

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year corresponding Quarter	Preceding Year Quarter	Current Year corresponding To-Date	Preceding Year Period
		29 Feb 2012	28 Feb 2011	29 Feb 2012	28 Feb 2011
		RM'000	RM'000	RM'000	RM'000
Revenue		15,509	18,552	31,872	39,865
Cost of Sales		(12,939)	(14,875)	(25,856)	(31,808)
Gross Profit		2,570	3,677	6,016	8,057
Administration and general expenses		(3,113)	(3,616)	(5,928)	(6,839)
Selling and distribution expenses		(980)	(873)	(2,008)	(1,736)
Other income		229	323	1,005	634
Profit/(Loss) from Operations		(1,294)	(489)	(915)	116
Finance costs		(373)	(583)	(697)	(1,172)
Profit/(Loss) before income tax		(1,667)	(1,072)	(1,612)	(1,056)
Income tax		25	(283)	(73)	(475)
Profit/(Loss) , net of income tax		(1,642)	(1,355)	(1,685)	(1,531)
Profit/(Loss) for the period		(1,642)	(1,355)	(1,685)	(1,531)
Other Comprehensive Income		-	(4)	-	(4)
Total Comprehensive loss for the period		(1,642)	(1,359)	(1,685)	(1,535)
Loss attributable to:					
Owners of the parent		(1,642)	(1,355)	(1,685)	(1,531)
Non-controlling Interest		-	-	-	-
		<u>(1,642)</u>	<u>(1,355)</u>	<u>(1,685)</u>	<u>(1,531)</u>
Total Comprehensive loss attributable to:					
Owners of the parent		(1,642)	(1,359)	(1,685)	(1,535)
Non-controlling Interest		-	-	-	-
		<u>(1,642)</u>	<u>(1,359)</u>	<u>(1,685)</u>	<u>(1,535)</u>
Earnings / (Loss) per share attributable to owners of the parent					
- Basic (sen)	Part B (11)	(3.52)	(2.91)	(3.61)	(3.28)
- Diluted (sen)		(3.52)	(2.91)	(3.61)	(3.28)

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 29 FEBRUARY 2012
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 29 Feb 2012 RM'000	AUDITED AS AT 31 Aug 2011 RM'000
Note	_____	_____
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	29,985	28,996
Other Investments	104	104
Intangible Assets	725	831
Goodwill on consolidation	1,542	1,542
	<u>32,356</u>	<u>31,473</u>
Current Assets		
Assets held for Sale	487	796
Inventories	23,621	25,263
Trade and Other Receivables	18,215	19,058
Deposits With Licensed Banks	4,700	4,655
Cash & Cash Equivalents	5,284	3,098
	<u>52,307</u>	<u>52,870</u>
Assets of disposal group classified as held for sale	1,934	1,934
TOTAL ASSETS	<u>86,597</u>	<u>86,277</u>
EQUITY AND LIABILITIES		
Share Capital	46,615	46,615
Reserves	7,866	9,551
Total equity attributable to the owners of the parent	<u>54,481</u>	<u>56,166</u>
Non-controlling Interest	-	-
Total Equity	<u>54,481</u>	<u>56,166</u>
Non Current Liabilities		
Deferred tax liabilities	355	356
Government grant	394	425
Long-term borrowings	4,127	4,471
	<u>4,876</u>	<u>5,252</u>
Current Liabilities		
Trade and Other Payables	5,467	7,033
Bank Borrowings	17,486	13,610
Income tax liabilities	753	682
	<u>23,706</u>	<u>21,325</u>
Liabilities directly associated with disposal group classified as held for sale	3,534	3,534
Total Liabilities	<u>32,116</u>	<u>30,111</u>
TOTAL EQUITY AND LIABILITIES	<u>86,597</u>	<u>86,277</u>
	-	-
Net Assets Per Share attributable to ordinary equity holders of the parent (RM)	1.17	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 29 FEBRUARY 2012
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<-----Attributable to owners of the parent ----->							
	Share	Share	Revaluation	Flunctuation	Retained	Sub-Total	Non-	Total
	Capital	Premium	Reserve	Reserve	Profits		Controlling	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Interest	RM'000
							RM'000	
At 1 September 2011	46,615	1,025	576	-	7,950	56,166	-	56,166
Total comprehensive income for the period	-	-	-	-	(1,685)	(1,685)	-	(1,685)
At 29 February 2012	46,615	1,025	576	-	6,265	54,481	-	54,481

	<-----Attributable to owners of the parent ----->							
	Share	Share	Revaluation	Flunctuation	Retained	Sub-Total	Non-	Total
	Capital	Premium	Reserve	Reserve	Profits		Controlling	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Interest	RM'000
							RM'000	
At 1 September 2010	46,615	1,025	595	(296)	13,699	61,638	-	61,638
Total comprehensive income for the period	-	-	-	(4)	(1,531)	(1,535)	-	(1,535)
At 28 February 2011	46,615	1,025	595	(300)	12,168	60,103	-	60,103

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 29 FEBRUARY 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	29 February 2012 RM'000	28 February 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation from Continuing Operations	(1,612)	(1,056)
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	148	237
Amortisation of government grant	(32)	(32)
Depreciation	1,124	1,171
(Gain)/Loss on disposal of property, plant and equipments	(329)	(18)
Property, plant and equipments written off	5	4
Foreign currency translation differences		9
Interest expenses	697	1,172
Bad debts recovered	(17)	-
Interest income	(67)	(77)
Operating Profit Before Working Capital Changes	(83)	1,410
Changes in working capital		
Inventories	1,641	4,120
Receivables	1,192	4,104
Payables	(475)	(1,406)
Cash Generated From Operations	2,275	8,228
Income tax refunded		153
Income tax paid	(333)	(520)
Net cash from operating activities	1,942	7,861
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	67	77
Proceeds from disposal of property, plant & equipment	952	29
Net (placement)/withdrawal of Fixed Deposits	(45)	(74)
Purchase of property, plant and equipment	(2,475)	(877)
Net cash (used in)/from investing activities	(1,501)	(845)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(697)	(1,172)
Banker acceptance	(2,588)	(6,256)
Repayment of term loans	(320)	(379)
Proceeds from bank facilities	300	533
Payment of hire purchase payable	(738)	(561)
Net cash from/(used in) financing activities	(4,043)	(7,835)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(3,602)	(819)
CASH AND CASH EQUIVALENT AT BEGINNING	623	(9,311)
CASH AND CASH EQUIVALENTS AT END	(2,979)	(10,130)
Represented by		
Cash and bank balances	5,284	3,010
Bank Overdrafts	(8,263)	(13,140)
	(2,979)	(10,130)

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 29 February 2012.

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 following explanatory notes 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 since the financial 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 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:-

		<u>Effective</u>
IC Interpretation 15	Agreements for the Construction of Real Estate	01.01.2012
FRS 124	Related Party Disclosures (revised)	01.01.2012

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

The auditor's report on the financial statements of the Group and Company for the financial year ended 31 August 2011 was not subject to any qualification.

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 29 February 2012

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local		10,126	99		10,225
-Overseas		197	5,087		5,284
Internal	104	3,711	4,918	(8,733)	-
Total Revenue		14,034	10,104	(8,733)	15,509
Segment Results	(123)	(387)	(820)		(1,330)
Interest expense	-	(289)	(83)		(372)
Interest income	-	32	3		35
Loss before tax	(123)	(644)	(900)	-	(1,667)
Tax expense					25
Net loss					(1,642)

Quarter ended 28 February 2011

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	11,821	280		12,101
-Overseas	-	35	6,417		6,452
Internal	25	754	5,056	(5,835)	-
Total Revenue	25	12,610	11,753	(5,835)	18,553
Segment Results	(174)	(416)	70	(8)	(528)
Interest expense		(384)	(199)		(583)
Interest income	8	25	6		39
Loss before tax	(166)	(775)	(123)	(8)	(1,072)
Tax expense					(283)
Net loss					(1,355)

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 28 February 2012 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 29 February 2012 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM52.53 million (2011 -RM 69.83 million). Of these, RM20.60 million were utilized by these subsidiaries as at the same date (2011 - RM 32.47 million).

14. Capital Commitments

Authorised and contracted for but not provided for: RM

Property, plant & equipment: 1,115,510

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

1. Review of performance

Quarter on quarter review

The Group recorded a lower revenue of RM15.51 million for the Quarter under review compared to that of RM18.55 million recorded in the preceding year corresponding Quarter. This represents a decrease of 16.3%. The decrease was attributed to the lower sales in the local market and reductions in overseas OEM customers' orders.

The Group's loss after tax of RM1.64 million for the Quarter under review was 20.6% higher than that of the preceding year corresponding Quarter's loss after tax of RM1.36 million. The increase was mainly due to lower revenue recorded despite the lower operating and financing costs incurred during the Quarter under review.

Year on year review

The Group's revenue for the six (6) months ended 29 February 2012 of RM31.87 million was 20.1% lower than that of the previous corresponding period which amounted to RM39.87 million.

The Group's loss after tax for the six (6) months ended 29 February 2012 at RM1.69 million represent an increase of 10.5 % over that of the previous corresponding period's loss after tax of RM1.53 million.

The performance of the Group's business segment for the six (6) months ended 29 February 2012 as compared to the previous corresponding period are as follows:

1. Trading division

Revenue for the six (6) months to 29 Feb 2012 decreased by 21.3% to RM20.3 million from the previous corresponding period's revenue of RM25.8 million while loss before tax decreased to RM0.61 million compared to a loss before tax of RM1.27 million in the previous corresponding period.

The lower revenue was due to a generally softer local market and also the Group's phasing out certain models of its product pending the relaunching of new models in the next two (2) quarters. During this period, the division managed to reduce its operating cost resulting in a lower loss despite a drop in revenue recorded.

2. Manufacturing division

Revenue for the six (6) months to 29 Feb 2012 felled to RM11.57 million from RM14.14 million recorded in the previous corresponding quarter, a decreased of 18.2%. The division recorded a loss before tax of RM0.82 million compared to a profit of RM0.35 million in the previous corresponding quarter due to lower revenue and the stronger Malaysian Ringgit vis-à-vis the USD.

The lower revenue was due to the slow down in orders from its overseas OEM customers who are in the process of clearing their existing stocks so as to allow them to launch new models into the market which is scheduled during the Group's coming 4th Quarter of the current financial year.

Profit before income tax for the quarter was arrived at after charging/crediting :-

	Quarter ended 29 Feb 2012	Year-to-date 29 Feb 2012
	RM'000	RM'000
Interest income	35	67
Interest expense	373	697
Depreciation & Amortisation	650	1,240
Bad debts recovered	17	17
Gain on disposal of property	87	329

2. Comparison with immediate preceding quarter's results

For the quarter under review, the Group's revenue of RM15.51 million was 5.2% lower than that of the immediate preceding quarter's revenue of RM16.36 million while it recorded a loss after income tax of RM1.64 million compared to a loss after income tax of RM0.043 million previously.

3. Commentary on Prospects

The Group is cautiously optimistic of better performance going into the second half of the financial year. This is premised on the fact that a number of new models within its current product range are scheduled to be launched. In addition, orders for its OEM manufacturing division is expected to pick up in the coming months. However, the profitability of this division is dependent on the forex volatility going forward.

4. Variance of Actual Projects from Forecast Profit

Not applicable

5. Tax expense

	3 months ended 29 February		YTD ended 29 February	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income tax	(25)	208	73	400
Deferred taxation	-	75	-	75
	<u>(25)</u>	<u>283</u>	<u>73</u>	<u>475</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

On 13th March 2012, OSK Investment Bank ("OSK") on behalf of the Company ("Milux") announced to Bursa Malaysia Securities Berhad ("Bursa") of Milux's proposal to undertake a private placement of up to 10% of its issued and paid-up capital to third party investors to be identified later.

On 2nd April 2012, OSK on behalf of Milux announced to Bursa of the submission of the listing application in relation to the Proposed Private Placement on 2nd April 2012.

On 4th April 2012, OSK on behalf of Milux announced to Bursa of the receipt of Bursa's approval of the Proposed Private Placement vide its letter dated 3rd April 2012 (which was received on 4th April 2012) subject to:

- (i) Milux and OSK must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Private Placement;
- (ii) Milux and OSK to inform Bursa Securities upon the completion of the Private Placement; and
- (iii) Milux to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed.

7. Group borrowings and debt securities

	29-Feb-12 RM'000	28-Feb-11 RM'000
a) Secured and Unsecured borrowings		
i) Secured	15,402	21,297
ii) Unsecured	4,524	9,779
	<u>19,926</u>	<u>31,076</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	691	1,058
ii) Payable after next twelve months	996	1,387
	<u>1,687</u>	<u>2,445</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 29 February 2012 RM'000	Previous financial year ended 31 August 2011 RM'000
Total retained profits/(loss) of Milux Corporation Berhad and its subsidiaries	6,621	8,306
- Realised		
- Unrealised	(356)	(356)
Total Group retained profits as per Consolidated accounts	6,265	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 for the Quarter under review have been calculated based on the loss attributable to Owners of the Company of RM1.642 million divided by the number of ordinary shares in issue during the period of 46,614,894.

Dated: 20 April 2012