

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014

	Current Quarter	Cumulative Period
	31 March	3 months
	2014	ended 31 March
	RM'000	2014
	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	12,878	12,878
Cost of Sales	<u>(10,270)</u>	<u>(10,270)</u>
Gross Profit	2,608	2,608
Administration and general expenses	(2,412)	(2,412)
Selling and distribution expenses	(1,010)	(1,010)
Other income	<u>227</u>	<u>227</u>
Profit/(Loss) from Operations	(587)	(587)
Finance costs	<u>(58)</u>	<u>(58)</u>
Profit/(Loss) before tax	(645)	(645)
Taxation	<u>(108)</u>	<u>(108)</u>
Profit/(Loss) for the period	(753)	(753)
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive loss for the period	<u>(753)</u>	<u>(753)</u>
Profit/(Loss) attributable to:		
Owners of the parent	(753)	(753)
Non-controlling Interest	<u>-</u>	<u>-</u>
	<u>(753)</u>	<u>(753)</u>
Total Comprehensive loss attributable to:		
Owners of the parent	(753)	(753)
Non-controlling Interest	<u>-</u>	<u>-</u>
	<u>(753)</u>	<u>(753)</u>
Earnings / (Loss) per share attributable to owners of the parent		
- Basic (sen)	(1.49)	(1.49)

The financial year end of the Group and the Company have been changed from 31 August to 31 December to cover the 16 month period from 1 September 2012 to 31 December 2013 and thereafter, to end on 31 December each year. Arising from this change, there are no comparative figures to be presented in this Condensed Consolidated Statement of Comprehensive Income.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	UNAUDITED AS AT 31 Mar 2014 RM'000	AUDITED AS AT 31 Dec 2013 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	10,470	10,717
Other Investments	60	60
Intangible Assets	216	262
Goodwill on consolidation	782	782
	<u>11,528</u>	<u>11,821</u>
Current Assets		
Inventories	20,749	22,072
Trade and Other Receivables	14,103	12,675
Deposits With Licensed Banks	5,023	4,924
Cash & Cash Equivalents	7,918	6,217
	<u>47,793</u>	<u>45,888</u>
Assets held for Sale	487	487
TOTAL ASSETS	<u>59,808</u>	<u>58,196</u>
EQUITY AND LIABILITIES		
Share Capital	54,411	49,465
Reserves	(3,387)	(2,783)
Total equity attributable to the owners of the parent	51,024	46,682
Non-controlling Interest	-	-
Total Equity	<u>51,024</u>	<u>46,682</u>
Non Current Liabilities		
Deferred tax liabilities	411	446
Government grant	120	125
Long-term borrowings	490	593
	<u>1,021</u>	<u>1,164</u>
Current Liabilities		
Trade and Other Payables	5,508	6,487
Bank Borrowings	2,255	3,863
	<u>7,763</u>	<u>10,350</u>
Total Liabilities	<u>8,784</u>	<u>11,514</u>
TOTAL EQUITY AND LIABILITIES	<u>59,808</u>	<u>58,196</u>
	-	-
Net Assets Per Share attributable to owners of the parent (RM)	0.94	0.94

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for year ended 31 December 2013.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014

<-----Attributable to owners of the parent ----->
<----- Non-Distributable -----> Distributable

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	(Accumulated Losses)/Retained Profits RM'000	Total RM'000
Audited						
16-months ended 31 December 2013						
At 31 August 2012/						
1 September 2012	46,615	1,024	558	-	5,060	53,257
Effect of adopting MFRS 1	-	-	(558)	-	558	-
At 1 September 2012 (as restated)	46,615	1,024	-	-	5,618	53,257
Profit / (loss)	-	-	-	-	(9,426)	(9,426)
Other comprehensive income	-	-	-	1	-	1
Total comprehensive income/ (loss)	-	-	-	1	(9,426)	(9,425)
Transaction with owners:						
Issue of shares	2,850	-	-	-	-	2,850
As at 31 December 2013	49,465	1,024	-	1	(3,808)	46,682
Unaudited						
3-months ended 31 March 2014						
At 31 December 2013/						
1 January 2014	49,465	1,024	-	1	(3,808)	46,682
Total comprehensive loss for the period	-	-	-	-	(753)	(753)
Transaction with owners:						
Issue of shares	4,946	149	-	-	-	5,095
As at 31 March 2014	54,411	1,173	-	1	(4,561)	51,024

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for year ended 31 December 2013.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014

	Unaudited 3 months ended 31 March 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:	
Profit/(Loss) before income tax	(645)
Adjustments for non-cash flow :-	
Amortisation of research and development expenditure	47
Amortisation of government grant	(5)
Depreciation	346
Property, plant and equipments written off	34
(Gain)/Loss on disposal of property, plant and equipments	(38)
Interest expenses	58
Interest income	(39)
Operating Profit Before Working Capital Changes	(242)
Changes in working capital	
Inventories	1,323
Receivables	(1,316)
Payables	(1,182)
Cash Generated From Operations	(1,417)
Income tax paid	(51)
Net cash from operating activities	(1,468)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	39
Proceeds from disposal of property, plant & equipment	38
Proceed from issuance of ordinary shares	5,095
Net (placement)/withdrawal of Fixed Deposits	(100)
Purchase of property, plant and equipment	(134)
Net cash (used in)/from investing activities	4,938
CASH FLOWS FROM FINANCING ACTIVITIES:	
Interest paid	(58)
Banker acceptance	(1,612)
Payment of hire purchase payable	(99)
Net cash from/(used in) financing activities	(1,769)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,701
CASH AND CASH EQUIVALENT AT BEGINNING	6,217
CASH AND CASH EQUIVALENTS AT END	7,918
Represented by	
Cash and bank balances	7,918
Bank Overdrafts	-
	7,918

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and Annual Financial Report for year ended 31 December 2013.

MILUX CORPORATION BERHAD (313619-W)

Notes to interim financial report for the three months period ended 31 March 2014

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013 and the accompanying notes attached to these interim financial statements. Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries.

The significant accounting policies adopted by the Group in this Report are consistent with those adopted in the Audited Financial Statements of the Group for the financial period ended 31 December 2013 except for the adoption of the following new/revised MFRSs, Amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”) that are effective for financial periods as follows:

Effective for annual financial periods beginning on or after 1 January 2013:

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Separate Financial Statements</i>
MFRS 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS s - Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
IC Interpretation 20	<i>Stripping Costs in the Production Phase of Surface Mine</i>

A1. Basis of preparation (cont'd)

Effective for annual financial periods beginning on or after 1 January 2014:

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above standards and amendments to MFRSs and IC Interpretation do not have material impact on the financial statements of the Group.

The Group have not adopted the following new/revised MFRSs, Amendments MFRSs and Interpretation that were issued but not yet effective:

Effective for annual financial periods beginning on or after 1 July 2014:

Amendments to MFRS 119	<i>Defined Benefit Plans: Employee Contributions</i>
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

Effective for a date yet to be confirmed

MFRS 9	<i>Financial Instruments (2009)</i>
MFRS 9	<i>Financial Instruments (2010)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
Amendments to MFRS 9	<i>Financial Instruments: Disclosure - Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
Amendments to MFRS 9	<i>Financial Instruments: Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139</i>

A2. Audit qualification

The preceding year annual financial statements of the Group were not subject to any qualification by its Auditors.

A3. Seasonal or cyclical factors

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

A4. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group in the quarterly financial statements under review.

A5. Material changes in estimates

There were no material changes in estimates in the quarterly financial statements under review.

A6. Issuances, cancellation, repurchase, resale and repayment of debts and equity securities

Save as disclosed below, there were no issuances, cancellation, repurchase, resale and repayment of debts and equity securities:

Share Capital

During the period ended 31 March 2014, the issued and paid-up capital of the Company increased from 49,464,894 ordinary shares of RM1.00 each to 54,411,294 ordinary shares of RM1.00 each by way of issuance of 4,946,400 new ordinary shares of RM1.00 each pursuant to private placement at an issue price of RM1.03 per ordinary share. The private placement was completed on 10 March 2014.

A7. Dividends paid

No dividends were paid during the current quarter under review.

A8. Segmental information

The main business segments of the Group comprise the following :

Home appliances	-Manufacturer and dealer in household appliances and their related products.
Others	-Investment holding and provision of management services and rental income

A8. Segmental information (cont'd)

Segment information for the period under review as presented in respect of the Group's business segments are as follows:

	Home appliances	Others	Total operations	Elimination	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
External Revenue	12,878	-	12,878	-	12,878
Inter-segment	5,446	104	5,550	(5,550)	-
Total Revenue	18,324	104	18,428	(5,550)	12,878
Segment Results	(673)	(181)	(854)	1	(853)
Other Income	222	5	227	-	227
Interest expense	(58)	-	(58)	-	(58)
Interest income	39	-	39	-	39
Profit/(loss) before taxation	(470)	(176)	(646)	1	(645)
Tax expense					(108)
Profit/(loss) after taxation					(753)

There are no comparable comparative figures for the Group for the preceding year as the Group have changed its financial year end from 31 August to 31 December.

A9. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material subsequent events

There were no material events subsequent to the current financial quarter ended 31 March 2014 up to the date of this interim financial report which is likely to substantially affect the results of the operations of the Group.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12. Contingent liabilities

The Company has given corporate guarantees to financial institution for banking and hire purchase facilities extended by them to certain subsidiaries which amounted to RM 15.14

million as at 31 March 2014. The contingent liabilities of its subsidiaries pertaining to the facilities utilised as at 31 March 2014 amounted to RM2.02 million.

A13. Capital commitments

There was no capital commitment as at 31 March 2014.

A14. Related party disclosures

Transactions with related parties during the period ended 31 March 2014 :

	Current quarter 3 months ended 31-Mar-14 RM '000	Cumulative period 3 months ended 31-Mar-14 RM '000
Salaries paid to persons connected to certain directors	<u>41</u>	<u>41</u>

Save as disclosed above, there were no recurrent related party transactions of revenue or trading nature during the current financial period under review.

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITY BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group achieved a revenue of RM12.88 million for the first quarter ended 31 March 2014 with the Home appliances segment contributing 100% of the revenue.

Export revenue for the Home appliances segment amounted to RM4.23 million or 32.8% of the segment 's revenue while the balance was from sales to the domestic market of RM8.65 million which contributed 67.2% of the segment's revenue.

The Group recorded a loss before taxation of RM 0.645 million for the quarter under review. Loss before taxation for the Home appliances segment amounted to RM 0.47 million while the Investment Holding segment (classified under "Others" in Note A8) recorded a loss before tax of RM 0.176 million.

The loss before tax for the Investment Holding segment was in part due to expenses incurred for the private placement exercise of RM 0.046 million and other corporate related expenses.

No comparison was made with the preceding year corresponding quarter's performance as the Group have changed its financial year end from 31 August to 31 December to cover the 16 months period from 1 September 2012 to 31 December 2013.

As this is the first quarter of financial year ending 31 December 2014, the year-to-date performance is the same.

B2. Comparison with immediate preceding quarter's results

No comparison was made with the immediate preceding quarter's result as there are no comparable figures to make a comparative comparison arising from the changed in the Group's financial year end from 31 August to 31 December with effect from financial year ended 31 December 2013.

B3. Commentary on current year prospect

With the impact from rising costs, the domestic market is expected to experience decreasing consumer purchasing power going forward. However, the Group is fairly optimistic for its export market sales and will concentrate on increasing its sales to more emerging markets.

With various actions taken and a lower cost structure in place, the Group expect to break even and return to profitability in the current financial year.

B4. Variance of actual and revenue or profit estimate

The Company has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the Group for quarter under review.

B5. Taxation

	Current quarter 3 months ended 31-Mar-14 RM '000	Cumulative period 3 months ended 31-Mar-14 RM '000
Current year tax expense	107	107
Under provision for prior year	<u>1</u>	<u>1</u>
	<u>108</u>	<u>108</u>

B6. Status of corporate proposals announced by the Company

M&A Securities Sdn Bhd (“M&A”) on behalf of the Board of Directors of the Company had on 25 March 2014 announced to Bursa Malaysia Securities Berhad (“Bursa Securities”) of the Company’s proposal to undertake the following:

- (i) Proposed Share Split involving the subdivision of every one (1) existing ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each;
- (ii) Proposed amendment to the Company’s Memorandum of Association to facilitate the implementation of the Proposed Share Split;
- (iii) Proposed renounceable rights issue of up to 87,058,070 of the Company’s ordinary shares (“Rights Shares”) together with 87,058,070 free detachable warrants (“Warrants”) issued with the Rights Share at an indicative issue price of RM0.50 per Rights Share on the basis of four (4) Rights Shares for every five (5) ordinary shares together with one (1) Warrant for every Rights Share subscribed after the Proposed Share Split; and
- (iv) Proposed diversification of the business of the Group into the iron ore business.

In conjunction with the Proposed Diversification, on 24 March 2014, the Company, via its wholly-owned subsidiary, Pansprint Consolidated Sdn. Bhd. (“Pansprint”), was appointed by Principle Mining Sdn Bhd (“PMSB”) vide an offtake and mining cooperation agreement as the sole contractor to operate an iron ore mine located in a piece of land measuring approximately 22.76 hectares located at Kampung Baru, Mukim Tembeling, Jerantut, Pahang (“the Mine”) and conduct mining exploration at Sg. Sepli, Mukim of Hulu Cheka, Daerah Jerantut (“the Exploration Area”).

B6. Status of corporate proposals announced by the Company (cont'd)

M&A on behalf of the Board of Directors of the Company announced to Bursa Securities that the additional listing application in connection with the Proposals has been submitted to Bursa Securities on 23 May 2014.

The above proposal is pending approval from the shareholders and relevant authorities.

B7. Group borrowings and debt securities

Secured bank borrowings are secured by fixed charges over the land and building and Fixed Deposits owned by certain subsidiary companies and are guaranteed by the Company. Unsecured bankers' acceptances and hire purchase facilities are guaranteed by the Company.

The total Group borrowings and debt securities as at the 31 March 2014 are as follows:

	As at 31 March 2014		As at 31 December 2013	
	Short term Borrowing RM '000	Long term Borrowing RM '000	Short term Borrowing RM '000	Long term Borrowing RM '000
<u>Secured</u>				
Bank overdrafts	-	-	-	-
Bankers' acceptance	1,655	-	3,463	-
Total	1,655	-	3,463	-
<u>Unsecured</u>				
Bankers' acceptance	196	-	-	-
Hire-Purchase	404	490	400	593
Total	600	490	400	593
Total	2,255	490	3,863	593

B8. Material litigation

The Group have no material litigation as at the date of this quarterly report.

B9. Dividends

No interim dividend has been declared for the current quarter under review.

B10. Earnings/(loss) per share

The basic earnings/(loss) per share has been calculated by dividing the Group's profit for the period by the weighted average number of ordinary shares in issue during the period.

i) Profit/(loss) for the period (basic)

	Current Quarter 3 months ended 31-Mar-14 RM '000	Cumulative Period 3 months ended 31-Mar-14 RM '000
Profit/(loss) attributable to owners of the parent	<u>(753)</u>	<u>(753)</u>

ii) Number of ordinary shares (basic)

	Current Quarter 3 months ended 31-Mar-14	Cumulative Period 3 months ended 31-Mar-14
Weighted average number of ordinary shares ('000)	<u>50,674</u>	<u>50,674</u>
Basic loss per share (sen)	<u>(1.49)</u>	<u>(1.49)</u>

There is no dilutive effect on loss per share as the Company has no potential issues of ordinary shares.

B11. Disclosure of realised and unrealised retained profits

The breakdown of retained earnings as at reporting date are as follows:

B11. Disclosure of realised and unrealised retained profits (cont'd)

	As at 31 March 2014 RM '000	As at 31 December 2013 RM '000
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(11,507)	(9,769)
-Unrealised	(429)	(1,263)
	<u>(11,936)</u>	<u>(11,032)</u>
Less: Consolidated adjustments	7,375	7,224
Total (accumulated losses)/retained profits as at 31 March/31 December	<u><u>(4,561)</u></u>	<u><u>(3,808)</u></u>

B12. Profit/(loss) for the period

	Current Quarter 3 months ended 31-Mar-14 RM '000	Cumulative Period 3 months ended 31-Mar-14 RM '000
Loss before taxation is arrived at after charging / (crediting) :		
Interest expense	58	58
Interest income	(39)	(39)
Unrealised foreign exchange gain	(18)	(18)
Realised foreign exchange gain	(64)	(64)
Depreciation	346	346
Amortisation	42	42
Gain on disposal property, plant & machinery	(38)	(38)
Property, plant & equipment written off	<u>34</u>	<u>34</u>

Dated: 26 May 2014