal group classified as held for sale	15	1,513	-
		23,200	41,208
Total Liabilities		28,605	48,914
TOTAL EQUITY AND LIABILITIES		89,512	110,552
		-	-
Net Assets Per Share attributable to ordinary equity holders of the parent (RM)		1.31	1.32

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 August 2010.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<———— Attributable to owners of the parent ————>

	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Fair value Reserve RM'000	Revaluation Reserve RM'000	Discontinued Operations RM'000	Retained Profits RM'000	Sub-Total RM'000	Non-controlling interest RM'000	Total Equity RM '000
At 1 September 2010	46,615	1,025	(296)	-	595	-	13,699	61,638	-	61,638
Total comprehensive income for the period	-	-	296	-	-	-	(5,441)	(5,145)	-	(5,145)
Amount recognised directly into Equity related to non-current assets held for sale	-	-	-	-	-	4,414	-	4,414	-	4,414
At 31 August 2011	46,615	1,025	-	-	595	4,414	8,258	60,907	-	60,907

<———— Attributable to owners of the parent ————>

	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Fair value Reserve RM'000	Revaluation Reserve RM'000	Discontinued Operations RM'000	Retained Profits RM'000	Sub-Total RM'000	Non-controlling interest RM'000	Total Equity RM '000
At 1 September 2009	42,377	559	(238)	-	614	-	26,860	70,172	225	70,397
Total comprehensive income for the period	-	-	(58)	-	-	-	(13,180)	(13,238)	-	(13,238)
Issue of shares	4,238	466	-	-	-	-	-	4,704	-	4,704
Net (loss)/gains not recognised in the income statement	-	-	-	-	(19)	-	19	-	-	-
Minority interest shares of net assets released on additional investment in equity stake of the subsidiary company	-	-	-	-	-	-	-	-	(225)	(225)
At 31 August 2010	46,615	1,025	(296)	-	595	-	13,699	61,638	-	61,638

The unaudited Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 August 2010

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2011
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	31 August 2011 RM'000	31 August 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation from continuing operations	8,147	(12,685)
Loss before taxation from discontinued operation	(12,598)	-
Adjustments for non-cash flow :-		
Allowance for diminution/(appreciation) in value of investment	2	-
Impairment of other investments no longer required	-	(1)
Amortisation of research and development expenditure	478	337
Amortisation of government grant	(63)	(52)
Allowance for slow moving, obsolete and defective inventories	-	5,621
Slow moving, obsolete and defective inventories written off	5,611	-
Amortisation of prepaid lease payments	-	93
Research and development expenditure written off	270	-
Goodwill on consolidation written off	2,026	3,346
Depreciation	2,280	2,418
(Gain)/Loss on disposal of property, plant and equipments	(12,165)	(11)
Foreign currency translation differences	(123)	(26)
Property, plant & equipment written off	1,383	5
Allowance for doubtful debts	177	769
Adjustment to cost of investment in certain subsidiaries	-	(1,621)
Interest expense	1,995	1,853
Bad debts written off	-	84
Bad debts recovered	(46)	-
Interest income	(170)	(170)
Operating Profit Before Working Capital Changes	(2,796)	(40)
Changes in working capital		
Inventories	3,464	(6,188)
Receivables	2,221	5,922
Payables	6,941	(1,267)
Cash Generated From Operations	9,830	(1,573)
Income tax refunded	153	824
Income tax paid	(1,204)	(1,505)
Net Cash From Operating Activities	8,779	(2,254)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in a subsidiary companies	-	(225)
Interest Received	170	170
Research and development expenditure	(260)	(311)
Proceeds from disposal of property, plant & equipment	21,300	11
Net cash flow on discontinued operations	2,038	-
Net (Placement)/Withdrawal of Fixed Deposits	3,174	187
Purchase of other investments	(1)	(1)
Increase in prepaid lease payments	-	(1,026)
Purchase of property, plant and equipment	(12,183)	(1,834)
Net Cash used In Investing activities	14,238	(3,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,995)	(1,853)
Bankers acceptance	(8,428)	1,726
Repayment of term loans	(8,572)	(493)
Government Grant	-	200
Proceeds from issuance of shares	-	4,704
Proceeds from bank facilities	7,000	-
Payment of hire purchase payable	(1,102)	(882)
Net Cash used in financing activities	(13,097)	3,402
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,920	(1,881)
CASH AND CASH EQUIVALENT AT BEGINNING	(9,311)	(7,430)
CASH AND CASH EQUIVALENTS AT END	609	(9,311)
Represented by		
Cash and bank balances	3,084	2,249
Bank Overdrafts	(2,475)	(11,560)
	609	(9,311)
	-	

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 August 2010)

MILUX CORPORATION BERHAD (313619-W)
Quarterly Report on unaudited consolidated results for the fourth financial quarter ended 31 August 2011.

Notes to the Interim Financial Report

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: *Interim Financial Reporting* and the applicable disclosure provisions laid down in Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing an interim financial report in conformance with FRS 134, management is required to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses on a year to date basis. Hence, actual results may differ from these estimates.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 August 2010. The selected explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group for the period ended 31 August 2011. The condensed consolidated interim financial statements and notes therein do not include all of the information required for full set of annual financial statements prepared in accordance with FRSs

2. Changes in accounting policies

The significant accounting policies adopted by the Group in this report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 August 2010 except for the changes arising from the adoption of the following new FRSs, Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") that are effective for financial periods beginning on or after 1 January 2010 and 1 July 2010.

		Effective
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
Amendment to FRS 2	Share-based Payment	1 July 2010
	-Vesting Conditions and Cancellations	1 January 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
Amendments to FRS 101	-Puttable Financial Instruments and Obligation Arising on Liquidation	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	
	-Puttable Financial Instruments and Obligation Arising on Liquidation	1 January 2010
	-Separation of Compound Instrument	1 January 2010
	-Classification of Rights Issue	1 March 2010
Amendments to FRS 138	Intangible assets	1 July 2010

FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements' and Their Interaction	1 January 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

The Group has chosen not to early adopt the following FRSs, amendments and interpretations which were in issue but not yet effective:-

		Effective
Amendments to FRS 1	-Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters -Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2	-Group Cash settled Share Based Payment	1 January 2011
Amendments to FRS 7	-Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contain a Lease	1 January 2011
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2012
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011

These revised FRSs are not expected to have any significant impact on the financial statements of the Group.

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations do not have any material impact on the financial statements of the Group except for the adoption of the following FRSs :-

Revised FRS 101: Presentation of Financial Statements

Under this Standard, the current titles 'balance sheet' and 'cash flow statement' has been replaced with 'statement of financial position' and 'statement of cash flow'. A new statement known as 'statement of comprehensive income' has also been introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two linked statements. A separate income statement and a statement of comprehensive income are required under the two linked statements presentation format. Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

The Group has elected to present the statement of comprehensive income in one statement. To conform to the current period's presentation, certain comparative figures have been re-presented.

The adoption of this Standard has no impact on the consolidated financial statements as it involves only new presentation as described above.

FRS 117 : Leases

With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership. Prior to this, leasehold land was treated as operating lease and the considerations paid were classified as prepaid lease payment. The Group has reassessed the leasehold land of the Group and has determined that these are in substance finance leases and have reclassified it to property, plant and equipment.

The effects of the reclassification of the comparative figures following the adoption of the Amendments to FRS 117 are as below:-

Statement of Financial Position As at 31 August 2010	**As previously reported** **RM '000**	**Effect of adopting the amendment to FRS 117** **RM '000**	**As restated** **RM '000**
Property, plant and equipment	20,489	1,527	22,016
Prepaid lease payments	1,527	(1,527)	-

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out new requirements for the recognition and measurement of financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition for the purpose of first adoption of the standard, as at transitional date on 1 September 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash, deposits with licensed bank, loans and receivables and financial assets at fair value through profit and loss.

Loans and Receivables

Prior to 1 September 2010, loans and receivables were stated at the gross proceeds receivable less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains or losses are recognized in the income statement when the loans and receivables are derecognized, impaired or through amortization process.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and borrowings, and are carried at amortised cost.

Transitional provisions

In accordance with the transitional provision of FRS 139, the Group is required to remeasure the financial assets and liabilities as appropriate. Any adjustment of the previous carrying amount of the financial assets and liabilities shall be recognized as an adjustment of the balance of retained earnings at the beginning of the financial year in which FRS 139 is initially applied.

IC Interpretation 10, Impairment and Interim Financial Reporting

Prior to the adoption of IC Interpretation 10, impairment losses for equity investments recognized in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 January 2010, the policy has been changed to conform to the impairment requirements of FRS139. Impairment losses recognised for available-for-sale equity investments in an interim period are not reversed in a subsequent interim period. This change in basis has no effect to the profit or loss of the current period ended 31 August 2011.

3. Audit qualifications

There was no audit qualifications in the auditors' report of the Group's most recent financial statements ended 31 August 2010.

4. Seasonal or cyclical factors

Other than festive periods and national campaigns, the business operations of the Group are not materially affected by any seasonal or cyclical factors.

5. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no exceptional items or unusual events affecting assets, liabilities, equity, net income or cash flow of the Group during the interim financial period under review.

6. Material changes in estimates

There were no material changes in estimates that have a material effect in the current quarter.

7. Issuances, cancellations, repurchases, resale and repayment of debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

8. Dividends paid

No dividend was paid during the current quarter under review.

9. Segmental information

Quarter ended 31 August 2011

By Activities	Manufacturing RM'000	Trading & others RM'000	Total RM'000
External revenue	6,708	12,357	19,065
Inter-segment revenue	3,488	1,087	4,575
Profit/(Loss) before tax	1,302	8,248	9,550
Discontinued operations & product	(12,598)		(12,598)

Quarter ended 31 August 2010

By Activities	Manufacturing RM'000	Trading & others RM'000	Total RM'000
External revenue	7,197	17,501	24,698
Inter-segment revenue	8,406	2,700	11,106
Loss before tax	(1,371)	(12,704)	(14,075)
Discontinued operations & product	-	-	-

10. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 August 2010.

11. Subsequent material event

There were no material events subsequent to the current financial quarter ended 31 August 2011 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the Quarter under review.

13. Contingent liabilities

The contingent liabilities of the Group as at 31 August 2011 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM56.17 million (2010 - RM 68.21 million). Of these, RM18.08 million were utilized by these subsidiaries as at the same date (2010 - RM 37.13 million).

14. Capital Commitments

During the quarter, T.H. Hin Sdn Bhd, a fully owned subsidiary of the Company had on 10th June 2011 awarded a turnkey contract in respect of the renovation and fit out work for its office cum factory/warehouse located in Rawang Integrated Industrial Park in Rawang, Selangor

Authorised and contracted for:	RM
Property, plant & equipment:	
- Building	10,834,656.00
- Amount Utilised as at 31 August 2011	6,340,120.80

15. Discontinued Operations and Disposal Group Classified as Held for Sale.

As at 31 August 2011, the assets and liabilities of the Group's operation in China and India carried out under Milux Industry (ZhongShan) Co. Ltd and Milux Home Appliances (India) Private Limited have been classified as held for sale in accordance with Financial Reporting Standard 5 Non-Current Assets Held for Sales and Discontinued Operations and its results have been treated as results of discontinued operation.

Statements of Financial position disclosures for discontinued operations

The major classes of assets and liabilities classified as held for sale as at 31 August 2011 are as follows:

Assets:	RM'000
Property, plant & equipment	496
Inventories	1,307
Receivables	2,772
Cash & Bank balances	80
Assets of disposal group classified as held for sale	4,655
Liabilities:	
Trade and other payables	1,513
Liabilities associated with disposal group classified as held for sale	1,513
Equity:	
Share capital	1,930
Reserves	2,484
Equity of disposal group classified as held for sale	4,414

Statement of comprehensive income disclosures for discontinued operations & product

The results for the 12 months period ended 31 August 2011 are as follows:

	31.08.2011	31.08.2010
	RM'000	RM'000
Revenue	3,023	3,566
Cost of sales	(2,967)	(3,522)
Gross Profit	56	44
Other Income	472	-
Expenses	(1,920)	(1,300)
Waiver of debts by related creditors	4,197	-
Profit/(Loss) before tax	2,805	(1,256)
Loss on measurement to fair value less costs to sell	(11,803)	-
Loss for the year	(8,998)	(1,256)
Loss on discontinued product	(3,600)	-

Statement of cash flows disclosures for discontinued operations

The cash flows attributable are as follows:

	31.08.2011 RM'000	31.08.2010 RM'000
Operating	(407)	(316)
Investing	52	(35)
Financing	2,352	371
Net cash inflows	1,997	20
Cash and cash equivalents brought forward	(1,916)	(1,936)
Cash and cash equivalents carried forward	81	(1,916)

PART B- ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS

1. Review of performance

For the Quarter under review, the Group's revenue of RM19.07 million was 22.80 % lower compared to the revenue of RM24.70 million recorded in the preceding year's corresponding quarter. The lower revenue was attributed to drop in sales due to product line transition as well as discontinued operations and product.

Profit before taxation from continuing operation for the Quarter under review amounted to RM9.55 million compared to a loss before taxation of RM 14.08 million in the preceding year's corresponding quarter. The Profit before taxation from continuing operation for the Quarter was arrived at after accruing a gain on sale of properties of RM12.14 million.

The Group accrued a Loss from discontinued operations and product, net of tax of RM12.6 million during the Quarter under review. The Group has decided to discontinue its China and India operations due to continued losses suffered by these two operations. The Group has also decided to provide for a certain product line which has been discontinued amounting to RM3.6 million.

2. Comparison with immediate preceding quarter's results

For the Quarter under review, the Group's revenue of RM 19.07 million was 8.84% lower than that of the immediate preceding quarter's revenue of RM20.91 million.

The Group recorded a profit before tax from continuing operation of RM 9.55 million for the Quarter under review compared to loss before tax of RM0.35 million recorded in the immediate preceding quarter. The Profit before taxation from continuing operation for the Quarter was arrived at after accruing a gain on sales of properties of RM12.14 million.

3. Commentary on Prospects

With the decision to discontinue the Group's overseas operations which have been suffering losses since commencement and the discontinuing of a certain product line, the Group is confident that it will see a turnaround in the current financial year ending

31 August 2012. Management will now be able to focus to grow the operations of its local subsidiaries and reposition certain product line.

4. **Variance of Actual Projects from Forecast Profit**

Not applicable

5. **Tax expense**

	3 months ended 31 August		YTD ended 31 August	
	2011	**2010**	**2011**	**2010**
Malaysia tax based on profit for the period	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income Tax	166	125	699	895
Deferred taxation	(28)	(210)	45	(118)
Prior year adjustment	(17)	(283)	27	(283)
RPGT	220	-	220	-
	341	(368)	991	494

The effective tax rate for the financial year-to-date is higher than the statutory tax rate due to the losses incurred by certain subsidiaries.

6. **Sale of unquoted investments and/or properties**

There was no sale of any unquoted investment for the quarter under review.

T.H. Hin Sdn Bhd, a wholly owned subsidiary had on 26 July 2010 entered into a Sale and Purchase Agreement with Albert Wines & Spirits (M) Sdn Bhd to dispose of a piece of vacant land located at No. 8, Jalan Teknologi ¾, Taman Sains Selangor, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan for a total consideration of RM10,980,960.

The said disposal which was announced to Bursa Malaysia on 26th July 2010 had been completed in the current Quarter.

T.H. Hin Sdn Bhd, a wholly owned subsidiary had on 14 December 2010 entered into a Sale and Purchase Agreement with Super Ceramic Tiles & Design Sdn Bhd for the disposal of all that piece of land held under H.S. (D) 242968, No. P.T. 10565, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan together with a 2-storey detached factory cum office erected thereon bearing the address Lot 1, Persiaran Sungai Buloh, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan and all its fixtures and fittings including air-conditioners and existing cargo lift, for a total sale consideration of RM11 million.

The said disposal which was announced to Bursa Malaysia on 14th December 2010 had been completed in the current Quarter.

7. **Quoted securities**

There were no purchases or disposals of quoted securities made during the Quarter under review.

Investment in quoted shares at cost less allowances for diminution in value as at 31 August 2011 were as follows:

	As at 31.08.11 RM
Total investments at carrying value / book value	9,925
Total investments at market value at end of reporting period	7,800

8. Status of corporate proposals

There was no corporate proposal announced which has not been completed as at the date of this announcement.

9. Group borrowings and debt securities

		31.08.11 RM'000	31.08.10 RM'000
a)	Secured and Unsecured Borrowings		
	i) Secured	11,326	20,998
	ii) Unsecured	5,721	15,133
		17,047	36,131
b)	Hire Purchase Creditors		
	i) Payable the next twelve months	811	960
	ii) Payable after next twelve months	1,312	1,513
		2,123	2,473

The above include borrowings denominated in foreign currency as follows:

	31 Aug 2011		31 Aug 2010	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
India Rupees				
Secured				
Overdraft	-	-	29,990	2,082

10. Breakdown of Realised and Unrealised Profits or Losses of the Group

Bursa Malaysia had, in March 2010 issued directives informing all listed corporations on its decision to enhance the existing disclosure requirements by requiring, inter alia, the disclosures of the breakdown of unappropriated profit or accumulated losses into realised and unrealised on group and company basis.

The aforementioned disclosure requirements are applicable to Quarterly Reports and Annual Reports for the financial period or financial year ending on or after 30 September 2010. Comparative figures are not required in the first financial year of applying this requirement.

	Current quarter ended 31 August 2011 RM'000	Previous financial year ended 31 August 2010 RM'000
Total retained profits/(loss) of Milux Corporation Berhad and its subsidiaries - Realised	8,577	(Comparable figures are not required in the first financial year of complying with the Disclosures.)
- Unrealised	(319)	
Total Group retained profits as per Consolidated accounts	8,258	

11. Off Balance Sheet financial instruments

There are no off Balance Sheet financial instruments entered into by the Group as at the date of this quarterly report.

12. Material litigation

The Group has no outstanding material litigation as at the date of this quarterly report.

13. Dividends

No interim dividend has been proposed for the current quarter under review.

14. Earnings Per Share

The earnings per share has been calculated based on the profit attributable to Owners of the Company from continuing operations of RM7,157,000 and loss attributable to Owners of the Company from discontinued operations and product of RM12,598,000 divided by the number of ordinary shares in issue during the period of 46,614,894

Dated : 28 October 2011