

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the one month and sixteen months ended 31 December 2013

	One month ended 31 December 2013 RM'000 <u>Unaudited</u>	Cumulative Period 16 months ended 31 December 2013 RM'000 <u>Unaudited</u>
Revenue	4,058	79,742
Cost of Sales	<u>(3,930)</u>	<u>(69,175)</u>
Gross Profit	128	10,567
Administration and general expenses	(1,669)	(17,741)
Selling and distribution expenses	(316)	(5,280)
Other income	<u>510</u>	<u>4,984</u>
Profit/(Loss) from Operations	(1,347)	(7,470)
Finance costs	<u>(33)</u>	<u>(1,624)</u>
Profit/(Loss) before tax	(1,380)	(9,094)
Taxation	<u>(87)</u>	<u>(439)</u>
Profit/(Loss) for the period	(1,467)	(9,533)
Other Comprehensive Income	<u>1</u>	<u>1</u>
Total Comprehensive loss for the period	<u>(1,466)</u>	<u>(9,532)</u>
Profit/(Loss) attributable to:		
Owners of the parent	(1,467)	(9,533)
Non-controlling Interest	<u>-</u>	<u>-</u>
	<u>(1,467)</u>	<u>(9,533)</u>
Total Comprehensive loss attributable to:		
Owners of the parent	(1,466)	(9,532)
Non-controlling Interest	<u>-</u>	<u>-</u>
	<u>(1,466)</u>	<u>(9,532)</u>
Earnings / (Loss) per share attributable to owners of the parent		
- Basic (sen)	(2.96)	(19.27)

The financial period ended 31 December 2013 is made up of 16 months result from 1 September 2012 to 31 December 2013. As such, no comparative figures are presented for Statement of Comprehensive Income as there are no comparable interim periods (current and year-to-date) of the immediate preceding financial year following the change in financial year end from 31 August to 31 December.

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 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Note	UNAUDITED AS AT 31 Dec 2013 RM'000 (16 month)	AUDITED AS AT 31 Aug 2012 RM'000 (12 month)
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	11,097	29,615
Other Investments	60	104
Intangible Assets	262	590
Goodwill on consolidation	782	1,542
	<u>12,201</u>	<u>31,851</u>
Current Assets		
Assets held for Sale	-	487
Inventories	22,072	25,508
Trade and Other Receivables	12,216	17,093
Deposits With Licensed Banks	4,919	4,779
Cash & Cash Equivalents	6,217	2,577
	<u>45,424</u>	<u>50,444</u>
TOTAL ASSETS	<u>57,625</u>	<u>82,295</u>
EQUITY AND LIABILITIES		
Share Capital	49,465	46,615
Reserves	(2,890)	6,642
Total equity attributable to the owners of the parent	46,575	53,257
Non-controlling Interest	-	-
Total Equity	<u>46,575</u>	<u>53,257</u>
Non Current Liabilities		
Deferred tax liabilities	411	335
Government grant	125	362
Long-term borrowings	605	3,904
	<u>1,141</u>	<u>4,601</u>
Current Liabilities		
Trade and Other Payables	6,057	6,594
Bank Borrowings	3,852	17,843
	<u>9,909</u>	<u>24,437</u>
Total Liabilities	<u>11,050</u>	<u>29,038</u>
TOTAL EQUITY AND LIABILITIES	<u>57,625</u>	<u>82,295</u>
Net Assets Per Share attributable to owners of the parent (RM)	0.94	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 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the sixteen months ended 31 December 2013

	<-----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	-	-	-
	46,615	1,025	-	-	-	8,525	56,165	-	56,165
Total comprehensive loss for the year	-	-	-	-	-	(2,908)	(2,908)	-	(2,908)
As at 31 August 2012	46,615	1,025	-	-	-	5,617	53,257	-	53,257
As at 1 September 2012	46,615	1,025	557	-	-	5,060	53,257	-	53,257
Effect of transition to MFRS			(557)	-	-	557	-	-	-
	46,615	1,025	-	-	-	5,617	53,257	-	53,257
Total comprehensive loss for the period	-	-	-	-	1	(9,533)	(9,532)	-	(9,532)
Private placement	2,850	-	-	-	-	-	2,850	-	2,850
As at 31 December 2013	49,465	1,025	-	-	1	(3,916)	46,575	-	46,575

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 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the sixteen months ended 31 December 2013

	Unaudited 16 months ended 31 Dec 2013 RM'000	Audited 12 months ended 31 Aug 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	(9,094)	(2,707)
Adjustments for non-cash flow :-		
Amortisation of research and development expenditure	328	283
Amortisation of government grant	(237)	(63)
Research and development expenditure written off	-	(42)
Goodwill on consolidation written off	760	-
Allowance for slow moving inventories no longer required	-	(30)
Allowance for doubtful debts	245	76
Write down of discontinued products	-	103
Allowance no longer required for discontinued products	-	(1,229)
Depreciation	2,790	2,256
Property, plant and equipments written off	-	14
Impairment loss of plant & equipment	2,268	-
(Gain)/Loss on disposal of investments	(20)	-
(Gain)/Loss on disposal of property, plant and equipments	(3,146)	(328)
Bad debts written off	2	680
Bad debts recovered	(36)	(25)
Interest expenses	1,624	1,401
Interest Income	(197)	(137)
Operating Profit Before Working Capital Changes	(4,713)	252
Changes in working capital		
Inventories	3,435	911
Receivables	4,139	2,072
Payables	(160)	(3,254)
Cash Generated From Operations	2,701	(19)
Income tax refunded	687	859
Income tax paid	(526)	(667)
Net cash from operating activities	2,862	173
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	197	137
Proceeds from disposal of property, plant & equipment	18,772	957
Proceed from issuance of ordinary shares	2,850	-
Net (placement)/withdrawal of Fixed Deposits	(139)	(124)
Purchase of other investments	(1)	(1)
Purchase of property, plant and equipment	(1,615)	(2,697)
Net cash (used in)/from investing activities	20,064	(1,728)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(1,624)	(1,401)
Banker acceptance	(4,765)	(2,227)
Repayment of term loans	(3,444)	(672)
Proceeds from hire purchase facilities	220	-
Payment of hire purchase payable	(517)	(1,347)
Net cash from/(used in) financing activities	(10,130)	(5,647)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,796	(7,202)
CASH AND CASH EQUIVALENT AT BEGINNING	(6,579)	623
CASH AND CASH EQUIVALENTS AT END	6,217	(6,579)
Represented by		
Cash and bank balances	6,217	2,577
Bank Overdrafts	-	(9,156)
	6,217	(6,579)

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)

Unaudited consolidated results for the financial period ended 31 December 2013.

Notes to the Interim Financial Report

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and the applicable disclosure provisions laid down in Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report 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 and the accompanying notes attached to this interim financial report.

This Condensed Report is the Group's first MFRS compliant Condensed Report for the sixteen months ended 31 December 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.

The Board of Directors of the Company had on 24 July 2013 approved the change of financial year of the Company from 31 August to 31 December. Due to the change, the financial period ended 31 December 2013 is made up of 16 months results from 1 September 2012 to 31 December 2013. As such, no comparative figures are presented for the Statements of Comprehensive Income as there are no comparable interim periods (current and year-to-date) of the immediate preceding financial year.

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 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.

One (1) month ended 31 December 2013

	Manufacturing RM	Trading RM	Others RM	Elimination RM	Total RM
Turnover					
-Local	61	2,563	-	-	2,624
-Overseas	1,272	162	-	-	1,434
Internal	1,246	1,417	35	(2,698)	-
Total Revenue	2,579	4,142	35	(2,698)	4,058
Segment Results	19	(663)	(9,860)	9,143	(1,361)
Interest expense	(3)	(30)	-	-	(33)
Interest income	-	14	-	-	14
Loss before tax	16	(679)	(9,860)	9,143	(1,380)
Tax expense	8	(93)	(2)	-	(87)
Net Loss after tax	24	(772)	(9,862)	9,143	(1,467)

Sixteen (16) months ended 31 December 2013

	Manufacturing	Trading	Others	Elimination	Total
	RM	RM	RM	RM	RM
Turnover					
-Local	701	47,761	-	-	48,462
-Overseas	26,142	5,138	-	-	31,280
Internal	21,402	14,973	553	(36,928)	-
Total Revenue	48,245	67,872	553	(36,928)	79,742
Segment Results	(3,747)	(2,609)	(10,453)	9,142	(7,667)
Interest expense	(184)	(1,440)	-	-	(1,624)
Interest income	11	186	-	-	197
Loss before tax	(3,920)	(3,863)	(10,453)	9,142	(9,094)
Tax expense	(94)	(341)	(4)	-	(439)
Net Loss after tax	(4,014)	(4,204)	(10,457)	9,142	(9,533)

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 December 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 December 2013 comprised of corporate guarantees extended to financial institutions for banking and hire purchase facilities granted to certain subsidiary companies which amounted to RM 22.03 million. Of these, RM 3.661 million were utilized by these subsidiaries as at the same date.

14. Capital Commitments

There was no capital commitment as at 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 4.06 million for the 1 month ended 31 December 2013 with the manufacturing segment contributing RM 1.333 million or 32.85 % of total revenue while the trading segment contributed RM2.725 million or 67.15%.

For the 16 months period, total revenue for the manufacturing segment amounted to RM 26.84 million while the trading segment contributed RM 52.90 million or 33.66 % and 66.34 % respectively.

The Group recorded a loss before tax of RM 1.38 million and RM 9.09 million for the 1 month and 16 months period ended 31 December 2013 respectively. Both the manufacturing and trading segments incurred losses for the 16 months period. The loss before tax for the 1 month period is due substantially to impairment of goodwill on consolidation of RM 0.76 million and allowance for doubtful debts of RM 0.24 million.

The financial period ended 31 December 2013 is made up of 16 months' results from 1 September 2012 to 31 December 2013. As such, performance review against preceding year to date was not made as the preceding financial period was for 12 months period.

2. Comparison with immediate preceding quarter's results

The current reporting quarter is for the results of 1 month. As such, performance review against preceding quarter was not made as the preceding quarter included the results of a 3 months.

3. Commentary on Prospects

The consumer durable market remains very competitive and margin continue to remain under stress due to rising cost of materials and overheads. In view of this, the Group is now actively pursuing new business opportunities in order to diversify its source of income and is confident of formalizing new initiatives in the current financial year ending December 2014.

4. Variance of Actual Projects from Forecast Profit

Not applicable

5. Tax expense

	1 month ended 31 December 2013 RM '000	Cumulative Period 16 months ended 31 December 2013 RM '000
Income tax	11	115
Deferred Tax	76	76
Real Property Gains Tax	-	248
Total tax expense	87	439

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

M&A Securities Sdn Bhd ("M&A") on behalf of the Board of Directors of the Company had on 8 November 2013 announced to Bursa Malaysia Securities Berhad ("Bursa Securities") the Company's Proposed Private Placement of up to 4,946,400 new ordinary shares of RM1.00 each to independent third party investor(s) to be identified.

M&A on behalf of the Board of Directors of the Company had on 25 November 2013 announced to Bursa Securities that the additional listing application for the Placement Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad.

M&A on behalf of the Board of Directors of the Company had on 5 February 2014 announced that Bursa Securities had, vide its letter dated 5 February 2014, approved the listing of and quotation for up to 4,946,400 new MILUX Shares to be issued pursuant to the Private Placement on the Main Market of Bursa Securities subject to the following conditions:

- (i) MILUX and M&A must fully comply with the relevant provisions under the Bursa Securities Main Market Listing Requirement ("LR") pertaining to the implementation of the Private Placement;
- (ii) MILUX and M&A to inform Bursa Securities upon the completion of the Private Placement;
- (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; and
- (iv) MILUX to furnish Bursa Securities with a certified true copy of the resolution passed pursuant to Section 132D of the Companies Act, 1965, in the event the existing authority has expired prior to the implementation of the Proposed Private Placement.

M&A on behalf of the Board of Directors of the Company had on 20 February 2014 announced to Bursa Securities that the Company has fixed the issue price at RM 1.03 per Placement Share to be issued pursuant to the Private Placement. The issue price of RM 1.03 per Placement Share represents a discount of approximately 7.50% or RM 0.0835 from the

five (5) day weighted average market price of the Company from 13 February 2014 to 19 February 2014 of approximately RM 1.1135 per share.

7. Group borrowings and debt securities

	As at 31-Dec-13 RM'000	As at 31-Aug-12 RM'000
a) Secured and Unsecured borrowings		
i) Secured	3,060	15,766
ii) Unsecured	403	5,062
	<u>3,463</u>	<u>20,828</u>
b) Hire Purchase creditors		
i) Payable the next twelve months	389	372
ii) Payable after next twelve months	605	918
	<u>994</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 Dec 2013 RM '000	As at 31 Aug 2012 RM '000
Total retained profits of the Company and its subsidiaries		
-Realised	464	11,362
-Unrealised	(1,229)	(335)
Less : Consolidation adjustments	(3,151)	(5,967)
Total Group Retained profits as per Consolidated Accounts	<u>(3,916)</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 loss per share for the Quarter under review has been calculated based on the loss attributable to Owners of the parent of RM 9,532,009 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 :-

	1 month ended 31 December 2013 (RM'000)	Cumulative Period 16 months ended 31 December 2013 (RM'000)
Depreciation and amortisation	(232)	(3,033)
Gain on disposal of Properties	29	3,146
Impairment loss on property, plant and equipment	-	(2,269)
Impairment of goodwill on consolidation	(760)	(760)
Allowance for doubtful debts	(244)	(245)
Interest income	14	197
Interest expense	(33)	(1,624)
Professional fees incurred on disposal of properties	-	(452)

Dated: 26 February 2014