

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2012
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 May 2012 RM'000	Preceding Year Corresponding Quarter 31 May 2011 RM'000	Current Year To-Date 31 May 2012 RM'000	Preceding Year Corresponding Period 31 May 2011 RM'000
Revenue		13,723	20,913	45,595	60,778
Cost of Sales		(10,884)	(16,178)	(36,740)	(47,986)
Gross Profit		2,839	4,735	8,855	12,792
Administration and general expenses		(2,818)	(3,573)	(8,746)	(10,412)
Selling and distribution expenses		(1,157)	(1,554)	(3,165)	(3,290)
Other income		200	578	1,205	1,212
Profit/(Loss) from Operations		(936)	186	(1,851)	302
Finance costs		(387)	(532)	(1,084)	(1,704)
Profit/(Loss) before income tax		(1,323)	(346)	(2,935)	(1,402)
Income tax		9	(175)	(64)	(650)
Profit/(Loss) , net of income tax		(1,314)	(521)	(2,999)	(2,052)
Profit/(Loss) for the period		(1,314)	(521)	(2,999)	(2,052)
Other Comprehensive Income		-	(28)	-	(32)
Total Comprehensive loss for the period		(1,314)	(549)	(2,999)	(2,084)
Loss attributable to:					
Owners of the parent		(1,314)	(521)	(2,999)	(2,052)
Non-controlling Interest		-	-	-	-
		(1,314)	(521)	(2,999)	(2,052)
Total Comprehensive loss attributable to:					
Owners of the parent		(1,314)	(549)	(2,999)	(2,084)
Non-controlling Interest		-	-	-	-
		(1,314)	(549)	(2,999)	(2,084)
Earnings / (Loss) per share attributable to owners of the parent					
- Basic (sen)	Part B (11)	(2.82)	(1.12)	(6.43)	(4.40)
- Diluted (sen)		(2.82)	(1.12)	(6.43)	(4.40)

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 31 MAY 2012
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	UNAUDITED AS AT 31 May 2012 RM'000	AUDITED AS AT 31 Aug 2011 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	30,039	28,996
Other Investments	104	104
Intangible Assets	655	831
Goodwill on consolidation	1,542	1,542
	<u>32,340</u>	<u>31,473</u>
Current Assets		
Assets held for Sale	487	796
Inventories	24,727	25,263
Trade and Other Receivables	16,909	19,058
Deposits With Licensed Banks	5,664	4,655
Cash & Cash Equivalents	3,125	3,098
	<u>50,912</u>	<u>52,870</u>
Assets of disposal group classified as held for sale	1,934	1,934
TOTAL ASSETS	<u>85,186</u>	<u>86,277</u>
EQUITY AND LIABILITIES		
Share Capital	46,615	46,615
Reserves	6,552	9,551
Total equity attributable to the owners of the parent	53,167	56,166
Non-controlling Interest	-	-
Total Equity	<u>53,167</u>	<u>56,166</u>
Non Current Liabilities		
Deferred tax liabilities	356	356
Government grant	377	425
Long-term borrowings	3,980	4,471
	<u>4,713</u>	<u>5,252</u>
Current Liabilities		
Trade and Other Payables	6,014	7,033
Bank Borrowings	17,733	13,610
Income tax liabilities	25	682
	<u>23,772</u>	<u>21,325</u>
Liabilities directly associated with disposal group classified as held for sale	3,534	3,534
Total Liabilities	<u>32,019</u>	<u>30,111</u>
TOTAL EQUITY AND LIABILITIES	<u>85,186</u>	<u>86,277</u>
Net Assets Per Share attributable to ordinary equity holders of the parent (RM)		
	1.14	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 31 MAY 2012
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<-----Attributable to owners of the parent ----->								
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Fluctuation Reserve RM'000	Fair value Reserve RM'000	Retained Profits RM'000	Sub-Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
At 1 September 2011	46,615	1,025	576	-	-	7,950	56,166	-	56,166
Total comprehensive income for the period	-	-	-	-	-	(2,999)	(2,999)	-	(2,999)
At 31 May 2012	46,615	1,025	576	-	-	4,951	53,167	-	53,167

	<-----Attributable to owners of the parent ----->								
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Fluctuation Reserve RM'000	Fair value Reserve 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	595	(296)	-	13,699	61,638	-	61,638
Total comprehensive income for the period	-	-	-	(35)	3	(2,052)	(2,084)	-	(2,084)
At 31 May 2011	46,615	1,025	595	(331)	3	11,647	59,554	-	59,554

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 31 MAY 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>31 May 2012</u> RM'000	<u>31 May 2011</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before taxation from Continuing Operations	(2,935)	(1,402)
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	583	360
Amortisation of government grant	(48)	(48)
Depreciation	1,327	1,756
Property, plant and equipments written off	5	10
(Gain)/Loss on disposal of property, plant and equipments	(328)	(18)
Foreign currency translation differences	-	(21)
Bad debts recovered	(17)	-
Interest expenses	1,084	1,704
Interest income	(102)	(128)
Operating Profit Before Working Capital Changes	<u>(431)</u>	<u>2,213</u>
Changes in working capital		
Inventories	536	4,024
Receivables	1,995	3,933
Payables	71	7,508
Cash Generated From Operations	<u>2,171</u>	<u>17,678</u>
Income tax refunded	-	153
Income tax paid	(549)	(840)
Net cash from operating activities	<u>1,622</u>	<u>16,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	102	128
Proceeds from disposal of property, plant & equipment	952	29
Net (placement)/withdrawal of Fixed Deposits	(1,009)	2,018
Purchase of property, plant and equipment	(3,098)	(5,834)
Net cash (used in)/from investing activities	<u>(3,053)</u>	<u>(3,659)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(1,084)	(1,704)
Banker acceptance	(3,066)	(5,790)
Repayment of term loans	(483)	(580)
Proceeds from bank facilities	-	3,500
Proceeds from hire purchase facilities	300	625
Payment of hire purchase payable	(1,004)	(825)
Net cash from/(used in) financing activities	<u>(5,337)</u>	<u>(4,774)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,768)	8,558
CASH AND CASH EQUIVALENT AT BEGINNING	<u>623</u>	<u>(9,311)</u>
CASH AND CASH EQUIVALENTS AT END	<u>(6,145)</u>	<u>(753)</u>
Represented by		
Cash and bank balances	3,125	2,698
Bank Overdrafts	(9,270)	(3,451)
	<u>(6,145)</u>	<u>(753)</u>

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 31 May 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 31 May 2012

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local		10,466	100		10,566
-Overseas		251	2,906		3,157
Internal	104	3,772	5,199	(9,075)	-
Total Revenue	104	14,489	8,205	(9,075)	13,723
Segment Results	(23)	(80)	(868)		(971)
Interest expense		(310)	(77)		(387)
Interest income	-	33	2		35
Loss before tax	(23)	(357)	(943)		(1,323)
Tax expense					9
Net loss					(1,314)

Quarter ended 31 May 2011

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local		13,334	262		13,596
-Overseas		302	7,015		7,317
Internal	104	2,027	5,487	(7,618)	-
Total Revenue	104	15,663	12,764	(7,618)	20,913
Segment Results	70	684	(628)	9	135
Interest expense		(351)	(181)		(532)
Interest income	8	41	2		51
Loss before tax	78	374	(807)	9	(346)
Tax expense					(175)
Net loss					(521)

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 31 May 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

During the Quarter under review, the Group incorporated the following Companies.

	Brightyield Die-Casting Sdn. Bhd.	Milux Agro Resources Sdn. Bhd.	Milux Properties Sdn. Bhd.
Authorised capital	RM500,000	RM500,000	RM500,000
Paid up capital	RM2.00	RM2.00	RM2.00
Shareholder	wholly owned by Brightyield Sdn. Bhd., a wholly owned subsidiary of Milux Corporation Berhad	wholly owned by Milux Corporation Berhad	wholly owned by Milux Corporation Berhad

Koh Pee Seng and Dato' Mohamed Salleh bin Bajuri each hold 1 share of RM1.00 each in the respective Companies in trust for Brightyield Sdn Bhd and Milux Corporation Berhad.

13. Contingent liabilities

The contingent liabilities of the Group as at 31 May 2012 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities

granted to certain subsidiary companies which amounted to RM46.48 million (2011 -RM 65.84 million). Of these, RM20.74 million were utilized by these subsidiaries as at the same date (2011 - RM 26.42 million).

14. Capital Commitments

There was no capital commitment as at 31 May 2012

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 RM13.723 million for the Quarter under review compared to that of RM20.913 million recorded in the preceding year corresponding Quarter. This represents a decrease of 34.4%. The decrease was attributed to the lower sales in the local market and also to overseas OEM customers.

The Group's loss after tax of RM1.314 million for the Quarter under review was 152.2% higher than that of the preceding year corresponding Quarter's loss after tax of RM0.521 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 nine (9) months ended 31 May 2012 of RM45.595 million was 25.0% lower than that of the previous corresponding period which amounted to RM60.778 million.

The Group's loss after tax for the nine (9) months ended 31 May 2012 at RM2.999 million represent an increase of 46.2 % over that of the previous corresponding period's loss after tax of RM2.052 million.

The performance of the Group's business segment for the nine (9) months ended 31 May 2012 as compared to the previous corresponding period are as follows:

1. Trading division

Revenue for the nine (9) months to 31 May 2012 decreased by 21.18% to RM31.02 million from the previous corresponding period's revenue of RM39.358 million while loss before tax increased to RM0.964 million from a loss before tax of RM0.897 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.

2. Manufacturing division

Revenue for the nine (9) months to 31 May 2012 felled to RM14.575 million from RM21.420 million recorded in the previous corresponding period, a decrease of

31.96%. The division recorded a loss before tax of RM1.766 million compared to a loss of RM0.452 million in the previous corresponding quarter due to lower revenue.

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 31 May 2012	Year-to-date 31 May 2012
	RM'000	RM'000
Interest income	35	102
Interest expense	387	1,084
Depreciation & amortisation	638	1,910
Bad debts recovered	0	17
Gain on disposal of property	0	328

2. Comparison with immediate preceding quarter's results

For the quarter under review, the Group's revenue of RM13.723 million was 11.52% lower than that of the immediate preceding quarter's revenue of RM15.509 million while it recorded a loss after income tax of RM1.314 million compared to a loss after income tax of RM1.642 million previously.

3. Commentary on Prospects

The Group is cautiously optimistic that the results for the fourth Quarter will be better than the third Quarter of the current financial year. This is premised on the fact that a number of new models within its current product range are scheduled to be launched within the Quarter. In addition, orders for its OEM manufacturing division had picked up.

4. Variance of Actual Projects from Forecast Profit

Not applicable

5. Tax expense

	3 months ended 31 May		YTD ended 31 May 2012	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income tax	(48)	133	25	533
Deferred tax	-	(2)	-	73
Prior year tax	39	44	39	44
	(9)	175	64	650

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.

The placement is still in progress and is expected to be completed within the approval period.

7. Group borrowings and debt securities

	31-May-12	31-May-11
	RM'000	RM'000
a) Secured and Unsecured borrowings		
i) Secured	16,368	16,284
ii) Unsecured	3,924	8,867
	<u>20,292</u>	<u>25,151</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	519	1,075
ii) Payable after next twelve months	902	1,197
	<u>1,421</u>	<u>2,272</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 31 May 2012 (RM'000)	Previous financial year ended 31 August 2011
Group Retained profit/(loss)		
-Realised	5,307	8,306
-Unrealised	(356)	(356)
Group Retained profit/(loss) as per Consolidated Accounts	4,951	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 RM1.314 million divided by the number of ordinary shares in issue during the period of 46,614,894.

Dated : 20 July 2012