

MILUX CORPORATION BERHAD (313619-W)
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 JUNE 2015

	Individual Quarter		Cumulative Period	
	Current year	Preceding year	Current year	Preceding year
	quarter	quarter	to date	to date
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenue	16,338	15,984	34,379	28,862
Cost of Sales	(12,734)	(13,095)	(27,751)	(23,365)
Gross Profit	3,604	2,889	6,628	5,497
Administration and general expenses	(2,528)	(2,285)	(4,903)	(4,697)
Selling and distribution expenses	(1,067)	(971)	(2,202)	(1,981)
Other income	443	184	1,074	411
Profit/(Loss) from Operations	452	(183)	597	(770)
Finance costs	(55)	(34)	(110)	(92)
Profit/(Loss) before tax	397	(217)	487	(862)
Taxation	(218)	(83)	(647)	(191)
Profit/(Loss) for the period	179	(300)	(160)	(1,053)
Other Comprehensive Income	1	-	2	-
Total Comprehensive profit / (loss) for the period	180	(300)	(158)	(1,053)
Profit/ (Loss) attributable to:				
Owners of the parent	179	(300)	(160)	(1,053)
Non-controlling Interest	-	-	-	-
	179	(300)	(160)	(1,053)
Total Comprehensive profit/(loss) attributable to:				
Owners of the parent	180	(300)	(158)	(1,053)
Non-controlling Interest	-	-	-	-
	180	(300)	(158)	(1,053)
Earnings / (Loss) per share attributable to owners of the parent				
- Basic (sen)	0.33	(0.55)	(0.29)	(2.00)

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 30 JUNE 2015

	UNAUDITED	AUDITED
	AS AT	AS AT
	30 Jun 2015	31 Dec 2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	8,766	9,319
Other Investments	64	61
Intangible Assets	-	76
Goodwill on consolidation	782	782
	<u>9,612</u>	<u>10,238</u>
Current Assets		
Inventories	18,713	20,216
Trade and Other Receivables	15,944	13,839
Deposits With Licensed Banks	5,660	5,563
Cash & Cash Equivalents	6,229	6,560
	<u>46,546</u>	<u>46,178</u>
Assets held for Sale	487	487
TOTAL ASSETS	<u>56,645</u>	<u>56,903</u>
EQUITY AND LIABILITIES		
Share Capital	54,411	54,411
Reserves	(6,843)	(6,685)
Total equity attributable to the owners of the parent	<u>47,568</u>	<u>47,726</u>
Non-controlling Interest	-	-
Total Equity	<u>47,568</u>	<u>47,726</u>
Non Current Liabilities		
Deferred tax liabilities	289	248
Government grant	95	106
Long-term borrowings	123	317
	<u>507</u>	<u>671</u>
Current Liabilities		
Trade and Other Payables	4,396	3,612
Bank Borrowings	3,606	4,767
Taxation	568	127
	<u>8,570</u>	<u>8,506</u>
Total Liabilities	<u>9,077</u>	<u>9,177</u>
TOTAL EQUITY AND LIABILITIES	<u>56,645</u>	<u>56,903</u>
Net Assets Per Share attributable to owners of the parent (RM)	0.87	0.88

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 2014.

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015

<-----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 RM'000	Total RM'000	Non-Controlling Interest RM'000	Total RM'000
Unaudited								
<u>6-months ended 30 June 2014</u>								
At 31 December 2013/ 1 January 2014								
	49,465	1,024	-	1	(3,808)	46,682	-	46,682
Total comprehensive loss for the period								
	-	-	-	-	(1,053)	(1,053)	-	(1,053)
Transaction with owners:								
Issue of shares								
	4,946	149	-	-	-	5,095	-	5,095
As at 30 June 2014								
	54,411	1,173	-	1	(4,861)	50,724	-	50,724
Unaudited								
<u>6-months ended 30 June 2015</u>								
At 31 December 2014/ 1 January 2015								
	54,411	1,173	-	1	(7,859)	47,726	-	47,726
Total comprehensive loss for the period								
	-	-	-	2	(160)	(158)	-	(158)
Transaction with owners:								
Issue of shares								
	-	-	-	-	-	-	-	-
As at 30 June 2015								
	54,411	1,173	-	3	(8,019)	47,568	-	47,568

MILUX CORPORATION BERHAD (313619-W)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015

	6 months ended 30/06/2015 RM'000	6 months ended 30/06/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	487	(862)
Adjustments for :-		
Amortisation of research and development expenditure	76	93
Amortisation of government grant	(10)	(10)
Allowance for obsolete stocks	90	-
Impairment loss on trade receivables	131	-
Bad Debts recovered	(61)	-
Amount due to shareholders waived	(60)	-
Depreciation	714	689
Property, plant and equipments written off	1	34
(Gain)/Loss on disposal of property, plant and equipments	-	(55)
Interest expenses	110	92
Interest income	(98)	(80)
Operating Profit/ (Loss) Before Working Capital Changes	<u>1,380</u>	<u>(99)</u>
Changes in working capital		
Inventories	1,413	1,102
Receivables	(2,304)	(3,237)
Payables	907	(310)
Cash Generated From Operations	<u>1,396</u>	<u>(2,544)</u>
Income tax refunded	147	-
Income tax paid	(184)	(101)
GST paid	(63)	-
Net cash from operating activities	<u>1,296</u>	<u>(2,645)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	98	80
Proceeds from disposal of property, plant & equipment	-	55
Proceeds from issuance of ordinary shares	-	5,095
Net (placement)/withdrawal of Fixed Deposits	(97)	(591)
Purchase of unit trust	(1)	-
Purchase of property, plant and equipment	(161)	(185)
Net cash (used in)/from investing activities	<u>(161)</u>	<u>4,454</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(110)	(92)
Banker Acceptance	(1,145)	(1,245)
Payment of hire purchase payable	(210)	(198)
Net cash used in financing activities	<u>(1,465)</u>	<u>(1,535)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(330)	274
CASH AND CASH EQUIVALENT AT BEGINNING	6,559	6,217
CASH AND CASH EQUIVALENTS AT END	<u>6,229</u>	<u>6,491</u>
Represented by		
Cash and bank balances	6,229	6,491
	<u>6,229</u>	<u>6,491</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

Notes to interim financial report

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 2014 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 2014 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs that are effective for financial periods as follows:

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

Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*

Annual improvements to MFRSs 2010-2012 Cycle

Annual improvements to MFRSs 2011-2013 Cycle

The adoption of the above new and revised MFRSs have no material effects on the financial statements.

The Group has not adopted the following Standards and Amendments issued by the Malaysian Accounting Standards Board [“MASB”] which are not yet effective.

A1. Basis of preparation (cont'd)

Effective for annual financial periods beginning on or after 1 January 2016:

MFRS 14	<i>Regulatory Deferred Accounts</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to MFRS 101	<i>Disclosure Initiative</i>
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and amortisation</i>
Amendments to MFRS 116 and MFRS 141	<i>Agriculture: Bearer Plants</i>
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>
Annual improvements to MFRSs 2012-2014 Cycle	

Effective for annual financial periods beginning on or after 1 January 2017:

MFRS 15	<i>Revenue from Contracts with Customers</i>
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Effective for annual financial periods beginning on or after 1 January 2018:

MFRS 9	<i>Financial Instruments</i>
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MFRS 14, Amendments to MFRS 11, 128 and 141 will not have any financial impact to the Group and the Company as it is not relevant to the Group's and the Company's operations.

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material impact to the financial statements of the Group and the Company upon their initial application except MFRS 9.

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

There were no issuances, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter under review.

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

Segment information in respect of the Group's business segments for the period under review is presented in Page 8 of this Interim Financial Report.

A8. Segmental information (cont'd)

	Quarter ended 30/06/2015 RM '000	Quarter ended 30/06/2014 RM '000	YTD ended 30/06/2015 RM '000	YTD ended 30/06/2014 RM '000
<u>External Revenue</u>				
Home appliances	16,338	15,984	34,379	28,862
Others	-	-	-	-
	16,338	15,984	34,379	28,862
<u>Inter-segment</u>				
Home appliances	1,140	6,397	6,881	11,843
Others	144	103	287	207
Elimination	(1,284)	(6,500)	(7,168)	(12,050)
	-	-	-	-
Total Revenue	16,338	15,984	34,379	28,862
<u>Segment Results</u>				
Home appliances	230	(123)	(49)	(757)
Others	(221)	(244)	(428)	(425)
Elimination	-	-	-	1
	9	(367)	(477)	(1,181)
<u>Other Income</u>				
Home appliances	328	138	904	321
Others	66	5	72	10
	394	143	976	331
<u>Interest expense</u>				
Home appliances	(55)	(34)	(110)	(92)
Others	-	-	-	-
	(55)	(34)	(110)	(92)
<u>Interest income</u>				
Home appliances	49	41	98	80
Others	-	-	-	-
	49	41	98	80
<u>Profit/(loss) before taxation</u>				
Home appliances	552	22	843	(448)
Others	(155)	(239)	(356)	(414)
	397	(217)	487	(862)
<u>Tax expense</u>				
Home appliances	(198)	(69)	(626)	(177)
Others	(20)	(14)	(21)	(14)
	(218)	(83)	(647)	(191)
Profit/(Loss) for the period				
Home appliances	354	(47)	217	(625)
Others	(175)	(253)	(377)	(428)
	179	(300)	(160)	(1,053)
Fair Value gain on Available for sale financial asset	1	-	2	-
Total Comprehensive profit/ (loss) for the period	180	(300)	(158)	(1,053)

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 30 June 2015 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 30 June 2015. The contingent liabilities of its subsidiaries pertaining to the facilities utilised as at 30 June 2015 amounted to RM3.31 million.

A13. Capital commitments

There was no capital commitment as at 30 June 2015.

A14. Related party disclosures

Transactions with related parties during the period ended 30 June 2015 :

	Quarter ended 30/06/2015 RM '000	Quarter ended 30/06/2014 RM '000	YTD ended 30/06/2015 RM '000	YTD ended 30/06/2014 RM '000
Staff remuneration paid to persons connected to certain directors	<u>23</u>	<u>38</u>	<u>48</u>	<u>79</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

During the quarter under review, the Group posted a net revenue of RM 16.34 million, an increase of 2.25 % over the preceding year corresponding quarter's revenue of RM 15.98 million. Domestic sales increased by 5.79 % to RM 11.51 from RM 10.88 million while export sales decreased by 5.29% to RM 4.83 million from RM 5.10 million achieved in the preceding year corresponding quarter.

The Group recorded a pre-tax profit of RM 0.40 million and a profit after tax of RM 0.18 million during the quarter under review compared to a pre-tax loss and loss after tax of RM 0.22 million and RM 0.30 million respectively in the preceding year corresponding quarter. Higher sales revenue and gross margin together with realized gain in foreign exchange during the quarter under review contributed to the turnaround to profit on a pre-taxation basis compared to a loss in the preceding year corresponding quarter.

The Home appliances segment recorded a profit before tax of RM 0.55 million while the Investment Holding and dormant companies segment (classified under "Others" in Note A8) recorded a loss before tax of RM 0.16 million in the current quarter under review. For the preceding year corresponding quarter the Home appliances and Investment Holding and dormant companies segment recorded a profit before tax of RM 0.02 million and a loss before tax of RM 0.24 million respectively.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter at RM 16.34 million was 9.42 % lower than that of the immediate preceding quarter's revenue of RM18.04 million. The lower revenue was due to lower export sales. Export sales decreased to RM 4.83 million from RM 6.68 million (27.69%) while domestic sales increased marginally to RM 11.51 million from RM 11.36 million (1.32%).

For the current quarter under review, the Group posted a profit before tax of RM 0.40 million compared to a profit before tax of RM 0.09 million in the immediate preceding quarter ended 31 March 2015. The higher profit was due to higher gross margin achieved during the quarter under review. Profit after tax for the current quarter amounted to RM 0.18 million compared to loss after tax of RM 0.34 million in the immediate preceding quarter.

B3. Commentary on current year prospect

The current weak Ringgit is affecting the cost of goods due to higher import cost which will lead to higher retail prices. Together with the implementation of goods and service tax (GST), domestic consumption is expected to slow down in the remaining quarters of the year. However, the Group hopes to maintain its export market sales for the coming quarters to cushion the expected slow down in the domestic market.

Barring any unforeseen circumstances, with continuous actions taken to ensure a lower cost structure, the Group hopes to maintain its current quarter performance for the remaining quarters of 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 the quarter under review.

B5. Taxation

	Quarter ended 30/06/2015 RM '000	Quarter ended 30/06/2014 RM '000	YTD ended 30/06/2015 RM '000	YTD ended 30/06/2014 RM '000
Current year tax expense	264	83	607	190
Under provision for prior year	-	-	(1)	1
Deferred taxation	(46)	-	41	-
	<u>218</u>	<u>83</u>	<u>647</u>	<u>191</u>

B6. Status of corporate proposals announced by the Company

The Company did not announced any Corporate proposal during the quarter under review.

B7. Group borrowings and debt securities

Secured bank borrowings are secured by fixed charges over the land and building owned by certain subsidiary companies and are guaranteed by the Company. Unsecured bankers' acceptances and hire purchase facilities are guaranteed by the Company. The Group has not issued any debt securities.

The total Group borrowings as at the 30 June 2015 are as follows:

	As at 30 June 2015		As at 31 December 2014	
	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	3,294	-	4,439	-
Total	<u>3,294</u>	<u>-</u>	<u>4,439</u>	<u>-</u>
<u>Unsecured</u>				
Hire-Purchase	312	123	328	317
Total	<u>312</u>	<u>123</u>	<u>328</u>	<u>317</u>
Total	<u>3,606</u>	<u>123</u>	<u>4,767</u>	<u>317</u>

B8. Material litigation

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

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

	Quarter ended 30/06/2015 RM '000	Quarter ended 30/06/2014 RM '000	YTD ended 30/06/2015 RM '000	YTD ended 30/06/2014 RM '000
Profit/(loss) attributable to owners of the parent	<u>179</u>	<u>(300)</u>	<u>(160)</u>	<u>(1,053)</u>

ii) Number of ordinary shares (basic)

	Quarter ended 30/06/2015	Quarter ended 30/06/2014	YTD ended 30/06/2015	YTD ended 30/06/2014
Weighted average number of ordinary shares ('000)	<u>54,411</u>	<u>54,411</u>	<u>54,411</u>	<u>52,553</u>
Basic profit/(loss) per share (sen)	<u>0.33</u>	<u>(0.55)</u>	<u>(0.29)</u>	<u>(2.00)</u>

There is no dilutive effect on profit/(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 is as follows:

	As at 30 June 2015 RM '000	As at 31 December 2014 RM '000
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(19,052)	(19,366)
- Unrealised	9	483
	<u>(19,043)</u>	<u>(18,883)</u>
Less: Consolidated adjustments	11,024	11,024
Total (accumulated losses)/retained profits as at 30 June / 31 December	<u><u>(8,019)</u></u>	<u><u>(7,859)</u></u>

B12. Profit/(loss) for the period

	Quarter ended 30/06/2015 RM '000	Quarter ended 30/06/2014 RM '000	YTD ended 30/06/2015 RM '000	YTD ended 30/06/2014 RM '000
Profit/(Loss) before taxation is arrived at after charging / (crediting) :				
Interest expense	55	34	110	92
Interest income	(49)	(41)	(98)	(80)
Unrealised foreign exchange gain	(129)	(100)	(298)	(118)
Realised foreign exchange gain	(124)	24	(469)	(15)
Depreciation	354	343	714	689
Amortisation	32	41	66	83
Gain on disposal of property, plant & machinery	-	(17)	-	(55)
Property, plant & equipment written off	1	-	1	34
Impairment loss on trade receivables	131	-	131	-
Allowance for obsolete stocks	90	-	90	-

Dated: 25 August 2015