

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 Aug 2012 RM'000	Preceding Year Corresponding Quarter 31 Aug 2011 RM'000	Current Year To-Date 31 Aug 2012 RM'000	Preceding Year Corresponding Period 31 Aug 2011 RM'000
Revenue		15,702	19,065	61,297	79,843
Cost of Sales		(11,724)	(15,379)	(48,464)	(63,365)
Gross Profit		3,978	3,686	12,833	16,478
Administration and general expenses		(3,165)	(6,017)	(11,911)	(16,429)
Selling and distribution expenses		(1,223)	(263)	(4,388)	(3,553)
Other income		652	12,435	1,857	13,647
Profit/(Loss) from Operations		242	9,841	(1,609)	10,143
Finance costs		(317)	(291)	(1,401)	(1,995)
Profit/(Loss) before income tax from continuing operation		(75)	9,550	(3,010)	8,148
Income tax		(204)	(341)	(268)	(991)
Profit/(Loss) from continuing operation, net of income tax		(279)	9,209	(3,278)	7,157
Discontinued operations:					
Profit/(Loss) from discontinued operations		443	(12,598)	443	(12,598)
Profit/(Loss) for the period		164	(3,389)	(2,835)	(5,441)
Other Comprehensive Income		24	32	24	-
Total Comprehensive profit/(loss) for the period		188	(3,357)	(2,811)	(5,441)
Profit/(Loss) attributable to:					
Owners of the parent		164	(3,389)	(2,835)	(5,441)
Non-controlling Interest		-	-	-	-
		<u>164</u>	<u>(3,389)</u>	<u>(2,835)</u>	<u>(5,441)</u>
Total Comprehensive profit/(loss) attributable to:					
Owners of the parent		188	(3,357)	(2,811)	(5,441)
Non-controlling Interest		-	-	-	-
		<u>188</u>	<u>(3,357)</u>	<u>(2,811)</u>	<u>(5,441)</u>
Earnings / (Loss) per share attributable to owners of the parent					
- Basic, profit/(loss) from continuing operations (sen)		(0.60)	19.76	(7.03)	15.35
- Basic, profit/(loss) from discontinuing operations (sen)		0.95	(27.03)	0.95	(27.03)
- Basic, profit/(loss) for the period (sen)		<u>0.35</u>	<u>(7.27)</u>	<u>(6.08)</u>	<u>(11.67)</u>

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 AUGUST 2012
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	UNAUDITED AS AT 31 Aug 2012 RM'000	AUDITED AS AT 31 Aug 2011 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	29,615	28,996
Other Investments	128	104
Intangible Assets	590	831
Goodwill on consolidation	1,542	1,542
Deferred income tax asset	93	
	<u>31,968</u>	<u>31,473</u>
Current Assets		
Assets held for Sale	487	796
Inventories	25,508	25,263
Trade and Other Receivables	16,769	19,058
Deposits With Licensed Banks	4,779	4,655
Cash & Cash Equivalents	2,525	3,098
	<u>50,068</u>	<u>52,870</u>
Assets of disposal group classified as held for sale	-	1,934
TOTAL ASSETS	<u>82,036</u>	<u>86,277</u>
EQUITY AND LIABILITIES		
Share Capital	46,615	46,615
Reserves	6,740	9,551
Total equity attributable to the owners of the parent	<u>53,355</u>	<u>56,166</u>
Non-controlling Interest	-	-
Total Equity	<u>53,355</u>	<u>56,166</u>
Non Current Liabilities		
Deferred tax liabilities	448	356
Government grant	362	425
Long-term borrowings	3,881	4,471
	<u>4,691</u>	<u>5,252</u>
Current Liabilities		
Trade and Other Payables	5,413	7,033
Bank Borrowings	18,348	13,610
Income tax liabilities	229	682
	<u>23,990</u>	<u>21,325</u>
Liabilities directly associated with disposal group classified as held for sale	-	3,534
Total Liabilities	<u>28,681</u>	<u>30,111</u>
TOTAL EQUITY AND LIABILITIES	<u>82,036</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 AUGUST 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	-	-	-	-	24	(2,835)	(2,811)	-	(2,811)
At 31 August 2012	46,615	1,025	576	-	24	5,115	53,355	-	53,355

	<-----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	-	-	-	-	-	(5,768)	(5,768)	-	(5,768)
Reclassification to discontinued operations	-	-	-	296	-	-	296	-	296
Net(loss)/gains not recognised in the statement of comprehensive income	-	-	(19)	-	-	19	-	-	-
At 31 August 2011	46,615	1,025	576	-	-	7,950	56,166	-	56,166

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 AUGUST 2012
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 August 2012 RM'000	31 August 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from continuing operations	(3,010)	4,886
Adjustments for non-cash flow :-		
Allowance for diminution/(appreciation) in value of investments	-	-
Amortisation of research and development expenditure	284	452
Amortisation of government grant	(64)	(64)
Impairment loss of other investment	-	2
Research and development expenditure written off	-	270
Goodwill on consolidation written off	-	4,306
Allowance / (reversal of allowance) of defective inventories	(1,156)	3,600
Allowance for slow moving inventories	332	397
Allowance for doubtful debts	276	398
Depreciation	2,256	2,280
Property, plant and equipments written off	14	1,382
(Gain)/Loss on disposal of property, plant and equipments	(328)	(12,165)
Gain/(loss) from discontinued operations	443	(10,546)
Foreign currency translation differences	-	(123)
Dividend Income	(8)	-
Bad debts recovered	(70)	(45)
Interest expenses	1,401	1,996
Interest income	(138)	(170)
Operating Profit Before Working Capital Changes	232	(3,144)
Changes in working capital		
Inventories	580	7,714
Receivables	3,110	(2,237)
Payables	(4,067)	8,138
Cash Generated From Operations	(145)	10,471
Income tax refunded	744	153
Income tax paid	(554)	(1,199)
Net cash from operating activities	45	9,425
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	138	170
Dividend received	8	-
Research and development expenditure	(42)	(234)
Proceeds from disposal of property, plant & equipment	957	21,300
Net cash flow on discontinued operations	-	2,039
Net (placement)/withdrawal of Fixed Deposits	(124)	3,174
Purchase of unquoted shares	-	(659)
Purchase of other investments	(1)	(1)
Purchase of property, plant and equipment	(3,210)	(8,684)
Net cash (used in)/from investing activities	(2,274)	17,105
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(1,401)	(1,996)
Banker acceptance	(2,227)	(8,428)
Repayment of term loans	(672)	(5,072)
Proceeds from bank facilities	-	-
Proceeds from hire purchase facilities	383	-
Payment of hire purchase payable	(1,218)	(1,100)
Net cash from/(used in) financing activities	(5,135)	(16,596)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,364)	9,934
CASH AND CASH EQUIVALENT AT BEGINNING	623	(9,311)
CASH AND CASH EQUIVALENTS AT END	(6,741)	623
Represented by		
Cash and bank balances	2,525	3,098
Bank Overdrafts	(9,266)	(2,475)
	(6,741)	623

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 final financial quarter ended 31 August 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 August 2012

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	9,835	130		9,965
-Overseas	-	-	5,737		5,737
Internal	103	3,300	4,460	(7,863)	-
Total Revenue	103	13,135	10,327	(7,863)	15,702
Segment Results	127	(1,413)	1,165		(121)
Interest expense	-	(262)	(55)		(317)
Interest income	-	33	2		35
Profit/(Loss) from operation	127	(1,642)	1,112	-	(403)
Gain on disposal of assets	-	319	9		328
Profit before tax	127	(1,323)	1,121		(75)
Goodwill, investment on consolidation written off					(204)
Tax expense					(279)
Net profit from continuing operation					443
Profit from discontinued operation					164
Profit after tax					

Quarter ended 31 August 2011

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	11,539	271	-	11,810
-Overseas	-	208	7,047	-	7,255
Internal	128	1,697	3,634	(5,459)	-
Total Revenue	128	13,444	10,952	(5,459)	19,065
Segment Results	(216)	(1,983)	1,487	-	(712)
Interest expense	-	(462)	171	-	(291)
Interest income	3	38	1	-	42
Profit/(Loss) from operation	(213)	(2,407)	1,659	-	(961)
Gain on disposal of assets	-	12,165	9	-	12,174
Profit before tax					11,213
Goodwill, investment on consolidation written off					(1,663)
Tax expense					(341)
Net profit from continuing operation					9,209
Loss from discontinued operation					(12,598)
Loss after tax					(3,389)

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 August 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 31 August 2012 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM 46.48 million (2011 - RM 56.17 million). Of these, RM 21.26 million were utilized by these subsidiaries as at the same date (2011 - RM 18.08 million).

14. Capital Commitments

There was no capital commitment as at 31 August 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 RM 15.70 million for the Quarter under review compared to RM 19.07 million recorded in the preceding year corresponding Quarter. This represents a decrease of 17.64%. The decrease was attributed to the lower sales in both the local market and also to overseas OEM customers.

The Group recorded a loss before tax of RM 75,000 for the Quarter under review. For the preceding year corresponding Quarter, the Group recorded a profit before tax of RM 9.55 million after accruing for a gain on disposal of assets of RM 12.17 million.

Year on year review

The Group's revenue for the twelve (12) months ended 31 August 2012 of RM 61.30 million was 23.23% lower than that of the previous corresponding period which amounted to RM 79.84 million.

The Group recorded a loss before tax of RM 3.01 million for the twelve (12) months ended 31 August 2012 compared to a profit before tax of RM 8.15 million for the preceding twelve (12) months ended 31 August 2011. The profit before tax for the preceding year was arrived at after accruing for a gain on disposal of assets of RM 12.17

million compared to a gain on disposal of asset accrued of RM 0.33 million in the current financial year just ended.

The performance of the Group's business segment for the twelve (12) months ended 31 August 2012 as compared to the previous corresponding period are as follows:

1. Trading division

Revenue for the twelve (12) months to 31 August 2012 decreased by 18.55 % to RM 40.85 million from the previous corresponding period's revenue of RM 50.16 million while loss before tax decreased to RM 2.63 million from a loss before tax of RM 3.30 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 during the financial year. The relaunching of new models took place in September 2012. The lower loss was due to tighter cost control carried out during the financial year under review.

2. Manufacturing division

Revenue for the twelve (12) months to 31 August 2012 fell to RM 20.44 million from RM 28.74 million recorded in the previous corresponding period, a decrease of 28.86 %. The division recorded a loss before tax of RM 0.65 million compared to a profit of RM 1.21 million in the previous corresponding period due to lower revenue.

A slow down in orders from its overseas OEM customers and also the discontinuation of the operation of the Group's overseas subsidiaries as at the end of previous financial year had resulted in the lower revenue recorded. Consequently, it resulted in under utilization of its manufacturing capacity, thus incurring a loss before tax as compared to a profit before tax recorded in the previous corresponding period.

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

	Quarter ended 31 August 2012	Year-to-date 31 August 2012
	RM'000	RM'000
Interest income	36	138
Interest expense	317	1,401
Depreciation & amortisation	630	2,540
Bad debts recovered	53	70
Allowance for doubtful debts	276	276
Allowance for slow moving and obsolete inventories	332	332
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 RM15.70 million was 14.42% higher than that of the immediate preceding quarter's revenue of RM13.72 million while it recorded a loss before income tax of RM 75,000 compared to a loss before income tax of RM 1.32 million in the immediate preceding quarter.

3. Commentary on Prospects

For the better part of the financial year under review, the Group had been focusing in realigning its product mix and also its sales channel. The Group had also started marketing campaigns to promote its brand locally and in the ASEAN region. Barring any unforeseen circumstances in particular from the external front, the Group is cautiously optimistic that the results for the financial year ending 31st August 2013 will be better than that of the financial year under review.

4. Variance of Actual Projects from Forecast Profit

Not applicable

5. Tax expense

	3 months ended 31 August		YTD ended 31 August	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income tax	204	166	229	699
Real property gain tax	-	220	-	220
Deferred tax	-	(28)	-	45
Prior year tax	-	(17)	39	27
	<u>204</u>	<u>341</u>	<u>268</u>	<u>991</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.

On 27th September 2012, OSK on behalf of Milux announced to Bursa of the receipt of Bursa's approval for an extension of time of 3 months until 2 January 2013 to complete the Proposed Private Placement vide its letter dated 27th September 2012.

The Proposed Private Placement is now in progress.

7. Group borrowings and debt securities

	31-Aug-12 RM'000	31-Aug-11 RM'000
a) Secured and Unsecured borrowings		
i) Secured	15,732	11,326
ii) Unsecured	5,207	5,721
	<u>20,939</u>	<u>17,047</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	416	811
ii) Payable after next twelve months	874	1,312
	<u>1,290</u>	<u>2,123</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 August 2012 (RM'000)	Previous financial year ended 31 August 2011 (RM'000)
Group Retained profit/(loss)		
-Realised	5,087	8,306
-Unrealised	28	(356)
Group Retained profit/(loss) as per Consolidated Accounts	5,115	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 profit attributable to Owners of the parent of RM 164,000 divided by the number of ordinary shares in issue during the period of 46,614,894.

Dated : 29 October 2012