

MILUX CORPORATION BERHAD (313619-W)  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013  
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 May 2013 RM'000	Preceding Year Corresponding Quarter 31 May 2012 RM'000	Current Year To-Date 31 May 2013 RM'000	Preceding Year Corresponding Period 31 May 2012 RM'000
Revenue		16,246	13,723	49,433	45,595
Cost of Sales		(13,462)	(10,884)	(41,559)	(36,740)
Gross Profit		2,784	2,839	7,874	8,855
Administration and general expenses		(2,732)	(2,818)	(8,139)	(8,746)
Selling and distribution expenses		(910)	(1,157)	(3,008)	(3,165)
Other income		335	200	1,335	1,205
<b>Profit/(Loss) from Operations</b>		<b>(523)</b>	<b>(936)</b>	<b>(1,938)</b>	<b>(1,851)</b>
Finance costs		(318)	(387)	(1,074)	(1,084)
<b>Profit/(Loss) before tax</b>		<b>(841)</b>	<b>(1,323)</b>	<b>(3,012)</b>	<b>(2,935)</b>
Taxation		(1)	9	(5)	(64)
<b>Profit/(Loss) for the period</b>		<b>(842)</b>	<b>(1,314)</b>	<b>(3,017)</b>	<b>(2,999)</b>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive loss for the period</b>		<b>(842)</b>	<b>(1,314)</b>	<b>(3,017)</b>	<b>(2,999)</b>
Profit/(Loss) attributable to:					
Owners of the parent		(842)	(1,314)	(3,017)	(2,999)
Non-controlling Interest		-	-	-	-
		<b>(842)</b>	<b>(1,314)</b>	<b>(3,017)</b>	<b>(2,999)</b>
Total Comprehensive loss attributable to:					
Owners of the parent		(842)	(1,314)	(3,017)	(2,999)
Non-controlling Interest		-	-	-	-
		<b>(842)</b>	<b>(1,314)</b>	<b>(3,017)</b>	<b>(2,999)</b>
Earnings / (Loss) per share attributable to owners of the parent					
- Basic (sen)		(1.70)	(2.82)	(6.10)	(6.43)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 August 2012.

MILUX CORPORATION BERHAD (313619-W)  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	UNAUDITED AS AT 31 May 2013 RM'000	AUDITED AS AT 31 Aug 2012 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment		28,392	29,615
Other Investments		60	104
Intangible Assets		402	590
Goodwill on consolidation		1,542	1,542
		<u>30,396</u>	<u>31,851</u>
<b>Current Assets</b>			
Assets held for Sale		487	487
Inventories		24,267	25,508
Trade and Other Receivables		15,037	17,093
Deposits With Licensed Banks		4,838	4,779
Cash & Cash Equivalents		4,621	2,577
		<u>49,250</u>	<u>50,444</u>
<b>TOTAL ASSETS</b>		<u>79,646</u>	<u>82,295</u>
<b>EQUITY AND LIABILITIES</b>			
Share Capital		49,465	46,615
Reserves		3,625	6,642
Total equity attributable to the owners of the parent		<u>53,090</u>	<u>53,257</u>
Non-controlling Interest		-	-
Total Equity		<u>53,090</u>	<u>53,257</u>
<b>Non Current Liabilities</b>			
Deferred tax liabilities		335	335
Government grant		314	362
Long-term borrowings		2,755	3,904
		<u>3,404</u>	<u>4,601</u>
<b>Current Liabilities</b>			
Trade and Other Payables		7,297	6,594
Bank Borrowings		15,853	17,843
Income tax liabilities		2	-
		<u>23,152</u>	<u>24,437</u>
Total Liabilities		<u>26,556</u>	<u>29,038</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>79,646</u>	<u>82,295</u>
<b>Net Assets Per Share attributable to owners of the parent (RM)</b>			
		1.07	1.14

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 August 2012.

MILUX CORPORATION BERHAD (313619-W)  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013  
 CONDENSED CONSOLIDATED STATEMENT 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	-	-	7,949	56,165	-	56,165
Net (loss)/gains not recognised in the statement of comprehensive income	-	-	(19)	-	-	19	-	-	-
Effect of transition to MFRS			(557)	-	-	557	-	-	-
	<u>46,615</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,525</u>	<u>56,165</u>	<u>-</u>	<u>56,165</u>
Total comprehensive loss for the year	-	-	-	-	-	(2,908)	(2,908)	-	(2,908)
As at 31 August 2012	<u>46,615</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,617</u>	<u>53,257</u>	<u>-</u>	<u>53,257</u>
As at 1 September 2012	46,615	1,025	557	-	-	5,060	53,257	-	53,257
Effect of transition to MFRS			(557)	-	-	557	-	-	-
	<u>46,615</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,617</u>	<u>53,257</u>	<u>-</u>	<u>53,257</u>
Private placement	2,850	-	-	-	-	-	2,850	-	2,850
Total comprehensive loss for the period	-	-	-	-	-	(3,017)	(3,017)	-	(3,017)
As at 31 May 2013	<u>49,465</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>53,090</u>	<u>-</u>	<u>53,090</u>

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 2012.

**MILUX CORPORATION BERHAD (313619-W)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>31 May 2013</u> RM'000	<u>31 May 2012</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before income tax	(3,013)	(2,935)
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	188	219
Amortisation of government grant	(48)	(48)
Depreciation	1,618	1,691
Property, plant and equipments written off		5
(Gain)/Loss on disposal of Investments	(20)	-
(Gain)/Loss on disposal of property, plant and equipments	(571)	(328)
Bad debts written off	2	-
Bad debts recovered	(3)	(17)
Interest expenses	1,074	1,084
Interest income	(109)	(102)
Operating Profit Before Working Capital Changes	<u>(882)</u>	<u>(431)</u>
Changes in working capital		
Inventories	1,240	536
Receivables	1,983	1,995
Payables	<u>1,079</u>	<u>71</u>
Cash Generated From Operations	3,420	2,171
Income tax refunded	235	-
Income tax paid	<u>(167)</u>	<u>(549)</u>
<b>Net cash from operating activities</b>	<u><b>3,488</b></u>	<u><b>1,622</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	109	102
Proceeds from disposal of investments	65	-
Proceeds from disposal of property, plant & equipment	1,252	952
Proceed from issuance of ordinary shares	2,850	-
Net (placement)/withdrawal of Fixed Deposits	(59)	(1,009)
Purchase of other investments	-	-
Purchase of property, plant and equipment	<u>(1,076)</u>	<u>(3,098)</u>
<b>Net cash (used in)/from Investing activities</b>	<u><b>3,141</b></u>	<u><b>(3,053)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest paid	(1,074)	(1,084)
Banker acceptance	(2,108)	(3,066)
Repayment of term loans	(1,162)	(483)
Proceeds from bank facilities	-	-
Proceeds from hire purchase facilities	220	300
Payment of hire purchase payable	<u>(396)</u>	<u>(1,004)</u>
<b>Net cash from/(used in) financing activities</b>	<u><b>(4,520)</b></u>	<u><b>(5,337)</b></u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,109</b>	<b>(6,768)</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING</b>	<u><b>(6,579)</b></u>	<u><b>623</b></u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u><b>(4,470)</b></u></u>	<u><u><b>(6,145)</b></u></u>
<b>Represented by</b>		
Cash and bank balances	4,621	3,125
Bank Overdrafts	<u>(9,091)</u>	<u>(9,270)</u>
	<u><u><b>(4,470)</b></u></u>	<u><u><b>(6,145)</b></u></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 2012.

## **MILUX CORPORATION BERHAD (313619-W)**

Quarterly Report on unaudited consolidated results for the final financial quarter ended 31 May 2013.

### **Notes to the Interim Financial Report**

#### **1. Basis of preparation**

These condensed interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and the applicable disclosure provisions laid down in Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards. For the periods up to and including the year ended 31 August 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 August 2012.

This Condensed Report is the Group's first MFRS compliant Condensed Report for the nine months ended 31 May 2013 and in which *MFRS 1: First-Time Adoption of Malaysian Financial Standards* has been applied.

The MFRS are effective for the Group from 1 September 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant Condensed Report is 1 September 2011. The Group reviewed its accounting policies and considered transitional opportunities under MFRS 1 on this date. The impact of the transition to MFRS is described in Note 2 below.

#### **2. Accounting policies and application of MFRS 1**

The audited financial statements of the Group for financial year ended 31 August 2012 were prepared in accordance with FRS. With the exception of certain differences, the requirements under FRS and MFRS are similar. The accounting policies adopted in preparing this interim report is consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 August 2012 except for the changes arising from the adoption of the following :

##### **Application of MFRS 1**

MFRS 1 allows exemption from the application of certain MFRS to assist companies with the transition process. The Group has utilized the following optional exemption contained within MFRS 1 to prepare the Group's statement of financial position as at 1 September 2011.

##### **Property, plant and equipment**

The Group has previously adopted a cost model for its property, plant and equipment except for certain buildings and leasehold land which was revalued by the directors in

## 2. Accounting policies and application of MFRS 1 (continued)

1994 based on the valuation carried out by independent professional valuers on an open market basis. The properties have not been revalued since they were first revalued in 1994. As permitted under the transitional provisions of IAS 16 (Revised): Property, plant and equipment, these assets continue to be stated at their 1994 valuation less accumulated depreciation.

Upon transition to MFRS, the Group has elected to measure its property, plant and equipment using the cost model under MFRS 116: Property, Plant and Equipment. At the date of transition to MFRS, the Group uses the previous revaluation at or before the date of transition as deemed cost. The revaluation surplus was transferred to retained earnings on date of transition to MFRS.

The impact arising from the above on the statement of financial position is summarized as follows:

### Reconciliation of equity as at 1 September 2011

	FRSs as at 1 September 2011 RM'000	Effect of adopting MFRSs RM'000	MFRSs as at 1 September 2011 RM'000
Retained earnings	7,949	577	8,526
Revaluation reserve	577	(577)	-

### Reconciliation of equity as at 31 August 2012

	FRSs as at 31 August 2012 RM'000	Effect of adopting MFRSs RM'000	MFRSs as at 31 August 2012 RM'000
Retained earnings	5,060	557	5,617
Revaluation reserve	557	(557)	-

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:-

		beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013

## 2. Accounting policies and application of MFRS 1 (continued)

		beginning on or after
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associate and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in Production Phase of a Surface Mine	1 January 2013
MFRS 9	Financial Instruments (IFRS 9 issued by IASB)	1 January 2015

## 3. Audit qualifications

The auditor's report on the financial statements of the Group and Company for the financial year ended 31 August 2012 was not subject to any qualification.

## 4. Seasonal or cyclical factors

The Group's local sales are generally dependent on the Malaysian economy and are normally enhanced prior to festive seasons.

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

There were no unusual items or 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 issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

## 8. Dividends paid

No dividend was paid during the current quarter under review.

## 9. Segmental information

The Group's strategic business has two main reportable segments as follows:

- (i) Trading – includes trading of gas and electrical household appliances.
- (ii) Manufacturing – includes manufacturing and distribution of gas and electrical household appliances.

### Three (3) months ended 31 May 2013

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	10,156	80		10,236
-Overseas	-	865	5,145		6,010
Internal	107	4,554	3,631	(8,292)	-
Total Revenue	107	15,575	8,856	(8,292)	16,246
Segment Results	(110)	95	(545)		(560)
Interest expense	-	(287)	(31)		(318)
Interest income	-	34	3		37
Loss before tax	(110)	(158)	(573)		(841)
Tax expense					(1)
Net loss					(842)

### Three (3) months 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)



**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 2012.

**11. Subsequent material event**

There were no material events subsequent to the current financial quarter ended 31 May 2013 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 May 2013 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM 40.87 million (2012 – RM 46.48 million). Of these, RM 17.73 million were utilized by these subsidiaries as at the same date (2012 - RM 20.74 million).

**14. Capital Commitments**

There was no capital commitment as at 31 May 2013.

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

**1. Review of performance**

The Group recorded revenue of RM 49.43 million for the 9 months period ended 31 May 2013 representing an increase of 8.40 % over that of the preceding year corresponding period's revenue of RM 45.60 million.

The growth was mainly due to increase in overseas sales while domestic sales saw a slight contraction during the period.

The Group's Trading division saw an increase in overseas sales to RM 4.40 million during the period from RM 0.52 million in the preceding year, an increase of 746 %. Overseas sales for the Manufacturing division also increased by 6.3 % to RM 15.2 million from the preceding year's RM 14.3 million.

The Group recorded a loss after tax of RM 3.02 million for the 9 months of the current financial year compared to a loss after tax of RM 3.0 million for the 9 months of the preceding financial year. The increase in loss after tax albeit marginally, despite an increase in revenue, was mainly due to lower gross profit margin of 15.9 % recorded during the period under review compared to the preceding year's gross profit margin of 19.4 %.

**2. Comparison with immediate preceding quarter's results**

For the quarter under review, the Group's revenue of RM 16.25 million was 3.4 % higher than that of the immediate preceding quarter's revenue of RM 15.71 million. The Group recorded a lower after tax loss of RM 0.84 million compared to after tax loss of RM 1.17 million in the immediate preceding quarter.

**3. Commentary on Prospects**

The Group foresees another challenging year ahead. Whilst the Group will continue to exercise financial prudence, cost containment and to continuously ensure efficient utilization of resources, it will nevertheless continue to develop existing export markets and at the same time explore new business opportunities locally as well as overseas.

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

Not applicable

**5. Tax expense**

	Current year to-date ended 31 May 2013 RM '000	Preceding year to-date ended 31 May 2012 RM '000
Current year tax expense	<u>5</u>	<u>64</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

The Company had on 20<sup>th</sup> February 2013 and 25<sup>th</sup> February 2013 announced to Bursa Securities of the intention to dispose off a piece of freehold land held by its wholly owned subsidiary, Brightyfield Sdn Bhd with a one-storey factory and a three-storey office block erected thereon together with certain equipment, fixtures & fittings to identified purchasers for a total consideration of RM5,000,000.

The proposed disposal is pending completion.

The Company had also on 20<sup>th</sup> June 2013, 24<sup>th</sup> June 2013 and 25<sup>th</sup> June 2013 announced to Bursa Securities of its intention to dispose off a piece of freehold land held by its wholly owned subsidiary, T.H. Hin Sdn. Bhd. together with a two-storey office building and a single-storey factory/warehouse erected thereon for a total consideration of RM 12,380,000.

The proposed disposal is pending completion.

#### 7. Group borrowings and debt securities

	31-May-13 RM'000	31-Aug-12 RM'000
a) Secured and Unsecured borrowings		
i) Secured	14,397	15,766
ii) Unsecured	3,097	5,062
	<u>17,494</u>	<u>20,828</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	366	372
ii) Payable after next twelve months	748	918
	<u>1,114</u>	<u>1,290</u>

#### 8. Disclosure of realised and unrealised retained profits

The Group's realised and unrealised retained profits disclosures are as follows:-

	As at 31 May 2013 RM '000	As at 31 August 2012 RM '000
Total retained profits of the Company and its subsidiaries		
-Realised	9,150	11,362
-Unrealised	(659)	(335)
Less : Consolidation adjustments	<u>(5,891)</u>	<u>(5,967)</u>
Total Group Retained profits as per Consolidated Accounts	<u>2,600</u>	<u>5,060</u>

**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/(Loss) Per Share**

The basic and diluted loss per share for the Quarter under review have been calculated based on the loss attributable to Owners of the parent of RM 842,008 divided by the number of ordinary shares in issue during the period of 49,464,894.

**12. Loss for the period is arrived at after charging / (crediting) :-**

	Individual Period		Cumulative period	
	31.5.2013	31.5.2012	9 months to 31.05.2013	9 months to 31.05.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation & Amortisation	575	622	1,758	1,862
Interest Income	(37)	(35)	(109)	(102)
Interest expense	318	387	1,074	1,084
Gain on disposal of property, plant & equipment	(78)	-	(571)	(328)

Dated : 24 July 2013