

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

Note	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To-Date	Period
	31 Aug 2013	31 Aug 2012	31 Aug 2013	31 Aug 2012
	RM'000	RM'000	RM'000	RM'000
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
Revenue	14,247	15,702	63,680	61,297
Cost of Sales	(13,173)	(11,720)	(54,732)	(48,460)
Gross Profit	1,074	3,982	8,948	12,837
Administration and general expenses	(2,515)	(3,282)	(10,654)	(12,028)
Selling and distribution expenses	(833)	(1,225)	(3,841)	(4,390)
Other income	321	1,070	1,656	2,275
<b>Profit/(Loss) from Operations</b>	<b>(1,953)</b>	<b>545</b>	<b>(3,891)</b>	<b>(1,306)</b>
Finance costs	(353)	(317)	(1,427)	(1,401)
<b>Profit/(Loss) before tax</b>	<b>(2,306)</b>	<b>228</b>	<b>(5,318)</b>	<b>(2,707)</b>
Taxation	(92)	(137)	(97)	(201)
<b>Profit/(Loss) for the period</b>	<b>(2,398)</b>	<b>91</b>	<b>(5,415)</b>	<b>(2,908)</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive loss for the period</b>	<b>(2,398)</b>	<b>91</b>	<b>(5,415)</b>	<b>(2,908)</b>
Profit/(Loss) attributable to:				
Owners of the parent	(2,398)	91	(5,415)	(2,908)
Non-controlling Interest	-	-	-	-
	<u>(2,398)</u>	<u>91</u>	<u>(5,415)</u>	<u>(2,908)</u>
Total Comprehensive loss attributable to:				
Owners of the parent	(2,398)	91	(5,415)	(2,908)
Non-controlling Interest	-	-	-	-
	<u>(2,398)</u>	<u>91</u>	<u>(5,415)</u>	<u>(2,908)</u>
Earnings / (Loss) per share attributable to owners of the parent				
- Basic (sen)	(4.85)	0.20	(10.95)	(6.24)

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 AUGUST 2013  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	UNAUDITED AS AT 31 Aug 2013 RM'000	AUDITED AS AT 31 Aug 2012 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	27,954	29,615
Other Investments	60	104
Intangible Assets	345	590
Goodwill on consolidation	1,542	1,542
	<u>29,901</u>	<u>31,851</u>
<b>Current Assets</b>		
Assets held for Sale	487	487
Inventories	22,073	25,508
Trade and Other Receivables	14,537	17,093
Deposits With Licensed Banks	4,873	4,779
Cash & Cash Equivalents	4,596	2,577
	<u>46,566</u>	<u>50,444</u>
<b>TOTAL ASSETS</b>	<u>76,467</u>	<u>82,295</u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	49,465	46,615
Reserves	1,227	6,642
Total equity attributable to the owners of the parent	50,692	53,257
Non-controlling Interest	-	-
Total Equity	<u>50,692</u>	<u>53,257</u>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	335	335
Government grant	299	362
Long-term borrowings	2,355	3,904
	<u>2,989</u>	<u>4,601</u>
<b>Current Liabilities</b>		
Trade and Other Payables	8,063	6,594
Bank Borrowings	14,723	17,843
	<u>22,786</u>	<u>24,437</u>
Total Liabilities	<u>25,775</u>	<u>29,038</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>76,467</u>	<u>82,295</u>
<b>Net Assets Per Share attributable to owners of the parent (RM)</b>	1.02	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 AUGUST 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	-	-	-	-	-	(5,415)	(5,415)	-	(5,415)
As at 31 August 2013	<u>49,465</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>50,692</u>	<u>-</u>	<u>50,692</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 AUGUST 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 31 August 2013 RM'000	Audited 31 August 2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before income tax	(5,318)	(2,707)
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	244	283
Amortisation of government grant	(64)	(63)
Research and development expenditure written off	-	(42)
Allowance for slow moving inventories no longer required	-	(30)
Allowance for doubtful debts	-	76
Write down of discontinued products	-	103
Allowance no longer required for discontinued products	-	(1,229)
Depreciation	2,123	2,256
Property, plant and equipments written off	2	14
(Gain)/Loss on disposal of investments	(20)	-
(Gain)/Loss on disposal of property, plant and equipments	(571)	(328)
Bad debts written off	2	680
Bad debts recovered	(4)	(25)
Interest expenses	1,427	1,401
Interest income	(144)	(137)
Operating Profit Before Working Capital Changes	<u>(2,323)</u>	<u>252</u>
Changes in working capital		
Inventories	3,434	911
Receivables	2,198	2,072
Payables	<u>1,845</u>	<u>(3,254)</u>
Cash Generated From Operations	5,154	(19)
Income tax refunded	471	859
Income tax paid	(213)	(667)
<b>Net cash from operating activities</b>	<u><b>5,412</b></u>	<u><b>173</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	144	137
Proceeds from disposal of property, plant & equipment	1,317	957
Proceed from issuance of ordinary shares	2,850	-
Net (placement)/withdrawal of Fixed Deposits	(93)	(124)
Purchase of other investments	-	(1)
Purchase of property, plant and equipment	<u>(1,145)</u>	<u>(2,697)</u>
<b>Net cash (used in)/from investing activities</b>	<u><b>3,073</b></u>	<u><b>(1,728)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Interest paid	(1,427)	(1,401)
Banker acceptance	(1,738)	(2,227)
Repayment of term loans	(1,489)	(672)
Proceeds from hire purchase facilities	220	-
Payment of hire purchase payable	(442)	(1,347)
<b>Net cash from/(used in) financing activities</b>	<u><b>(4,876)</b></u>	<u><b>(5,647)</b></u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,609</b>	<b>(7,202)</b>
CASH AND CASH EQUIVALENT AT BEGINNING	<u>(6,579)</u>	<u>623</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>(2,970)</u></u>	<u><u>(6,579)</u></u>
Represented by		
Cash and bank balances	4,596	2,577
Bank Overdrafts	<u>(7,566)</u>	<u>(9,156)</u>
	<u><u>(2,970)</u></u>	<u><u>(6,579)</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 financial quarter ended 31 August 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 twelve months ended 31 August 2013 and in which *MFRS 1: First-Time Adoption of Malaysian Financial Standards* has been applied.

The MFRS is 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)	-

## 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.

**Twelve (12) months ended 31 August 2013**

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	38,056	488		38,544
-Overseas	-	4,404	20,732		25,136
Internal	431	12,442	16,746	(29,619)	-
Total Revenue	431	54,902	37,966	(29,619)	63,680
Segment Results	(450)	(955)	(2,630)		(4,035)
Interest expense	-	(1,255)	(172)		(1,427)
Interest income	-	135	9		144
Loss before tax	(450)	(2,075)	(2,793)		(5,318)
Tax expense					(97)
Net loss					(5,415)

## Twelve (12) months ended 31 August 2012

	Others	Trading	Manufacturing	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
External					
-Local	-	40,335	433		40,768
-Overseas	-	519	20,010		20,529
Internal	414	12,260	19,692	(32,366)	-
Total Revenue	414	53,114	40,135	(32,366)	61,297
Segment Results	(329)	(748)	(366)		(1,443)
Interest expense	-	(1,114)	(287)	-	(1,401)
Interest income	-	129	8	-	137
Loss before tax	(329)	(1,733)	(645)	-	(2,707)
Tax expense					(201)
Net Loss					<u>(2,908)</u>

### 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 August 2013 up to the date of this interim financial 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 2013 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM 39.62 million (2012 – RM 46.48 million). Of these, RM 16.24 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 August 2013.



**15. Change of Financial year end**

On 24 July 2013, the Board of Directors have resolved to change the financial year end of the Company from 31 Aug to 31 December. Announcement on the change of financial year end has been made to Bursa Malaysia Securities Berhad on 24 July 2013. Accordingly, the upcoming audited financial period shall be for a period of 16 months. Two (2) sets of unaudited quarterly results will be released in due course, with the first set for 1 September 2013 to 30 November 2013 and the second set for 1 December 2013 to 31 December 2013.

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

### **1. Review of performance**

The Group recorded revenue of RM 63.68 million for the 12 months period ended 31 August 2013 representing an increase of 3.89 % over that of the preceding year corresponding period's revenue of RM 61.30 million.

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

The Group's Trading division saw an increase in sales revenue to RM 42.46 million during the period from RM 40.85 million in the preceding year, an increase of 3.94 %. The increase is mainly attributed to higher overseas sales revenue amounting to RM 4.4 million compared to the preceding year corresponding sales revenue of RM 0.52 million. However, local sales revenue dropped by 5.65% to RM 38.06 million from RM40.34 million previously.

Revenue for the Manufacturing division increased by 3.82 % to RM 21.22 million from the preceding corresponding period's revenue of RM 20.44 million.

The Group recorded a loss after tax of RM 5.42 million for the 12 months period ended 31 August 2013 compared to a loss after tax of RM 2.91 million for the 12 months of the preceding year corresponding period. The increased in loss after tax for the 12 months ended 31 August 2013 was substantially due to the write- off of RM1.76 million of slow moving and obsolete parts due to the cessation of certain models of products.

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

For the quarter under review, the Group's revenue of RM 14.25 million was 12.3 % lower than that of the immediate preceding quarter's revenue of RM 16.25 million. The Group recorded a higher after tax loss of RM 2.40 million compared to after tax loss of RM 0.84 million in the immediate preceding quarter mainly due to the write-off of RM 1.76 million of parts for certain models of products in which the Group has ceased manufacturing.

### **3. Commentary on Prospects**

The Group foresees a challenging time ahead in view of the slowing growth rate largely due to narrowing external demand for Malaysia's export products.

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 August 2013 RM '000	Preceding year to-date ended 31 August 2012 RM '000
Current year tax expense	<u>97</u>	<u>201</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, Brightyield 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 had been completed subsequent to the quarter under review.

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-Aug-13 RM'000	31-Aug-12 RM'000
a) Secured and Unsecured borrowings		
i) Secured	13,584	15,766
ii) Unsecured	<u>2,426</u>	<u>5,062</u>
	<u>16,010</u>	<u>20,828</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	393	372
ii) Payable after next twelve months	<u>675</u>	<u>918</u>
	<u>1,068</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 August 2013 RM '000	As at 31 August 2012 RM '000
Total retained profits of the Company and its subsidiaries		
-Realised	6,973	11,362
-Unrealised	(879)	(335)
Less : Consolidation adjustments	(5,891)	(5,967)
Total Group Retained profits as per Consolidated Accounts	203	5,060

## 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 2,398,000 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	
	31.8.2013 RM'000	31.8.2012 RM'000	12 months to 31.08.2013 RM'000	12 months to 31.08.2012 RM'000
Depreciation & Amortisation	545	614	2,303	2,476
Interest income	(35)	(35)	(144)	(137)
Interest expense	353	317	1,427	1,401
Gain on disposal of property, plant & equipment	-	-	(571)	(328)

Dated : 29 October 2013