

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2011
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30 Nov 2011 RM'000	Preceding Year Corresponding Quarter 30 Nov 2010 RM'000	Current Year To-Date 30 Nov 2011 RM'000	Preceding Year Corresponding Period 30 Nov 2010 RM'000
Revenue		16,363	21,313	16,363	21,313
Cost of Sales		(12,917)	(16,933)	(12,917)	(16,933)
Gross Profit		3,446	4,380	3,446	4,380
Administration and general expenses		(2,815)	(3,223)	(2,815)	(3,223)
Selling and distribution expenses		(1,028)	(863)	(1,028)	(863)
Other income		776	311	776	311
Profit/(Loss) from Operations		379	605	379	605
Finance costs		(324)	(589)	(324)	(589)
Profit/(Loss) before income tax		55	16	55	16
Income tax		(98)	(192)	(98)	(192)
Profit/(Loss) for the period		(43)	(176)	(43)	(176)
Other Comprehensive Income		-	-	-	-
Total Comprehensive loss for the period		(43)	(176)	(43)	(176)
Loss attributable to:					
Owners of the parent		(43)	(176)	(43)	(176)
Non-controlling Interest		-	-	-	-
		(43)	(176)	(43)	(176)
Total Comprehensive loss attributable to:					
Owners of the parent		(43)	(176)	(43)	(176)
Non-controlling Interest		-	-	-	-
		(43)	(176)	(43)	(176)
Earnings / (Loss) per share attributable to owners of the parent					
- Basic (sen)	11	(0.09)	(0.38)	(0.09)	(0.38)
- Diluted (sen)		(0.09)	(0.38)	(0.09)	(0.38)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 August 2011.

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2011
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30 Nov 2011 RM'000	AUDITED AS AT 31 Aug 2011 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	30,028	28,996
Other Investments	104	104
Intangible Assets	802	831
Goodwill on consolidation	1,542	1,542
	<u>32,476</u>	<u>31,473</u>
Current Assets		
Assets held for Sale	487	796
Inventories	25,139	25,263
Trade and Other Receivables	18,033	19,058
Deposits With Licensed Banks	4,626	4,655
Cash & Cash Equivalents	3,049	3,098
	<u>51,334</u>	<u>52,870</u>
Assets of disposal group classified as held for sale	1,934	1,934
TOTAL ASSETS	<u>85,744</u>	<u>86,277</u>
EQUITY AND LIABILITIES		
Share Capital	46,615	46,615
Reserves	9,508	9,551
Total equity attributable to the owners of the parent	56,123	56,166
Non-controlling Interest	-	-
Total Equity	<u>56,123</u>	<u>56,166</u>
Non Current Liabilities		
Deferred tax liabilities	356	356
Government grant	410	425
Long-term borrowings	4,326	4,471
	<u>5,092</u>	<u>5,252</u>
Current Liabilities		
Trade and Other Payables	4,710	7,033
Bank Borrowings	15,505	13,610
Income tax liabilities	780	682
	<u>20,995</u>	<u>21,325</u>
Liabilities directly associated with disposal group classified as held for sale	3,534	3,534
Total Liabilities	<u>29,621</u>	<u>30,111</u>
TOTAL EQUITY AND LIABILITIES	<u>85,744</u>	<u>86,277</u>
	-	-
Net Assets Per Share attributable to ordinary equity holders of the parent (RM)	1.20	1.20

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 August 2011.

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2011
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Sub-Total RM'000	Non- Controlling Interest RM'000	
At 1 September 2011	46,615	1,025	576	-	7,950	56,166	-	56,166
Total comprehensive income for the period	-	-	-	-	(43)	(43)	-	(43)
At 30 November 2011	46,615	1,025	576	-	7,907	56,123	-	56,123

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Sub-Total RM'000	Non- Controlling Interest RM'000	
At 1 September 2010	46,615	1,025	595	(296)	13,699	61,638	-	61,638
Total comprehensive income for the period	-	-	-	-	(176)	(176)	-	(176)
At 30 November 2010	46,615	1,025	595	(296)	13,523	61,462	-	61,462

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 August 2011.

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2011
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 November 2011 RM'000	30 November 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation from Continuing Operations	55	16
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	71	117
Amortisation of government grant	(16)	(16)
Depreciation	535	588
(Gain)/Loss on disposal of property, plant and equipments	(242)	-
Property, plant and equipments written off	3	-
Interest expenses	324	589
Interest income	(32)	(39)
Operating Profit Before Working Capital Changes	698	1,255
Changes in working capital		
Inventories	123	1,485
Receivables	1,190	2,395
Payables	(1,232)	(1,888)
Cash Generated From Operations	779	3,247
Income tax refunded	-	153
Income tax paid	(165)	(199)
Net cash from operating activities	614	3,201
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	32	39
Proceeds from disposal of property, plant & equipment	554	-
Net (placement)/withdrawal of Fixed Deposits	29	(38)
Purchase of property, plant and equipment	(1,615)	(783)
Net cash (used in)/from investing activities	(1,000)	(782)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(324)	(589)
Banker acceptance	(1,595)	(4,212)
Repayment of term loans	(160)	(201)
Proceeds from bank facilities	-	533
Payment of hire purchase payable	(469)	(275)
Net cash from/(used in) financing activities	(2,548)	(4,744)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,934)	(2,325)
CASH AND CASH EQUIVALENT AT BEGINNING	623	(9,311)
CASH AND CASH EQUIVALENTS AT END	(2,311)	(11,636)
Represented by		
Cash and bank balances	3,049	2,236
Bank Overdrafts	(5,360)	(13,872)
	(2,311)	(11,636)

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 August 2011.

MILUX CORPORATION BERHAD (313619-W)

Quarterly Report on unaudited consolidated results for the first financial quarter ended 30 November 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 2011. 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 2012. 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 2011 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 2011 and 1 July 2011.

		<u>Effective</u>
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-Time Adopters	01.01.2011
	Additional Exemption for First-Time Adopters	
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	01.01.2011
FRS 3	Annual improvements to FRSS	01.01.2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	01.01.2011
Amendments to IC Interpretation 13	Customer Loyalty Programmes	01.01.2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	01.07.2011
IC Interpretation 18	Transfer of Assets from Customers	01.01.2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	01.07.2011

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

IC Interpretation 15	Agreements for the Construction of Real Estate	<u>Effective</u> 01.01 2012
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This new interpretation is 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.

3. Audit qualifications

There was no audit qualifications in the auditors' report of the Group's most recent financial statements ended 31 August 2011.

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 30 November 2011

	Manufacturing	Trading & others	Total
By Activities	RM'000	RM'000	RM'000
External revenue	6,383	9,980	16,363
Inter-segment revenue	5,262	1,477	6,739
Profit/(Loss) before tax	78	(23)	55

Quarter ended 30 November 2010

By Activities	Manufacturing RM'000	Trading & others RM'000	Total RM'000
External revenue	7,445	13,868	21,313
Inter-segment revenue	6,770	8,657	15,427
Loss before tax	476	(460)	16

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 2011.

11. Subsequent material event

There were no material events subsequent to the current financial quarter ended 30 November 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 30 November 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, RM19.19 million were utilized by these subsidiaries as at the same date (2010 - RM 34.90 million).

14. Capital Commitments

Authorised and contracted for but not provided for:	RM
Property, plant & equipment:	<u>1,115,510</u>

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 RM16.36 million was 23.22% lower compared to the revenue of RM21.33 million recorded in the preceding year's corresponding quarter. The Group's revenue are mainly derived from its export sales, domestic sales and domestic OEM sales for its gas and electrical home appliances. The reduction in revenue is mainly due to lower domestic sales.

Profit before income tax for the Quarter under review amounted to RM55,000 compared to profit before income tax of RM16,000 in the preceding year's corresponding quarter.

2. Comparison with immediate preceding quarter's results

For the quarter under review, the Group's revenue of RM16.36 million was 14.17% lower than that of the immediate preceding quarter's revenue of RM19.07 million.

The Group recorded a Profit before income tax of RM55,000 for the quarter under review compared to a Loss before income tax of RM3.048 million in the immediate preceding quarter due to discontinued operations and provision made for certain products that were discontinued and after accruing a gain on sale of properties.

3. Commentary on Prospects

The Group is confident that both its export and domestic OEM business will continue to improve and remain profitable despite the current hazy economic outlook. However, the level of profitability will be dependent on forex volatility going forward.

The domestic trading business is not expected to turnaround in the coming quarter as yet as the Group is still in midst of realignment of its product mix and improving the visibility of the Group's "MILUX" brand in the domestic market.

4. Variance of Actual Projects from Forecast Profit

Not applicable

5. Tax expense

	3 months ended		YTD ended	
	30 November		30 November	
	2011	2010	2011	2010
Malaysia tax based on profit for the period	RM'000	RM'000	RM'000	RM'000
Income Tax	98	192	98	192
Deferred taxation	-	-	-	-
	<u>98</u>	<u>192</u>	<u>98</u>	<u>192</u>

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. Status of corporate proposals

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

7. Group borrowings and debt securities

	30.11.11 RM'000	30.11.10 RM'000
a) Secured and Unsecured Borrowings		
i) Secured	13,466	22,016
ii) Unsecured	<u>4,710</u>	<u>12,014</u>
	<u>18,176</u>	<u>34,030</u>
b) Hire Purchase Creditors		
i) Payable the next twelve months	758	1,063
ii) Payable after next twelve months	<u>897</u>	<u>1,668</u>
	<u>1,655</u>	<u>2,731</u>

8. 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 30 November 2011 RM'000	Previous financial year ended 31 August 2011 RM'000
Total retained profits/(loss) of Milux Corporation Berhad and its subsidiaries	8,237	8,306
- Realised		
- Unrealised	(356)	(356)
Total Group retained profits as per Consolidated accounts	7,881	7,950

9. Material litigation

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

10. Dividends

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

11. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the loss attributable to Owners of the Company of RM42,726 divided by the number of ordinary shares in issue during the period of 46,614,894.

Dated : 30 January 2012